Abstract

The use of performance information constitutes the backbone of performance management. Performance information use refers to the willingness of public managers or other relevant stakeholders to base their decision-making process on actual data and facts. Routine performance information are data which are produced as a part of the systematic routines associated with performance management systems. Nonroutine performance information is a type of information that managers often get from social interactions with employees and peers, including calls, meetings, and observational tours. Understanding what the impact factors of performance information use are is a big strain in the literature of performance management.

Among the identified impact factor, Organizational Social Capital (OSC) has been overlooked thus far. OSC is composed of the sub-dimensions of social interaction, trust, and shared goal. The main argument of the paper is that OSC is relevant for performance management system to work and in particular that OSC fosters performance information use in public administrations.

To test this hypothesis I surveyed public managers in all the 67 counties of the State of Florida. Preliminary results show that there is evidence for the hypothesized effects. Organizational capital is an important predictor of performance information use and thus deserves to receive further attention by researchers and practitioners alike.
Introduction

Governmental financial constraint along with increasing citizen demand for higher quantity and better quality of public services encouraged public administrations to implement performance management systems and the use of performance information. Performance itself “is not a unitary concept, within an unambiguous meaning. Rather, it must be viewed as a set of information about achievements of varying significance to different stakeholders” (Boivard, 1996, p. 147). According to Bouckaert and Halligan (2008) measuring performance is “the systematic collection of data through observation and registration of performance related issue” (p. 25). Performance measurement permits to define ‘ex ante’ connection between objectives, resources, processes and results allowing accountability of public administrations (Bouckaert & Halligan, 2008) and permits ‘ex post’ to evaluate achieved results and to improve organizational efficacy and efficiency (Dunsire, 1986).

The incorporation and use of performance information constitutes the backbone of performance management (Bouckaert & Halligan, 2008). While incorporating “is intentionally importing performance related data in documents and procedures with the potential and purpose of using them” (Bouckaert & Halligan, 2008, p. 28), using incorporated performance information refers to the willingness of public managers or other relevant stakeholders to base their decision-making on actual data and facts. Performance management and performance information use are important for (1) managerial analysis, such as managing and controlling public services; (2) budgetary analysis, such as managing and controlling public resources; (3) parliamentary oversight of the executive; (4) public accountability, such as reporting performance to citizens (Curristine, 2008). Performance management reforms have been used in order to change public employees’ routines in a public sector which is naturally resistant to change (Adler & al., 1999). The Government Performance and Results Act’s (GPRA) goal was to foster performance information use in the U.S. federal government. Similar reforms with a similar aim and goal have been passed in other OECD countries (Valotti et al., 2012; Van de Walle & Bovaird, 2007). Evaluations of such reforms not only are difficult, but also they show
mixed results on the actual capacity of these top-down reforms to achieve the expected goal of fostering performance information use. Therefore, performance information use could be used as a valid proxy to measure the success of such reforms. Even if, part of the literature consider as granted that measuring performance leads to performance information use (Moynihan & Ingraham, 2004; Pollitt, 2006), other researchers show how that link is not so obvious (Askim, 2006; Laegreid et al., 2006).

Performance information use has been widely studied. Different authors have described distinct explanatory models for performance information use in decision making (e.g. Amara et al., 2004). Organizational and environmental factors have also been taken in consideration in explaining performance information use (Melkers & Willoughby, 2005; Moynihan & Ingraham, 2004; Moynihan & Pandey, 2010), however prior studies have always neglected the concept of organizational social capital for explaining performance information use in the public sector. The concept of social capital has become widely used and studied in the last decades. Putnam (2000) defined social capital as “the connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them” (p. 19). The concept of organizational social capital lies within the concept of social capital. Leana and Van Buren (1999) defined organizational social capital as “as a resource reflecting the character of social relations within an organization” (p. 538).

Therefore, the intended contribution of this paper is to relate the existing theory on performance information use in public administration to the concept of organizational social capital. A review of the literature reveals that the concept of organizational social capital has never been used in explaining the use of performance information by public managers and public employees. As stated previously, previous studies have tried to analyse those factors, including organizational and environmental ones, which could be used in order to explain performance information use in the public sector. However, none of the prior study has done using such a comprehensive framework of
analysis. Therefore, starting from the literature, this article aims to advance the current knowledge on the factors that lead managers using performance information in their decision making process.

