Performance Management and Decision-making in State Agencies: The Case of Massachusetts

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ABSTRACT

Accountability and transparency are prominent themes across government today. Popular movements such as “reinventing government” (Osborne & Gaebler, 1992) and “new public management” (Hood, 1991) represent a new form of government that includes the formal measurement and monitoring of performance in order to serve the public with efficiency and accountability. In response, governments of all forms and sizes are adopting “performance management” (PM) programs to measure and report their performance. While variation exists across these programs, the major components typically include: strategic goal setting, identification of performance measures, systematic data collection and routine monitoring of performance through internal or public facing dashboards. While private firms have used similar techniques to increase efficiency and profits through performance management programs such as “Total Quality Management” and “Lean” (McGowan, 1995; McNary, 2008), the public sector faces unique challenges when attempting to identify how performance management programs can lead to more effective and responsive government (Van Dooren, 2011). Some argue that performance management and government are fundamentally misaligned (Kellough, 1998). To date, a wide range of scholarly literature on public sector PM has examined the social and political movement behind PM, the strengths and weaknesses of PM as a public administration technique and the implications of performance management for public organizations (Osborne & Gaebler, 1992; Wholey, 1999; Kellough, 1998). Scholars and practitioners alike have attempted to make recommendations for public managers who seek to utilize performance management. While performance management strategies have been utilized across almost all levels of government (Hatry, 2014), current literature focuses largely on identifying the factors that impact the adoption or implementation of performance management programs. Despite gains in our understanding of the extent of performance management adoption, more research is needed to understand how, if at all, measuring and monitoring performance data leads to a better, more efficient public sector. This research’s primary research question is: How is performance management used to inform decision-making in state agencies? This research will utilize a case study design of Massachusetts state executive agencies, and will supplement in depth semi-structured interviews with secondary data analysis. This research will contribute to the scholarly literature surrounding performance management while also providing key insights to practitioners and public managers on the front lines of performance improvement efforts.
Introduction

On February 14, 2013 Governor Deval Patrick issued Executive Order 540, *Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments* (Commonwealth of Massachusetts, 2012). Executive Order 540 represents the most recent version among several iterations of performance management in Massachusetts, the first of which date back roughly to 2009. Massachusetts’ efforts to adopt and implement formal performance management reflect a general movement within the public sector (Moynihan, 2005). While performance management takes on different meanings in different agencies or jurisdictions where it is being implemented, the practice can broadly be defined by the activities of formally collecting, analyzing and monitoring data in order to inform policy and/or budgetary decisions (Wholey, 1999). Distinct from related disciplines such as program evaluation or human resources management, public sector performance management refers to a broad range of strategies. Major features typically include the development of organizational strategic plans, identification of performance measures, collection of data, data analysis and reporting of progress via open and accessible forums (online dashboards, public reports etc.) (National Performance Management Advisory Commission, 2010, Wholey, 1999). The goal of performance management is to increase the public sector’s ability to use data to pursue organizational goals (Moynihan, 2005). Successful performance management is assumed to increase efficiency and customer service, promoting accountability and instilling public trust (Moynihan, 2005). The goal of this research is to examine state level performance management in Massachusetts. This research is motivated by questions concerning the application of performance management to organizational decision-making, specifically: *How is performance management used to inform decision-making in state agencies?*

The results of this research will help inform public administration/management scholars who seek to better understand the role of performance management practices in policy and budgetary decision-making. Established research focuses on measuring the extent of adoption of various performance management strategies (Moynihan, 2006) or highlighted best practices from select agencies or jurisdictions (Hatry, 2014). Efforts have been made to quantify the level of
adoption through survey research (Moynihan, 2005). Additional research closely examines select public organizations that have adopted and implemented performance management strategies to better understand what organizational and operational factors impact the adoption and implementation phases of performance management (Julnes & Holzer, 2001; Moynihan, 2005). While existing research has provided a solid foundation for understand the basic components of PM and the factors the impact its adoption and use, it has yet to adequately address the role of PM in organizational decision-making (Ingraham, Joyce, and Donahue 2003; Sanger, 2008). The results of this research will help close this void.

Research Questions

Existing research on performance management in the public sector focuses on performance management adoption, implementation and the use of performance data in decision-making within public organizations (Julnes & Holzer, 2001; Aristigueta & Zarook, 2011; Melkers & Willoughby, 2005; Bianchi & Rivenbark, 2012; Moynihan & Lavertu, 2012; Sanger 2008; Dull, 2009; IBM, 2011; Moynihan, 2005; Hatry, 2014). While Massachusetts has passed legislation mandating that agencies adopt performance management, limiting the potential for analyses focusing on why various agencies adopted the practice, Massachusetts agencies vary in how they implement performance management and in how they use the practice to inform decision-making. This research will explore these two dimensions of performance management in detail.

This research’s primary research question is: How is performance management implemented and used to inform decision-making in state agencies? To examine this question in detail, its two major components will be explored separately in the following sub questions:

How do Massachusetts state agencies implement performance management? This question will look directly into the practices that agencies use and attempt to measure the level of variation in implementation across agencies.

How do state agencies use performance management data to inform decision-making? This question will focus on understanding how public managers use the data generated through performance management programs to make decisions within their organization.
Data collection and analysis efforts seek to produce results that will identify and measure the ways that state agencies use performance management strategies to inform decision-making in their organizations. While this research will draw from several well established theories, the primary goal of this analysis is to contribute to the literature in the fields of public management and organization theory while also ensuring that results are actionable for practitioners on the front lines.

Motivations

Policy Motivations

Increased service demands and decreased revenues in the current post-recession era have forced state governments to provide more services with fewer resources (National Governors Association, 2013; Martin et. al., 2012). Specifically, state governments continue to face increased service demands and spending in areas such as unemployment assistance, higher education and corrections (National Governors Association, 2013). These and other programs are in high demand given weak economic conditions. Reductions in federal spending toward the states have left states with less assistance from the federal government in programs such as Medicaid (National Governors Association, 2013). State budget data indicates that the current situation is not likely to improve soon. “Lower real spending levels in fiscal 2013 than in fiscal 2008 indicate that state budgets are not growing quickly enough to make up for recession induced declines and inflation (National Governors Association, 2013, p.vii). In 2012, 27 states reported a combined budget gap of $68 billion (National Governors Association, 2013, p.vii).

The result of these spending and service trends is that states are continually seeking new ways to achieve greater efficiency while maintaining service quality (National Performance Management Advisory Commission, 2010). In some states, these efforts have been accompanied by the implementation of performance management programs (Moynihan, 2006; Hatry, 2014). While research has found that the use of performance management practices is widespread in state governments, with some form of PM being used in 48 of 50 states (Moynihan, 2006), there is significant variation in the level of adoption across states (Aristigueta, 2002) and limited
information is available about how these initiatives impact actual management decisions within organizations (Sanger, 2008).

In these difficult financial times, it seems clear that states will continue to attempt to better understand the services they provide and the associated costs through some form of performance management initiative (Aristigueta, 2002). While private organizations can rely on profit incentives to motivate and guide these efforts, the public sector faces unique management challenges (Wilson, 1989). For example, low compensation in the public sector, relative to the private sector, may lead to a lack of incentives for public employees to identify cost reductions or quality innovations (Shleifer, 1998, Blank, 2000). That is, when the public sector offers pay incentives that are significantly lower than their private sector counterparts, there may be a lack of incentive for public employees to strive for low cost, high quality goods and services (Blank, 2000). These types of challenges may lead government to struggle with the adoption and implementation of management techniques that have potential to improve services and reduce costs. To confront and overcome these challenges, the public sector needs more information about how management strategies such as performance management can be used to inform and improve decision-making.

By identifying the key factors that impact the use of performance management as a management strategy, rather than simply a reporting mechanism, the results of this research will inform policymakers who seek to better understand how performance management can be implemented to inform policy and/or budgetary decision-making in their organizations. The results will inform policymakers and public managers who seek to develop or further implement a performance management initiative in their jurisdiction. Public managers with more information will be able to craft initiatives that meet organizational goals without expending unnecessary resources.

**Scholarly Motivation**

Scholars have long been interested in understanding how public sector organizations operate and what strategies work and fail. In *Administrative Behavior* (1947), Herbert Simon helped untangle decision-making in bureaucratic organizations, establishing the popular concept.
of “bounded rationality” and distinguishing between fact-based and value-based decisions (Simon, 1947). In his foundational 1989 book, Bureaucracy, James Q. Wilson provided a deep analysis of “What Government Agencies Do and Why They Do It”. Through a comprehensive analysis of a diverse set of public organizations, Wilson (1989) describes how public organizations struggle to overcome an often tangled web of misaligned motivations and incentives between managers and front-line staffs and must work within the confines of strict rules and regulations. Introducing the concept of scientific management, Taylor (1947) advocated for the application of strict rules, laws and formula, drawing upon methods often based in quantitative analyses, to guide an organization’s work. Modern management movements including such as new public management have called for the further application of practices traditionally found in the private sector to public organizations, including applying formal data collection and monitoring practices to inform management decisions. As these movements have taken hold in state, local and federal government (Moynihan, 2006), public organizations are increasingly looking toward performance management as a way to increase efficiency and improve services.

