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## **Performance Management in the Irish Public sector: the failure of implementation**

**Dr. Francis McGeough, Lecturer in Accounting at the Technological University Dublin  
– Blanchardstown Campus**

**Professor Matthias Beck, Professor of Management at University College Cork**

### **Abstract**

Ireland introduced NPM type reforms in the 1990s with an emphasis on performance management. Despite official government support over the last 25 years key NPM measures such as strategic plans linking mission statements, objectives, and targets had not been effectively implemented. This paper investigates how Irish central government organisations circumvented demands for greater performance management, using quantitative data gleaned from planning documents and annual reports of a range of public sector organisations over three time periods. We suggest that the observable non-implementation of these policies is rooted in an understanding among senior civil servants and politicians of the disadvantages such practices hold for them. We describe this behaviour as an aspect of a broader pattern of ‘little stuck’ which mirrors, on a smaller scale, the sort of ‘big stuck’ which development economists have observed for a range of countries that are incapable of performing the tasks asked of them.

**Keywords:** Strategic planning, performance management, planning documents, performance targets, New Public Management, capability trap.

## Introduction

Many Western governments have faced unprecedented challenges over the last ten years and these are ongoing. It is suggested that governments have become dysfunctional in that they are unable to respond coherently to current and looming challenges (Roberts, 2016 in Milward et al). It is further argued that ‘a pattern of “endemic failure” in government programs that threatens to undermine confidence in democracy’ (ibid, p.318). The governance of a society is a much-debated topic and it is suggested that governance can be defined as a government’s ability to deliver services (Fukuyama, 2013). It is further argued that performance indicators can help in the evaluation of policy outcomes (Boardman, 2014) and assessing outcomes (Trivedi, 2017). Arnaboldi et al. (2015, p. 1) described ‘performance management as the challenge confronting public service managers,’ and suggested that ‘[t]he global financial crisis has *accentuated* the longstanding need for effective performance management of public services’ (ibid. p. 2) — This focus on performance improvement has altered the nature of policy making in fundamental ways, especially for governments operating under European Union fiscal rules. Ministers are now unlikely to establish their reputations by introducing major new programmes but instead will frequently be engaged in ‘streamlining, repackaging, marginally modifying, or actually downsizing existing programmes’ (Pollitt and Bouckaert 2011, p. 163). Performance information can be used by public sector employees to help them improve service delivery (Moynihan et al., 2012) Yet, despite this increasing focus on performance management, and the rise of what some authors have described as the ‘performance measurement industry’ (Johnson 2005; c. f. Arnaboldi et al. 2015 p. 2), the reception of these policies and the depth of their implementation in individual countries is still poorly understood.

The example of Ireland is a case in point. The implementation of strategic planning and the setting of performance targets has been particularly limited in the Central Government agencies despite twenty five years of official government support.

Ireland introduced NPM type reforms from the 1990s onward (Hardiman and MacCarthaigh 2011) when senior civil servants, influenced by experiences in New Zealand and Australia, developed a reform package under the banner of the Strategic Management Initiative (SMI), which emphasized efficiency and the provision of quality services in a timely manner (Quinn and Hillmer 1995). These measures were consolidated under the Public Service Management Act of 1997. Despite these official government efforts, there was a belief that the public sector was not delivering the required level of service. In 2007, the government invited the Organization for Economic Co-operation and Development (OECD) to review the performance of the public services in Ireland. The reason for this review and the overall objectives were stated as follows (Department of the Taoiseach, 2007, p.1):

*‘The Government is investing unprecedented levels of resources in public services. But problems remain - mainly with delivery on the ground and maximising return on investment. We want the OECD to examine rigorously the connections between the investment decisions that are being made at the Cabinet table in Government Buildings and delivery on the ground around the country in the key areas and issues affecting ordinary people.’*

The subsequent 2008 OECD report found that there was a need to develop a robust performance culture in the Irish public sector, where performance information would help organisations focus better on the results of their activities as opposed to focusing mainly on what is being spent (OECD, 2008). Following on from the OECD report, various governments issued a range of reports outlining the need for a greater focus on performance management. For example, the establishment of the Department of Public Expenditure and Reform (DPER) in 2011 had this as one of its central goals.

The purpose of this paper is threefold. Firstly, we seek to gauge the level to which Irish central government organisations have been able to shun the creation and operation of

performance targets/indicators. Previously published research ((McGeough and Beck, 2018) suggested that government organisations tended to publish non-specific statements of intent rather than specific, measurable and time bounded objectives and targets. Furthermore, it was suggested that there was a lack of political will to use performance information for decision making. To this end we examine a sample of twenty Irish Public sector organisations (PSOs) operating under the aegis of a central government department over three time periods ; the first will cover the years 2005-2008, the second will look at reports published in the years 2011-2014; the third will look at the more recent reports (2016-2018). The review of these reports will determine the extent to which central government organisations applied or avoided the implementation of a performance management system involving the setting of objectives with linked targets and regular reporting of actual performance against these targets. Secondly, we attempt to explain any observed pattern of circumvention and non-compliance through various concepts, including the concept of mimetic isomorphism and the idea of ‘little stuck’ which we derive from theories of institutional capability traps or ‘big stuck’ theories which have evolved in development economics. Lastly, we briefly identify potential factors that could facilitate a more constructive attitude toward performance management in the Irish context.