The paper unfolds as follow. First, in the next two sections a review of the literature about performance information use as a measure of reform success and about the concept of organizational social capital is presented. Second, the arguments that support our hypothesis that organizational social capital foster performance information use are discussed. Thirdly, data and methods are analysed. Results are then analysed along with the discussion. Recommendation for practitioners will conclude the article.

Performance Information Use as a Measure of Reform Success

New Public Management reforms (Osborne & Gaebler, 1993) have put a lot of effort on measuring the performance of public administrations in order to show how public money are spent and what goals public administrations have achieved with those public resources. Itself, the practice of measuring performance is “an extensive task” (Kroll, 2012, p. 2). Performance measurement systems need to be designed and implemented requiring the use of time and the use of public resources. Measuring and incorporating performance information (Bouckaert & Halligan, 2008) are task usually performed by public administrations. Most of new public management reforms asked public administrations to adhere to such requirements. More recently, literature on performance management has focused on whether managers actually use performance information in order to take their decision (Kroll, 2012; Moynihan & Pandey, 2010; Van Dooren et al., 2010). Bouckaert and Halligan (2008) defined performance information use as the:

“debates and institutionalized procedures for stakeholders for the purpose of designing policies, for deciding, for allocating resources, competencies and responsibilities, for controlling and redirecting implementation, for (self) evaluating and assessing behaviour and results and for substantiating reporting and accountability mechanism” (p. 28).
Other definitions of performance information use exist. Behn (2003) identified eight different reasons why public managers may use performance information: to evaluate, to control, to budget, to motivate, to promote, to celebrate, to learn, and to improve. Similarly Van Dooren et al., (2008) proposed a categorization of forty-four different uses of performance information. Moynihan (2009) suggested four different uses of performance information: purposeful, passive, political, and perverse. Purposeful use happens when performance information are used in order deliver better services to public administrations stakeholders. This is the use that new public management reforms have envisioned. Passive use happens when managers just comply with the dictate of such laws without using performance information in order to take decisions. Information is used politically whenever they are used as a “means of advocacy in a political environment” (Moynihan, 2009, p. 593). Perverse use of performance information includes “making up data, cheating easy-to-serve clients, changing performance goals to limit comparison across time, or manipulating measures” (Moynihan, 2009, p. 593). Another classification is proposed by Van Dooren et al., (2010). Three different uses are acknowledged to exist: to learn, to steer and control, and to give account. In this article, performance information use is conceptualized as the “purposeful utilization in order to steer, learn, and improve public services” (Kroll, 2012, p. V).

An aspect that should be analysed regarding performance information use is whether performance management reforms that ask to measure and incorporate performance information, actually, ameliorate managerial decision making process. In other words, the impact factors of performance information use. Literature on this particular topic is not yet well developed. Diverse studies have found different and sometimes contradictory results about the implementation of performance management systems (Swiss, 2005; Yang & Hsieh 2007). However, Poister and Streib (1999) in an analysis on managerial use of performance information show that the majority of public managers surveyed use performance information for strategic planning, strategic management and budgeting; evaluation of programs, and in the processes of continuous quality improvement, benchmarking activities and processes of management by objectives. The majority also indicated that
performance measures have improved decision-making processes at least moderately. Wang (2002) on a study of U.S. public administrations show how performance information can be used for management purposes to increase the monitoring of daily activities and strategic planning, and for budgeting purposes to facilitate the allocation of resources. The use of performance information in those studies relies primarily on those performance information incorporated into official documents, reports, database. However, literature shows that managers do not just rely on those routine measures but also on nonroutine performance information. (Kroll, 2013). Nonroutine performance information are as important as routine performance information and could be used even “more frequently by public managers than information from routine reports” (Kroll, 2013, p. 273). Therefore, when information is available and that information is perceived as reliable, managers will tend to use them in order to take decisions. The literature show that a better informed decision making-process is therefore possible, as new public reforms envisioned, leading public managers to take not necessarily better, but at least more informed decisions. The literature analysed so far posits a further issue. What factor can be used to explain public managers’ use of performance information?