While there is a long tradition of scholarship providing theories and analysis surrounding public sector management strategies, the list of remaining questions surrounding the topic is equally long. Following suit, the current literature on public sector performance management presents a wide range of opinions and contradictory empirical findings (these findings will be discussed in detail in sections to come). To reconcile contradictory findings, additional research examining current applications across diverse jurisdictions and levels of government are necessary. While it is not reasonable to imply that this research’s findings will provide the definitive word on the efficacy of performance management, this research will conduct a careful examination to help scholars better understand the role of performance management in decision-making. This research’s findings will also help raise additional difficult questions surrounding PM and suggest areas for further analysis.
Performance Management in the Public Sector

Performance management (PM), the regular and systematic monitoring of measures such as cost and quality, has become a standard operating procedure in most private enterprises (Wholey & Hatry, 1992). Private firms use performance management to pursue increased efficiency and improve their services to meet customer needs (Behn, 2002). Increased efficiency, and profits, has been attributed to successful implementation of performance management programs such as “Total Quality Management” and “Lean” (McGowan, 1995; McNary, 2008). As private sector management principles continue to bleed into the public and nonprofit sectors, governments and nonprofits have embraced the use of PM (Moynihan, 2006). For some of these organizations, mimicking the private sector has presented unique challenges.

While the private sector’s PM activities largely support the clear and quantifiable goal of profit maximization, the public and nonprofit sectors must undertake long and complex processes to define goals and develop measurable performance metrics. The result is that many nonprofit and public sector organizations are still attempting to understand how the practice can lead to more effective and responsive services (Behn, 2002; Kaplan, 2001). For nonprofits specifically, performance management has accompanied the larger movement toward professionalization and formalization (Barman & MacIndoe, 2012). As nonprofit organizations have proliferated, a subsequent increase in competition for funding has led to the use of performance management to demonstrate program effectiveness to potential funders (Barman & MacIndoe, 2012). That is, nonprofits must develop the resources necessary to conduct PM in order to compete for additional resources. Despite arguments that PM and government are fundamentally misaligned (Kellough, 1998; Moe, 1994), PM initiatives have a long history across public sector jurisdictions.

Arguments for performance management in the public sector were raised as early as the 1940s. Prominent movements including “reinventing government” (Obsorne & Gaebler, 1992) and “new public management” (Hood, 1991) have championed a new form of government that included the formal measurement and monitoring of performance in order to serve the public with efficiency and accountability. Formal initiatives included the implementation of the

In addition to gaining the interest of public managers across local, state and federal governments, public sector performance management initiatives have captured the attention of scholars across several disciplines. While organizational behavior scholars have attempted to understand how organizational characteristics impact PM, public policy and management scholars have sought to understand the efficacy of such efforts, including the implications for services, budgeting, accountability and transparency (Wilson, 1989, Cammilleri et al, 2007; Horovitz & Thietart, 1982; Meier et al, 2002, Julnes & Holzer’s, 2001).

The increased interest in PM has also included increased scrutiny from researchers. While the promises of PM have excited many public managers and practitioners, some scholars have pointed out that inconsistencies between government and PM may lead to unintended negative outcomes. In an analysis of the GPRA, Radin (1998) finds that the broad application of a single management strategy across a highly fragmented government led to practices that did not always meet the goals of the PM legislation. While some agencies took the mandate seriously and used it as a way to think about performance, others did little more than comply with requirements by re-packaging pre-existing initiatives (Radin, 1998). In addition, while some agencies include all of their programs in the PM efforts, others chose programs that were best situated for PM, avoiding others where data was difficult or unavailable (Radin, 1998). Finally, some agencies were found to use measures that reflect their internal operations, rather than any
outcomes with implications for the public (Radin, 1998). While much of the research critiquing PM has been at the federal level, it is clear that a certain level of skepticism accompanies the excitement that some feel for PM.

Before examining the PM efforts underway in Massachusetts, it is important to explore the common components of public sector PM.

*Defining Public Sector Performance Management*

The fundamental components of performance management include: (1) reasonably agreeing on an organizational mission, goals and the steps and strategies necessary to achieve goals, (2) implementing a high-quality system to measure and document performance and inform decision-making and (3) use performance data and measures to inform subsequent decisions in pursuit of organizational goals (Wholey, 1999; Wholey & Hatry, 1992, National Academy of Public Administration, 1998; U.S General Accounting Office, 1996). Figure 1 provides a summary of the main components of performance management.

*Figure 1: Performance Management Administrative Process* (Wholey, 1999)

While the components of PM are seemingly straightforward at a glance (develop a plan, measure progress with data, use data to inform management…), a more careful examination
uncovers that each step is complex and often subject to multiple interpretations. Performance, for example, may have many meanings. To some, performance may focus on customer service while others focus on budgeting and cost efficiency. Wholey (1999) suggests several ways that that performance may be defined. First, performance may reflect the inputs (funding, staff etc.) that go into a public program (Wholey, 1999). Second, performance may refer to the process or activities that convert inputs into outputs and ultimately outcomes, including how well an agency meet compliance regulations or industry best practices (Wholey, 1999). The outputs of such activities or process, including the goods or services delivered, as well as the level of efficiency at which the outputs are delivered, may also define performance (Wholey, 1999). Finally, performance may reflect short, medium or long-term outcomes, the larger impacts and results of a targeted program (Wholey, 1999). Outlining the range of measures that may represent performance brings to focus the fundamental difficulties that public managers and administrators grapple with. To reconcile competing definitions and conceptions of what performance means, PM advocates for public managers to first find agreement on what their organizational goals are and how they will pursue them (Wholey, 1999; Wholey & Hatry, 1992, National Academy of Public Administration, 1991; U.S General Accounting Office, 1996). Once agreement is reached, implementation of PM raises new challenges.

A key feature of implementing performance management is conducting performance measurement. Wholey (1999, p.290) describes this step as:

“the periodic measurement of specific program inputs, activities, outputs, intermediate outcomes, or end outcomes. Performance measurement includes both the collection and analysis of numerical data and less formal assessment of agency or program performance such as narrative assessment of the extent of progress toward agency or program goals”

For many public organizations, collecting and analyzing reliable data for performance measurement purposes requires a careful balance between optimal measurement activities and feasible measurement activities. While performance may be measured through quantitative methods, interviews, focus groups, surveys or participant observations, the choice of measurement method are often subject to organizational capacities (Wholey, 1999). Regardless
of the methods used, measurement includes developing a set of systematic and reliable practices that allow public managers to capture results and reflect how well organizational goals are being achieved (U.S General Accounting Office, 1996). Ideally, performance measurement should not be too costly or consume an excessive amount of staff time. That is, measurement should attempt to use existing data and should limit the amount of administrative and bureaucratic burdens for the organization (Wholey, 1999).

The final component in a PM initiative is using the data to “manage”. While this aspect of the PM process takes many different forms across organizations and jurisdictions, PM associated management ideally refers to process of making data-supported decisions that pursue one or more of the organizational goals (U.S General Accounting Office, 1996, Wholey, 1999). As organizational goals are diverse, PM based management may focus on using data to make decisions surrounding budgets, policy, program, internal operations or human resources. Wholey (1999, p.292) offers a range of activities that may constitute performance management, including “delegating authority and flexibility in return for accountability for results, creating incentives for improved program performance, redesigning central management systems to focus on performance, reallocating resources or redirecting program activities to improve performance, and developing partnerships designed to improve performance”.

Performance Management in Massachusetts State Government

Timeline
Initiated through legislation, budgetary actions and an executive order, PM has formally been underway since 2009. The timeline (Attachment X) illustrates the major developments in PM from 2009 through present.

2009 - 2011: MassGoals

The first formal iteration of PM in Massachusetts, named MassGoals (Massachusetts Government Outcomes to Achieve Long-Term Success), began in 2009. Introduced formally via the Fiscal Year 2010 House 1 Budget Recommendations, the annual vehicle for the Governor to
MassGoals originated as a concept during a December 2007 meeting of Governor Patrick’s cabinet (www.mass.gov, 2015). MassGoals focused on measuring progress toward 9 strategic priority areas. Approximately 10-20 performance measures were tracked for each of the 9 focus areas. The figure below provides examples of performance measures:

Table 1: MassGoals Performance Measures

<table>
<thead>
<tr>
<th>Result</th>
<th>Selected Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing</td>
<td>• Production and preservation of affordable units&lt;br&gt;• Condition of state public housing stock&lt;br&gt;• Outcomes of client participation in foreclosure counseling programs</td>
</tr>
<tr>
<td>Civic Engagement</td>
<td>• Participation in public meetings and hearings&lt;br&gt;• Communities and individuals helped by Commonwealth Corps members&lt;br&gt;• Citizen access to information, particularly online and in other forms of new media</td>
</tr>
<tr>
<td>Clean Energy &amp; Environment</td>
<td>• Green building projects (new construction and renovation) at state facilities&lt;br&gt;• Generation of renewable and alternative energy&lt;br&gt;• Public satisfaction with state parks and recreational facilities&lt;br&gt;• Acres and type of land protected&lt;br&gt;• Attainment of air and water quality standards</td>
</tr>
<tr>
<td>Effective Government</td>
<td>• Customer service wait times&lt;br&gt;• Application or payment processing speed&lt;br&gt;• Diversity/representativeness of state workforce&lt;br&gt;• Participation in municipal partnership programs</td>
</tr>
<tr>
<td>Efficient Transportation &amp; Mobility</td>
<td>• Public transit ridership on MBTA and RTAs&lt;br&gt;• Pavement and bridge conditions&lt;br&gt;• On-time and on-budget project delivery</td>
</tr>
<tr>
<td>Job Creation &amp; Economic Growth</td>
<td>• Employment levels and unemployment rates&lt;br&gt;• Job creation and retention&lt;br&gt;• Business zoning/permitting promptness&lt;br&gt;• Job placement for human services clients</td>
</tr>
<tr>
<td>Quality, Affordable Health Care For All</td>
<td>• Insurance coverage rates&lt;br&gt;• Health care quality (e.g., addressing preventable hospitalizations)&lt;br&gt;• Wellness indicators (e.g., smoking and obesity rates)</td>
</tr>
<tr>
<td>Safe Communities</td>
<td>• Workplace safety&lt;br&gt;• Recurrence rate of child abuse/neglect&lt;br&gt;• Highway accident clearance&lt;br&gt;• Forensic processing efficiency</td>
</tr>
<tr>
<td>World-Class Education</td>
<td>• Availability of licensed early education programs&lt;br&gt;• Student proficiency and standardized test performance&lt;br&gt;• Teachers with subject-matter qualifications&lt;br&gt;• Public college and university enrollments and degree conferrals</td>
</tr>
</tbody>
</table>


While Governor Patrick was the primary leader of MassGoals, each of the eight executive secretariats provided the data and contributed to quarterly performance reports. Tasks of managing and administering MassGoals fell on the Executive Office for Administration and
Finance (ANF). Dedicated staff resources in ANF were used to support the initiative and manage key deliverables.

