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Evaluation of government performance and organizational culture: Reflections from the New Public Management and organization sociology*

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Introduction

In recent times and in a great number of areas which concentrate public administration academics of public administration and public policies, we have been hearing more and more every time about the identified need of discussing about the scope and limits of the different existent models of evaluation, control and vigilance of the public function for achieving governments with results. It is clear that the main purpose is to advance into a government which yields results, a government which performs effectively and efficiently, capable of constructive dialogue with its main evaluator: the citizen.

However, it seems the debate has gone from the initial point about the convenience of establishing mechanisms for evaluating government performance or not, to that which comes naturally to mind when you reach the conclusion that just one idea is enough to try it: How should we do it?, What aspects do we have to take into consideration at the time of reaching the *how*, and improve public management results? In this paper, we share some reflections which come from the study of some evaluation and practice models of government performance, concentrating the attention in those aspects or organizational culture which can influence the success or failure of an evaluation system.

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For doing so, we start from some premises raised in the institutional analysis focus, its translation and adoption within the New Public Management and the completion brought by the culture analysis of the organizations to understand the scope and limits of the implementation of evaluation systems of performance in government organizations which are highly complex by nature.

1. Evaluation of government performance from the New Public Management

For Caiden and Caiden (2001), evaluation of the activities and results of the public sector can be visualized as a critic aspect in relation to the efforts made for providing governments with more capacity; to acquire more efficiency and effectiveness, productivity and efficacy; to improve transparency and accountability; to recover trust in government institutions and contribute to a reorientation of the government role.

In this same sense, according to an analysis made by Paula Amaya (2005), mentioning the layout of Joan Subirats (2004) about the two spheres, Government and Management, we can identify certain “benefits” or “expected positive consequences” from the evaluation implementation. In relation to Government themes: 1) Value government objectives in accordance to the population needs; 2) Improve quality of life of the citizens through the implementation of appropriate public policies which eradicate inequalities and reflect upon social diversity; 3) Improve the representation relationship State-Civil Society; 4) Offer citizens the possibility of expressing value judgments which are founded on government and management reports; 5) Feeding the election process with precise information about past success; 6) Establish responsibility levels of the public officials, and 7) Promote a more transparent management.

In the management sphere, the more recurrent themes are: 1) Improve the quality of services rendered by the public sector; 2) Build a shared vision about the future of the organization; 3) Define strategic management goals; 4) More clarity in the management strategies, that is to say, strengthen “how” those goals will be met; 5) Better information for the establishment of Human Talent Management according to performance quality, and 6) Motivate employees to prioritize citizen perspective in the design of programs and services.

As a consequence, the finality of the State organizations is to produce public value, understood as an equitable satisfaction of human needs. The design of evaluation systems of the public management can be crucial for strengthening democracy, defying public managers to build strategies for sistematizing and communicating achieved goals on behalf of the government: the production of public value (Amaya, 2005).

In this sense, we could think that evaluation practices are implicitly related with a conception of State as a pro-active, useful and more transparent actor in its relationship with the citizens. Its legitimacy is tightly related to the efficiency of its results and the fulfillment of the expectations regarding good handling of public resources, to the adequate identification and attention of public problems and the continuous search of professionalism and dignification of public service as values to be preserved¹.

The evaluation of the results of government management is not only a technical or managerial problem of exclusive interest for public administration professionals, but a politic issue which relates both to governors and citizens. The orientation of results goes farther than control, it wants something more than verifying the use of public resources and proving their lawfulness (Ospina, Cunill and Zaltsman, 2004).