Different factors can be used to explain what influence managers to use performance information. Previous scholars have already tried to answer this question. Ammons and Rivenbark (2008) in a study on North Carolina government state that information is used if perceived reliable, if they refer to efficiency measures, if they are incorporated in other major management systems and if supported by the desire to make comparisons with other entities. However, a big part of literature focuses on organizational factors as predictors of performance information use. Moynihan and Pandey (2010) tested both internal and external factors that might influence the use of performance information: individual beliefs, job and organizational attributes, and political influence. Moynihan and Ingraham (2004) have pointed out that also leadership could be a good predictor for performance information use. Leadership commitment to results, learning routines led by supervisors, motivational nature of the task, and the ability to link measure to actions are considered to influence the use of performance information (Kamensky, 2012). Moreover, organizational culture has been used to
explain the use of performance information as well (Kroll, 2013; Moynihan & Pandey, 2010). If it is true that new public management reforms have required in most OECD countries to adopt performance management systems, (Bouckaert and Halligan 2008; Pollitt and Bouckaert 2004), these reforms have had different outcomes not only among those different countries but also within the same country. As shown from the literature, organizational factors could explain the reason why same reforms have different outcomes among different public administrations. Even within the same legislative and administrative framework, different organizations may implement performance management reforms in different ways, making the use of performance information either more purposeful, or more passive, or more political, or more perverse (Moynihan, 2009). Organizations differ one another, and passing good laws does not always imply that all public administration will implement those laws homogeneously. Therefore, organizational factors matters and has to be studied. An organizational factor that could be used in explaining performance information use is organizational social capital.

As stated before, the concept of organizational social capital has, so far, never been studied in order to explain performance information use. The question here addressed focuses on whether organizational social capital could be considered a factor that can help to explain performance information use. As will be discussed more deeply in the next section of the article, organizational social capital has three main dimensions: the structural, such as social interactions, the relational, such as trust, and the cognitive, such as shared goals. Some of the components of social capital have already been taken into consideration in order to explain performance information use (e.g. trust), but, so far, no studies have adopted such a comprehensive framework of analysis. The concept of organizational social capital could be a good predictor for performance information use for three main reasons. First, its structural dimension, network structure and network ties, includes the infrastructure necessary for information availability and information sharing. Second, its relational dimension, trust, permits information that flows within the organization to be considered valid and reliable and therefore usable. Finally, its cognitive dimension, goals sharing, gives a purpose for managers to use
performance information: learn and steer in order to achieve the goals that the organization has agreed upon. The next section will explore in detail the concept of social capital and in detail the concept of organizational social capital.

Organizational Social Capital

Over the past few decades, the concept of social capital has gained much attention not only among sociologists but also in other research and policy fields (Portes, 1998). Economists and social scientists do not have a clear and unequivocal understanding of the concept of social capital (Fukuyama, 2005). Two reasons for confusion about what constitutes social capital are that there is not a generally agreed definition and there is not a measure capable to comprise all the different facets underneath this concept (Fukuyama, 2005). Putnam (2000) defined social capital as “the connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them” (p. 19). According to Portes (1998, p. 19) there are “potential benefits accruing to actors because of their insertion into networks or broader social structures”. Connections and interactions can occur at different levels: micro (individual), meso (group), and macro (society) (Coleman 1988; Portes 1998; Putnam 1993). Two different types of social capital are acknowledged to exist: organizational social capital and community social capital. This article focuses on organizational social capital.

Organizational social capital

Leana and Van Buren (1999) defined organizational social capital “as a resource reflecting the character of social relations within an organization” (p. 538). Furthermore, organizational social capital can be considered an asset that can create positive effects to the organization itself and to the people that are part of those organizations (Leana & Van Buren, 1999). According to Inkpen and Tsang (2005) organizational social capital can be considered a public good because the “members of an organization can tap into the resources derived from the organization's network of relationships without necessarily having participated in the development of those relationships” (p. 151). Theories that
analyse organizational social capital always state the positive and productive interactions and relationships between members of an organization are fundamental in order to create and share knowledge (Andrews, 2011). However, downsizes of social capital have to be acknowledged as well. According to Aldridge et al. (2002) downsizes of social capital are related to the fact that they can foster behaviour that worsens economic performance or that they can exclude actors or possible incumbents to join a particular network. On the same path, Morrow (1999), Szreter, (2000) in different studies, find that different kinds of groupings and associations which can generate social capital, are potentially more likely to exclude other actors.