### **Reform Trajectories and the Irish Political Economy**

NPM has come to cover a multitude of reform measures ranging from structural reform, to privatization, contracting-out, target setting, and performance measurement (Ferlie et al. 1996). However, it can be argued that the need to plan and control the performance of PSOs as a means of improving organizational efficiency and effectiveness, has been a central theme within the NPM literature (Pollitt and Bouckaert 2011). Accordingly, NPM reforms emphasize the importance of quantification in the public sector as part of the adoption of a broader rational and strategic model of management (De Lancer Julnes 2008). Key themes connected to this approach are that strategy should come about by systematized forms of planning, and that specific objectives and targets should ensure that strategic goals are met (Poister and Streib 2005), with performance information providing key inputs into improved public-sector management (Taylor 2011; Dan and Pollitt 2015). Furthermore, it is suggested that the provision of performance information can increase trust that the public sector is delivering (Van de Walle and Roberts 2008) and they argue as follows: ‘We live in an age of quantified performance. It is no longer sufficient to believe that a public-sector organization does its job well, in general terms; or that the professionals within that organization can be relied upon. We want data that will allow us to judge and compare the behaviour of service providers’. One such approach to rational planning is set out in figure 1 (Jackson 1993).

<Figure 1>

The accounting and management literature considers target setting and performance measurement as key means of providing decision makers with necessary information (Anthony and Young 2003) within a value neutral framework (Taylor 2011). However, the implications of linking output measures to strategic goals can be far reaching in terms of requiring organisations to have well-defined, clearly-ordered goals. Perhaps unsurprisingly this emphasis on quantification and clear means-ends relationships has been criticized as being too demanding of knowledge, information and the ability to make informed decisions (Gill 2008; Moynihan et al. 2011). This relates to observations that information systems to support the planning process in complex PSOs can be difficult to design (Moynihan et al. 2011), especially when there is no direct link between intentions and outcomes, or when explicit and quantifiable objectives are hard to identify. The latter problem of identifying explicit objectives also relates to contextual socio-political factors, such as the unwillingness of politicians to commit themselves to specific goals for reasons of political expedience, or that fact that multiple stakeholders with different expectations seek to impose their views on organisations (Boyle 1993).

Given these complexities several researchers have highlighted major dysfunctional consequences stemming from the implementation of rigid performance management systems (Bevan and Hood 2006; Hood 2006), such as the now well-known issues of tunnel vision, sub optimisation, myopia, ossification and gaming (Arnaboldi et al. 2015; Smith 1993). Notwithstanding these observations, recent work by Arnaboldi et al. (2015) has suggested that the effects of gaming (achieving the target whilst ignoring other key areas which are not being measured) can be mitigated by having more extensive performance measurement. This chimes with the idea that the reporting of performance indicators can start a dialogue on how to improve public services (Thomas 2006), and that possible dysfunctional effects should not be used as an excuse for steering clear of public sector performance management (Kelman and Friedman 2009). Furthermore, Johnsen (2012, p.137), suggests where the provision of performance information ‘increased parliamentary, politically and market-based accountability relative to the traditional professional control and corporatist co-operation’. Thus, it reduces insider control. This, and similar analyses, suggest that performance management systems can work where they are underpinned by credible lines of accountability, the risks of dysfunctional effects are recognised, and action is taken to mitigate their impact (Cuganesan et al. 2014; Kerpershoek et al. 2016). It is further argued that governments can demonstrate the quality of their governance by publishing quantifiable results (Rotberg, 2014)

Notwithstanding technical issues surrounding the implementation of performance management systems, the appetite for implementing such reforms seems to differ across jurisdictions. International comparisons of NPM-style reforms indicate that these have been implemented more quickly and enthusiastically in some countries compared to others (Pollitt and Bouckaert 2011). This has been attributed to factors such as strong political leadership (Rhodes 1997, Ongaro & Valotti, 2008), the presence of motive (savings that could accrue from NPM measures) and opportunity (limited constitutional checks on central government) (Hood 1995). Pollitt and Bouckaert (2011) have further suggested that the nature of the political system (majoritarian or coalition government) and the culture of a country will affect the nature and scale of NPM-style reforms.

In relation to culture, distinctions have been drawn between largely collectivist and largely individualistic societies. Hofstede (2001) ranks Ireland among more collectivist countries with a score of 70, like Sweden (71) and Finland (63). These scores contrast with the high scores for individualism in the USA (91) and the United Kingdom (89). This analysis meshes with Pollitt’s (2005) argument that the more individualistic nature of the UK facilitated the introduction of performance related pay and the on-going publication of performance targets. However, it is apparent that there are limits to this conjecture, when the relatively strong uptake of NPM reforms in some Scandinavian countries such as Sweden are considered (Kuhlmann 2010).

Evidence of the consensual nature of Irish policy-making can be found in the social partnership process which developed in Ireland from the 1980s onwards in response to an economic and fiscal crisis (Daly 2007). It involved a series of formal agreements between the government, employers’ representatives, trade unions and voluntary groups, and covered areas such as taxation, pay and public-sector reform (House and McGrath 2004). When the Irish government launched the SMI in 1994 (later the Public Service Modernisation Programme), these measures were also subject to consultation with the social partners, and the Partnership 2000 Programme (1997-2000) sought explicit social partner support for its implementation (O’Donnell and Thomas 2002).