2011: Office of Commonwealth Performance, Accountability and Transparency

While MassGoals ushered in formal PM in Massachusetts, the establishment of the Office of Performance, Accountability and Transparency (CPAT) represented a further step toward institutionalizing PM. CPAT was established through legislation as a dedicated office within the larger Executive Office for Administration and Finance (ANF). Mandated through the Massachusetts General Laws, CPAT’s mission includes:

“(1) execute a performance management program throughout the executive department including, within statutory limits for each agency, defining missions; creating measurable goals; establishing strategies for achieving those goals and relating them to budget development;
(2) monitor and review federal grant applications made on behalf of the commonwealth and coordinate efforts to maximize federal revenue opportunities and oversight of compliance with federal reporting requirements;
(3) ensure transparency of the commonwealth’s administration and finance activities, including the operation of the searchable website required by section 14C;
(4) establish and maintain a central intake unit for reports of fraud, waste and abuse;
(5) establish and maintain an economic forecasting and analysis unit to coordinate all spending and revenue forecasting by state agencies and coordinate with the caseload and economic forecasting office established in section 4R;
(6) perform the executive office’s duties for privatization contracts under section 54;
(7) reduce and simplify paperwork of state agencies and departments by adopting uniform forms or federal forms, if possible, when they are shorter than the corresponding state forms;
(8) implement and streamline electronic paperwork options to better facilitate public interaction with state agencies; and
(9) collaborate with other state agencies, authorities and other entities to carry out these purposes. The office shall oversee and coordinate the output of the performance measurement systems developed by each executive office under section 4A of chapter 6A. The office shall
report quarterly the results reported by the performance measurement systems and progress on implementing the systems by each executive office to the chairs of the house and senate committees on ways and means, the chairs of the house and senate committees on post audit and oversight and the chairs of the joint committee on state administration and regulatory oversight.” (Massachusetts General Laws, MGL, Part I, Title II, c. 7, s. 4a)

2012: Executive Order 540: Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments

On February 14, 2012, Governor Patrick issues Executive Order 540 (EO540), establishing a statewide performance management program called MassResults to be administered through the previously established Commonwealth Office for Performance, Accountability and Transparency (CPAT).

2012-2014: MassResults: Strategic Plans and Performance Dashboards

In accordance with EO540 and the implementation of MassResults, each of the 8 secretariats has to date developed and published a two-year strategic plan (Massachusetts Executive Office for Administration and Finance, 2013). In addition, 12 agencies under the authority of the Secretary of Administration and Finance (ANF), the state’s designated lead agency in charge of directing statewide performance management, have developed strategic plans (Massachusetts Executive Office for Administration and Finance, 2013). The organizational structure of MassResults is as follows:
The full list of secretariats and ANF agencies currently participating in PM in Massachusetts include:

### Table 2: MassResults Participating Organizations

<table>
<thead>
<tr>
<th>Organization</th>
<th>Organization Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Office for Administration and Finance (ANF)</td>
<td>Secretariat</td>
</tr>
<tr>
<td>Appellate Tax Board</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Board of Library Commissioners</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Civil Service Commission</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Department of Revenue</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Division of Administrative Law Appeals</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Division of Capital Asset Management and Maintenance</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Human Resources Division</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>State Library</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Massachusetts Office on Disability</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Operational Services Division</td>
<td>Agency within ANF</td>
</tr>
<tr>
<td>Executive Office of Elementary and Secondary Education</td>
<td>Secretariat</td>
</tr>
<tr>
<td>Executive Office of Energy and Environmental Affairs</td>
<td>Secretariat</td>
</tr>
<tr>
<td>Executive Office of Health and Human Services</td>
<td>Secretariat</td>
</tr>
<tr>
<td>Executive Office of Housing and Economic Development</td>
<td>Secretariat</td>
</tr>
<tr>
<td>Executive Office of Labor and Workforce Development</td>
<td>Secretariat</td>
</tr>
<tr>
<td>Executive Office of Public Safety</td>
<td>Secretariat</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>Secretariat</td>
</tr>
</tbody>
</table>
Strategic plans are currently available on each organization’s website and are also compiled together on the state’s performance management website. Strategic plans include clearly articulated measures and targets that reflect each organization’s performance goals.

Next, each participating organization has published performance reports detailing their progress toward meeting the goals established in the Strategic Plan. Reports were published in January 2014 and January 2015. That is, each of the 18 agencies participating in MassResults has to date drafted a strategic plan and published 2 performance reports in accordance with their involvement with MassResults.

In addition, the state’s performance management website, Informed Massachusetts, currently contains links to three online tools that have been developed to track accountability and increase transparency, specifically in the area of budgeting. These tools are oriented toward a diverse constituency including public managers, interest groups and interested members of the general public. First, Open Checkbook is a web-based tool that allows users to view detailed information on state spending and quasi-state agency spending. Information is fully searchable and presented in tables and graphs. Through Open Checkbook, users can identify an initiative or specific program and view the current spending level, source or funding and comparison to the previous year’s funding levels. Second, the Program Budget tool is a web-based resource where users can view the current budget in a programmatic format, including details such as vetoes, outside sections and local aid disbursements. The program budget differs significantly from the traditional “line-item” format where spending is shown according to assigned line items. While the line item format often spreads funding for similar initiatives or programs across several agencies, the program budget format groups spending by program or initiative. This formatting change makes it easier to see all of the funding associated with a program in one place and is thought to much more accessible and easy to understand. For example, while a line-item budget may spread public transportation related funding across a dozen or more line items, the program budget will show all public transportation funding in one place and categorize it by funding source.

The following table provides a summary of current performance management initiatives in Massachusetts:
### Table 3: The State Of Performance Management in Massachusetts

<table>
<thead>
<tr>
<th>Performance Management Initiative</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Plans</td>
<td>Strategic Plans include goals for 2013-2015</td>
<td>8 Secretariats and 15 Agencies have published reports online</td>
</tr>
<tr>
<td>Open Checkbook</td>
<td>Web-based state spending and quasi-state agency spending details</td>
<td>Published. Site has received approximately 420,000 visits to date (ANF, 2013)</td>
</tr>
<tr>
<td>Program Budget</td>
<td>Web-based. Categorizes state spending by program area, rather than the traditional “line-item” format.</td>
<td>Published</td>
</tr>
<tr>
<td>Performance Reports</td>
<td>Report on progress against goals established in strategic plans</td>
<td>Published January 2014 and January 2015, Publication of Performance Reports suspended March 2015</td>
</tr>
</tbody>
</table>

#### 2015: Governor Baker suspends MassResults

Upon taking office in January 2015, Governor Baker removed personnel from the Executive Office of Administration and Finance who were responsible for the implementation of the MassResults initiative. Specifically, the Director of Performance Management and the analyst who supported that role were terminated. Soon after, Governor Baker terminated the contract that existed between the state and the consultants who were charged with helping implement performance management through MassResults. Early indications suggest that the Baker administration intends to significantly decrease the scope of the performance management efforts across state agencies. A reduction in scope may result in one or more of the following: (1) eliminating the use of outside consultants and moving PM efforts into the Governor’s Office to be administered internally, (2) refining the number of measures that organizations collect and track, (3) eliminating or refining the Strategic Plan and Performance Report publications. At this point, there is no public indication of what direction the Baker administration will take on PM, if any. For that reason, this study will focus on PM efforts prior to the Baker administration.

The previous sections have introduced this research’s question, defined performance management, provided motivations for this study and outlined the state of affairs in Massachusetts. The next section, a two-part literature review will first provide a review of the
theoretical foundations that PM rests upon before closely examining the existing research on PM adoption and use.

**Literature Review**

**Part I: Theoretical Foundations**

The goal of this research is to better understand the role of performance management in decision-making within state agencies. In order to understand how public organizations use PM to make decisions within their organizations, it is first important to review the foundational theories surrounding the characteristics of modern organizations. This review will begin by revisiting the classic organizational theories that describe the rise of formal organizations and the structures and defining characteristics of bureaucratic organizations. As organizational theory has a natural connection to performance management via organizational concepts such as rationalization, this first section will establish a strong foundation for this research’s analysis of performance management in public organizations. In addition, a review of organizational theory will provide a strong foundation for the second component of this literature review: a review of the existing research that examines PM and organizational decision-making.

*Organization Theory*

Rather than a single theory attempting to address a well-defined question, organization theory spans disciplines and is made up of a loose set of propositions, claims and counter-claims that attempt to address a diverse range of questions (Gortner, Mahler & Nicholson, 1987). While sociologists focus on role of organizations as social institutions and may attempt to understand their structures, internal interactions or impacts on external social structures, political scientists focus on the role of the organization for government and public policymaking (Gortner, Mahler & Nicholson, 1987). Within each of the predominant social sciences, it is likely that a dedicated set of scholars are attempting to understand how organizations work and how they impact their field of study. This review focuses on integrating the classic organizational theories surrounding rationalization and bureaucracy with institutional theories that help understand how and why
organizations adopt and implement various structures and activities. An overview of the concept of “rationalization” will begin this review.