According to Nahapiet and Ghoshal (1998) three key components constitute organizational social capital: structural social capital which measures the connections among actors, relational social capital which measures trust among actors, and cognitive social capital which measures the level of shared goals and values among actors. However, other categorizations of organizational social capital exist (Uphoff & Wijayaratna, 2000).

**Social interactions**

According to Nahapiet and Ghoshal (1998, p. 244) structural social capital refers to the “configurations of linkages between people and units”. According to Andrews (2011) formal and informal collaboration and coordination as well as interaction between colleagues, units and departments creates spillover effects that ameliorate working conditions and individual and organizational performance. Structural social capital components are: network ties and network configuration. According to Nahapiet and Ghoshal (1998, p. 252), “the fundamental proposition of social capital theory is that network ties provide access to resources”. Those resources are defined as information (Nahapiet & Ghoshal, 1998). Network configuration constitutes the channels by which information are transmitted within an organization. Furthermore, “the overall configuration of these ties constitutes an important facet of social capital” (Nahapiet & Ghoshal, 1998, p. 252). Other scholars (Granovetter, 1973; Jacobs, 1965) show how network configuration and network ties are associated
with the concept of flexibility and easiness of information exchange within an organization. Therefore, social interactions could be considered a good predictor for performance information use.

**Trust**

With relational social capital, the literature refers to the level of trust and reciprocity between individuals in the same organization. According to Andrews (2011) a higher level of trust is associated with easier levels of interaction, easier exchanges of information, and less conflict in organizational change. Relational social capital main component is trust (Nahapiet & Ghoshal, 1998). Trust can be defined as the “positive expectations individuals have about the intent and behaviours of multiple organizational members based on organizational roles, relationships, experiences, and interdependencies” (Shockley-Zalabak et al. 2000, p. 35). Trust has been widely studied by different authors and identifies as one source able to foster and create social capital both at a community level and at an organizational level (Fukuyama, 1995; Putnam, 1993, 2000; Leana & Van Buren, 1999; Ring & Van de Ven, 1992). High levels of trust between organizational leaders and members in particular may permit the transfer of sensitive information, foster collaborative action in the absence of formal mechanisms for that purpose (Coleman 1988), and diminish resistance to organizational change (Kramer 1999). According to Cohen and Prusak (2001) “social capital depends on trust. The relationships, communities, cooperation, and mutual commitment that characterize social capital could not exist without a reasonable level of trust” (p. 29). Organizational trust is not merely “the sum total of personal trust relationship within the organization” (p. 35) but also the ability of the organization itself to influence it (Cohen and Prusak, 2001). Different types of trust that affect organizational social capital are acknowledged to exist: fragile and resilient trust deserve further analysis (Ring & Van de Ven, 1992; Leana and Van Buren, 1999). Fragile trust is based on a formal and contractual basis and do not survive after a transaction has taken place (Leana and Van Buren, 1999). On the other hand resilient trust is based on much stronger and durable links between the organization and its members (Leana and Van Buren, 1999). According to Leana and Van Buren, (1999, p. 543):
“Organizations strong in social capital will exhibit resilient trust, even among individuals connected generally rather than personally. Organizations weak in social capital, conversely, will be characterized by fragile trust (if any), even among individuals who directly and frequently interact”.

Therefore, trust could be considered a good predictor for performance information use.

