

Performance Management: Steering, Motivation and/or Learning?

MA course, 10 ECTS.

Teacher:

Poul Aaes Nielsen
Assistant Professor
Department of Political Science and Public Management
University of Southern Denmark
aaes@sam.sdu.dk

[http://findresearcher.sdu.dk:8080/portal/da/persons/poul-aaes-nielsen\(48522fe1-c99a-4654-8381-99a9e210227d\)/publications.html?filter=research](http://findresearcher.sdu.dk:8080/portal/da/persons/poul-aaes-nielsen(48522fe1-c99a-4654-8381-99a9e210227d)/publications.html?filter=research)

Time:

Mondays: 16-18
Location: U-144

Introduction:

Public organizations are subject to increased demands to demonstrate and improve their results. These demands are reflected by increasingly comprehensive performance measurement systems, as well as by the introduction of performance measurement to new areas of the public sector at the local, regional, and national levels. For instance, there have been considerable public debate over school rankings, but also areas like health care, child care, police, and employment agencies are subject to performance measurement. Nevertheless, the potential for performance improvement through performance measurement and management is highly disputed, and in the academic literature there is no clear consensus about the positive or negative effects of performance measurement.

This seminar introduces the participants to a range of important aspects regarding performance-based management. First, what makes up results or organizational performance when we are working with public organizations, and how can performance be measured. Second, how are performance-based management systems designed in practice, and how do they match different performance management recommendations. Third, we will discuss different theoretical perspectives that can be used to understand the rationales behind and effects of performance management, including how different rationales might be at odds with one another. These rationales include greater transparency, increased motivation through improved incentive structures, greater focus and goal clarity, as well as improved organizational learning and management through continuous feedback about organizational performance. Finally, the course places great emphasis on understanding the effects – intended or unintended, functional or dysfunctional – of actual performance management systems, including which contextual factors might affect the impact of performance management.

Learning objectives:

At the end of the course participants should be able to:

- Account for and discuss different conceptualizations of performance in the public sector.
- Account for different ways in which performance-based management can be designed, including discussing which rationales lie behind different designs.
- Account for and compare different theories about steering, motivation, and learning with reference to performance management.
- Assess analytical strengths and weaknesses of different theoretical approaches to performance management.
- Apply theories and approaches to the analysis of actual cases of performance-based management systems.
- Discuss strengths and weaknesses of different methods and research designs in empirical analyses of performance management.

Teaching formats:

Class is taught 2 hours per week for 12 weeks. Towards the end of the semester there will individual and group-based counseling regarding the participants' final papers.

Teaching will be conducted primarily as discussion-based teaching based on the participants' own preparation – individually and in study groups – for class. Class discussions will focus on both theoretical discussions and the application of concepts, theories, and methods to the analysis of actual examples of performance measurement and performance-based management systems. Participants are assigned to study groups in which they are expected to participate actively in the discussion of smaller assignments and questions.

Examination:

Students may choose between:

- Oral exam with a short written synopsis (2-3 pages) about a relevant theoretical or empirical question.
- Final paper (max 20 pages) about a relevant question chosen by the student.

Course readings comprise no more than 1,200 pages.

Class 1: Introduction

Moynihan (2008): The dynamics of performance management: Constructing information and reform. Washington, DC: Georgetown Univ. Press. Pp. 1-12; 26-38 (25 s.)

Nielsen, Poul Aaes (2013). Performance Information in Politics and Public Management: Impacts on Decision Making and Performance. PhD Dissertation. Aarhus, DK: Politica. pp. 7-18. (12 s.)

Greve, Carsten (2006): Public Management Reform in Denmark. *Public Management Review*, Vol. 8(1), pp. 161-169. (9 s.)

(46 pages)

Class 2: Weber vs. public choice – challenges to the bureaucratic organization

Weber, Max, 2000. *Makt og Byråkrati. Essay om politikk of klasse, samfunnsforskning og verdier*. København: Gyldendal, 3. udgave, 5. oplag.

- pp. 97-109; 113-115; 129-132. (20 s.)

Niskanen, William (1971). "Bureacracy and Representative Government". Chicago: Aldine Press. (reprinted in William A. Niskanen (1994). *Bureaucracy and Public Economics*. Cheltenham: Edward Elgar).

- pp. 3-9; 15-30; 36-42. (30 s)

Moe, Terry M., 1984. "The New Economics of Organization", *American Journal of Political Science* 28: 739-777. (39 s.)

- Read thoroughly!

(89 pages)

Class 3: NPM and Performance Management

Hood, Christopher (1991). "A Public Management for all Seasons?". *Public Administration*, Vol. 69, pp. 3-19. (17 s.)

Kettl, Donald F. (1997): The Global Revolution in Public Management: Driving Themes, Missing Links. *Journal of Policy Analysis and Management*, 16(3), pp. 446-462. (17 s.)

Christensen, Jørgen Grønnegård (2010): Al den snak om NPM. En lavmælt og kritisk røst. *Økonomi & Politik*, 83(1), pp. 14-21. (8 s.)

