

MANAGING FOR PERFORMANCE IN NEW ZEALAND'S PUBLIC SERVICE – A LOOSELY COUPLED FRAMEWORK?¹

The accounting and financial management innovations were introduced to comply with external reporting requirements; the next frontier in New Zealand financial management will be to devise systems and practices for internal management needs. (Schick, 1996, p.68)

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Abstract

This paper presents a window on, and some initial findings from, a larger research project currently being undertaken in relation to the performance measurement and management practices in the New Zealand public service. In this context the research draws a distinction between the formal New Zealand model of state sector management and those models in use within different agencies and at different levels within those agencies.

The paper draws on institutional theory and the institutional carriers identified by Scott (2001) as scripts by which the performance measurement and management practices in use may be read. These are then employed to test the existence of an integrated framework of performance objectives that drops down from Government priorities, to Ministers' purchased goods and services, to managerial objectives at each layer of the agency. It is concluded that this integration does not always exist and that regulative institutional mechanisms are more likely to result in the decoupling of nationally defined performance frameworks from those used locally by operational managers.

Keywords: public sector, performance measurement and management, institutional theory

Background

In considering "the big questions of public management", Behn (1995) explained that the measurement question could be asked from a number of different perspectives:

How can public managers know if they are doing a good job? How can public agencies know if they are doing a good job? How can legislators and

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citizens know whether their agencies and managers are doing a good job?
(p. 319)

Noordegraaf and Abma (2003) have suggested that “the world of public management has become a world of measurement” but the question arises, how relevant are these measures to the questions posed by Behn. Whilst public sector organisations have developed increasingly sophisticated performance measurement systems, concern exists that the espoused theories of public management embodied in these systems do not reflect the systems actually used in organisations. Pollitt (2001), for example, has observed that words and concepts can develop lives of their own to the point that talk, symbolism and organisational pronouncements may not reflect day to day practices.

Over the last twenty years in New Zealand, as in most other developed and transitioning economies, management of public sector organisations has undergone significant reform. The “new paradigm for the administration of public affairs” (Aucoin, 1995) was developed largely by practitioners (Boston, 1996) from a theoretical framework drawn from new institutional economics including agency theory and transactional cost economics. It was also heavily influenced by private sector, practitioner based models generically referred to as ‘managerialism’. This latter influence, in particular, has resulted in an increased emphasis in the public sector on performance and results (Aucoin, 1995). However, Pollitt (1990) has suggested that these private sector practices are premised on a set of clear and mutually compatible objectives that are first defined and then translated into a limited set of agreed performance targets. In a public sector context, in the absence of a singular performance metric such as profit [“a bottom-line” (Boston, et al, 1996)] and clear and stable priorities and objectives (Pollitt, 1990), defining, monitoring and managing such targets has proved problematic.

Indeed, as Boyne (2003) has pointed out, there exists little from either the academic or practitioner communities by way of a definition of what, in a public sector context, is meant by ‘performance’. This may reflect the intangible nature of many of the outputs produced by public sector agencies and, in some cases, the level of co-production or interdependencies with other organisations in the production process, and/or the diverse range of stakeholders with an interest in the results of the process. The difficulty of defining performance in the public sector context is exacerbated by the complex nature and objectives of the public production process (Wilson, 1989; Alford, 1993; Metcalfe, 1993; Gregory, 1995a) or perhaps, as Kanter and Summers (1994) more simply suggested, it is “the centrality of social values over financial values that complicates measurement for non-profit organisations” (p.98).

Nonetheless, we may conceive of a simple performance measurement framework that extends from the basic management of inputs (such as the number of staff employed or the amount of money spent on stationery), through the processes that consume those inputs (such as conducting interviews with unemployed beneficiaries), the outputs or goods and services produced by those processes (such as placing people in jobs), and the outcomes or impacts of those outputs (for example that associated with reducing rates of unemployment). As Figure 1 below illustrates, at each level in this framework different questions may be asked for different purposes and, if it is accepted that responsibility must be related to those factors over which managers have

at least some control, different responsibilities may be ascribed to each level. This implies that different sets of performance measures, related to the different activities and goals, are applied at each level but, if the organisation as a whole is to perform effectively, the underlying objectives need to be congruent throughout the framework.

