
Editorial

Eric Scorsone*

Michigan State University,
202 Agriculture Hall,
East Lansing, MI 48824, USA
E-mail: escorsone@senate.michigan.gov
*Corresponding author

Emanuele Padovani

University of Bologna,
Department of Management (Forli Campus),
15, Piazzale della Vittoria, Forli 47121 FC, Italy
E-mail: emanuele.padovani@unibo.it

Biographical notes: Eric Scorsone is an Extension Specialist and faculty member for State and Local Government located in the Department of Agricultural Economics at Michigan State University, www.aec.msu.edu/faculty/scorsone.htm.

Emanuele Padovani is an Associate Professor of Public Management and Accounting, School of Economics and Department of Management at Forli Campus, University of Bologna, Italy, www.unibo.it/docenti/emanuele.padovani.

Performance measurement and management¹ has become an important concern for all levels of government across the world. The demand for accountability continues to grow as fiscal strain, taxes and an uncertain global economy affect citizens and businesses. Extensive research has been conducted over the last two decades on understanding the evolution of performance measurement systems (PMSs), their adoption and, in some cases their effectiveness, both subjective and objective (see, e.g., Poister, 2003; Melkers and Willoughby, 2005; Moynihan, 2008). More recently, progress has been made in understanding challenges in measuring and comparing bureaucracies across countries at the national level (see, e.g., Van de Walle, 2006, 2008). Bouckaert and Halligan (2008) represent important examples of PMS comparison across countries. In these cases, the focus is explicitly on the system itself rather than comparing the underlying performance outcomes across countries.

The next stage or evolution in this arena of interest is the comparison of local government performance and bureaucracy. Given the increasingly global nature of the economy, local governments must continue to ascertain their performance and capacity to measure performance not all with their geographically contiguous neighbours but with local government entities from across the world. This is particularly important given the continuing push by many international agencies for devolution or decentralisation of government functions (e.g., OECD, 2001).

This special issue of the *International Journal of Public Sector Performance Management* is an attempt to fill this gap in the academic literature. Particularly, it attempts to build theoretical, conceptual and empirical understanding of the functioning of local government PMSs and benchmarking efforts across countries and the potential implications of the functioning of such systems on comparison across countries. Our previous research in this field (Padovani and Scorsone, 2009) has suggested that three dimensions are crucial in attempting any comparative analysis of local public services across countries: performance regime, types of performance indicators and intergovernmental relationships. This special edition highlights these dimensions and builds on our knowledge base.

The first dimension that should be considered is the *performance regime* or the set of national, regional or local government organisations and agencies who define the need for the adoption and use of performance measurement. The second dimension is the *intergovernmental relationship* between and across governments that affects the causal relations of performance and the type of responsibility for service delivery or regulation. Finally, the third dimension is the *type of performance measures*, output, outcome and inputs, in use by local governments. Each dimension can be assessed relative to a burden of evidence in at least a qualitative context. Using these three dimensions, researchers and government officials can engage in comparative analysis in understanding the 'performance management context' across countries.

From the standpoint of one who is interested in comparative research, the framework helps to identify the limitations and, if possible, the adjustments that can be undertaken to conduct research and implement new practices based on learning across governments. When two national cases coexist in the same national/federal 'performance regime level', this implies that performance information is available and homogeneous among local governments for both countries; if they stand in the same regional/state level, and thus, the homogeneity is guaranteed at a lower level than the whole country, the comparison can be done only if the regional/state level is added. If the two countries are located in the same local level or in a different performance regime level, it is possible to compare the two countries at the local government level only if primary data are gathered. This can act as a significant constraint and thus, it represents a major limit that can be overcome only if substantial resources are available to build the protocol and to extensively collect data from local governments.

The 'type of intergovernmental relationships' also, as argued here, serves as a point of comparison. This dimension, if there are differences across countries, does not negate the possibility of comparison but requires a careful analysis of the legal powers and their exercise across different levels of government. For example, if a regional type government provides fire service in one location, while it is carried out at the local or municipal level in another, a comparison of the legal and institutional structures is needed to determine the implications of potential differences on performance. The framework highlights the variables for the analyst to consider.

If two cases are placed in different points of the 'focus of PMS in use' dimension, this could be labelled a 'cultural difference'. This dimension highlights to the researcher which level of performance is considered, on average, to be more important by the organisations themselves. If in one nation, local governments are involved in using output measures as opposed to input/activity measures in another country, this inevitably challenges researchers not only in terms of heterogeneity of measures that are used to measure the service but, also, in terms of trying to understand the reason for these

differences. The very use of different types of measures may instruct our understanding of the dynamics of the adoption and use of performance measures.

Given this overall framework, each of the contributions chosen for this special edition highlight a different aspect of our overall theme. They range the transatlantic region with contributions from Ireland, Britain, Canada, the USA, Belgium, Denmark, Germany, Great Britain, Netherlands, Norway, Sweden.