The more traditional and known criteria which involve the evaluation of performance concept are related with the E of public management. According to Gynn, Gray and Jenkins², the main measures involved are: economy, efficiency and effectiveness. These techniques must search to improve resource appropriation and create a more efficient management. The International Organization of Supreme Audit Institution, INTOSAI, gives some definitions for economy, efficiency and effectiveness³: economy is the action which consists in reducing to a minimum the cost of the resources used in an activity without sacrificing quality; efficiency represents the relationship between product, in terms of goods, services and other results and the resources used to produce them; effectiveness is the degree in which

- 1 Christopher Pollit (1999), mentions that management evaluation is related to some other criteria, such as: good management practices, governance, service quality, goals, etc.
- 2 J. Glynn, A. Gray and B. Jenkins, "Auditing the three Es: The challenge of effectiveness" in Public Policy and Administration Vol. 7, No. 3 (Winter) 1992, pp. 56-70.
- 3 Organización Internacional de Entidades Fiscalizadoras Superiores. INTOSAI 50 años. Vienna, International Organization of Supreme Audit Institutions, 2004, 164 pp.

goals are met and the relationship between the expected results and the real results of an activity.

Besides, quality service can be estimated through process measures, related with user satisfaction and opinions. In other vision, economy can be estimated through measures and comparisons of benchmarking or standard establishment. Efficiency can be measured through results, productivity and cost measurement. Effectiveness marks the success of a program, mechanism or policy and is centered in the level reached by its results, through impact measurement. (Caiden and Caiden, 2001, pp. 82).

This is how different points of view within the study of Public Administration have proposed principles, regulations and instruments for endowing government with tools for fighting with its multi dimensional, complex and diverse nature, always oriented by the idea of finding the mechanisms for creating better management results and strengthening their legitimacy; that is the search of *how?*, in an attempt of improving public institution management.

With these theoretical approximations to a complex reality such as government action, we find the principles promoted by institutional points of view and the New Public Management (NPM) which try to give an answer to some insufficiencies of the bureaucratic paradigm and give solution to public problems through concrete actions in a wave of modernization and administrative amendment.

As part of this new tendency, the NPM stands out because it has a managerial orientation, by transferring private administration principles to government environment, such as a clear orientation to management by results, the use of technical tools and instruments for management evaluation and the search for excellence of public servers. It also transfers economic principles to public administration logic in the search of increasing State capacity for acting and generating more public value.⁴

An example of this is the introduction of the Rational Election⁵ point of view for establishing incentive structures which are part of the

4 Through the comparison of public management with private management, the need for demanding higher levels of productivity to the State. The citizen is understood through the concept of customer, whose needs must be met in an easy and efficient way. From this point of view, the reached results are evaluated by the public management, efficiency in the use of resources and the level of citizen satisfaction (Amaya, 2005).

5 Georges Tsebelis, *Nested Games: Rational Choice in Comparative Politics*. California, University of California, 1990.

institutional design of public organizations, starting from the existence of rational individuals who maximize their well being, as well as the application of competition mechanisms between branch offices and the use of economic concepts, taken again by the New Economic Institutionalism (NEI), such as efficiency, effectiveness and efficacy. Seen this way, government modernization would have to integrate the efficiency, efficacy and effectiveness and legitimacy levels, but also needs to implement a way of unfolding which allows it to have a multiplying effect which comprises the whole government apparatus. From the legitimacy sphere, the purpose of modernization is to change the dialogue between State-Society, innovating mechanisms which allow communication, reconciliation, but most of all citizen participation and good will (Cabrero, 1995).

Under the premise of orienting management to results, evaluation becomes a fundamental element to strengthen government actions because it not only lets us know the impact of implemented programs, policies or actions, but it generates feedback spaces and improves public management in its organizational dimension.

From the instrumental point of view, performance evaluation can be defined as the set of technical procedures used by control institutions of the public administration for obtaining, processing and designing relevant information through the examination and evaluation of government activities, projects, programs, policies and organs, in the aspects of efficiency, effectiveness, good management practices, equity, achieved goals, capacity and performance management, among other criteria oriented to results of the public management (Barros, 2002).

This new evaluation concept and government valuation in NPM (New Public Management) makes emphasis in the behavior role of government agents and considers that government amendments which have the tendency to reach a higher efficiency in the public sector, should be based in a transformation of the individual behavior, therefore, organizational (Arellano et. al., 2004).