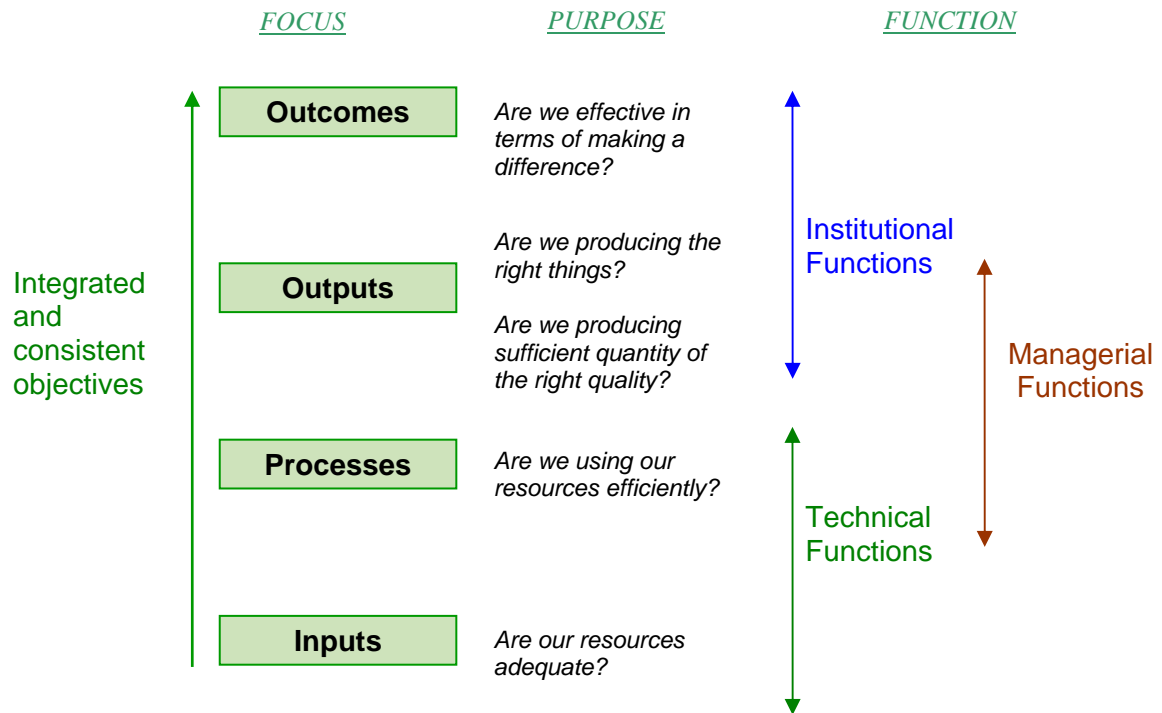


Figure 1 - A Framework for Performance Measurement

In a discussion of the problems of measuring performance in not-for-profit organisations, Kanter and Summers (1994) draw on an approach proposed by Talcott Parsons (1956) to suggest three different forms of function, representing different perspectives of what performance is and how it should be measured (shown in Figure 1 above).

At the highest level, 'institutional functions' are concerned with enabling managers to provide "evidence that the organisation is meeting standards or engaging in activities that confer legitimacy on it" (p.230). As shown in Figure 1 and further discussed below, these functions are primarily concerned with outcomes and outputs but may be 'decoupled' from (Meyer and Rowan, 1977), or at least 'loosely coupled' with (Weick, 1976), operational reality.

Overlapping the other two functions are 'managerial functions'. These are the domain of operational managers and are primarily focused on outputs and processes. They are primarily concerned with structure and process corrections and internal resource allocations.

At the lowest level are the 'technical functions'. These focus on process and inputs, the efficiency with which inputs are used and the quality of the resulting products or services. This is the domain of Lipsky's (1980) "street-level bureaucrat" who operates in a world of vague policy goals and insufficient resources.

Public sector performance measurement systems appear to have become primarily concerned with the first of these functions, that is 'institutional functions', and their related focus on outputs and outcomes. A key objective of these functions is legitimisation of the organisation's activities and thereby its ability to attract and maintain inputs such as funding and staff. Carter (1989) noted how, in theory, legitimising performance measures also facilitate devolution of control and accountability within the New Public Management. He suggested that such performance measures provide a mechanism by which government can retain control over departments by exercising a "hands off" rather than a "hands on" strategy; although, in practice, some politicians have remained prone to being involved in operational matters and somewhat reticent to take responsibility for broader strategic issues. Nonetheless, governments have sought to devolve operational freedom and responsibility to individual agencies and their managers and, at the same time, used mandated performance measurement systems, in respect of outputs and outcomes, to assert "political control over the state apparatus in order to direct change in accordance with political priorities" (Aucoin, 1995, p.4). According to Aucoin, the effect of public sector reforms towards the end of the twentieth century was as if the pendulum of power had swung in two directions simultaneously, empowering both elected representatives and the professional bureaucracy. However, in practice, the development of formal performance measurement regimes has been somewhat one-sided; the predominant influence has been that of the elected representatives and those seeking to exercise control over the public sector as a whole. Individual agencies and their managers have been assigned a subordinate role.

This trend is supported by the findings of McKeivitt and Lawton (1996) who surveyed a range of British public sector organisations in the early 1990s and found that "overwhelmingly" top-down external forces exerted the greatest influence in the development of performance measurement systems, if not in their practical use in management decision making. Similarly, in reviewing the impacts of the United States Government Performance and Results Act (1993), de Lancer Julnes and Holzer (2001) drew a distinction between the implementation of mandated practices and their practical use in management decision making processes within the agencies studied. They suggested that, if performance measurement information is to be used to support managerial decision making at all levels, rather than solely for purposes of legitimisation, a much broader constituency than those seeking to exercise control over the sector as a whole needs to be involved in its formulation.

In New Zealand, similar concerns have been raised about the public sector reforms resulting in the creation of performance measurement systems that are predominantly designed to support legitimisation functions associated with outputs and outcomes and externally orientated accountability and direction setting (considered further below) but which do not reflect and/or support the realities of operational managers (Schick, 1996; Norman, 2003). Changes to performance measurement in the New Zealand public sector, including the statutorily required reporting in respect of future operating intentions (Public Finance Amendment Act 2004, S.40), have strengthened this focus.

The overall intention has been to strengthen the emphasis placed on outcomes and the broader and joint responsibilities of related agencies in a sector. The Managing for Outcomes project, that was introduced in 2003, was designed to help managers better manage the business and was expected to lead to a greater integration between internal management information systems, management reporting, and external budget related and accountability documents (Gill, 2008).

However, questions remain as to the ability of this framework to facilitate sustained improvement in the management of New Zealand's public sector organisations. It has been argued that, over the last two decades, the principal concern of performance measurement initiatives in New Zealand's public sector has been management *of* the public sector as a whole rather than management *within* public sector organisations (Dormer, 2001). As has been the case in other countries, this results in a risk that formal performance measurement systems established within individual agencies may also focus predominately on the former at the cost of not providing sufficient and appropriate performance measurement information to support operational and technical management in their decision making. Concerned public service chief executives have commissioned research being undertaken by Victoria University of Wellington (and in part described below) to explore the reality of performance measurement and management practices in use within New Zealand's' state sector agencies.