In Van Roosbroek and Van Dooren, we find an examination of the quality of local governance in Belgium. This paper is an explicit attempt to compare across municipalities in the country. They first tackle the difficulty of addressing the definitions of governance even within one nation state. Further, the articles assess several different data collection methodologies once a definition of governance has been agreed. Their findings are that such comparisons, and the data used to facilitate such comparisons, are potentially problematic and they use of which technique to make these comparison is critical.

In Mark Callanan's piece, an examination is undertaken of the actors behind the design of local performance measurement and management systems. He argues that there are two sources of such systems one from the central or higher level government and a second one of a self organised, more voluntary local approach. His argument is that the source of the local PMS is critical understanding the relative effectiveness and other characteristics of such a system. In particular, the ability and desire to focus on inter-authority comparisons may be more important to a higher level government designed system as opposed to a locally designed system where the priority is more related to local issues without concern for comparability. Callanans's piece informs us that the source of a performance measurement initiative matters particularly in the context of comparing both within a country and across country's PMS's. PMS designers face a crucial choice in the tradeoffs between local priorities and cross authority comparisons. Clearly, a higher level government system may facilitate such comparisons but at the cost of local priority relevance.

Schatteman and Charbonneau examine PMSs in the context of Ontario and Quebec, Canada. The province of Ontario passed a municipal act back in the early 1990s while Quebec's system originates from the late 1990s and early 2000s. The Ontario system is very explicitly designed to facilitate inter-municipal comparisons. The Quebec system also has mandatory performance indicators that must be collected, although with no penalty for non compliance there was a significant proportion of missing data. While inter-municipal system comparisons are possible in both provinces, the provincial government makes such comparison difficult in many cases either data lags or blocking access to raw data e.g. Thus, in this case, we observe two explicit attempts by central authorities to impose some performance measurement standards, but the limitations of such an approach has given rise to fears about the use or misuse of the data. Schatteman and Charbonneau have explored one of the pathways of the origins of performance measurement as described by Callanan. Here we find that within that pathway, several challenges and tradeoffs face higher levels governments in designing and implementing such a system. These challenges include balancing data access and comparability against the fear of misuse and political pressures to avoid such comparisons.

Martin and Mikovsky delineate a performance benchmarking project in the State of Florida, United States of America. In this case analysis, the Florida Benchmarking Consortium is driven by local officials rather than a top-down type approach. The

objective is very explicitly to assist local municipalities in using performance data to make inter-municipal comparison and engage in best practice learning over time. The authors note that the consortium approach avoids the ‘Tower of Babel’ problem that is likely to emerge from a completely unorganised locally driven system where no comparability is possible. Current efforts in the Florida group point towards a common interest of indicators driven by local needs yet still constrained to allow for inter-municipal comparisons and learning. Potentially, the self organising consortium approach represents a third path between a totally driven central system with its drawbacks and a totally local driven system where comparisons become practically impossible.

Henk Klaassen examines the efforts of municipalities in Northwest Europe to move from input to output oriented budgeting and the impact on inter-municipal comparability. He traces examples and the history of municipal budgeting practices as they have evolved from a strict focus on financial indicators to the broader expanse of performance and financial indicators. The study found important differences across countries in Northwest Europe in terms of their reporting of performance, accessibility of information and transparency. He finds that in particular Great Britain stands out on the criteria of information accessibility and transparency. The author cites the UK’s central control as being responsible for these characteristics. This research confirms the notions advanced by Callanan that centrally originated system will allow for greater comparability across units than a locally driven system. In countries with less central control, Belgium, Germany and Ireland were found to have input focused budgets. These results confirm the importance of the source of the PMS in determining its characteristics and structure over time.

Several important themes emerge from the analysis. One key theme is that the source or origin of the PMS matters a great deal too how the system evolves and changes over time. A second key theme is that each comparison must be judged on the several bases including transparency, accessibility, performance itself and even from a political angle. Thus, there is call for multifunctional approach in assessing these efforts. Finally, a third key theme that emerges is the type of analysis carried out to compare across governments, whether within a country or across countries, matters tremendously. Analysts must take care in understanding the impact of different methodologies and the robustness of comparisons across governments and across systems.

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Notes

- 1 Performance measurement is “the process of defining, monitoring, and using objective indicators of the performance of organisations and programs on a regular basis” [Poister, (2003), p.1]; performance management “is about assuring a greater likelihood for reaching desired outcomes by addressing issues that have to do with the business process that is expected to generate the sought after results, the organisational and environmental contexts in which these process and outcomes take place and the involved behaviours of various stakeholders.” [Halachmi, (2005): p.509]. In other words, performance management refers to the incorporation of performance measurement in the process of managing programs and organisations to generate desired goals (Poister, 2003).