As far as Miguel Mejía (2005), he mentions that orienting management to results generates a dynamic at the interior of the organization which improves organizational performance as well as the results wanted. The implicit theory is that this dynamic generates feedback and learning process on behalf of the involved parties, which in turn, generate correction actions which improve management.

From this premise, we can say that there are arguments within the NPM which reinforce the idea that it is possible to improve the performance of government agencies through an adequate institutional design, taking as basis the analysis of incentive structures and their effect upon public management results.

As a counterpart, we should consider other points of view which mention restrictions for implementing such incentive structures, which acknowledge change resistance and consider the difficulty for measuring the adoption of values and regulations, such as effectiveness, performance by results and innovation; all of them are elements which are tightly related to institutional change and bureaucratic amendment of the public function. These points of view are analyzed in the following section.

2. Organizations within the institutional point of view

Different authors have already mentioned that institutional analysis and NPM are complementary points of view. In this sense, Franco (2001) asserts that the New Public Management (NPM) is being enriched with institutional analysis, because it places institutions, organizations and officials, mainly political-bureaucratic, in the center of management and amendment of the public sector. Weaver and Rockman⁶, in a broader sense, emphasize the influence of institutional design for affecting the government capacity as an organization which is trying to improve its performance towards an effective and efficient working operation, as well as the results of its management and policies.

The concept of organization gives the idea of order because of the existence of certain routines and procedures previously determined and accepted, whose knowledge allows us to predict the behavior of individuals within the organization as well as their relationship with others. In this way, an *organization* is constituted in a social and cultural system, with well defined procedures and goals through the establishment of rules, whether explicit or implicit, put into practice in a determined hierarchic and functional structure (Coronilla y Del Castillo, 2003).

For the NEI (New Economic Institutionalism), the *institutions* are “the rules of the game” (North, 1999) which consist in formal written

6 Do institutions matter? Washington, the Brookings Institution, 1993, 498 pp.

rules and non written conduct codes which underlie and complete the non-formal rules.⁷ In this sense, Richard Scott (2001) says that institutions are constituted into multidimensional social structures formed by a stable system of formal and informal rules, symbolic elements, routines, human, financial and material resources which give stability and meaning to the social life of the organization, at the same time they limit and guide the behavior of its members.

Individuals respond to institutions –assumed as the rules of the game– because they are backed up by an incentive system, whether positive (recognitions or awards) or negative (penalties or sanctions). In this way, the most rational election of the actors, according to this point of view, is to direct towards the behavior which achieves recognition and avoid the one which generates sanctions.

The fundamental premise refers to the selfish and strategic nature of the human being which will lead him to try to maximize his goals within the institutional design and generate interaction and social cooperation mechanisms for optimizing the effect of his decisions. In this way, the establishment of adequate incentives could guide the collective action toward organizational goal achievement, and last, but not least, it will reflect on the results of public management.

In this sense, Barbara Geddes (1994) mentions that the government is seen as a set of rational and maximizing individuals (bureaucrats) placed on different hierarchic positions with different abilities, intentions and preferences (permanence in the job position, raises, etc.). They are individuals whose behavior is determined on one hand, by the legal context, and on the other, by their individual interests and informal institutional structures.

3. Organizational culture of the institutions

Now, which are the aspects that can influence the success or failure of the implementation of the *how*, chosen to evaluate and improve public management? With the purpose of getting deeper into the second debate mentioned at the beginning of the document, we will make a pause in the sphere of the organizational culture.

Because individuals are the basic and dynamic element of the organizations, when looking to implement some innovation such as

7 In coincidence with Douglas North, George Tsebelis (1990) defines institutions as the formal rules of politic or social games and they constrain the behavior of individual so politic actors.

a performance evaluation system, or a career civil service, we have to take a look at the behavior, motivations and reactions of the actors who, inserted in a government structure, shape and give life to the organization, that is to say, to their organizational culture.