A focus on measures designed for legitimisation purposes requires operational managers to provide information for purposes of upward or external accountability - notwithstanding that they may view this as unrelated to their own objectives and priorities. Indeed, the disconnect between external concerns and internal operational practice may be such that it becomes impractical, or even impossible, to measure some factors that are formally required to be reported for upward or external accountability purposes. Contractual models, that were adopted as part of the public management reforms, and that create distinct roles for purchasers and providers of services, tend to stress quantification of purchased outputs even when these involve work, such as community liaison, that does not readily lend itself to measurement. Limited attention may then be given to the reporting process, or the information that is reported may have, at best, a tenuous relationship with operational reality. Hofstede (1978) suggested that 'pseudo-control' occurs when that which is formally reported and that which is actively managed represent different factors. Even at a senior level, formal performance measurement systems may compile information for symbolic or legitimising purposes associated with managing relationships with external stakeholders rather than for practical or organisational decision support purposes. The term "symbolic action" was used by de Lancer Julnes & Holzer, (2001, p.696) to describe the process by which organisations may satisfy a law or administrative regulation by collecting and publishing required data despite the fact that it is not used by managers to support their internal decision making processes. Also along these lines, Modell (2001, p.447) found Norwegian hospitals reporting qualitative performance measures that were requested by state agencies but which were apparently not used internally.

In his 1996 review of New Zealand's public sector reforms, Allen Schick wrote:

The accounting and financial management innovations were introduced to comply with external reporting requirements; the next frontier in New Zealand financial management will be to devise systems and practices for internal management needs. (Schick, 1996, p.68)

Meaningful performance measurement that contributes, and is central, to operational management processes requires a framework that reflects those dynamics over which managers have control, i.e. the detailed processes, activities and tasks that are the operational concern of managers within individual public sector agencies. However, if the dynamics over which managers have control are to effectively contribute to broader and longer term organisational goals, performance measures must also reflect these broader issues. As suggested by Neely, Mills, Platts, Richards, Gregory, Bourne, and Kennerley, (2000):

Critical here is closing the management loop and ensuring that the measurement system actually drives day to day decisions and actions thereby ensuring that the firm's strategy is implemented. (p.1127)

That loop runs through the framework of performance measurement depicted in Figure 1 in what may be either a consistent chain of accountability or a disjointed series of inconsistent frameworks. Brignall and Modell (2000) have argued that the use of de-coupled performance measures, that may be either contradictory in themselves or reflect inconsistent goals, may be a rational response by managers to the diverse and conflicting objectives of various stakeholders. This may, for example, reflect the difficulty in expressing in the quantitative or financial terms required by external stakeholders the due process and qualitative concerns of internal professional stakeholder groups. Similarly, Dillard, Rigsby and Goodman (2004) have observed that decoupling is a result of incongruence between the goals of the broader, external environment and those of the individual organisation. They suggest, "The implementation of an institutional practice is symbolic, or decoupled, if it is not integrated into the management and organization processes" (p. 518).

Theory

The frameworks within which performance is measured and managed for external accountability and/or internal decision making purposes, may be seen as socially constructed institutions which serve to both provide boundaries to and empower and support the activities of organisational actors. Scott (2001) has suggested that such institutions are reinforced or maintained by three "pillars", namely:

- regulative - involving rule-based frameworks;
- normative - involving social obligations; and
- cultural/cognitive - involving shared understandings and logics of action.

Scott has also suggested that institutions are embodied in various carriers that may be read as scripts (i.e. observable and recurrent patterns of interaction). In the context of the three agencies that were initially studied examples of these carriers can be shown as follows:

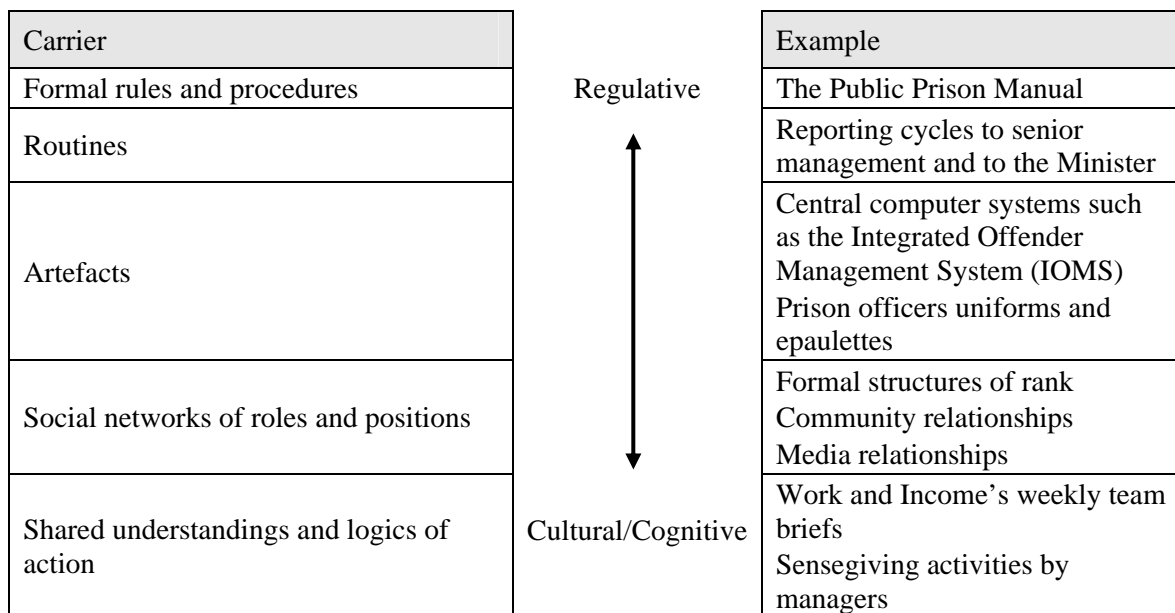


Figure 2 – Institutional Carriers

From the above it may be expected that the de-coupling of formal and in use performance measurement and management frameworks will become more difficult as the institutional framework moves from being more regulative to being more cultural/cognitive based.