The overall objective of the SMI focused on performance improvement, and it was expected that through SMI, public organisations would contribute to economic and social development, and the effective use of public resources (Hyndman and McGeough 2008). The SMI was developed further in 1996 in the *Delivering Better Government* (DBG) report

(Department of the Taoiseach 1996a). Again, the issue of performance management was emphasized. In the introduction, it was outlined that the civil service needs a more results and performance-oriented focus. Furthermore, it was suggested that this requires rigorous systems of setting objectives and managing performance. The Public Service Management Act 1997 gave legislative backing to the preparation and publication of strategy statements. It stated that strategy statements should set out the key strategies/objectives for the next three years. Government guidelines stated that objectives should be set in terms of the results required and should include performance indicators (Department of the Taoiseach 1996b, 2004). The 2004 guidelines further emphasized the importance of performance information to facilitate the monitoring of progress. Perhaps most importantly the 2004 guidelines (p. 17) posed a number of specific challenges for PSOs, which were formulated in question form as: ‘Are performance indicators clearly associated with objectives and strategies and capable of being assessed? ... Are arrangements in place to clearly link the statement to the business planning and performance management and development process?’ The Public Service Management Act 1997 required departments to publish annual reports, and the Department of the Taoiseach guidelines (2004) indicated that it should be clear from the annual report whether strategies set out in the strategy statement were being achieved. Similarly, the fifth national agreement (Programme for Prosperity and Fairness, 2000-2002) set out a framework for the modernisation of the Irish public sector and included provisions for the design and implementation of a performance management system (called the Performance Management and Development System (PMDS)) (Robbins and Lapsley 2005: 126).

Several researchers have suggested that these initiatives have been largely unsuccessful, with Hardiman and MacCarthaigh (2011) arguing that the SMI was driven by senior civil servants without political backing and therefore was unable to deliver potentially controversial changes. Hardiman (2012) further suggests that it has been notoriously difficult for Irish politicians to advocate measures which would show them to be unresponsive to constituent interests, thus reducing the capacity of state institutions to be effective (Hardiman 2012). This situation arises primarily from Ireland’s competitive electoral process where multi-seat constituencies require politicians to attract votes across the board (McGraw, 2012: 48-49), frequently resulting in situations where ‘[p]oliticians appear so focused on local constituency service that they appear unwilling to risk electoral unpopularity to propose longer-term solutions, which [in turn] can undermine the longer-term policy-making process and effective governance’ (McGraw 2012, pp. 57-58). It has been observed that these constraints are particularly pronounced where the implementation of long-term policy choices and strategies would require politicians to distance themselves from established interest groups (Hardiman, 2012). Hardiman (2012, p. 14) accordingly has argued that: ‘Implementing a coherent policy runs into problems because of the openness of the political system to the actions of veto players. ... Local area-based issues are all too quickly translated into national politics. Candidates for national election have every incentive to embrace local electoral concerns, bringing policy stasis into the heart of government.’

Given the electoral pressures on Irish politicians, it was always likely that the use of performance information would be limited in driving policy. This is not unique to Ireland with the suggestion in the case of Sicily and North Carolina that politicians understand the need for efficient and effective government, but they also understand the demands of their constituents and seek opportunities to meet these demands. (Bianchi & Rivenbark, 2012)

We would suggest that these observations warrant a further, broader interpretation of the contemporary Irish situation which relates to the idea of state capability traps, or ‘big stuck’ scenarios, in which ‘implementation capability of the state is both severely limited and improving (if at all) very slowly’ (Pritchett, Woolcock and Andrews 2010, p. 1, parenthesis in

the original). In a variant of this concept we would argue that Ireland suffers from a pattern of ‘little stuck’ in which the capability of the state is noticeably limited in some areas and is potentially deteriorating as well.

On first sight the idea of an Irish state capability trap seems far-fetched, given Ireland’s relatively swift recovery from the recent financial crisis. However, it can be argued that the extent and severity of that crisis itself reflects deficient state capability. What is perhaps more important is that the institutional and policy solutions which underpinned the recovery were largely, if not exclusively, externally imposed as part of what could be described as a European variant of coercive isomorphism (Dolowitz and Marsh 1996).

The evidence of capability gaps in relation to the Irish state and central government, however, reaches beyond that. A detailed recent analysis of data availability, accessibility and quality in relation to European Structural Funds ranked Ireland lowest, in 25<sup>th</sup> place together with Spain, Cyprus and Austria; while Slovenia was ranked 1<sup>st</sup> and Denmark 2<sup>nd</sup> (Peters et al. 2017). This is mirrored by several reports which have highlighted stakeholder dissatisfaction with the level of publicly available information on Irish public sector activities (see Haughey, 2013 for a summary).