We could say that the culture of an organization is built by a set of socially accepted regulations and values. Regulations lawfully define the way in which goals and objectives previously defined by the organization must be pursued. This lawfulness involves connections with a wide range of regulatory and cultural frames and explains and justifies the institutional order giving regulatory and permanence dignity to their every day practices. In this way, the legitimacy of an organization is closely related to their culture, because its cultural frame is built by a set of socially accepted rules and vales, and in some way, institutionalized.⁸

The search for efficiency, effectiveness and orientation towards results can become institutionalized values which line up the behavior of individuals within an organization. At the time they become recurrent practices and are internalized by the individual, they could influence the improvement of organizational performance. In the case of government organizations, an improvement of management and public action.

A culture of effective government would be formed by cooperation conducts and strategic and proactive attitude in relation to the goals of the organization. They are actions oriented to obtaining results, more than strict fulfillment of procedures. The inclusion of mechanisms which give the possibility of performing innovation practices and search for management transparency are needed.

From the institutional point of view, performance oriented to obtaining results is a conduct which takes as a premise the establishment of goals and objectives which act as guides for people`s actions and which can turn into an organizational value, while it extends into the scope of formal and informal exercise structures of their activity.

In short, it is assumed that a close relationship between evaluation and government performance exists within the NPM and that evaluation allows a better performance of government activities. In

8 In this sense is that we take the idea of *institutionalization* proposed by Richard Scott (2001), which can be seen as the adoption process of those regulatory, ruling and cultural elements which give stability and flexibility at different levels to the organization through times.

this sense, the same point of view implies that through an adequate institutional design, it is possible to direct the organizational actor's behavior through the establishment of incentive structures (positive and negative) for guiding and evaluating their performance. The basic element of this proposal is the existence of institutions.

In general, the convergence point of the different institutionalized points of view is accepting that institutions are the "rules of the game" in an organization and that it is not the institutions who define the frame in which the organization dynamic develops. Institutions are placed under multidimensional social structures formed by a system of formal and informal rules, symbolic elements, routines, human, financial and material resources which give stability and meaning to the social life of the organization, at the same time they limit and guide the behavior of its constituents.

Under this reasoning we can consider a fundamental element of the institutions: organizational culture is seen as a set of socially accepted rules and values which can determine the success or failure of innovation implementation which can change organizational dynamic and try to modify behaviors with the purpose of guiding them to those desirable values in the public management, such as a more effective, agile or transparent performance.

Among the aspects which can be taken into consideration when trying to implement performance evaluation mechanisms, are the following:

Diversity and complexity within the organizations.

Formal and informal dynamics coexist within the institutions and influence their performance. Even though they are managed by a formal rule frame, organizations have great uncertainty areas which escape the attempts of objective measurement of the results of their actions and can become spaces of simulation and change resistance. In this sense, goals and objectives of the organizations are extremely ample and different, making them difficult to measure in a standard way.

One of the main risks of the performance evaluation systems, as a generic tool, can be that by becoming an incentive structure which can be applied in general and wants to influence behavior, it can underestimate the diversity and complexity of organizational reality. An innovation of this kind at behavior levels is related with the fact of accepting duality of government organizations as predetermined by

the ruling frame which controls its function with an internal logic of its own (Cabrero, 1995; Arellano et. al. 2004; Amaya, 2005).

As a social construction, cultural facts can change and be modified. No formula, whether technocratic, administrative or economic, will work 100% if it is not understood that culture also pulls the hidden strings which define functions and structures of a society and that those who promote change because of modernity are also human beings, who act under certain internal rules of what is feasible and viable.⁹

Organizational resistance to change.

In the beginning, implementation of an evaluation mechanism creates organizational resistance; provokes uncertainty and confusion in the areas where there was certain control, especially in the case of government institutions, because they are complex organizations characterized by a strong immobility and resistance to adopt and/or adapt innovations. Part of their stability as institutions is placed in the procedures, regulations and controls which regulate the actions of its constituents and guide their activities towards previously defined goals.

The resistance of organizational constituents to be evaluated and questioned about it is an important obstacle for any performance measuring system. They are a clear example of the dilemmas raised by the New Public Management: control vs. flexibility, strict procedures vs. orientation toward results.

Organizational Learning.