Methodology

Recent research, initially undertaken in three service providers² of New Zealand's core public service, has sought to understand the relationship between the performance information used for external accountability purposes and that used internally to support management decision making processes.

A series of semi-structured interviews were held with individual members of three case study agencies to provide the basis for insight into the performance measurement frameworks in use at different points within each organisation. Those interviewed included operational supervisors and local managers as well as regional and national office based managers. In the cases of Work and Income and the Community Probations Service, both of whom have offices spread throughout the country, offices were selected to give a diverse geographic (i.e. rural vs. urban) and demographic mix. In the case of Public Prisons a male and a female prison were chosen as sites. In the case of all three agencies regional managers and senior national office managers were also interviewed.

Whilst these interviews, and their subsequent analysis, were categorised into three organisational levels (local, regional and national), there were variations in the organisational structure and number of levels of each agency. The simplification of three levels allowed consistency in the analysis and did not detract from the relevance

² Work and Income, which is a service line within the Ministry of Social Development, and Public Prisons and the Community Probations Service, which are parts of the Department of Corrections.

of the comments made by interviewees. The spread of those interviewed is summarised in the following table.

Agency	Local	Regional	National	External	Total
Work & Income	6	2	3		11
Public Prisons	10	1	2	1	14
Community Probations Service	7	2	4		13

Figure 3 - Interviewee Selection

Each interviewee was initially asked to define what their agency does and then what are the specific functions undertaken by themselves and their team. They were then asked to define their performance objectives and the factors that affect their ability to achieve them. They were also asked about the factors or issues they are required to measure and report on and whether these are, in practice, useful in terms of planning for, and monitoring progress in achieving, their objectives.

The objective of this process was to reveal the enacted (used), rather than just the espoused and formal (codified), frameworks by which performance is measured and managed. Each of the interviews lasted between three quarters of an hour and an hour and a quarter, although the majority were kept to an hour. Notes were taken of the issues and priorities suggested, the language and the tools used to measure performance, and the use made of performance measurement information.

The interviews were also recorded, transcribed into Microsoft Word and a copy of the transcript returned to each interviewee for their review and to enable them to provide any further comments they believed were necessary. Any required amendments were made and each transcript was then examined in relation to each of the three lenses of function, purpose and perspectives (described in chapter 1). Codes were created for the themes that emerged from the reading and those codes assigned to relevant passages of the text which were copied and pasted into separate Word documents. The process of analysis was grounded in as much as the detailed categories were allowed to emerge in the coding process rather than being predefined and used to test a particular hypothesis. Via this 'bottom-up' approach, other than the lenses selected, the transcriptions were allowed to speak for themselves and the codes to emerge "to produce data that represents insiders' lived experience" (Stablein, 1999). The alternative use of predefined codes would have created the risk of missing important, but unexpected, themes within the data.

The initial analysis of the coded text was undertaken by counting the statements made by each of the interviewees in respect of each of the codes. The number of statements were then summarised as a percentage of the total statements made by each individual and then again as a percentage of the total statements made by those individuals grouped into either national, regional, or local personnel. This summarisation process was undertaken in order to allow for the following factors:

- as a result of different organisational structures within each organisation, the spread and number of interviewees varied at each level;
- as a result of the geographical spread of operations there were more local interviewees than those based at regional or national office levels; and
- generally the scope and length of the interviews, and therefore the number of statements provided, was significantly greater for more senior managers than for front line staff.

The data, with these variables therefore eliminated, was then presented in summary tables and histograms³ for each of the case study agencies in order to map the relative emphasis given to each code. However, it should also be borne in mind that the tables represent the fact that statements were made, not whether those statements were made with a negative or a positive connotation. The summary tables and histograms therefore represent high level cognitive maps of those factors that the interviewees associated with performance measurement and management.

For each of the agencies studied, routine meetings of operational managers and staff were observed to gather evidence of the performance measurement framework(s) in use within each agency and to gain some further insight into local cultural norms and ‘the way things are done around here’. Notes were taken in each meeting on the issues discussed, priorities established and language used. Together with the site visits required for the semi-structured interviews, attending these meetings provided an opportunity to observe the physical environment in which performance is measured and managed including. Relevant factors such as the lay out of desks and offices and their impact on the extent to which performance, in terms of client interaction, is observable were noted. Similarly relevant local artefacts such as posters or wall charts also provided insight into sensgiving practices.

Findings

The following section provides an analysis of the role of Scott’s institutional carriers in the initial three case study agencies (Work and Income, Public Prisons, and the Community Probations Service).

Formal Rules and Procedures

Formal rules and procedures are important in all three of the agencies that were initially studied. In Work and Income formal rules and procedures are an essential safeguard against the risk of inappropriate payments to beneficiaries and are supported by an accuracy reporting process by which a random sample of client files is routinely analysed for accuracy by a national office team. An interviewee described a local response to this process as follows:

[E]very month the National Office ... accuracy reporting team ... go through and pick so many actions out and they ask us to go through and send a copy of all the paper work down there. They check it and then we get the results for that month. And our super⁴ team are 100%; now they’re a very experienced team and they are

³ These are shown in the attached appendix.