**Shared goals**

Cognitive social capital refers to the capacity of the organization to share the same vision, mission and goals among members. Leana and Van Buren (1999) refer to cognitive social capital as the "willingness and ability to define collective goals that are then enacted collectively" (Leana and Van Buren 1999, 542). The sharing of same goals can happen either by sharing language and codes, by sharing same narratives, or by a combination of them (Nahapiet & Ghoshal, 1998). Shared language and codes as well as narratives are the components of cognitive social capital. Language is primary tool for exchange in social interactions and relations. Codes help to create a common language that facilitate communication itself, and the capacity to understand each other. Therefore, shared language and codes “may provide a common conceptual apparatus for evaluating the likely benefits of exchange” (Nahapiet & Ghoshal, 1998, p. 254). On the other hand, shared narratives such as “myths, stories, and metaphors also provide powerful means in communities for creating, exchanging, and preserving rich sets of meanings” (Nahapiet & Ghoshal, 1998, p. 254). The next section analyses the relationship between the concept of organizational social capital and performance information use. Therefore, shared goals could be considered a good predictor for performance information use.

The next section will bring together the concept of social capital with the theory on performance information use.
Organizational Social Capital and Performance Information Use

The main argument of this contribution is to relate the existing literature on performance information use and the existing literature on organizational social capital. The main point to be here discussed is whether organizational social capital could increase public managers’ use of performance information both routine feedbacks and nonroutine feedbacks. Therefore the hypotheses to be tested are:

**H₁**: Organizations with high levels of organizational social capital are more prone to use routine performance information.

**H₂**: Organizations with high levels of organizational social capital are more prone to use nonroutine performance information.

Trying to make an argument on how social capital influences performance information use, we will discuss separately each organizational social capital component. The discussion will start from structural social capital, then relational social capital and finally cognitive social capital.

**Social Interaction**

The “configurations of linkages between people and units” (p. 244) constitutes the structural dimension of organizational social capital (Nahapiet & Ghoshal, 1998). Network ties and network configuration are the two major components of the structural dimension of organizational social capital. Network ties and network configuration are acknowledged to have positive effects at organizational level (Andrews, 2011; Granovetter, 1973; Jacobs, 1965; Nahapiet & Ghoshal, 1998). Andrews (2011) finds that the amelioration of the working condition as well as the amelioration of both individual and organizational performance are possible due to spillover effects generated by both formal and informal collaboration and coordination as well as interaction between colleagues, units and departments. Nahapiet and Ghoshal (1998) state that network ties within an organization provide access to information. Furthermore, once information are made available, the configuration of networks constitutes the channels by which information are transmitted within an organization.
(Nahapiet & Ghoshal, 1998). Similarly, Granovetter (1973) and Jacobs (1965) state that density, connectivity, and hierarchy (i.e. network configuration and network ties) are all associated with the concept of flexibility and easiness of information exchange within an organization. Furthermore, different studies show how effective internal communication is responsible for a strong organizational focus on results (i.e. Moynihan and Pandey, 2006). Therefore, the structural dimension of organizational social capital (i.e. collaboration, coordination, interaction between members of an organization) not only makes information available, but also helps its exchange among the members of an organization. Managers which roles (Mintzberg, 1973) span from collecting information from many sources to assess organizational performance, to facilitate the flow of information within an organization and in particular between subordinates, to inform stakeholder about organizational performance and the achievement of goals and objectives will benefit from the positive effects that higher levels of the structural dimension of organizational social causes and therefore will be more prone to use performance information. Furthermore, managers base their decision more likely on nonroutine feedbacks that come from informal interaction with employees instead of the information that comes from performance management systems (Mintzeberg, 1973). This is due to the fact that that kind of information is more accessible and immediate to managers than reports and data that requires longer time to be processed (Mintzeberg, 1973).