The “Rational” Organization

A fundamental question within organization theory attempts to understand how organizations emerge, become formalized and what characteristics they encompass (Meyer & Rowan, 1977). A natural starting point in the analysis of any organization or group of organizations, this question deserves attention and provides important insights into the potential motivations for performance management adoption and implementation. A review of classic theories surrounding bureaucracy, rationalization and scientific management suggest that organizations form in order to introduce rationality and structure in complex and interdependent environments that require extensive coordination of people and tasks (Meyer & Rowan, 1977). The characteristics organizations adopt and tactics they use to manage, such as performance management, are then attempts to display and utilize rational behavior. Some of the earliest theory surrounding organizations and rationality examines the bureaucracy.

Observing the growth of the central state and capitalist economic system in the early 1900s, Weber (1930, 1947) offered a vision for an organization, or bureaucracy, which was able to respond to the challenges of modern society through coordination, standardization and structure. Weber’s ideal type bureaucratic organization is characterized by features such as a clearly defined hierarchy, hiring and promotion based on technical qualifications, specialization of work based on skills and competencies, expert training and the separation of personal life from official duties (Weber, 1930, 1947). The adoption of these principles by an organization exemplifies increased rationalization and as the domain the organizations operate within become more and more complex and expansive; the need to coordinate the tasks performed by members of the bureaucracy increases, leading to increasingly rationalized formal structures (Meyer & Rowan, 1977). While Weber’s bureaucracy focuses on the concept of rationality, additional closely related works around the same time focus their attention on the concept of organizational efficiency.
Efficiency

While different, rationality and efficiency are sometimes used interchangeably when referring to organizational characteristics (Gortner, Mahler & Nicholson, 1987). When defining the ideal type bureaucracy, Weber describes the organizational structure that promotes rationality (Gortner, Mahler & Nicholson, 1987). This descriptive analysis is closely related to another prominent theory, Frederick Taylor’s (1947) scientific management. Taylor’s (1947) scientific management movement sought to replace the inefficiencies associated with what he referred to as traditional management. Rather than rely on “rules of thumb”, Taylor advocated for strict rules, laws and formula, drawing upon methods often based in quantitative analyses, to guide an organization’s work (Taylor, 1947). To manage efficiently, leaders of the organization must not only be diligent in ensuring that they took on an equal share of the work, but must also evaluate and respond to the strengths and limitation of each worker, extracting the most output possible from each person’s efforts (Taylor, 1947). Together through cooperation and adherence to the rules of the organization, an organization can obtain the highest degree of efficiency (Taylor, 1947). Additional administration scholars such as Gulik and Urwick (1937) argue that the organizations most important goal is efficiency and that scientific methods are the means to achieve the most from workers with the least effort.

While the principles of scientific management are more prescriptive than Weber’s description of the ideal type bureaucracy, they share several themes that reflect the rationalization of organizations. The specialization of staff, hierarchical structure, use of rules and formula and the coordination of tasks across separate work units are some of the features of the ideal type bureaucracy and scientific management that lead to the rational and efficient organization (Weber, 1947; Taylor, 1947). These early organization and administration theories may not be prominent in organizations today, but they have lasting implications for modern movements that have paved the way for the use of performance management in public organizations.

Modern movements within public administration, notably “new public management” (Hood, 1991) and “total quality management” Holzer (1995) and “reinventing government”
(Osborne and Gaebler, 1992), draw from some of Weber and Taylor’s main themes in pursuit of more efficient government. New public management (NPM) relies on private market-based principles to introduce competition into the public sector (Hood, 1991). Heavily reliant on outcome measurement and business-like management principles, NPM advocated for a small, lean government. Similar to scientific management, NPM seeks to use data and facts rather than rules of thumb to identify and capitalize on organizational efficiency (Hood, 1991). Total quality management (TQM) is a management approach that champions collaboration between expertly-trained employees and managers and the collective use of data to manage and improve the organization (Holzer, 1995). The reinventing government movement is a prescriptive approach that advocates for the use of tactics such as performance measurement via cost/benefit analyses and a market-oriented approach to best serve the “customers” of public agencies (Osborne and Gaebler, 1992). While each approach is unique in its own respects and there are certainly deviations from the earlier theories, these modern approaches to manage public organizations are, like their predecessors, attempts to insert rational behavior within organizations that face complex challenges. For public organizations, the implications have been an increased emphasis on professionalization of staff, training and the use of performance management practices such as strategic planning and output/outcome measurement (Hood, 1991).

Revisiting Rationality via Institutional Theory

Weber (1930, 1947) and Taylor (1947) argue that organizations with characteristics such as hierarchical structures, expert training, clear rules and robust methods of measurements and evaluation are best suited to operate efficiently. While these theories laid some of the foundations for organizational theory, institutional theory has since questioned some of their fundamental assumptions. Institutional theory broadly argues that factors within the institutional environment that an organization operates within have a strong impact on the structures and activities that characterize the organization (DiMaggio & Powell, 1983). Specifically, the structures and activities of modern organizations are determined by the need to conform to the norms, rules and even laws that dominate their institutional environment (Meyer & Rowan, 1977). Meyer & Rowan (1977, p.1) argue that as certain structures and norms are institutionalized in society as “prevailing rationalized concepts” or “myths”, organizations face
incredible pressure to conform, regardless of the impact the associated activities have on their organizational efficiency. That is, institutional theory asserts that formal organizations assume certain structures and undertake certain activities not as a means to greater efficiency, but as a means to gain legitimacy and survive within their institutional environment (Meyer & Rowan, 1977). In some cases, adoption of such practices may negatively impact organizational efficiency (Meyer & Rowan, 1977)

To help explain why organizations adopt practices that do not benefit them, DiMaggio and Powell (1983) elaborate on the pressures that propel organizations to conform by outlining the factors that drive “isomorphic change”. First, coercive pressures are those that force conformity based on a legal mandate or the need to maintain relationship with or resources from an organization that another organization depends on (DiMaggio & Powell, 1983). Second, organizations that face high degrees of uncertainty conform to memetic pressures in order to mimic successfully organizations and signal legitimacy (DiMaggio & Powell, 1983). Third, normative pressures are those that institutionalize and diffuse certain professions, accreditations, qualifications or hiring practices (DiMaggio & Powell, 1983). In general, organizations that are dependent on another organization, face more uncertainty in their environment, have more ambiguous goals and rely more on professionals with academic credentials are more subject to isomorphic change (DiMaggio & Powell, 1983). While coercive, memetic and normative pressures urge organizations to conform in order to gain or maintain legitimacy, institutional theory suggest that the decision to conform also impact the chances that an organization will survive (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Specifically, institutional isomorphism, the “incorporation of externally legitimated formal structures”, leads both greater confidence and participation from the organization’s internal and external stakeholders (Meyer & Rowan, 1977, p.349). While institutional theory has helped to explain why organizations adopt similar structures and activities, thus becoming homogenous, the theory also asserts that there are significant operational implications of institutional isomorphism for organizations.
Implications of Isomorphism

As this research focuses on the decision-making process within organizations, specifically surrounding the use of performance management, it is especially important to understand what impact institutional isomorphism may have on a public organization's structures and activities. Organizations whose survival relies on adopting “institutionalized myths” face two major problems. First, the structures and activities they adopt do not align with the demands of their organization, threatening efficiency (Meyer & Rowan, 1977). Second, some of the institutional rules, structures, and activities that isomorphic organizations adopt conflict with one another and cause inconsistencies within the organization (Meyer & Rowan, 1977).

Organizations facing one or more of these problems encounter a unique challenge. While their legitimacy, and ultimately survival, are reliant on the adoption of institutionalized myths, these same structures and activities are making them less efficient. To confront this dilemma, organizations may “de-couple” their structures from their activities (Meyer & Rowan, 1977). Decoupling, the disconnection of an organization's formal structure from its activities, allows the organization to avoid inconsistencies and maintain its structure without needing to closely align and coordinate its activities (Meyer & Rowan, 1977). Organizations may do this by acting outside the scope of managers, delegating tasks to professionals, making ambiguous goals, and by performing ceremonial activities that signal confidence and ensure buy-in from internal and external stakeholders (Meyer & Rowan, 1977, p. 357).

For this analysis, the performance of ceremonial activities has greatest implications. As described, performing ceremonial activities is a way to signal legitimacy to stakeholders within and outside of an organization (Meyer & Rowan, 1977). One way to obtain or maintain legitimacy is to adhere to the institutionally rationalized practices of evaluation and inspection (Meyer & Rowan, 1977). As described earlier in this section, “rational” organizations are assumed to adhere to scientific management practices such as using data to manage and evaluate progress toward goals (Taylor, 1947). Institutional theory tells us that as these practices become institutionalized within the organizational environment, organizations will become isomorphic and adopt the practices as a means of survival (DiMaggio & Powell, 1983). Organizations that face one of the problems associated with isomorphism, specifically that evaluation and
inspection uncover organizational inconsistencies, will then reduce or ceremonialize evaluations from within or outside of the organization (Meyer & Rowan, 1977). That is, institutionalized organizations will either attempt to avoid inspection and evaluations all together, reduce them significantly or will conduct them in a manner that is ceremonial, rather than evaluative.

