



The politics and consequences of performance measurement

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Abstract

Performance measurement is most often considered as the political application of the use of information, collected and used to demonstrate effectiveness against a set of criteria. In reality, many complexities are hidden behind this seemingly rational and technical enterprise. This paper establishes a conceptual framework for the collection of articles in this volume. It examines the politics of performance measurement – who decides what should be measured, how, and why – and its consequences. It analyses why performance measurement is important, outlines its explicit and implicit purposes and the fundamental assumptions underpinning it, and describes its problems, paradoxes and consequences. A chain of performance measurement is then proposed and two contrasting versions of it (one rational-technical and one realistic-political) are presented. This social structural and political institutional approach to performance measurement highlights dynamics, interactivity and power. In doing so, it discloses the politics and consequences of performance measurement.

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1. Introduction

If information is power, then performance measurement is surely tightly linked to the creation and use of power. And, given humans' lack of ability to accurately predict the outcomes of social interventions, performance measurement must result in unintended consequences. It is surprising, then, that so much scholarship on performance measurement is directed at topics other than its politics and its consequences. This article argues for a greater focus on these neglected but important topics, and suggests a conceptual move to a 'chain of performance measurement', as a way of progressing research on the topic.

Performance in the public sector is an issue that is both perennial and critical. Since the 1970s interest in measuring performance has increased, alongside concerns about public sector expenditure and the advent of New Public Management (NPM). Performance measurement is high on the agenda of governments in many nations, as they seek to demonstrate that the organisations and individuals that they fund and manage, even at one or more steps removed, are doing what they are mandated to do. It is often represented in rationalist terms, as something instituted to ensure that publicly funded services are properly evaluated against a set of desired goals. It is perhaps not surprising then that

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many of the questions directed at performance measurement are centred on how best to measure performance (a technical issue) and how best to use it to meet organisational goals (a management issue).

A typical list of the problems related to performance measurement and the (at least implied) solutions to these are shown in Table 1. Rather than focus on these ‘usual suspects’ of performance measurement, this paper highlights its political dimensions and its consequences for individuals and for institutions. It argues that a new approach is needed to understand performance measurement, which explicitly recognises its political aspects (who decides?) and its consequences (who wins and loses?). The paper presents a framework that contrasts two alternative views – one rational and one realistic – as a series of links in a chain of performance measurement. The claim is that this chain provides some much needed analytical purchase for grasping the dynamics of performance measurement which are often overlooked.

Most of the literature on performance measurement lacks adequate conceptualization, little of it recognises the complexity of it within a public sector context, and even less provides an informed critique of it (Jackson, 2011). Some have focused less on the technical concerns and more on how performance measurement can be used as a mechanism of political discipline (e.g. Moynihan, 2008; Radin, 2006). However, positive views of why it is needed or how it should be done prevail. This introduction and the other papers in this volume instead begin from a different set of questions: Why and when are performance measures developed and promoted? Why are performance measures distorted or resisted? Who initiates, uses, and challenges them? Who wins and who loses when they are published? (Johnsen, 2005). In a similar vein, Pollitt (1987) claims that a more pertinent question than whether performance measurement works, is *what* is it for? In listing 10 possible purposes, he then moves on to the more political question of *who* is it for?

Such questions are about the location and use of power – put bluntly, an examination of who controls the creation and application of performance measurement systems. Issues of interests and power take the conversation into the realm of institutional theory, which opens up topics such as whether performance measurement is used as a tool to cement hierarchy, or as an instrument of self-examination for individuals and organisations, or a device for maintaining (centralised) control while decentralising responsibility (Carter, Klein, & Day, 1992). To this can be added considerations of the structures of public bureaucracies and their own struggle for survival amidst a set of unique conditions that connect politicians, interest groups and bureaucrats (see: Moe, 1990a). These questions of power extend to an investigation of the consequences of performance measures for the institutions and organisations that create and implement them, and for the organisations, programmes and individuals that are measured by them: Who benefits from their introduction? Who has a voice in their structure and content? Who is the most effected by the consequences – both intended and unintended, and desirable and undesirable?

Performance measurement is conceived of here as a social structure which arises from the interaction of institutional rules and individual responses to these rules. In other words, it is not simply about a simple production model, but about institutions, individuals and their interactions. This social structure is elaborated as a chain of performance measurement – a set of interactions that have a set of outputs and consequences, which generate a set of corrections in line with unanticipated and undesirable effects. Examining the social structure of performance measurement through this chain, places its politics and consequences at front and centre.

This paper attempts to redress the balance of the managerial and technical focus that has often dominated this topic, by beginning with an examination of why performance measurement has come to be so important for governments and public organisations. It then outlines its explicit and implicit purposes and the fundamental assumptions underpinning the performance movement, including the importance of rationality. The problems, paradoxes and consequences of performance measurement are described, and then two contrasting versions of a chain of performance measurement

Table 1
Problems and solutions of performance measurement.

Problem	Solution
The performance measures do not capture the desired goals and objectives	Create different measures
The performance measures are inadequate	Measure more things or measure more intensively
The measures are fine but they are not used properly (or at all)	Fix the link from measurement to management
The measures are causing undesirable behaviour (such as gaming)	Change the measures and how they are managed
The measures are having undesirable impacts on performance	Change the measures and how they are managed

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