Williams, Daniel W. (2003): *Measuring Government in the Early Twentieth Century*.

- Read only the abstract (1 s.)

Hood (2012): Public Management by Numbers as a Performance-Enhancing Drug: 2 Hypotheses. *Public Administration Review*, Vol 72(S1), pp. s85-s92. (8 s.)

Ammons, David N. (2000): Benchmarking as a Performance Management Tool: Experiences Among Municipalities in North Carolina. *Journal of Public Budgeting, Accounting & Financial Management*, 12(1), pp. 106-124. (19 sider)

(72 pages)

Class 4: Evaluation criteria: What is performance?

Boyne (2002a): Concepts and Indicators of Local Authority Performance: An Evaluation of the Statutory Frameworks in England and Wales. *Public Money & Management*, pp. 17-24. (8 sider)

Van Dooren, Bouckaert & Halligan (2010): *Performance Management in the Public Sector*. London, England: Routledge. pp. 16-22. (7 s.)

Boyne, George A. (2003): What is Public Service Improvement? *Public Administration*, Vol. 81(2), pp. 211-227. (17 sider)

Norman, Richard (2007): Managing Outcomes while Accounting for Outputs: Redefining "Public Value" in New Zealand's Performance Management System. *Public Performance and Management Review*, Vol 30(4), pp. 536-549. (14 sider)

Behn (2003): Why Measure Performance? Different Purposes Require Different Measures. *Public Administration Review*, Vol. 63(5), pp. 586-606. (21 s.)

Boyne, George A. & Chen, Alex A. (2007): Performance Targets and Public Service Improvement. *Journal of Public Administration Theory and Research*, vol. 17(3), pp. 455-477. (23 s.)

(90 pages)

Class 5: Performance-based incentives – at the organizational level

Miller, Gary. 2005. "The Political Evolution of Principal-Agent Models", *Annual Review of Political Science*, 2005. 8, pp. 203-25. (23 s.)

Miller & Whitford (2007): *The Principal's Moral Hazard: Constraints on the Use of Incentives in Hierarchy*. *Journal of Public Administration Research and Theory*, Vol. 17(2), pp. 213-233. (21 s.)

Kelman, Steven & Friedman, John N. (2009): *Performance Improvement and Performance Dysfunction: An Empirical Examination of Distortionary Impacts of the Emergency Room Wait-Time Target in the English National Health Service*. *Journal of Public Administration Research and Theory*, 19, pp. 917-946.

Bevan & Hood (2006). *What's Measured is What Matters: Targets and Gaming in the English Public Health Care System*. *Public Administration*, 84(3), pp. 517-538. (22 s.)

Dahler Larsen, Peter (2014): *Constitutive Effects of Performance Indicators. Getting beyond unintended consequences*. *Public Management Review*, Vol. 16(7), pp. 969-986. (18 s.)

(88 pages)

Class 6: Performance-based incentives – managers and front-line employees

Swiss, James E. (2005): *A Framework for Assessing Incentives in Results-Based Management*, in *Public Administration Review*, 65(5), pp. 592-602. (11 s.)

Burgess, Simon & Marisa Ratto (2003). "The Role of Incentives in the Public Sector: Issues and Evidence", *Oxford Review of Economic Policy*, 19, 2, pp. 285-300. (16 s.)

Brehm, John & Gates, Scott (1997), "*Working, Shirking or Sabotage*". *Michigan Studies in Political Analysis*. pp. 1-22; 25-32; 42-46. (35 s.)

Andersen, L.B. & Thomas Pallesen (2008): 'Not just for the money?' How Financial Incentives affect the Number of Publications at Danish Research Institutions. *International Public Management Journal*, 11(1), pp. 28-47. (20 s.)

Nielsen, Poul Aaes & Maria Falk Mikkelsen (2009): *Speciale-abstract*

- Lægges på Blackboard. (1 s.)

Bregn, Kirsten (2008). "Management of the new pay systems in the public sector. Some implications gained from the insights of experiments". *International Review of Administrative Sciences*, 74, 1: 79-93. (14 s.)

(97 pages)

Class 7: From Performance Measurement to Management

Nielsen, Poul Aaes (2014). Performance Management, Managerial Authority, and Public Service Performance. *Journal of Public Administration Research and Theory*. 24(2), 431-458. (28 s.)

Moynihan & Ingraham (2004): Integrative Leadership in the Public Sector: A Model of Performance Information Use. *Administration & Society*, 36, pp. 427-453. (27 s.)

Mortensen, Peter Bjerre: Politik og produktivitet. En diskussion af Produktivitetskommissionens anbefalinger. *Administrativ Debat*, Marts 2014, 28-31. (4 s.)

(59 pages)

Class 8: Performance information use and organizational learning

Moynihan, Donald P. & Sanjay K. Pandey (2010): The Big Question for Performance Management: Why Do Managers Use Performance Information? *Journal of Public Administration Research and Theory*, 20(4), pp. 849-866. (18 s.)