On a general level, Ireland experienced a downgrading in terms of the widely used Corruption Perception Index (CPI) (Transparency International 2019). A high rank in this index relates to: high levels of press freedom, access to budget information to help the public to understand where money comes from and how it is spent, high levels of integrity among people in power, as well as a judiciary that is impartial and independent from government. In 2018, the latest available figures ranked Ireland 18<sup>th</sup> least corrupt country in the world.. It may be argued that 18<sup>th</sup> out of 176 rated countries is respectable. However, any such assessment must consider the high level of development and wealth in the country—factors which are traditionally associated with good performance on the CPI (Husted, 1999). This can be illustrated by looking at per capita income levels and global CPI rankings for the richest European countries. Ireland was (in 2018 and the previous five years) the fourth richest European country in Europe in terms of per capita GDP but ranked behind more than a dozen European countries in terms of transparency as measured by the CPI (Transparency International 2019). As Figure 2 illustrates, Ireland together with Austria represent outliers in terms of their poor wealth-adjusted CPI performance, lending support to the idea—which will be further explored in the third section of this paper—that the country lags behind in terms of relative state capability.

<Figure 2>

When in 2007 the Irish government invited the OECD to review the performance of its public sector, there were indeed already widespread concerns about a gap between spending levels and service delivery (Department of the Taoiseach 2007). A key recommendation from this review (OECD 2008) was that there was a need to develop a performance culture through greater use of performance information. In addition, the OECD noted a need to cascade the overall organizational objectives and monitor performance against rigorously set targets. In line with these recommendations, the government’s reform plan of November 2011 (Department of Public Expenditure and Reform, 2011) called for all PSOs to publish clear long, medium and short-term priorities together with annual reports with performance indicators outlining progress on achieving priorities. The relevant report (p. 29) suggests that central government organisations should ‘set out strategic objectives and link these to performance budgets, sectional business plans and individual performance goals through the statement of strategy process’. Two subsequent progress reports (Department of Public Expenditure and Reform, 2012, 2014a) outline changes which have taken place across the public sector but report no progress on the development of performance information. In revised reform plans (Department of Public Expenditure and Reform, 2014b, 2014c), there is a renewed emphasis

on developing a performance culture and a focus on outcomes and results for citizens. The Department further emphasizes the importance of developing performance indicators so that relevant parliamentary committees can review this data in light of expenditure (Department of Public Expenditure and Reform, 2018).

### **Research Methodology**

This paper utilizes document analysis (strategy statement and annual reports) to assess how Irish Central Government organisations have responded to demands for greater performance management. These will be examined over three time periods; 2005-2008 covering the period 2011-2014 which is after the publication of the OECD report but is during the financial crisis, and 2016-2018 (Period 3) which covers years after the financial crisis had passed. The paper examines the level and range of performance information outlined in planning documents and annual reports from a sample of Irish PSOs. Twenty PSOs were identified but not all of them had publicly available documents. Period 1 had planning documents from 15 PSOs and 20 annual reports. Period 2 had planning documents from 16 organisations and 20 annual reports. Whilst, period 3 had planning documents for 18 organisations and annual reports for 20 organisations. The paper explores whether Irish PSOs placed a greater emphasis on performance over the three time periods examined (approximately fifteen years). This would be evidenced through an increased number of targets linked to objectives and detailed reporting of achievements through the publication of performance indicators in the annual reports.

The PSOs selected were agencies operating under the aegis of a government department which have a service delivery focus and are therefore more likely to be able to outline their objectives quantitatively. With the objective of identifying the number and range of performance targets used in planning documents and annual reports, these documents were collected from the organisations' websites. For the purposes of this analysis, information was considered disclosed if it was highlighted in some way (hardcopy) and not contained in the main narrative of the annual report (softcopy). This approach follows Hyndman and Anderson (1997) in their review of performance reporting by UK executive agencies, where it was argued that softcopy was difficult for users to isolate and use. While it could be argued that this is a matter of presentation, information that is highlighted (separated out from the main text) is likely to be more accessible especially to those seeking to cross-examine the organization's management approach.

The empirical analysis of this paper focuses on the mission, objectives and targets in the planning documents of the sample organisations, and on performance targets and indicators in the annual reports. Definitions were developed to ensure that the terms were being used in the same way for each organization. Examples are outlined in Table 1. Furthermore, a set of rules was developed to reduce subjectivity in the interpretation of the reports (these are available from the authors). For example, to be counted as a target, a report entry had to be specific, measurable, achievable and relevant or a time-bounded expression of future performance.

<Table 1>

### **Findings**

The focus of analysis was on four dimensions of performance-centred rational management. These include the presence of mission statements, the number of objectives per organisations, the number and range of performance targets, linkages between objectives and targets and the extent and range of performance targets and indicators.

### **Strategy Statements**

#### *a) Mission statements and objectives*

As outlined above, a key theme of rational planning is that an organization's targets should cascade from its mission and objectives. Objectives are linked to the organization's mission



and targets should align with these objectives. The initial analysis identified each organization's mission, the number of objectives per organization and related statistical measures.

Table 2 indicates that all the organisations had a mission statement and at least one objective in their planning documents. With respect to objectives, there has been a gradual reduction in the number of objectives being set out. Period 1 planning documents had on average 37.1 objectives, Period 2 documents had 32.3 objectives per organization; and Period 3 documents had 28.2 objectives per organization. For Period 2 documents, a concentration of many objectives among a few organisations pushed up the average (with the median being 22.5 as compared to the 32.3 average). This issue was less pronounced for the Periods 1 and 3 document sample (with the median being 33.0, as compared to the 37.1 average in Period 1 and a median of 24.5 compared to an average of 28.2 in Period 3). Overall, PSOs in the three periods reviewed outlined a substantial number of objectives, which suggests that they engaged at least to some degree with the planning process by providing objectives to which targets could be linked, though the average number of objectives declined.

