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WHAT DETERMINES WHETHER TOP PUBLIC SECTOR EXECUTIVES ACTUALLY USE PERFORMANCE INFORMATION?¹

Leader: Organizational factors, not individual ones determine whether performance information is actually used

Is performance information actually used?

Performance management has permeated public sector organizations worldwide over the last decades. At its core is the idea of using such information for decision making in a systematic form. Externally, performance information can be used to showcase performance, to give account, or to compare and benchmark. Internally, it can be used to monitor internal developments or to improve operations. A link between performance measurement and the use of this information in decision making is often assumed. Yet, until recently, the actual use of performance information was not very high on the public management research agenda. It is now a common observation that governments have invested substantially in collecting data, yet know relatively little about what drives performance information use.

We present data from a large international survey of 3,134 public sector top-executives in six countries to analyse determinants of performance information use. More specifically, we distinguish between two major types of use – internal and external and search for explanations for the variation in use across top public sector executives in the six countries.

Internal and external use of performance information

Performance information can be used to learn about what is working and what isn't, to improve processes and activities, to evaluate how the organisation is performing or to celebrate successes. It can also be used externally; then it is used to promote the work of the organisation and to show outsiders what a good job the organisation is doing and thus build or maintain an organization's image and legitimacy. In a public sector that has become

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increasingly dominated by rankings, and various versions of ‘naming and shaming’, performance indicators have become important tools for politicking and for communicating.

What determines performance information use? A survey of senior public sector executives in 6 countries

The COCOPS Top Public Executives Survey was organised mid-2012 as part of the EU Seventh Framework Programme research project *Coordinating for Cohesion in the Public Sector of the Future* (COCOPS – see www.cocops.eu). The survey targeted all high-level administrative executives at central government ministry and agency level. This article is based on data from the first six countries where the survey was finished in summer 2012 (Estonia, France, Germany, Hungary, Italy and Norway). We received answers from 3,134 respondents and the overall response rate of 26.2% is rather satisfying for this type of survey design, and the high-level position of the respondents.

Internal and external use of performance indicators was operationalized using eight questions. Table 1 reveals that managers mainly use performance indicators to assess whether they have reached their targets and to identify problems that need attention. On the other hand, managers are less likely to use performance indicators to engage with external stakeholders, or to communicate what the organisation does to citizens and service users. Overall, roughly 30% of the executives surveyed seem to use performance information to a larger degree (6 and 7 on the Likert scale) whereas about 15% do not use performance information at all or to a very limited degree (scalepoints 1 and 2).

Table 1. Why do you use performance indicators?

<i>Question: In my work I use performance indicators to...</i>	<i>1 "Not at all"</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7 "To a large extent"</i>	<i>Obs.</i>	<i>Mean</i>
Assess whether I reach my targets	8.7%	8.8%	9.5%	14.7%	21.6%	20.7%	15.9%	2874	4.57
Monitor the performance of my subordinates	8.7%	9.0%	12.0%	18.1%	22.0%	19.5%	10.7%	2867	4.37
Identify problems that need attention	7.7%	7.6%	10.0%	14.2%	22.2%	23.3%	15.1%	2858	4.66
Foster learning and improvement	8.9%	8.7%	12.1%	18.3%	22.8%	18.5%	10.6%	2858	4.36
Satisfy requirements of my superiors	8.9%	9.6%	11.3%	17.6%	21.3%	19.7%	11.6%	2842	4.38
Communicate what my organization does for citizens and service users	17.4%	15.4%	14.5%	16.1%	16.5%	12.9%	7.2%	2853	3.67
Engage with external stakeholders (e.g. interest groups)	21.8%	16.6%	15.4%	16.0%	14.6%	10.5%	5.1%	2834	3.37
Manage the image of my organization	13.8%	11.8%	12.3%	16.6%	21.2%	16.6%	7.7%	2846	4

The extent of internal and external use of performance information differs considerably across countries. Self-reported performance information use is significantly and consistently lower in Germany and France, while it is higher in Italy and Estonia. This is especially the case for external use.

We continue by explaining differences in performance information use, by looking at two sets of factors. The first set consists of organizational factors, and refers to characteristics of the organization in which the respondent works. The second set consists of individual socio-demographic characteristics of the top public executive.

We find that the type of organization has a significant impact on the use of performance information. Compared with executives in central government ministries, executives working in agencies, regional ministries, or other sub-national bodies report a significantly higher use of performance information. Policy fields also matter. Internal performance information use is higher among respondents working in employment services, economic affairs and finance. External performance information use in contrast is higher among those working in justice, public order & safety, and (again) employment services. The degree of performance management instruments implemented in the organization has – not surprisingly – the strongest effect on the use of performance information, while in contrast organization size does not matter.

Findings at the individual level show that lower hierarchical levels make less use of performance indicators. This is especially the case for external use. The main finding at the individual level is that public managers with prior – and especially rather long (more than 10 years) – experience in the private sector are more active users of performance information.

The most interesting finding is that when individual and organizational determinants are combined, almost all individual level factors turn insignificant. In other words, the extent of performance information use depends almost exclusively on organizational factors, notably the type of organization and policy field. The most relevant variable influencing the public managers' use of performance information however is the degree of implementation of performance management instruments – and by that the information availability – in their organization.

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