Moynihan, Donald P. (2009): Through A Glass, Darkly: Understanding the Effects of Performance Regimes. *Public Performance & Management Review*, Vol. 32(4), pp. 592-603. (12 s.)

Moynihan, Donald P. (2005): Goal-Based Learning and the Future of Performance Management, in *Public Administration Review* 65(2), pp. 203-216. (14 s.)

Moynihan, Donald P. & Landuyt, Noel (2009): How do Public Organizations Learn? Bridging Cultural and Structural Perspectives. *Public Administration Review*, pp. 1097-1105. (9 s.)

Meindl, James R., Sanford B. Ehrlich, and Janet M. Dukerich. 1985. 'The Romance of Leadership'. *Administrative Science Quarterly* 30 (1): 78-102.

(88 pages)

Class 9: Organizational learning from performance feedback

Greve, H.R. 1998. 'Performance, Aspirations, and Risky Organizational Change', *Administrative Science Quarterly*, 43, 1, 58–86. (29 s.)

Nielsen, Poul Aaes (2014). Learning from Performance Feedback: Performance Information, Aspiration Levels, and Managerial Priorities. *Public Administration*. 92(1), 142-160. (19 s.)

Salge, Torsten O. (2011): A Behavioral Model of Innovative Search: Evidence from Public Hospital Services. *Journal of Public Administration Research and Theory*, 21, pp. 181-210. (30 s.)

Aldag, Ramon J. 2012. "Behavioral Decision Making Implications for Leadership and Organizations." *Journal of Leadership & Organizational Studies* 19 (2): 133–141.

(78 pages)

Class 10: Citizen responses to performance data

Favero, Nathan & Kenneth J. Meier (2013). Evaluating Urban Public Schools: Parents, Teachers, and State Assessments. *Public Administration Review*, Vol. 73(3), 401-412. (12 s.)

Olsen, Asmus Leth (2013). Leftmost-digit-bias in an enumerated public sector? An experiment on citizens' judgment of performance information. *Judgment and Decision Making*, Vol. 8(3), pp. 365–371. (7 s.)

Van Ryzin, Gregg G. (2013). An Experimental Test of the Expectancy-Disconfirmation Theory of Citizen Satisfaction. *Journal of Policy Analysis and Management*, Vol. 32, No. 3, 597–614. (18 s.)

James (2011): Performance Measures and Democracy: Information Effects on Citizens in Field and Laboratory Experiments. *Journal of Public Administration Research and Theory*, Vol. 21, pp. 399–418. (20s.)

Boyne, George A., Oliver James, Peter John and Nicolai Petrovsky (2009). Democracy and Government Performance: Holding Incumbents Accountable in English Local Governments. *The Journal of Politics*, Vol. 71(4), pp. 1273-1284. (12 s.)

Van Slyke, David M. & Christine H. Roch (2004). What Do They Know, And Whom Do They Hold Accountable? Citizens in the Government-Nonprofit Contracting Relationship. *Journal of Public Administration Research and Theory*, Vol. 14(2), pp. 191-209. (19 s.)

(88 pages)

Class 11: The politics of performance data

Moynihan, Donald P. (2006): What Do We Talk About When We Talk About Performance?: Dialogue Theory and Performance Budgeting. *Journal of Public Administration Research and Theory*, 16(2), pp. 151-168. (18 s.)

Nielsen, Poul Aaes and Martin Bækgaard (2013). Performance Information, Blame Avoidance, and Politicians' Attitudes to Spending and Reform: Evidence from an Experiment. *Journal of Public Administration Research and Theory*. E-pub ahead of print (Oct 22), doi: 10.1093/jopart/mut051, pp. 1-25. (25 s.)

Bertelli, Anthony M. and Peter John (2010). Government Checking Government: How Performance Measures Expand Distributive Politics. *The Journal of Politics*, Vol. 72(2), pp. 545-558. (14 s.)

Demaj, L., & Summermatter, L. (2012). What Should We Know About Politicians' Performance Information Need and Use? *International Public Management Review*, 13(2), 85–111. (27 s.)

(84 pages)

Class 12: More politics, implications for management, and further perspectives

Hood, Christopher S. (2002). "Control, Bargains, and Cheating: The Politics of Public-Service Reform", *Journal of Public Administration Research and Theory*, 12, 3, s. 309-332. (24 s.)

Binderkrantz, Anne & Jørgen Grønnegaard Christensen. 2009. "Delegation without Agency Loss? The Use of Performance Contracts in Danish Central Government", *Governance*, 22(2): 263-293. (31 s.)

Jennings, Edward T. & Haist, Meg Patrick (2006): Putting Performance Measurement in Context, in Ingraham, Patricia W. & Lynn, Laurence E.: *The Art of Governance*, pp. 173-194. Washington, DC: Georgetown University Press. (22 s.)

Moynihan, D. P. (2013). "Advancing the Empirical Study of Performance Management: What We Learned From the Program Assessment Rating Tool." *The American Review of Public Administration* 43 (5) (September 1): 499–517. (19 s.)

(96 pages)