<Table 2>

#### *b) Number of targets*

The literature on rational planning in PSOs (e. g. Hyndman and Eden 2000) suggests that target development facilitates performance management and fosters accountability for performance. Table 3 sets out the total number of targets contained in the planning documents together with relevant statistical measures. The Period 1 documents in our sample had on average 19.7 targets, Period 2 documents had 8.9 targets, while period 3 had 9.1 targets.. For the latter two periods the median was zero which indicates that outliers were having an impact. The decrease in objective linked targets suggests that PSOs were unwilling or unable to develop these, which means that performance target-based evaluations are likely to have become increasingly difficult over the period.

<Table 3>

#### *c) Types of targets used*

Proponents of rational performance-centred management argue that the absence of an all-embracing measure such as profitability for PSOs requires a multifaceted approach to performance measurement and target setting (Jackson 1988). Key aspects of performance, such as efficiency and effectiveness, accordingly, should be gauged via a mix of targets and indicators covering inputs, outputs and outcomes (Hyndman and Anderson 1997) which can be set in four broad areas: financial performance, volume of output, quality of service and efficiency (HM Treasury 2003). To accommodate the sample reports analysed here we utilise this taxonomy plus three further categories; 'work programme', 'effectiveness' and 'other'. 'Work programme' (specific tasks to be achieved by a certain date) and 'other targets' (any targets not covered by the six headings) are included to ensure that all targets published by PSOs are included. While 'effectiveness' is included because of the trend for documents to put emphasis on results achieved (Lodge and Gill 2011). Table 4 shows the number and percentage of targets falling in each category. In terms of absolute numbers, the Period 1 planning documents had a greater number of targets (295 in total) than in the subsequent two periods examined (142 in Period 2 and 154 in Period 3).

In each of the three periods reviewed, there were no targets for financial performance and effectiveness. The level of targets related to volume shows an improvement over the three periods, rising from one to seven and in Period 3, there were twelve volume targets. Regarding targets for 'quality', the opposite trend is observed; with 47 targets in Period 1 (16% of the total, this dropped to three in Period 2 (2%) and rose in Period 3 to 11 targets (7%) The Period 1 documents included one target for efficiency (less than 1% of total targets) but none in Periods 2 and 3. Looking at 'work programme' targets we found Period 1 documents

included 228 such targets (78% of all targets in this sample) and this dropped to 131 (Period 2) and 130 (Period 3). However, work programme targets made up the vast bulk of the targets set by the organizations reviewed. Lastly, Period 1 documents included eighteen targets in the 'other' category (6% of all targets in this sample), while Period 2 and 3 documents included only one target for 'other'.

Targets relating to 'financial performance', 'volume', 'quality', 'efficiency' and 'effectiveness' are likely to be of greater importance in highlighting overall performance than those relating to 'work programme' and 'other' targets. Given this, it is of note that a very large proportion of the targets falls into the work programme category. Moreover, it can be observed that the proportion of targets relating to potentially easy to achieve work programme targets increased significantly, while there was a significant decrease in the proportion of more taxing 'quality' related targets over the same period. Overall, the range of targets outlined by the PSOs examined appears to be inadequate for assessing organizational performance.

<Table 4>

#### *d) Linkages between objectives and targets*

It has been argued that in a rational performance-centred management system each objective would have at least one linked target (Hyndman and Eden 2000). This would facilitate objectives cascading to operational levels, thus providing focus for activities and making managers accountable for organizational performance, especially when actual performance is compared to targeted performance. The need to cascade objectives to operational levels has been a theme in government publications, as outlined above. Focusing on the extent of linkages between objectives and targets, Table 5 shows the number and percentage of objectives that had targets.

Table 5 indicates that the level of alignment is quite low, suggesting Irish PSOs were unable to attach targets to the objectives. In period 1, 16% of the objectives had at least one target; this rose to 25.6% in Period 2 but fell back to 11.7% in Period 3. This would suggest that while Irish PSOs set large numbers of objectives, they are unwilling or unable to attach targets to their objectives.

<Table 5>

### **Annual reports**

#### **a) Targets and indicators**

It was suggested above that official government publications advocated that annual reports should demonstrate if the objectives were being achieved and that this should be done through the setting of targets in the strategy statements and the annual report outlines achievements against these targets through the publication of performance indicators. Tables 6, 7 and 8 detail the analysis of the level of performance targets published in the annual reports.

Table 6 sets out some statistical measures based on the targets/indicators included in the annual reports. This table suggests that while the overall level of indicators being reported has increased in each of the three periods (from an average of 23 per organisation in Period 1 to 33.3 per organisation in Period 3). However, on the other hand, the reporting of targets has dropped from an average of 8.2 per organisation in Period 1 to an average of 0.84 per organisation in Period 3. Nonetheless, it should be noted that the averages are being skewed by a small number of organisations producing many targets/indicators.