Organization/Institutional Theory: Review and Implications for this Research

To review, the goal of this research is to understand how performance management impacts decision-making within public agencies. Following the foundational theories surrounding bureaucracies (Weber, 1947) and scientific management (Taylor, 1947), organizational theory suggests that the implementation of performance management is a means to introduce rationality into complex management decisions (Cronbach et al, 1980). An application of this theory suggests that for public agencies that face large, complex organizational and operational challenges, performance management is a means to attempt to untangle what the organization does and how well it achieves its goals through objective measurement methods that rely on data and facts (Cronbach et al, 1980; Julnes & Holzer, 2001). While the rational decision model appears to make sense of the decision to implement performance management, the introduction of institutional theory raises additional questions.

Institutional theory suggests that organizations conform to institutionalized myths within that exist within their environment, regardless of their impact on the organizations efficiency, as a means of signaling the legitimacy necessary for survival (Meyer & Rowan, 1977). Analyses of the social and political movements that have driven the adoption and implementation of performance management in the public sector suggest that the use performance management, in some form, has become fully institutionalized through both formal and informal pathways. To support the assertion that PM is institutionalized, Moynihan & Pandey (2010, p.1) call PM the “most widespread governmental reform in recent decades”. Hatry (2014) argues that while PM was being used since the 1970s in a few cities, there were several major catalysts for more widespread adoption. In the 1980s, the Governmental Accounting Standards Board, an organization advocating for financial reporting standards, began to actively advocate for the use of PM (Hatry, 2014). In a major formal push for PM, Congress
enacted the Government Performance and Results Act (GPRA) in 1993, ushering in the mandate of PM on federal agencies (Hatry, 2014). Around the same time, the passage of resolutions advocating for the use of PM by prominent organizations such as the National Academy of Public Administration (NAPA) in 1991 and by the American Society for Public Administration (ASPA) in 1992 contributed to the adoption of PM in the early 1990s (Epstein, 1992). In more recent years, the Government Performance and Results Modernization Act of 2010 has further engrained PM at the federal government level, again mandating its use across agencies (Hatry, 2014). What these examples show is that PM has become institutionalized across the public sector through diverse avenues. In addition, legal mandates such as GPRA are clear examples of what DiMaggio & Powell (1983) refers to as coercive pressures which lead to isomorphism. While formal legislation and mandates have clearly drive adoption, the passage of resolutions and endorsements from prominent professional organizations has also contributed to adoption of PM through more informal means. Drawing upon institutionalism, it seems clear that these factors have contributed to isomorphism across the public sector. In addition to legal mandates, resolutions and endorsements from professional organizations are examples of the normative pressures that lead public organizations to become isomorphic by adopting PM. That is, the institutionalized belief that the public sector suffers from an inherent inability to perform its work efficiently and that the use of PM may be the best response leads organizations to feel that they must adopt PM in order to be viewed as legitimate (Moynihan, 2005). While PM has been institutionalized and dispersed through various pressures, institutional theory suggests that adopting institutionalized myths may lead to unique challenges for organizations.

When the adoption of institutionalized myths result in misaligned organizational structures and activities, thus threatening legitimacy, organizations respond by taking steps to maintain legitimacy (Meyer & Rowan, 1977). One particular response, the reduction or ceremonialization of evaluations, has particularly important implications for this analysis. Institutional theory suggests that within institutional organizations, evaluation threatens legitimacy by questioning the fact that activities are being performed efficiently (Meyer & Rowan, 1977). That is, there would be no need to evaluate a person or activity unless there was question regarding its performance or legitimacy. To mitigate the questions that evaluation may raise, organizations will reduce or ceremonialize evaluation. There should be little debate that
regardless of the end goal of any performance management initiative, evaluation is a primary component. It also seems clear that organizations that adopt and implement performance management are not attempting to altogether avoid or reduce their evaluations. The question that arises from institutional theory then is: is performance management being used as a management strategy to identify and increase efficiency, or as a ceremonial activity derived from institutionalized myths to portray legitimacy?

To help shed light on how performance management is used, or not used, in public organizations, the next sections will review the empirical research that has been conducted on the topic to date.

Part II: Existing Research

The research on public sector performance management to date is primarily classified by analyses of the organizational and operational factors that impact the adoption and use of performance management (Julnes & Holzer, 2001; Aristigueta & Zarook, 2011; Melkers & Willoughby, 2005; Bianchi & Rivenbark, 2012; Moynihan & Lavertu, 2012; Sanger 2008; Dull, 2009). While scholarly research makes up the bulk of this research, analyses tending toward best practices models also come out organizations such as management consulting firms, nonprofit research institutes or think tanks (IBM, 2011; Hatry, 2014).

What Impacts PM Adoption and Use?

Factors impacting the use of PM in public organizations can be categorized by those that are internal to the organization and those that originate from outside of the organization. Internal factors refer to those that the organization has ownership over, such as staff, resource allocation or the use of technology. To begin, it is useful to understand what internal factors researchers have uncovered as the key factors that lead to a successful PM initiative in a public organization.

First, strong leadership is widely viewed as perhaps the most important factor impacting the adoption and use of PM in public organizations (Aristigueta & Zarook, 2011; Melkers & Willoughby, 2005; Bianchi & Rivenbark, 2012; Moynihan & Lavertu, 2012; Behn 2004; Sanger
A perceived or expressed commitment to PM by an organization’s leader is associated with greater use of PM information (Dull, 2009; Moynihan & Lavertu, 2012). Moynihan (2005) finds that while elected officials may advocate for the adoption of PM, it is agency heads who decide how it will be used based on the extent of their authority. Aristigueta & Zarook (2011) find that the lack of a champion in the legislative or executive branch may drastically affect the progress of PM.

Second, organizations must apply a certain amount of resources to their performance management initiative (Julnes & Holzer, 2001). Resources, such as funding, staff and data are assumed to play an important role in the adoption and implementation of performance management (Julnes & Holzer, 2001). This assumption follows other literature surrounding resources and organizational change in the public sector. Fernandez & Rainey (2006) argues that providing adequate resources is a critical success factor when attempting to implement organizational change in public organizations. In an analysis of cities attempting to use PM to manage, Sanger (2008) finds that providing necessary funding for the program is a widespread challenge for public managers. While the level of funds an agency receives may be determined outside of the organization, all organizations have some discretion to allocate the resources they do receive.

Third, access to information about how to implement performance management is vital for public organizations (Julnes & Holzer, 2001). Weidner and Noss Reavely (1996) find that access to technical expertise, potentially through training, was critically important to performance management efforts in Iowa. Wilkins (1996) found similar results in Minnesota’s Department of Labor. Technological expertise may mean using resources to hire subject matter exerts or consultants to help drive the PM initiative.

Fourth, the extent of goal identification in public organizations is expected to impact the level of performance management adoption and implementation (Julnes & Holzer, 2001). That is, organizations with clearly defined goals are assumed to be more likely to adopt and implement performance management (Julnes & Holzer, 2001; Wholey, 1999). Metzenbaum
(2006) argues the establishing clear, measurable goals is a fundamental component of successful PM as goals drive performance and motivate individuals and organizations.

Finally, buy-in and engagement from not only leadership, but from front line workers is expected to increase the use and possibly success of PM (Julnes & Holzer, 2001). Wilkins (1996) finds that when employees understand that performance management can help them succeed in their work, they are more likely to embrace the initiative. In addition to internal factors, external factors impact the use of PM in public organizations.

External factors refer to those that impact PM from outside of the organization. In the context of PM, these may refer to pressures from the political environment or from stakeholders that operate outside of the organization.

First, the presence of an external requirement to implement performance management is assumed to drive adoption and implementation under the rational framework (Julnes & Holzer, 2001). A prominent assumption is that as public managers recognize and understand a practice to be required, they will transform their organization to comply (Julnes & Holzer, 2001). Some research suggests that the presence of an external requirement strengthens PM. In an analysis of 39 states, Lu, Willoughby & Arnett et. al. (2011) find that enacting legislation contributes significantly to use of performance budgeting, a form of performance management. While there is support for the theory that legislation increases PM adoption, additional research questions its role in a PM initiatives success. In an analysis across six states, Aristigueta & Zarook (2011, p.177) find that legislation “does not ensure success or sustainability”. That is, while legislation clearly increases the adoption of PM, it may not mean that the initiative is destined for success.

Second, external interest groups can have a significant impact on performance management adoption and implementation (Julnes & Holzer, 2001). Potentially including unions or public accountability groups, external group influences may play a prominent role in the process. Ammons (1992) finds that unionization is a deterrent to innovation and change in public organizations, as employees fear that performance standards will jeopardize their jobs. Bowden (1996) finds that if included in the process and informed of changes, unions may support
performance management initiatives. In addition to unions, support from elected officials and/or members of the public may play a role in the adoption and implementation of performance management (Julnes & Holzer, 2001). Both elected officials and citizens have the means to direct key resources toward public organizations to support performance management (Julnes & Holzer, 2001).

So far, existing research has shown that there are factors that are internal and external to organizations which have various impacts on the adoption and use of PM in public organizations. Next, this review will explore the theory and existing research that addresses this research’s question: How is performance management used to inform decision-making in state agencies?

**Decision-Making: Theory**

A wide range of scholarship, crossing several disciplines, attempts to explain how decisions are made. For example, decision theory has accumulated a robust body of research dating back as far the 18th century (Edwards, Miles & Von Winterfeldt, 2007). A truly interdisciplinary field, decision theory is used by economists, statisticians, psychologists and social scientists. While significant variation exists, a common goal of decision theory is the attempt to use quantitative methods to explain how decisions are made. Decision theorists often use quantitative modeling, along with concepts such as rationality, expected value and subjective expected value, to explain and describe how certain decisions are made in the face of other choices (Edwards et al, 2007).