One of the main challenges of a performance measuring system is to avoid that the evaluation results be seen as an end itself, more than a means of improving the organization dynamic and guide its action toward achieving results.

The organizational actor is the one who adopts and adapts the rule, will make it his own in an internal way and will express it in the organization through conducts which are directed by formal and informal means, but always following an action logic which allows its permanence within the organization, at the same time it maintains its transaction costs at the minimum level.

9 David Arellano, Gestión estratégica para el sector público. Del pensamiento estratégico al cambio organizacional. México, FCE, 2004, 262 pp.

That is why the chance of individuals concentrating only in obtaining a grade, more than in guiding their behavior towards a shared responsibility and efficiency culture of public management is very high. This is because the practice of pretense is a frequent attitude in the organizations, most of all when they are submitted to monitoring and evaluation mechanisms.

A well designed evaluation system requires that the system be maintained in time to generate organizational learning and allow the internalization of values and attitudes of shared responsibility and effectiveness.

Usefulness of the evaluation systems.

It is important to point out some of the important questions which must be present in the design and use of evaluation systems in a context of urgent need of results: What are we looking for with an evaluation?, moreover, Which is the importance of institutionalizing the culture of evaluation in search of results, farther than the strict standard sense of the same?

Evaluation systems, as a means of adding information, are also a way of facing complexity, diversity and scope of the government entity. It is a way of making more informed decisions before temporary restrictions and resources. It is an attempt for setting up the beginnings of a new organizational culture which helps to guide government management into concrete and visible results at the moment of making more informed decisions.

Design of the incentive structure.

Under the premises of institutional point of view and the NPM, ranks are accepted as mechanisms which create order and certainty in the organization. They can elevate collective interest above individual one, through an incentive structure, as long as obeying the rules is not more expensive (in terms of time, effort, negative image before their superiors, penalties for corruption practices, unfavorable results in the evaluation, etc.) than beneficial for the strategic actor, in terms of maximizing its individual usefulness (remuneration, prestige, permanence possibility and development in the organization).

Performance oriented to results is a behavior which takes as premise the establishment of goals and objectives which guide the actions of people and that can become an organizational value while it extends over the formal and informal structures of exercise of its activity.

Administrative modernization oriented to obtaining results, requires not only changes in the structure (legal rationality), but continuous changes in the behavior of organizational officials, in the decision dynamic and power structures which are firmly established in government organizations.

Final Thoughts

We could say that the study of organizations from the premise of rational election can be completed by arguments of other theories which are more concentrated on the analysis of organizational culture, where restrictions and considerations are mentioned to implement incentive structures.

As a consequence it is necessary to develop an impact analysis of models conceived as incentive structures –materialized in a formal rule or a performance evaluation system– which guide behaviors and direct them towards a new organizational culture. Therefore the importance of always having the cultural and contextual factor at the time of designing and implementing instruments built from everything we have mentioned earlier, above all in the effects it has on such complex and heterogeneous organizations such as government, taking into consideration that one of the main elements for success or failure of a system oriented to obtaining results is precisely, the organizational actor.

The idea of passing from a government concentrated in the fulfillment of rigid process into intelligent public institutions, has been the source of inspiration to a great many administrative amendments. The search of the adequate institutional design which allows the organization to generate public value and open dialogue spaces with the citizens is very important.

As we have seen, the evaluation theme is strictly attached to account rendering and the need to permanently examine the results of government management as well as its operating mechanisms such as programs or public policies, with the purpose of identifying if it is necessary to modify the strategy to solve the public problem.

It is necessary to be alert not to fall into the temptation of considering evaluation as an end itself, but as a valuable element for strengthening public actions, changing others or, in the worst of cases, eliminating those which are not giving the expected results. It is necessary to

strengthen actions in order to advance in the construction of a culture which evaluates public doings and constantly examines the results of politic programs as well as public management.

The efforts come from the conviction that there is a great need of having a serious, critical and integral debate about the course that Public Administration will take, as well as the participation of the critic community and the citizens for building a more transparent, professional and responsible government.

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