⁴ Work and Income is also responsible for the payment of New Zealand Superannuation

so proud of what their achievements are. And they very rarely miss out on that.
(WI local 1)

Formal rules and procedures are also a significant focus of weekly Wednesday Briefs that are held at each of Work and Income's sites. A creative approach to managing formal procedures was demonstrated at one of these meetings, that was observed as part of the research, when staff staged their version of an Oprah Winfrey chat show to 'interviewee' a number of their colleagues who explained the requirements and significance of various key processes and related computer fields. A local Service Centre Manager also explained his/her view of managing formal procedures by saying:

It's important if we haven't got it quite right [to understand] what happened in our process and what do we need to do to change it? Was it a particular person; or was it something that we didn't deliver quite right; or what was it? I like to find out what it is and then combat it to make sure that it doesn't happen again; or try and minimise the risk as much as possible. (WI local 4)

In Public Prisons formal rules and procedures are central to performance measurement and management practices. A Unit Manager stated, "I'm really measured on timeframes and adherence to business rules" (PP local 8) which are contained within the Public Prisons Manual (PPM) which another Unit Manager described as "our bible, basically" (PP local 6). Within the prisons local performance is subject to a regular audit process as a regional interviewee explained:

We measure ourselves on things like internal control requirements, how many faults did we have, what about repeat faults. Now we go in and we do a lot of audits so we measure on all those kinds of things. (PP regional 13)

A Principal Corrections officer explained how those audits were used to confirm that prisoners were being managed to their pre-defined plan:

[The auditors look for] whether we are ... managing the prisoners according to their plan ... and how do they get their information? I have to keep a report on it. I keep weekly reports so they'll come in my office and check my files. And sometimes they will go and ask the prisoners just to make sure we are not ... making it up. ... They will sometimes go and check with the staff and with the inmates. (PP local 7)

Unlike Work and Income, in Public Prisons the perspective of local interviewees on the audit process was somewhat ambivalent. As one local manager reported:

We have audits that tend to come around very frequently. We can have weekly, monthly and quarterly checks in various areas. If you were to ask me, I think we are overdone with the audit type things; but then, depending on what comes back from them, I get my performance measured on the results of those audits. So they are a good benchmark for me to see what we are doing right and what we are doing wrong. (PP local 6)

Within the Community Probations Service formal rules and procedures were mentioned by interviewees at all three organisational levels but were particularly significant for those at the regional level. In discussing how staff interact with

offenders a Regional Manager suggested that compared to his/her previous experience with what was then the Department of Social Welfares:

We are a lot more prescriptive in what is expected so, in a way, you can measure all those interaction points and whether they are done, probably not to the point of sitting behind a desk and watching someone but we do have some [measures]. (CPS regional 1)

(S)he explained how those 'interaction points' and the delivery of reports are measured via three mechanisms. Firstly the quality assurance system (QUAS) takes samples of work from each site which are then reviewed and scored against standards. This system was described by a national level interviewee as being concerned with:

... not really performance of staff as such, it's more compliance with the manual standards, how well staff are complying with the manual standards that we put in place. [Are] processes being followed or if you wrote a particular report has it contained all of these things as it's supposed to? (CPS national 5)

Secondly, the Regional Manager also explained the role of quality improvement advisors by saying they also:

... sample pieces of work on a regular basis and again use some of the quality assurance standards. And the standards are all based on what the manual says people have to do. (CPS regional 1)

Thirdly, (s)he described how reports of incidents, such as offender suicide, very serious offending, re-offending, or a threat against a staff member, could also result in a review of procedures. (S)he explained:

Some of those will automatically result in what we call a five day review and some of them we will go in and do a full investigation. Some of that depends on the profile that the particular incident has. And the initial checks against that are how did we manage against what our procedures were? So the results of that become parts of the feedback loop. (CPS regional 1)

A local level a manager also described operational reviews of procedures and explained:

Almost always there will be issues that we haven't followed up on completely; so there's always a series of recommendations and so on. A big part of my role is implementing the recommendations and reporting back on how the implementing of those recommendations has gone. (CPS local 4)

Routines

The most significant routine mentioned by interviewees from the three agencies initially studied was the monthly reporting cycle. The production of performance information is often more concerned with legitimising (to superiors) the existence and activities of a given unit rather than informing and supporting the decision making of

⁵ The Department of Social Welfare was a prior organisational incarnation of Work and Income.

that unit's management. Thus a local interviewee in Work and Income described the monthly production of "the mother of all reports" which, (s)he explained:

... gives them (national office) some assurance that we are managing it ... and it alerts them to issues. (WI local 8)

The monthly reporting cycle was a similar concern to local level interviewees within Public Prisons where a manager commented:

We are now becoming a reporting agency as opposed to a prison agency. From where I sit, we seem to be losing focus on what our core functionality is. (PP local 2)

The regulative nature of the formal reports within Public Prisons was further emphasised by a regional level interviewee who, in respect of the development of a new reporting template, commented:

There is a bit of concern among a number of us at a senior level, less this be used as a weapon as opposed to a tool. (PP regional 13)

Interviewees from the Community Probations Service also provided a detailed description of the process by which quantitative reports are prepared at the national level, received and discussed at the local and regional levels, before being returned together with commentary to national office.

Artefacts

Artefacts are physical and technical objects which are given shape by human action but which also, via a process of reification, assume a role that both enables and constrains human action (Giddens, 1976). An organisation's central computer systems are artefacts that embody a codification of a particular view of what performance is and how it should be managed. Within Work and Income staff utilise a range of legacy systems that are not integrated and allow staff a degree of freedom in how they are used; although it was suggested that this situation may well change with the planned development of a single new system. In contrast, both Public Prisons and the Community Probations Service utilise the relatively new Integrated Offender Management System (IOMS) that provides less freedom to operational staff by more strictly defining due processes. IOMS was described by a local interviewee within Public Prisons as "not user friendly ... extremely complicated sometimes and tediously time consuming" (PP local 8). Another local interviewee also described IOMS as "a big brother watching sort of situation" and suggested that it is:

... taking front line staff away from the people that they are there for ... [because] none of that information is required by those working on the floor⁶ or working close to that floor; what [the system is] for is giving the ability for information to be collated and reports run from national office. (PP local 10)

Similarly, interviewees from the Community Probations Service suggested that IOMS principally provides benefits at the national level; as a local interviewee explained:

⁶ The term "floor" is used to describe the area in and around the cells where prison officers interact directly with prisoners.