Within decision theory, distinctions are made between normative, descriptive and prescriptive perspectives. The normative perspective draws upon the rational choice model and explains how decisions should be made based on factors such as risk and uncertainty (Edwards et al, 2007). The descriptive perspective focused on explaining how real people make real decisions and how these decisions deviate from the rational, normative models (Edwards et al, 2007). The prescriptive perspective focuses on helping people make decisions by combining insights from the normative model with realities of human nature (Edwards et al, 2007).
While applying quantitative methods to analyze the decisions of public managers is out of the scope of this research, additional theory on decision-making from the public administration literature provide a basic foundation which this analysis can build upon. In his foundational work on decision-making in organizations, *Administrative Behavior*, Simon (1947) makes the distinction between the economic man and the administrative man. While the economic man follows the guidelines of rational behavior, making decisions to maximize utility, the administrative man’s decisions are influenced by several factors. The administrative man’s decisions are informed by incomplete information in scenarios where all possible outcomes are largely unknown. The result is that the administrative man will make decisions that are sufficient to achieve, rather than maximize, an intended outcome. Faced with too many decisions or choices, the administrative man will rely on heuristics to simplify the situation, thus failing to consider all possible alternatives.

The implications of these theories for this research are that decision-making is clearly a complex process that is likely to be influenced by factors internal and external to the organization or decision-maker. This point may be especially true in public organizations that fall largely under the influence of politics and social values. Wilson (1989) explains that public managers face a wide range of unique constraints when attempting to make management decisions. In many cases, these managers are forces to consider process over outcomes, providing support to Simon’s (1947) conception of the administrative man.

*Decision-making and PM*

We know that PM has emerged as an institutional norm (Moynihan & Pandey, 2010; Hatry, 2014), that public organizations become isomorphic by adopting some form of PM (Moynihan, 2006; Hatry, 2014) and that internal and external factors impact the use of PM in public organizations (Julptes & Holzer, 2001). Some of these factors, such as leadership and staff engagement, clear goals and adequate resources are assumed to lead to more successful PM initiatives (Aristigueta & Zarook, 2011; Melkers & Willoughby, 2005; Bianchi & Rivenbark, 2012; Moynihan & Lavertu, 2012; Behn 2004). In this context, successful PM initiatives mostly refer to those that are sustainable and that last the test of time. As public organizations are
especially dynamic, changing according to political environments and shifting resources, it is often the programs and initiatives that last which are viewed as successful.

This research is less concerned with how long the initiative has been running, but instead focuses on what impact PM has on decision-making in public organizations. The previous section has provided a cursory review of decision theory and how it may apply to this study. In this section, results from existing research will help contextualize this analysis of PM and decision-making. Results from existing research offer conflicting reports on how PM is used in public organizations. While some research suggests that PM informs decision-making, through both formal and informal feedback, additional research finds that PM largely falls short of the expectation that it will serve as a tool to inform public managers.

While PM is sold as a management strategy that will help inform public managers in making important decisions, some research calls these claims into question. Specifically, researchers have questioned the relationship between PM and decision-making. Van Dooren (2011) describes four paradoxes that accompany PM. First, PM suffers by trying to “count the uncountable”, leaving public managers with poor measures backed by data that is insufficient for decision-making (Van Dooren, 2011, p. 421). Second, PM may rely too much on professionals to manage, when in reality organizations are not prepared to trust and relinquish control to these individuals (Van Dooren, 2011). The result is that the professionals assigned to manage and make decisions do not have the authority to actively make PM-based decisions. Third, the sheer influx of information that PM produces may only further overwhelm public managers who already grapple with large and complex problems, rendering decision-making more difficult (Van Dooren, 2011). Finally, PM makes everyone accountable and in turn, leaves no one accountable (Van Dooren, 2011). The results of any one or more of these paradoxes being true is that “performance management risks being decoupled from practice and hence irrelevant for decision-making” (Van Dooren, 2011, p.430). While empirical research has not tested each paradox, recent research does support the assertion that using PM to make decisions is easier said than done.
Questioning whether the formal collection and reporting of quantitative performance information is useful for public managers, Kroll (2013) finds that public managers prefer to use non-routine and informal performance data to make decisions and that different types of decisions require different types of information. Moynihan and Lavertu (2012) find that participation in Government Performance and Results Act PM reforms did not increase the use of performance information in decision-making. In a survey of over 200 city and county managers, Melkers & Willoughby (2005) find that while almost half of the respondents indicated that they use PM, few indicated that the practice had impacts on key decisions or outcomes. Ammons and Rivenbark (2008) find similar results in cities in North Carolina, again suggesting that public managers do collect performance data but that little of it is used to improve services. Moynihan (2009) argues that some public managers may use PM passively or as a political tool. The implications of these findings are that research has called into question a fundamental assumption behind PM: that collecting performance data can be used to make better decisions and improve services. The relationship between PM and decision-making is clearly complicated and despite the critiques, additional research suggests that PM may enhance decision-making.

While few have gone as far as to explicitly say that PM alone leads to better decision-making in public organizations, some research suggests that PM does provide public managers with information that is used in some way to make decisions. In some cases, PM was used to make decisions, just not those that the initiative set out to impact. In an examination of states that adopted PM, Moynihan (2005) finds that agency heads adapted intended reforms to fit within their discretion and meet organizational goals. For example, in Vermont’s Department of Corrections in the 1980s, strategic planning was used to seek an alternative between two different approaches to corrections and resulted in the development and communication of a new restorative justice model (Moynihan, 2005). In Virginia, strategic planning went beyond the initiatives requirements and facilitated the identification and expansion of successful practices in critical areas and led to increased professional development (Moynihan, 2005). In a similar examination at the local level, Melkers and Willoughby (2005, p. 188) find that PM, “adds value to budgeting decisions by providing relevant information about results, as well as costs and activities”. Heinrich (1999) finds that public managers used information gathered through a performance-based contracting system to inform decisions regarding resource allocation.
Research by IBM’s Center for the Business of Government (2011) finds that agencies including the U.S Coast Guard, Navy, Social Security Administration and National Highway Traffic Safety Administration have developed innovative PM methods that have resulted in enhanced decision-making.

The research related to PM and decision-making presents mixed findings and ambiguous conclusions. To some, PM is a strategy that when applied correctly can arm public managers with the data necessary to make better decisions (IBM, 2011; Moynihan, 2005; Hatry, 2014). For others, PM is an activity that fails to truly inform decisions (Moynihan and Levartu, 2012). The implications of these findings are that the relationship between PM and decision-making deserves more attention. Specifically, the role that measurement plays in management has not been sufficiently measured (Ingraham, Joyce, and Donahue 2003). Referring specifically to the lack of research on the topic at the state level, Sanger (2008, p.S72) states “the quality, character, breadth, and value of performance measurement in the states and its relationship to the outcomes citizens want and managers need for organizational decision-making are not sufficiently documented”. This research seeks to help resolve these contradictory findings by examining the relationship between PM and decision-making in state agencies.

**Data and Methods**

Operationalizing Performance Data Use

To operationalize the use of performance data, this research will follow definitions that are widely established in the research surrounding PM. First, performance data is defines as quantitative data that measures outputs or outcomes from public programs or services and is collected and made publicly available in a aggregated form such as dashboard or database (Kroll, forthcoming). This type of data is distinct from ad-hoc data in that it is collected with the purpose of measuring progress toward established goals (Kroll, 2013; Van Dooren et. al, 2010). Moynihan (2009) defines this performance information use as “purposeful” when it is used to improve services or increase efficiency.
Embedded Case Study

The design of this research is a single case study with embedded units. The unit of analysis is the state agency. The case is the performance management initiative currently underway in Massachusetts (described earlier as MassResults). The case study method is particularly strong when applied to “how” and “why” questions, framed within a contemporary setting where the researcher cannot manipulate relevant behavior (Yin, 1994). These criteria are especially relevant to this research, as PM is currently being implemented in each of the agencies and the research questions focus on how PM practices are impacting decision-making. Embedded units of analysis are the 18 Massachusetts state agencies that have initiated formal PM programs under Executive Order 540:

Table 4: Organizations within Case Study

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<td>Board of Library Commissioners</td>
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<td>Civil Service Commission</td>
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<td>Department of Revenue</td>
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<td>Division of Capital Asset Management and Maintenance</td>
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<td>Human Resources Division</td>
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<td>State Library</td>
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<td>Massachusetts Office on Disability</td>
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<td>Operational Services Division</td>
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<td>Executive Office of Elementary and Secondary Education</td>
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<td>Executive Office of Energy and Environmental Affairs</td>
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<td>Department of Transportation</td>
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Sources of Data

1. Interviews

This research will conduct interviews with staff from each of the 8 executive offices. To ensure that interview data is collected and analyzed along a common unit of analysis, interviews will not be conducted with the 10 agencies that operate within ANF. This decision is based on the fact that these agencies are significantly smaller, perform fewer functions and operate with fewer resources than their executive office peers. The qualitative interview methodology provides researchers with unique insights into social phenomena by opening windows into places and times that researchers do not traditionally have access to (Weiss, 1995). A stark contrast to quantitative inquiries, which rely on uniformity and standardization, qualitative interviews sacrifice structure in pursuit of deep and full information. There are several reasons to embrace qualitative research, specifically interviews. Qualitative interviews are especially useful when the goal of research is to develop detailed descriptions, integrate multiple perspectives, describe processes, develop holistic description and learn how events are interpreted (Weiss, 1995).

