

IMPROVEMENT OR ACCOUNTABILITY, WHAT IS THE TRUE PURPOSE OF PERFORMANCE MANAGEMENT WITHIN THE PUBLIC SECTOR?

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Abstract

This study examines the effectiveness of the performance management system currently in use within South Wales Fire and Rescue Service, whilst challenging the assertion that targets do lead to improved performance from the customer’s point of view. This paper recognises the importance of performance management in the delivery of an organisations strategic intent at the same time questioning its true worth under the current target regime. The approach taken is that of a multi-method case study, utilising quantitative questionnaires on which to base, deeper qualitative enquiry in the form of semi-structured interviews, thus developing a theory in the process. The research is limited to a single public sector organisation, the focus of the research being restricted to a section of business planning managers within the host organisation. The purpose being to critically evaluate the important role performance management has within the wider aims of an organisation. Much of the research is based on the results of a comprehensive literature review, relating to public sector performance management. The findings of this research take a similar view to the academic argument, suggesting that performance management in the public sector tends to be more to do with control and accountability than with learning and improving performance. Furthermore there is clear evidence to suggest that centrally driven targets can have unintended consequences on actual performance in the form of gaming and dysfunctional behaviour. Moreover this study concludes that a bureaucratic, top-down approach actually impedes rather than improves performance, suggesting a more holistic approach to management should be considered. It is hoped that this paper not only benefits the development of the author, but additionally the host organisation, by highlighting how the positive use of information, in the form of measurement can better inform managers in their decision making, whilst concentrating on providing a sustainable quality service in place of arbitrary targets, that tend to remove critical recourse away from frontline services.

Introduction

Improving public services has been high on New Labour’s modernisation agenda since they came into power in 1997. One of the first objectives of the new Government was to launch a Comprehensive Spending Review (CSR), from which to prioritise public sector spending plans. This led to Government departments being tasked with setting their own targets to form part of the then, new Public Service Agreements. This was the Government’s approach to ensuring public sector organisations were clearly held to account to the tax payer for the services their deliver and to bring some transparency to the system. The Audit Commission (1999:3) articulated that: Moreover to clarify the purpose behind this performance measure culture, the Audit Commission (1999:6) stated that: The Local Government Act 1999 placed a requirement on local authorities to secure improvement in the way they exercise their functions, having regard to a combination of economy, efficiency and effectiveness. In 2002 the Welsh Assembly Government (WAG) established the Wales Programme for Improvement (WPI), which is the current performance measurement framework for public sector organisations in Wales (Welsh Assembly Government 2005). In 2005 the responsibility for the Fire and Rescue Service (FRS) in Wales was devolved from the Office of the Deputy Prime Minister (ODPM) to the WAG. Since then the FRSs within Wales fall under the scrutiny of the Wales Audit Office (WAO), in relation to performance of services, “ensuring Welsh public bodies provide good value for money in the delivery of their services to the public” (Welsh Audit Office 2005:3). With this in mind, the following research dissertation will focus on improving performance within a public sector organisation, concentrating on South Wales Fire and Rescue Service (SWFRS). This paper will examine the affect that a bureaucratic (command and control) approach can have on improving performance within a public sector organisation, and whether such performance management systems can assist or impede improvement. The main aim of this research is to critically examine and measure the effectiveness of the current performance management system within SWFRS, whilst answering the key question “can, a change in management thinking, lead to the development of a more effective continual improvement culture with SWFRS?” This paper also seeks to explore the current Government driven target culture as suggested by Hood (2007:97) as “public management by numbers” and

their intended and unintended effects on delivering a better service, thus challenging the assertion that ‘targets do lead to improved service delivery from the customer’s point of view’.