If you look at our system you can sit in Wellington and judge more or less what's going on on Johnny's case in Christchurch. (CP local 11)

Other Community Probations interviewees also acknowledged IOMS unreliability and provided examples of local alternate systems that are run in parallel to the national system.

It was also apparent that performance related artefacts do not always provide the intended results. Work and Income has invested in a range of artefacts, including wall posters, desk calendars and computer screen savers, to carry corporate messages relating to the agency's performance objectives. However, those staff that were interviewed suggested that these were not an effective form of communication as, for example, they would look at the calendars to see if they could recognise any of their colleagues rather than to remember the performance objectives they contained. Similarly, they generally could not remember the content of the wall posters that they sat beneath every day.

Social Networks

Interviewees at the national regional and local levels of Work and Income reported a strong focus on the need to work with other government agencies and community organisations to achieve their outcome of social development. As a local level interviewee observed:

We can't that by ourselves; we need the help of the community that we serve and other organisations, whether that's government organisations or non-government organisations. (WI local 4)

Interviewees from the Community Probations Service similarly reported concerns to build and manage relationships with other agencies and the community. A number of local interviewees explained these relationships by describing the regular meetings, that are held (both officially and unofficially) with judges, court managers, lawyers, Police and prisons staff, to gain feedback on the agency's performance and any problems that may be occurring. A local manager further described these relationships by saying:

Obviously the courts and the Parole Board we have really close working relationships with. They are really customers of ours. We consider ourselves to be servants of the Court, if you like; and so we have our provider – customer relationship with them. (CP local 9)

At the regional level an interviewee also stressed the importance of working with local government in the communities within which offenders are managed and explained:

It seemed the right thing to do to now speak with mayors and chief executives and local councils in terms of, you have these offenders in your communities, we are not just interested in pushing them out and seeing them leave town. Can you help us provide housing for them? ... We want an opportunity to work with those

communities through you sometimes, or your permission to work with those communities and explain about the offender. (CP regional 1)

In contrast interviewees from Public Prisons provided few comments in respect of their interaction with other organisations and the community. Although one Prison Manager did explain how (s)he found opportunities to employ prisoners on community work such as repairing desks for a local kindergarten, interviewees generally represented themselves as a recipient of, rather than a participant in, the work generated by the Justice system.

A number of local level interviewees from Public Prisons commented on the importance of rank within what was described by one interviewee as a “quasi-military, command and control culture” (PP external 12). Another local level complained about the removal of a more formal ranking structure which (s)he suggested had resulted in:

... the staff on the floor [having] their recognition taken off them. Because a Corrections Officer, or a Prison Officer back in those days, could earn respect of the prisoners and respect of the new staff and respect of the older staff, just by sheer time spent on the floor. (PP local 2)

Media relationships also represent a significant difference between the agencies studied. Reflecting a generally positive relationship, interviewees from Work and Income made little mention of the media other than to note that it is important to manage the risk of adverse media coverage resulting from defalcations by staff members. A national level interviewee stated:

Because Work and Income has been burned before about having bad press and media [attention] we are very, very focused and risk averse on those kinds of things. (WI national 11)

In contrast interviewees at all levels within Public Prisons and the Community Probations Service revealed a more defensive media strategy. Their comments suggested that they are keenly aware of the media and the role it plays in what is seen to be a lack of public understanding of the role and functions of both agencies. Within the Community Probations Service a regional level interviewee commented that that the agency’s performance is:

... being judged, certainly over the last six months, more by media and by the public about what they think we should and shouldn’t be doing, which is again reflected in political opinion which drives our performance. (CP regional 1b)

And in Public Prisons a regional level interviewee stated that, despite his/her attempts to provide the media with the correct information:

... they don’t publish what you say they just make up their own story. (PP regional 13)

Shared Understandings and Logics of Action

Interviewees from all three agencies described national performance measurement and management frameworks based on quantified performance indicators that are established in external accountability documents and rolled down throughout the organisation. However, the extent to which these indicators were commonly understood and accepted varied between and within the agencies studied. Shared understandings of performance frameworks and their related logics of action are created and maintained by ‘sensegiving’ mechanisms defined by Maitlis (2005) as attempts to influence others’ understanding of an issue. As might be expected, senior level interviewees in all three agencies described routine processes by which they visit operational sites and brief the staff. However, in Work and Income the most effective sensegiving mechanism appeared to be the regular Wednesday morning Team Brief that is held at every operational site. These meetings involve all local staff and are centred on, but not limited to, a set of topics, instructions or issues from national office. Interviewees from the Community Probations Service also described an extensive consultation process that had preceded a range of operational changes as the result of amendments to New Zealand’s legislation governing community based sentences.