Pursuing this goal, semi-structured interviews (See Attachment B for Interview Protocol Outlines) will be conducted with four groups of key informants:

1a) Liaisons: The first group of interview subjects will include the state agency personnel who acted as “liaisons” between their respective agency and the MassResults project leadership. One or more liaisons were established for each of the 8 agencies that participated in MassResults. These individuals typically hold mid to senior level positions in their organizations and serving as liaisons constitutes one of many of the functions they perform within the organization. Agency liaisons are appropriate subjects as they have the direct knowledge necessary to be able to provide unique insights about the role of PM in their agency. This research will interview at least one liaison from each of the 8 agencies, totaling 12-15 interviews.
1b.) **Consultants:** A team of approximately 15-20 consultants has been engaged in PM in Massachusetts since the rollout of MassGoals in 2009. While the role of consultants has varied widely between 2009 and 2015, based largely on what stage the initiative was in, these individuals have a unique firsthand perspective on PM and its relationship to decision-making. This research will target approximately 8-10 consultants to interview. All consultants interviewed will have worked directly with agency heads who are responsible for decision-making.

1c.) **Agency Leadership:** This research will attempt to interview agency heads or senior leaders whose agency was involved in MassResults to understand what role PM played in the decisions that they made. It is a goal to interview at least 15 agency heads.

1d.) **Professional Staff:** Within each executive office, there are members of the staff who are “professional” managers. Distinct from other agency leaders, these staff members are largely considered apolitical as they are not politically appointed, but instead are hired based on qualifications to perform a specific task. Not subject to the turnover that political appointees experience during transitions in administrations, these staff members typically work across several administrations and have much longer tenures working within state government than the typical political appointee. These staff members will provide a unique perspective into the evolution of performance management in their agency and its role in the organization’s management. At least one professional class manager will be interviewed from each of the eight agencies, with a total of interviews between 8 and 10 for this group.

This research expects to interview approximately 47-50 individuals (see groups above). The three interview protocols, one for each group, will follow a semi-structured design and at least 2 pilot interviews will be conducted in each group (6 pilot interviews total) to determine if changes need to be made before full data collection begins. Semi-structured interviews are appropriate when conducting inductive research as the goal is to identify themes, question key assumptions and use observations to develop theory (Weiss, 1995). Interviews will be conducted
in locations that are convenient to the subject and transcribed. Emerging themes will be identified with the assistance of qualitative analytic software.

Interview data will be thematically coded with the assistance of qualitative analytic software. Thematic/concept coding and mapping is an established method of analysis for in-depth interviews (Ritchie & Lewis, 2003). Analytic software will be used to assist in data management. All data collection and storage will adhere to University of Massachusetts Boston Institutional Review Board standards.

2. Secondary Data

2a.) Performance Dashboards: Since the issuance of Executive Order 540, each of the 18 agencies included in this analysis has taken steps to implement formal performance management practices within their organization (See: The State of Performance Management in Massachusetts for details). As of January of 2015, each secretariat will have produced one strategic plan and 2 performance reports that are made public in compliance with Executive Order 540. Each performance report includes a standard set of performance data within the Performance Dashboard, including:

Table 5: Performance Dashboard Data Descriptions

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals</td>
<td>Each agency sets one or more goals to describe their major policy priorities</td>
</tr>
<tr>
<td>Measures</td>
<td>A set of measures are established for each goal to gauge progress toward that goal</td>
</tr>
<tr>
<td>Performance Data</td>
<td>Data associated with the measure. The latest performance reports include the previous 3 years of data where available</td>
</tr>
<tr>
<td>Trend</td>
<td>Assigns a rating of Improving, Stable or Worsening based on three previous three years of performance data</td>
</tr>
<tr>
<td>Target</td>
<td>Performance target associated with the measure</td>
</tr>
<tr>
<td>Status</td>
<td>Rates the most current performance data against the target based using</td>
</tr>
</tbody>
</table>


On Target = Greater than or equal to target
Close to Target = 75% - 95% of target achieved
Off Target = Less than 75% of target achieved
Not Applicable = Data or Target not available

| Comments | Additional language used to contextualize measure or explain performance |

### Figure 3: Example from Performance Dashboard

(From: Executive Office of Labor and Workforce Development 2014 Performance Report)

<table>
<thead>
<tr>
<th></th>
<th>Prior Period</th>
<th>Previous Period</th>
<th>Current Period</th>
<th>Trend</th>
<th>Target</th>
<th>Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of first Unemployment Insurance (UI) BENEFIT payments made on time</td>
<td>73.3% FY13</td>
<td>58.6% FY14</td>
<td>69.6% Q1 FY15</td>
<td>Improving</td>
<td>Improve timely first payments of UI benefits by 5% yearly</td>
<td>Green</td>
<td>Data collected by Department of Unemployment Assistance (DUA). This is a federal measure with federal performance standards. This measure tracks the percent of first Unemployment Insurance benefit payments made within 21 days after the week ending date of the first compensable week in the benefit year.</td>
</tr>
<tr>
<td>UI call wait times (Average Speed of Answer (ASA) in minutes)</td>
<td>34:19 FY13</td>
<td>39:44 FY14</td>
<td>18:28 Q1 FY15</td>
<td>Improving</td>
<td>Decrease ASA by 10% yearly</td>
<td>Yellow</td>
<td>Data collected by DUA. This measure tracks the number of minutes a caller waits to be connected to the Claims or Customer Assistance lines.</td>
</tr>
</tbody>
</table>

The total number of measures that have been collected since the beginning of MassResults, both for the purpose of publishing in the performance report or within the program budget (see: Performance Management in Massachusetts Timeline for description of program budget) is approximately 1,060. Dashboard data containing will be compiled, coded and analyzed to contextualize and support interview findings. Analysis will focus on identifying patterns across agencies by looking at the number and type of measures. Measures will also be analyzed to identify how well they reflect the goal that they are associated with. Specifically, by examining the Performance Dashboards, this research will seek to provide insights into the relationship between the performance data that is routinely collected and organizational decision-making. The
The table below describes the variation across MassResults agencies in the number of performance measures that have been developed:

**Table 6: Measure Counts and Engagement Levels for MassResults Organizations**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Number of Measures in 2015 Performance Dashboard</th>
<th>Percent of Total Measures</th>
<th>Engagement Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appellate Tax Board</td>
<td>8</td>
<td>0.7%</td>
<td>Low</td>
</tr>
<tr>
<td>Operational Services Division</td>
<td>13</td>
<td>1.2%</td>
<td>Low</td>
</tr>
<tr>
<td>State Library</td>
<td>14</td>
<td>1.3%</td>
<td>Low</td>
</tr>
<tr>
<td>Civil Service Commission</td>
<td>15</td>
<td>1.4%</td>
<td>Low</td>
</tr>
<tr>
<td>Massachusetts Office on Disability</td>
<td>15</td>
<td>1.4%</td>
<td>Low</td>
</tr>
<tr>
<td>Division of Administrative Law Appeals</td>
<td>16</td>
<td>1.5%</td>
<td>Low</td>
</tr>
<tr>
<td>Board of Library Commissioners</td>
<td>20</td>
<td>1.9%</td>
<td>Medium</td>
</tr>
<tr>
<td>Department of Revenue</td>
<td>29</td>
<td>2.7%</td>
<td>Medium</td>
</tr>
<tr>
<td>Division of Capital Asset Management and Maintenance</td>
<td>36</td>
<td>3.4%</td>
<td>Medium</td>
</tr>
<tr>
<td>Human Resources Division</td>
<td>37</td>
<td>3.5%</td>
<td>Medium</td>
</tr>
<tr>
<td>Executive Office of Labor and Workforce Development</td>
<td>46</td>
<td>4.3%</td>
<td>Medium</td>
</tr>
<tr>
<td>Executive Office for Administration and Finance</td>
<td>55</td>
<td>5.2%</td>
<td>Medium</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>55</td>
<td>5.2%</td>
<td>Medium</td>
</tr>
<tr>
<td>Executive Office of Housing and Economic Development</td>
<td>83</td>
<td>7.8%</td>
<td>Medium</td>
</tr>
<tr>
<td>Executive Office of Energy and Environmental Affairs</td>
<td>108</td>
<td>10.1%</td>
<td>High</td>
</tr>
<tr>
<td>Executive Office of Public Safety</td>
<td>133</td>
<td>12.5%</td>
<td>High</td>
</tr>
<tr>
<td>Executive Office of Elementary and Secondary Education</td>
<td>164</td>
<td>15.4%</td>
<td>High</td>
</tr>
<tr>
<td>Executive Office of Health and Human Services</td>
<td>220</td>
<td>20.6%</td>
<td>High</td>
</tr>
</tbody>
</table>

Each organization’s engagement level has been classified as low, medium or high according to measure count. While this is only one way to describe engagement in PM, this classification will provide a foundation for comparison and deeper analysis through interviews and content analysis.
2b.) Strategic Plans: As of January of 2015, each secretariat will have produced one strategic plan and 2 performance reports that are made public in compliance with Executive Order 540. Strategic plans include the organizations goals and priorities for the next two years and provide a foundation for what will be measured in the Performance Dashboard. That is, the measures within the Performance Dashboard are intended to reflect the goals established in the strategic plan. Strategic plans will be analyzed through content analysis to identify common themes across agencies and to help understand how organizations will use goal setting to drive organizational decision-making. An example from a strategic plan is included below:

Figure 4: Example from Strategic Plan

![Strategic Goals & Actions Diagram](Source: ANF 2014 Strategic Plan)

(Source: ANF 2014 Strategic Plan)

Table 7: Data Source Summary

<table>
<thead>
<tr>
<th>Data Source</th>
<th>Approximate Number</th>
<th>Key Insights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Key Informant Interviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Agency Leadership</td>
<td>15</td>
<td>Identify how decision maker view performance data in comparison to other tools that aim to inform decision-making</td>
</tr>
<tr>
<td>b) Liaisons</td>
<td>12-15</td>
<td>Identify successes and failures in the implementation of their organization's Performance Management efforts</td>
</tr>
</tbody>
</table>
Elaborate on the role of Performance Management in their organization's decision-making processes

c) Consultants 10 Gain an outsiders view of how organizations implemented and used performance management

d) Professional Staff 8-10 Gain an apolitical and historic perspective highlighting how PM has been used over time and the role it plays in organizational management

Total 47-50 Note: Key informants will be sampled from organizations classified as low, medium and high adopters as described in Table 6.