In relation to performance indicators, Table 7 shows that the overall total reported has increased steadily. In Period 1 467 indicators were reported, this rose to 587 in Period 2 and 632 in Period 3. Table 7 also shows the increased importance of volume indicators which increased from 151 (representing 32% of the total) in Period 1 to 300 (48% of the total) in Period 3. The other main increase was the rise in 'other' indicators reported which increased from 101 (22% of the total) to 232 (37% of the total) in Period 3. On the other hand, work programme indicators have dropped dramatically, from 131 in total in Period 1 (28% of the

total) to zero in Period. Financial performance indicators increased from 14 in total in Period 1 to 28 in Period 3. The reporting of efficiency and effectiveness targets waxed and waned over the three periods, with efficiency indicators dropping from 14 in Period 1 to four in Period 3; and effectiveness indicators rising to 25 in Period 2 (24 in one organisation) and dropping down to two in Period 3.

In relation to performance targets, Table 8 shows a huge decrease in the level of targets being published in the annual report, with 173 being reported in Period 1, dropping to four in Period 2 and 16 in Period 3. In Period 3 632 indicators were published but only 16 of these were reported against a target. The lack of targets means that it is very difficult to evaluate performance as there is no comparator to judge performance against.

### **Analysis**

It was argued above performance indicators have an important role to play in increasing trust and assure the public that their taxes are being well-spent (Boardman, 2014; Van De Walle and Roberts, 2008). It is suggested that performance information can help to reduce the control of vested interests. This is of concern to Ireland given the inability of the State to solve issues such as waiting times in the health system, ongoing concerns about the management of the police, and the inability to introduce a viable funding mechanism for the provision of water which it is suggested is due to the inability of the Government to take on vested interests due to the competitive nature of the Irish political system. Ireland is not unique in the debate about the seeming inability of countries to find solutions to intractable problems (Milward et al., 2016). The paper looked at the specific case of role of performance management in the public sector in Ireland over the last fifteen years. The paper demonstrated that at an official level there was widespread support for the introduction of performance management, but the research shows that there is a substantial gap between the rhetoric and reality. The paper has documented the declining extent to which a performance culture is evident in the planning documents and annual reports of a range of Irish PSOs.

As key findings, our paper notes that despite official government support for the implementation of performance management systems, there is an unwillingness or an inability to implement such systems.. This is shown in a decline in the number of objectives in our sample planning documents from the Period 1 reports period (an average of 37.1) to Period 3 (an average of 28.2). Of greater concern, we identified a limited extent of ‘cascading’ from objectives into targets (with an average of 37.1 objectives per Period 1 report planning document giving rise to only an average of 19.7 targets set). Further to this, the situation worsened in the Period 3 reports where there was an average of 28.2 objectives per report but only an average of 9.1 targets per report. In addition, the review of the annual reports would suggest that the level of reporting of performance indicators had improved with an increased number of performance indicators being published. However, this is mainly due to a small number of PSOs publishing a large number of indicators (for example, in Period 3, five organisations accounted for 62% of all the indicators published). In addition, the vast bulk of these had no target against which to compare performance. Furthermore, there are very few indicators covering vital areas such as efficiency and effectiveness. The unambiguous statement in government publications that PSOs should provide objectives and targets that link the various levels of planning and that the annual report should demonstrate how the PSO is progressing in achieving its objectives set out in the strategy statement, make this particularly problematic.

Clearly there is no single explanation for these patterns. The competitive nature of the Irish political system seems to make politicians reluctant to use performance metrics in the allocation of funds, preferring instead to influence the allocation of funds to benefit their voters, or at least providing the pretence that they have done so. Equally, the reluctance of politicians

to press for performance management makes it easier for senior decision makers in central government PSOs to avoid target setting and the conflicts which may arise when targets are difficult to meet.

Irish politicians, and perhaps senior civil servant too, seem to have bought into of the rhetoric of reform without engaging with the rigour of reform processes; i.e. engaged in isomorphic mimicry. It is interesting to note that key writings on ‘big stuck’ identify mimetic isomorphism (Dimaggio and Powell 1983; Mahoney and Thelen 2010) as a key characteristic of state capability traps (Pritchett, Woolcock and Andrews 2010). However, the idea of ‘little stuck’ requires further elaboration and differentiation within this context.

Pritchett et al. (2010, p. 21) describe ‘big stuck’ as a multi-layered ecological system in which system characteristics, organisations and agents reinforce each other’s behaviour. For a developing country to modernise and to move out of ‘big stuck’ requires a ‘sustaining genuine processes’ of reform and innovation where the ‘ecological equilibrium’ moves from left to right (see Figure 3); that is toward discovering arrangement and institutional forms that will lead to higher functionality (Pritchett, Woolcock and Andrews 2010, p. 23)

<Figure 3>

Building on this framework, we would argue that ‘big stuck’ scenarios can be distinguished from ‘little stuck’ in that the *system characteristics* of the former—the nature of policy debate and the interaction of different spheres of polity—provide little space for novelty, with potential innovations being evaluated according to how they serve the agendas of existing elites. ‘Little stuck’ scenarios, by contrast, emerge from situations where *system characteristics* provide space for novelty as well as the genuine evaluation of novelty; i.e. a situation where the first system layer is located to the right. However genuine reform and innovation are blocked because: firstly, government *organisations* knowingly engage in isomorphic mimicry to avoid reform, and secondly, politicians and senior government officials as *agents* prefer self-serving superficial compliance over genuine value creation and concern with the improvement of their organization; i.e. the *organisations* and *agents*’ layers are located to the left. This may be due to the competitive nature of Irish politics given that it may be more politically rewarding to not upset any voters rather than delivering real change that may lead to improvements sometime in the future. Again, this political stasis is not unique to Ireland.