Whilst regional and local level interviewees from Work and Income commented on the scope of the formal quantified reporting frameworks they did not question their relevance. However, interviewees from the Community Probations Service were not so supportive of the national framework. A regional interviewee explained the danger that an emphasis on accountability around procedures could have the result that “you can start feeding the internal machine” (CP regional 1b) and at the local level an interviewee commented that “I still see our system as very much ticking boxes” (CP local 6). Within Public Prisons a more specific concern was noted by a national level interviewee who stated:

It’s one thing to have ... quite clear and specific performance agreements that people are reporting against and saying ... it’s either achieved or it’s not achieved. It’s quite a different thing for people to be seeing that that’s a tool that’s helping them do their job well. And that’s the bit that I think that we fall down on. (PP national 3)

And a local level interviewee commented on his/her view of Public Prisons’ nationally defined framework by stating:

The unfortunate fact of life is that these people that drive our policy and drive everything else have no experience, have never set foot in a prison, and do not understand our business. They are the majority of people making decisions. They do not have to implement any changes, they do not have to bear the brunt of any of the changes that they may make. Yet operationally we are the ones that have to implement the changes and have to make it work. (PP local 2)

Discussion

Formal rules and procedures and routines act as regulative mechanisms by which performance measurement and management frameworks are communicated and reinforced. Whilst formal rules and procedures are important within Work and Income they are not seen as separate from the requirements of operational management and appear to be part of a common framework of values and objectives understood by frontline staff. Similarly, whilst some Work and Income interviewees commented on the size of the monthly reporting package, it was not seen as irrelevant to operational decision making.

In contrast operational staff who were interviewed from Public Prisons and the Community Probations Service saw the agencies rules and procedures as something which they have to comply with rather than something which relates to their operational objectives. These interviewees also emphasised the regulative nature of the reporting cycle which, it was suggested, distracts resource, from the agencies' core functions.

Artefacts such as computer systems may also either function as a regulative tool or be seen as supportive of managers objectives. The creation and maintenance of the main, national computer systems in most organisations requires a significant investment of money, effort and intellect that entrenches them within the organisation and protects them from significant change or replacement. However, although at a national level the rhetoric of "supporting operational decision making" is often used to justify the existence of such systems, the reality is more frequently concerned with making those operational decisions visible at the national level. Interviewees from the local levels of both Public Prisons and the Community Probations Service did not view the IOMS system as a helpful tool and in a number of cases described alternate local systems (both manual and computerised) that were run in parallel to it.

In relation to social networks, interviewees from both Work and Incomer and the Community Probations Service reported a much broader interaction with other government agencies and the community. In contrast, much of the work of Public Prisons is undertaken, literally, behind closed doors and that agency is therefore much more internally focused. A further indicator of the strength of, or emphasis on, external networks is provided by the media strategies adopted by each of the agencies. At the time of the research both Public Prisons and the Community Probations Service had recently suffered high profile media coverage of incidents relating to offenders in prison and on community sentences and accusations of corruption in some prisons. Plausibly as a result these agencies appeared to adopt a relatively defensive media strategy although interviewees suggested that they were failing to effectively get their version of events into the media and thus to the public.

An internal perspective on social networks of roles and positions was provided by interviewees from Public Prisons for whom a formal ranking structure is important, particularly at the local level (i.e. within the prisons).

Despite a range of sensegiving processes being undertaken within each agency it is evident that within Public Prisons and the Community Probations Service there is not a shared understanding of the performance measurement and management

frameworks and their related logics of action. A national level interviewee from Public Prisons described attempts to change the focus of prison staff to one that supports prisoners “so that when they walk out the door they are a better person” but acknowledged that this had not been broadly achieved. (S)he explained:

It basically comes down to the prison manager and the group of unit managers they put around them and the role model they play. If we get a prison manager and a group of managers that say, you know, we need to provide a service to these prisoners and to the families then we’re going to make some headway. If we’ve got a prison manager who says no our job is just to lock these guys up we’ll get nowhere. (PP national 5)

Similarly, but with a different emphasis, a national level interviewee from the Community Probations Service described attempts to shift the culture of that organisation away from helping clients to holding offenders to account for the proper completion of their sentences. (S)he stated:

We still have a battle with some staff because the use of the word ‘client’ I got rid of it. I said, ‘they’re not clients; they’re not here because they choose to be, they are offenders and I want you to think of them as offenders not as clients’. That’s been an interesting thing, we’ve still got pockets of people who can’t make that shift. It wasn’t a shift about you must treat them with any less respect or treat them differently but you must clearly see that these are people that the public must be protected from. And your mind set in dealing with them has to be about making sure that they comply with everything associated with their sentence; and you help them do that. If they don’t do that you’ve got to take action against them. (CP national 7)

Conclusions

The ongoing reforms of New Zealand’s model of public sector management are predicated on an integrated framework of performance objectives that drop down from Government priorities, to Ministers’ purchased goods and services, to managerial objectives at each layer of the agency. Based on Scott’s summary of institutional theory, it was proposed that this formal performance measurement and management framework would become increasingly de-coupled from the frameworks in use as the institutional mechanisms within each organisation move from being more regulative to being more cultural/cognitive based. Utilising the scripts provided by Scott’s institutional carriers it is apparent that, in both Public Prisons and the Community Probations Service, the formal performance measurement and management framework can better be characterised as regulative and rule based. It is also apparent from the comments of the interviewees from those two agencies that their formal frameworks are not internalised or owned by local staff with a resultant growth in local, alternative performance systems and frameworks.

In contrast, national management in Work and Income appear to utilise a broader and more routine set of sensegiving mechanisms that have more successfully embedded a common cultural/cognitive basis for performance measurement and management in that agency.

The findings of this initial research are currently being further tested by repeating the qualitative research in five further New Zealand central government agencies and by a quantitative survey of another eighteen public service organisations involving over fifteen hundred managers.