2) Performance Dashboards 18 Dashboards containing 1067 measures Compare and contrast measures to identify trends across organizations and help understand how measures align with organizational goals

3) Strategic Plans 18 Identify organizational goals and understand help understand what role performance data will play in the organization's long term strategy

Propositions

The following propositions draw upon the existing literature presented in the previous section, coupled with the researcher’s personal assumptions about performance management in the public sector. While the research presented in the previous section has signified that there is a gap in the PM knowledge base surrounding the role of PM in organizational decision-making (Sanger, 2008), existing research has identified factors that are important to the use of PM.

First, strong leadership is overwhelmingly identified as a strong predictor of PM use (Aristigueta & Zarook, 2011; Melkers & Willoughby, 2005; Bianchi & Rivenbark, 2012; Moynihan & Lavertu, 2012; Behn 2004; Sanger 2008; Dull, 2009). That is, organizations with a strong leader who is committed to using PM are more likely to adopt and implement some form of PM. This finding leads to the first proposition:

Proposition 1: Agencies with strong leaders who are committed to the use of performance management are more likely to make decisions based on PM data/information.
Second, in order for organizations to effectively use PM, it is assumed that there must be access to adequate resources necessary to collect and analyze pertinent and reliable performance information (Julnes & Holzer, 2001; Weidner & Noss Reavely, 1996; Sanger, 2008). This finding leads to propositions 2 and 3:

_Proposition 2: Organizations with at least one staff dedicated to PM are more likely to make decisions based on PM information._

_Proposition 3: Organizations with unrestricted access to timely and reliable organizational and operational data are more likely to use performance data to make decisions._

Third, organizations with clearly defined goals that are aligned across the organization have been found to have increased levels of PM adoption and use (Julnes & Holzer, 2001; Wholey, 1999; Metzenbaum, 2006). In addition, organizations with ambiguous goals are more likely to become isomorphic and engage in ceremonial activities (DiMaggio & Powell, 1983). These findings motivate proposition 4:

_Proposition 4: Organizations with clearly defined goals that are aligned throughout the organization are more likely to use performance data to make decisions._

Fourth, the application of technical assistance for PM is assumed to increase the adoption and use of PM (Julnes & Holzer, 2001; Weidner & Noss Reavely, 1996; Wilkins, 1996). Technical assistance may come in the form of training of employees on PM by experts, the application of technological software to help track PM date or the use of expert consultants (Julnes & Holzer, 2001; Weidner & Noss Reavely, 1996; Wilkins, 1996). While technical assistance is assumed to increase the use of PM, there is no research specifically addressing its role in decision-making. This research will attempt to explore this relationship through the following propositions:

_Proposition 5: The use of PM consultants to provide technical assistance or training within an organization increases the use of performance data to inform decision-making._

_Proposition 6: Organizations with software dedicated to gathering and tracking performance data are more likely to use the data to inform decision-making._
Table 8: Propositions, Indicators and Data Sources

<table>
<thead>
<tr>
<th>Propositions</th>
<th>Indicators</th>
<th>Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Presence of strong leadership dedicated to PM</td>
<td>- Performance meetings involving the agency head?</td>
<td>Interviews</td>
</tr>
<tr>
<td></td>
<td>- Agency head involved in strategic plan development?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Agency head involved in performance report development?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Agency head using performance data to inform decisions?</td>
<td></td>
</tr>
<tr>
<td>2) Resources (staff, budget, etc.) for PM</td>
<td>- Dedicated performance management staff present?</td>
<td>Interviews</td>
</tr>
<tr>
<td></td>
<td>- Time allocated for performance meetings?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Consultants hired for assist in PM</td>
<td></td>
</tr>
<tr>
<td>3) Integrity and availability of PM data</td>
<td>- Number of separate systems that hold data that makes up performance report</td>
<td>Interviews</td>
</tr>
<tr>
<td></td>
<td>- Data extraction and cleaning process</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Extent of employee trust in data</td>
<td></td>
</tr>
<tr>
<td>4) Presence of clearly defined goals in organization</td>
<td>- Strategic plan lists clear, measurable goals?</td>
<td>Interviews &amp; Strategic Plans</td>
</tr>
<tr>
<td></td>
<td>- Employees know and understand organizational goals</td>
<td></td>
</tr>
<tr>
<td>5) Extent of consultant involvement</td>
<td>- Consultants involvement in strategic plan development</td>
<td>Interviews</td>
</tr>
<tr>
<td></td>
<td>- Consultant involvement in Performance Report development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Consultants involvement in data collection and management</td>
<td></td>
</tr>
<tr>
<td>6) Software dedicated to PM</td>
<td>- Is specialized software used to enter and track performance data?</td>
<td>Interviews</td>
</tr>
<tr>
<td></td>
<td>- Is specialized software used to compare options and make decisions?</td>
<td></td>
</tr>
</tbody>
</table>

Results

The results from this research will serve two primary purposes. First, results will contribute to the existing performance management literature in the fields of public administration, public management and organizational behavior. While each of these literatures has approached performance management from a distinct lens, this research seeks to speak across disciplines. That is, while a treatment of performance management from a purely
organizational behavior lens is certainly beneficial, this research will attempt to apply both organizational theories and public administration/management theories to develop a more robust understanding of how performance management is used in the decision-making process.

The analysis of interviews and secondary data will be used to build theory by reflecting upon the established literature and the propositions. Results will advance the knowledge base on performance management by providing a holistic assessment of state level performance management. Interviews across organizations will allow for a comparative analysis of the embedded units of analysis, the 18 state agencies. First-hand accounts from public employees across agencies will provide valuable insights into the role performance management in decision-making within public sector organizations.

Second, results will help practitioners and front line public employees to better understand how performance management can be used as a tool to make informed decisions in state agencies. Results will help inform public organizations and leaders on what factors inhibit or cultivate the application of performance management to management questions. One major goal of this research is to develop a set of recommendations that public managers can use to help evaluate and navigate performance management efforts within their agency. By better understanding performance management and the factors that influence decision-making, practitioners can continue to pursue efficient, high-quality government services.

To validate this research’s results, the data will be compared with the current research on public sector performance management. That is, existing research has identified potential factors that may impact the use of performance management. The results of this research will reference these literatures to determine whether Massachusetts conforms with or contradicts existing theory.

Limitations

This section will identify and confront this research’s potential limitations. Case study designs are often criticized for producing results that lack generalizability (Yin, 1994). That is,
some feel that the inferences drawn from a single case are not always applicable to the wider population (Ritchie & Lewis, 2003). This is a valid concern that deserves attention in this research. While the case of Massachusetts is unique and may present results that are not fully consistent with every other state that attempts performance management, this research’s analysis of embedded units will provide data on a diverse set of public organizations. The use of original data and encompassing diversity in the data are two ways that the researcher can mitigate concerns for generalizability (Ritchie & Lewis, 2003). These steps are clear in this research’s design and will work to produce results that can be generalized to other state agencies.

Another concern that all researchers must confront is validity. This research will pursue validity in several ways. First, to pursue internal validity, the constant comparative method will be used (Ritchie & Lewis, 2003). Using the constant comparative method, the researcher constantly compares and checks theory derived from one set of data with the results from another unit or subject (Ritchie & Lewis, 2003). This research’s multiple embedded units are consistent with this method. To pursue external validity, this research will triangulate findings drawn from several data sources, using secondary data (performance dashboards and strategic plans) to support interview findings. A research assistant will also be used to triangulate the analysis and will analyze the data from multiple theoretic frames to ensure theory triangulation. In addition to the primary researcher, a research assistant will help in data coding and analysis to ensure that coding is consistent.

Next, the researcher must confront potential bias in the results due to his role as a paid consultant tasked with assisting Massachusetts’ agencies implement PM. The researcher’s role as a paid consultant has inevitably led to informal direct observations and thereby influenced this research’s assumptions. While working in the dual roles have potential to present bias, the qualitative exploratory approach recognizes that the researcher is not entirely objective and instructs researchers to embrace their personal positions and beliefs (Yin, 1994). Yin (1994) explains that embracing potential bias and employing careful analytic methods can lead to a better contextual understanding of the phenomena. This study will embrace the researcher’s role as a consultant to help frame the results and the impacts for public organizations.
Finally, there is the potential for response bias from interview subjects as respondents may be hesitant to criticize their organization or leadership for fear of political retribution. A recent change in Governors in Massachusetts has ushered in a complete administration change, resulting in significant personnel changes across state agencies and the suspension of the MassResults initiative. The implication of this is that some of the respondents will be individuals who worked on PM in a state agency in the recent past, but who no longer are employed by the agency. It is assumed that these individuals will be less fearful of retribution and will be honest in their responses. For those who remain employed by the state agency, all efforts will be taken to ensure that they understand the principles of anonymity and that interviews are conducted at times and places where they feel comfortable to express their opinions.

References


Massachusetts Human Resources Division (2013). MassHR Survey Results. www.mass.gov/hrd


Appendix A: MassResults Timeline

2009
- MassGoals Launched

2011
- Office of Commonwealth Performance, Accountability and Transparency (CPAT) established

2013
- Executive Order 540 Signed
- MassResults Launched
- Agencies develop Strategic Plans

2014
- Agencies publish Performance Reports

2015
- MassResults terminated by newly elected Governor Baker