Literature Review

The availability of literature on the subject of performance management is vast and wide ranging; therefore this review will concentrate on performance management within the public sector with particular focus on the FRS. The subsequent sections will consider the implications that the current Government performance management and reporting culture is having on public sector organisations, the researcher will seek to question the assertion that targets do lead to improved performance, whilst examining the unintended consequences of such targets as forwarded by Pidd, (2005) and Hood, (2004). The review will commence with an introduction to the background behind the inception of this regime, also known as New Public Management (NPM), as presented by Verbeeten (2008) and Adcroft and Techman (2008). Taylor, (2008:1) suggests that organisations implementing such a culture may in fact be *‘hitting the target but missing the point’* in terms of actual service delivery to the customer. The debate then focuses on what Marr, (2009): Radnor, (2008) and Collier (2006) suggest is the true purpose of performance management, improvement and learning. Finally the review will consider an alternative approach, a systems thinking approach, which focuses on the customer as the driver for improvement. Although systems thinking can be dated back to the 1920’s, there has for many years been an increase in interest of this approach to the design and management of work. From the Toyota Production System (TPS) to more recent publications such as Senge’s (1990) *The Fifth Discipline*, there appears to be credibility to this approach, which is slowly influencing politicians to sit up and take note. We begin however at the birth of the current target culture. Even before Margaret Thatcher’s arrival at No.10 Downing Street in 1979, Adcroft and Techman (2008:2) concur that *“attempts to boost the effectiveness of public services”* was well underway and saw a performance measurement revolution. A more managerial approach intending to increase efficiency and focusing on results was the order of the day according to Flynn, (1995). The debate is not one sided and there appears to be support for targets, in his Times column Parris (2008:2) argues that *“when public money is spent it is governments duty to get value for it”* suggesting that if we cannot measure something, then we should not ask the tax payer to fund it. Pidd (2005:483) concurs that *“those planning a performance measurement system ought to ensure that its benefits outweigh the cost”*, likewise the author has witnessed an expanding performance management department within the host organisation, known as the Performance Management Unit, the department collects and analysis data, and manages all the business plans within the organisation. The most current literature and media coverage for what Hood (2007:97) describes *“as a disease that other countries should strenuously try to avoid”* suggests there is a paradigm shift from leaders within certain public sector organisations to move away from the target culture, where Hume and Wright, (2006: Title) argue that *“you don’t make a pig fatter by weighing it”* The debate focuses on actual service delivery to the customer rather than hitting centrally determined targets. Hume and Wright (2006:190) articulate *“the continuous improvement approach is longer term and is unlikely to create headlines rather, seeking to achieve sustainable improvement.”* This again suggests that quick fixes can take precedence over longer term benefits. Further target perversity, is that of the ambulance service’s target for response times; being measured for the time they take to respond to certain life threatening incidents. This particular indicator requires an ambulance to respond to an emergency incident within 8 minutes in 75% of cases (DoH, 2005). Whilst time can be critical to any life threatening incident, once in attendance at the incident the clock stops and the paramedics are no longer measured. If the paramedics are to be measured at all, surely it should be on what many perceived as their most vital role, *“emergency life support and stabilizing the patients condition, sufficiently for rapid transportation to hospital”* as presented by DoH, (2005:8). This mirrors the turn out times for fire appliances, where the clock stops when the fire crews arrive at the incident, there is no monitoring or recording of firefighting activities, such as preventing injuries, minimising property and environmental damage, as suggested by Elkan and Robinson (1998).

Conclusion

This research concludes that the current bureaucratic approach does actually impede rather than improve performance, the use of arbitrary targets from the centre, lack of focusing from what the customer and local communities need, the continual auditing of public sector organisations all contribute to a less than effective service, which is unquestionably the wrong approach for what service delivery stands for. The dilemma is: ‘is this bureaucratic system fit for purpose, is the current target regime about improving performance or control and accountability, do, what the people think really drive the system?’ The author, akin to the academics believes that this current system is based purely on economy, accountability and control with limited focus on real improvement and learning, the vast amounts of finances that have been poured into the public sector under the umbrella of best value etc over the past two decades have not been money well spent and have left such organisations confused as to their real purpose and losing their focus for the sake of chasing random targets. This therefore answers the research question that ‘yes’ a change in management thinking can and will lead to the development of a more effective continual improvement culture within SWFRS, but only if there also exists a desire to do so.

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