Appendix – Summary Tables of Qualitative Analysis

Summary of Interviewees' Statements Concerning Function for Each Case Study

Agency

	PERCENTAGE OF ISSUES MENTIONED											
	Work and Income				Public Prisons Service				Community Probation Service			
	National	Regional	Local	Average	National	Regional	Local	Average	National	Regional	Local	Average
Institutional Functions												
Managing employer relationships & opportunities	3	3	5		-	-	-		-	-	-	
Managing providers	-	3	-		-	-	-		2	-	3	
Managing joined up government & community	9	24	4		6	10	1		1	11	8	
Managing individual (staff) performance	-	-	-		8	-	13		1	4	17	
Managing the organisation	33	21	4		19	-	10		47	37	18	
Managing external accountabilities	4	-	-		6	20	1		8	15	1	
Total % of issues mentioned	50%	50%	13%	37%	38%	30%	25%	31%	59%	67%	47%	58%
Managerial Functions												
Managing social development	23	3	10		-	-	-		-	-	-	
Managing outcomes	-	-	-		6	-	-		7	-	2	
Managing local community issues and risk	2	8	9		3	-	-		3	4	1	
Managing broader social issues	5	16	1		-	20	-		-	-	-	
Total % of issues mentioned	30%	27%	20%	26%	8%	20%	0%	9%	11%	4%	3%	6%
Technical Functions												
Paying people's benefits	8	7	13		-	-	-		-	-	-	
Getting people into work	12	15	20		-	-	-		-	-	-	
Managing safe, secure and humane confinement	-	-	-		27	10	6		-	-	-	
Managing rehabilitation and reintegration	-	-	-		22	40	17		14	4	4	
Provide reports to other agencies	-	-	-		-	-	-		3	-	10	
Managing clients	-	3	34		-	-	-		-	-	-	
Managing offenders	-	-	-		3	-	13		7	15	25	
Complying with due process	-	-	-		3	-	21		6	11	6	
Managing local operations	-	-	-		-	-	18		-	-	6	
Total % of issues mentioned	20%	24%	67%	37%	54%	50%	75%	60%	30%	30%	50%	37%
Total	100%	100%	100%	100%	100%	100%	101%	100%	100%	101%	100%	100%

Summary of the statements concerning the purpose of measuring and managing performance by interviewees in each case study agency

PURPOSE	PERCENTAGE OF ISSUES MENTIONED												
	Work and Income				Public Prisons Service				Community Probation Service				
	National	Regional	Local	Average	National	Regional	Local	Average	National	Regional	Local	Average	
External Purposes													
To Measure/Manage Joined Up Government	6	-	-		-	-	-		-	-	-	3	
To Measure/Manage Providers	6	29	-		-	-	-		-	-	-		
Total % of issues mentioned	12%	29%	0%	14%	0%	0%	0%	0%	0%	0%	0%	3%	1%
Organisational Purposes													
To Measure/Manage Individual Performance	-	7	34		7	-	24		23	6	29		
To Measure/Manage Team Performance	2	-	6		-	-	-		-	-	-		
To Measure/Manage Local Performance	9	10	15		14	22	43		5	-	15		
To Measure/Manage National Performance	31	7	2		36	7	-		30	41	5		
To Measure/Manage the Organisation	4	10	1		-	-	-		-	6	5		
Total % of issues mentioned	45%	32%	57%	45%	57%	29%	67%	51%	58%	53%	54%	55%	
Operational Purposes													
To Measure/Manage Process	1	7	2		-	7	7		13	29	3		
To Measure/Manage Confinement	-	-	-		15	-	-		-	-	-		
To Measure/Manage Clients	-	4	2		-	-	-		-	-	-		
To Measure/Manage Offenders									5	6	8		
To Measure/Manage Rehabilitation and Reintegration	-	-	-		15	-	6		10	-	15		
To Measure/Manage Outcomes	-	-	-		15	21	-		8	6	4		
To Measure/Manage Social Development	18	10	6		-	-	-		-	-	-		
Total % of issues mentioned	19%	20%	10%	16%	44%	28%	12%	28%	36%	41%	30%	36%	
Legitimation Purposes													
To Measure/Manage Public Expectations	9	3	1		-	22	-		-	6	-		
To Meet System Requirements	7	-	11										
To Meet National Reporting Requirements	3	17	20		-	21	13		7	-	12		
To Meet Government Reporting Requirements	5	-	1		-	-	7		-	-	-		
Total % of issues mentioned	24%	20%	33%	25%	0%	43%	20%	21%	7%	6%	12%	8%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

Summary of Interviewees' Statements Concerning Perspective for Each Case Study Agency

PERSPECTIVE	PERCENTAGE OF ISSUES MENTIONED											
	Work and Income				Public Prisons Service				Community Probation Service			
	National	Regional	Local	Average	National	Regional	Local	Average	National	Regional	Local	Average
External Perspective												
External	31	41	4		34	52	9		14	36	12	
Total % of issues mentioned	31%	41%	4%	25%	34%	52%	9%	32%	14%	36%	12%	21%
National/Government Perspective												
National	29	15	24		39	26	29		41	30	22	
Government	16	9	6		2	-	4		5	6	1	
Total % of issues mentioned	45%	23%	30%	33%	40%	26%	33%	33%	46%	36%	23%	35%
Internal Perspective												
Organisation	-	2	-		15	4	14		10	18	5	
Local	5	13	20		2	4	19		15	-	26	
Team	2	-	4		-	-	0		-	-	1	
Total % of issues mentioned	7%	15%	24%	15%	16%	8%	34%	19%	25%	18%	33%	25%
Client/Offender Perspective												
Client	14	18	31		-	-	-		-	-	-	
Offender	-	-	-		9	11	15		9	10	23	
Total % of issues mentioned	14%	18%	31%	21%	9%	11%	15%	11%	9%	10%	23%	14%
System Perspective												
System	4	5	11		2	4	10		6	-	10	
Total % of issues mentioned	4%	5%	11%	7%	2%	4%	10%	5%	6%	0%	10%	5%
Total	100%	101%	100%	100%	100%	101%	100%	100%	100%	100%	100%	100%

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