Furthermore, the economic crisis may have re-enforced the concentration on input controls rather than managing outputs and outcomes as PSOs tried to manage their reduced budgets in the wake of the credit crunch—leading to a commensurate further decline in institutional state capability. The recovery has not changed this mindset with much of the focus being on how much budgets have increased by rather than focusing on what is being achieved with the funds provided. However, the diagnosis of ‘little stuck’ indicates that more than changing financial imperatives is required to remedy the situation in so far as organizational and agent capability issues are concerned. For policy at the *organisations* level to shift toward an ecology of competent implementation requires a move at central government level away from mimicry toward a focus on demonstrating genuine success, which in turn requires the setting of authentic goals, targets and objectives. Similarly, at the *agent* level there is a need to replace self-serving behaviour with genuine value-creation centred leadership. This type of leadership in turn needs to be actively encouraged from the political sphere. In the absence of changes to the election system, some of this can be carried out through the parliamentary committee system, where individual politicians can play a less externally visible, yet active, role in promoting and supporting the implementation of reform. Parliamentary committees should demand performance information to provoke public debate on performance and spending levels. The process of setting targets and monitoring progress against these targets should be driven from the centre to ensure that meaningful targets are set. Agencies with a clear delivery focus would be a good starting point for a transformatory process.



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**Table 1 Definition used**

	<b>Example</b>
Objective	‘To verify compliance with legislation by food business.’ Food Safety Authority of Ireland
Financial performance	‘Operating surplus or deficit’ Ordnance Survey Ireland
Volume	‘Having completed the registration of 28 designated centres.’ Health Information and Quality Authority
Quality	‘Consistently discharge at least 90% of all cases...within the statutory time objectives...’ (Planning Board)
Efficiency	‘Number of applications handled per employee’ (Property Registration Authority of Ireland)
Effectiveness	Improvement in air quality (Environmental Protection Agency)
Work programme	‘Prepare unified HR strategy by Q1’ Central Statistics Office
Other	‘By 2016, over 75% of the workforce is actively engaged in continuing professional development’ SOLAS

**Table 2 Mission Statements and Objectives**

	<b>Period 1</b>	<b>Period 2</b>	<b>Period 3</b>
Total organisations	15	16	18
Organisations with a mission statement	15	16	18
Organisations with at least one objective	15	16	18
Total objectives	557	516	479
Average objectives	37.1	32.3	28.2
Median	33.0	22.5	24.5
Range	9-100	1-104	5-58

**Table 3 Number of Targets**

	<b>Period 1</b>	<b>Period 2</b>	<b>Period 3</b>
Total targets	295	142	154
Average targets	19.7	8.9	9.1
Median	2.0	0	0
Range	0-146	0-106	0-86

**Table 4 Type and range of performance targets disclosed**

	Period 1		Period 2		Period 3	
	Number of targets	% of total targets	Number of targets	% of total targets	Number of targets	% of total targets
Financial Performance	0	0	0	0	0	0
Volume	1	0	7	5	12	8
Quality	47	16	3	2	11	7
Efficiency	1	0	0	0	0	0
Effectiveness	0	0	0	0	0	0
Work programmes	228	78	131	92	130	84
Other	18	6	1	1	1	1
Total	295		142		154	

**Table 5 Alignment of Objectives and Targets**

	Period 1		Period 2		Period 3	
	No.	%	No.	%	No.	%
Objectives with at least one target	89	16.0	132	25.6	56	11.7
Objectives with no targets	468	84.0	384	74.4	423	88.3
Total	557		516		479	

**Table 6 Statistical measures based on the performance targets/indicators included in annual reports**

	Period 1		Period 2		Period 3	
	Targets	Indicators	Targets	Indicators	Targets	Indicators
Range	0-146	1-151	0-4	0-183	0-12	5-196
Median	0	12	0	21.0	0	18
Standard deviation	30.7	31.5	1	41.4	2.8	41.7
Average	8.2	23.0	0	30.9	0.84	33.3



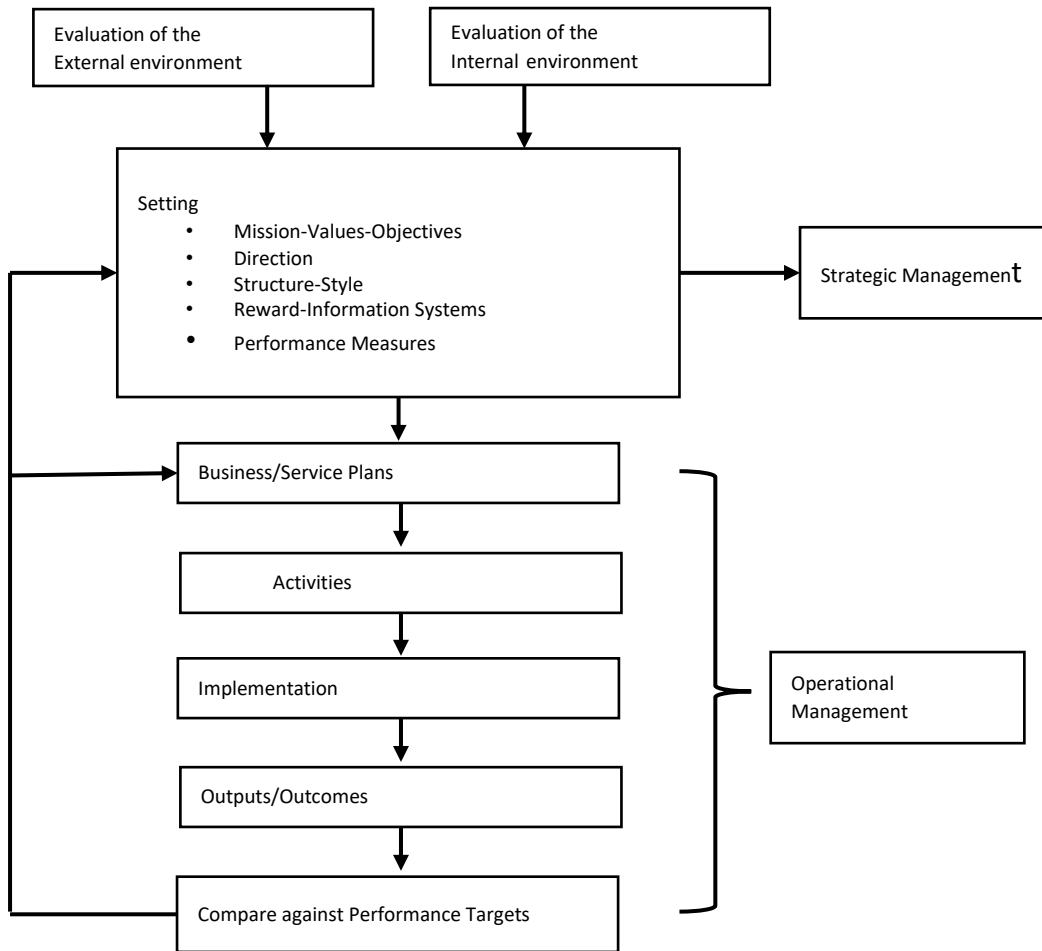
**Table 7 Type of performance indicators disclosed in annual reports**

	Period 1		Period 2		Period 3	
	Number of indicators	% of total indicators	Number of indicators	% of total indicators	Number of indicators	% of total indicators
Financial performance	14	3	21	4	29	5
Volume	151	32	269	46	300	48
Quality	66	14	40	7	65	10
Efficiency	14	0	1	0	4	1
Effectiveness	0	0	25	4	2	0
Work programme	131	28	42	7	0	0
Other	101	22	189	32	232	37
Total	467		587		632	

**Table 8 Type of performance targets disclosed in annual reports**

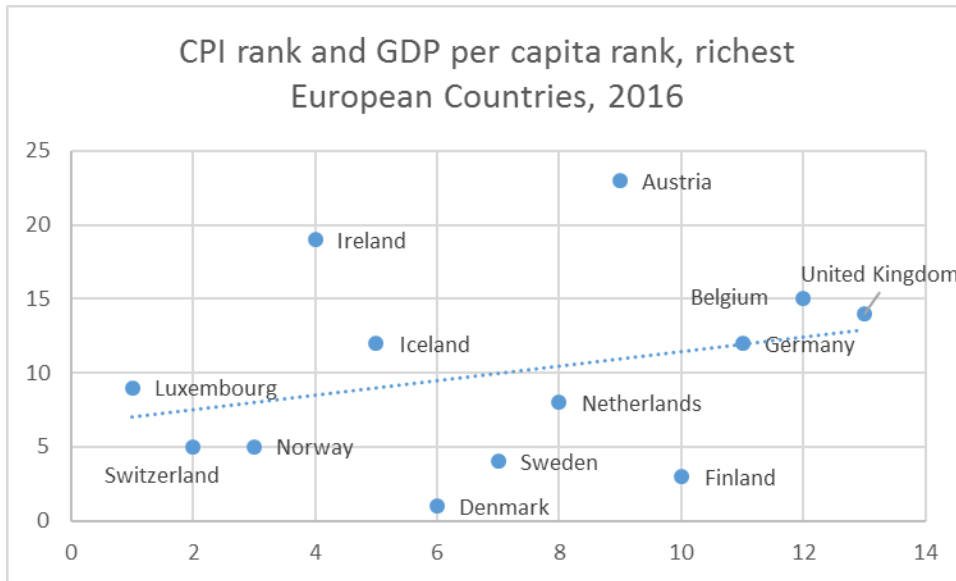
	Period 1		Period 2		Period 3	
	Number of targets	% of total targets	Number of targets	% of total targets	Number of targets	% of total targets
Financial performance	1	1	0	0	0	0
Volume	5	3	0	0	0	0
Quality	23	13	0	0	16	100
Efficiency	0	0	0	0	0	0
Effectiveness	0	0	0	0	0	0
Work programme	130	75	4	100	0	0
Other	14	8	0	0	0	0
Total	173		4		16	

**Figure 1: Rational Planning Model**



(Jackson 1993, p. 11)

**Figure 2**



**Figure 3: Constituent Elements of an Ecology of Implementation**

(modified from Pritchett, L., Woolcock, and Andrews, 2010)