**Trust**

Trust has been previously defined as the “positive expectations individuals have about the intent and behaviours of multiple organizational members based on organizational roles, relationships, experiences, and interdependencies” (Shockley-Zalabak et al. 2000, p. 35). According to Diffie-Couch, (1984) relationships would not be able to survive without the role of trust. Job satisfaction, productivity, organizational commitment, decreased absenteeism and turnover are all positive effects of organizational trust (Driscoll, 1978; Hopkins and Weathington 2006; Perry and Mankin, 2007). According to Putnam (1993) trust “enables participants to act together more effectively to pursue shared objectives”. (p. 56). Putnam, with that definition, not only defines the
concept of trust but also states one of the positive organizational effects of trust that are acknowledged by other authors. Similarly, Coleman (1988) explains that higher level of trustworthiness and extensive trust within the members of an organization leads to higher levels of achievement of goals and objectives. Organizations need information in order to achieve their goals and objectives and information itself is without any means a fundamental basis for action (Coleman, 1988). However, acquiring information could be highly costly and difficult especially for “difficult-to-measure programs” (Coleman, 1988, Wholey, 1999, p. 291). However, trust, is not only associated with higher levels of productivity and achievement as Coleman (1988) and Putnam (1993) point out, but it is also associated with the ease of information exchange between different actors. Andrews (2011) states that a higher level of trust is associated with easier levels of interaction, and easier exchanges of information. Similarly, high levels of trust between organizational leaders and members may permit the transfer of sensitive information (Coleman 1988). Furthermore, it has been observed that the more managers trust their employees, the more are they willing to share information and discretion with them (Dansereau et al., 1975; Gomez & Rosen, 2001). A third positive organizational effect is that with higher levels of trust among the members of an organization, managers are more likely to trust the quality of the information upon which base their decision (Dirks & Ferrin, 2001; Nicolaou et al., 2013). This is due to the fact that managers that trust the subordinates consider the data and reports provided as accurate and reliable with no additional need of verifying the information provided. Therefore relational social capital conceptualized as trust has multiple effects. On the one hand, it fosters productivity and goal achievement (Coleman, 1988; Putnam, 1993). On the other, it fosters the easiness of exchange of information (Andrews, 2011; Coleman, 1988) and managers’ trustworthiness about the quality and accuracy of the information that they are using. Therefore, the need of performance information for measuring the achievements of an organization along with the easiness of sharing information that managers can trust foster performance information use in public administration. Finally, trust not only helps to share official performance information, but as Bunt et
al. (2005) and Kroll (2013) show also other types of performance information including “nonroutine feedbacks”.

**Shared Goals**

As stated before, cognitive social capital refers to the ability and willingness to define shared goals and having a shared language that helps the organization to enact those goals collectively. The concept of shared goals is somehow different from the concept of having a group goal. A shared goal “can be pursued independently as a personally or individually held goal. What makes it shared is simply that other in-group members are also experiencing that same goal” (Shteynberg & Galinsky, 2011, p. 1292). In an experimental study, Shteynberg and Galinsky (2011) found that “participants pursued goals more intensely when they were aware that similar others were experiencing the same individual goal” (p. 1293). Moreover, the authors discovered that when goals are shared and “experienced by similar others” (p. 1293) people adopt and produce a “more goal-congruent behaviour” (p. 1293). As Shteynberg and Galinsky (2011) show in their analysis, “the increased convergence of individual goals may make collective action to meet those goals more likely” (p. 1294). Moreover, “the setting of clear goals and strategic planning are characterized as critical roles of public managers that are closely related to the measurement and enhancement of organizational performance” (Su Sung & Lee, 2012, p. 787) Job-goal commitment, job-goal specificity, and mission specificity, as well as strategic planning capacity can enhance organizational performance (Su Sung & Lee, 2012). Literature on strategic planning (i.e. Barzelay & Campbell, 2003; Olsen & Eadie, 1982) suggests that organizations need strategic goals, mission and vision in order to measure performance. Furthermore, it seems clear that if the majority of people agree on a particular goal, it will be easier for the organization itself and the employees that are supposed to achieve those goals to define indicators that are capable to measure the defined goal and that are widely accepted by each employee, thus fostering the use of performance information. Following a behavioural analysis on motivation and group identification in pursuing shared goals by Fishbach et al. (2011) two different types of individuals in an organization could exist. Those who identify less with their group and/or
organization and those who identify highly with their group and/or organization. Those who belong to the first group are more concerned about the value of the shared goal and if they find the goal valuable they will contribute more likely to its achievement. In this scenario, “because information on the group’s completed actions signals value, the focus on accumulated contributions increases investment more than the focus on remaining contributions to complete the goal” (Fishbach et al., 2011, p. 530). Those who belong to the second group, on the other hand, are more concerned whether more actions or effort is needed in order to achieve the goal and if a need for goal progress exists, they will contribute more likely to its achievement. In this scenario, “because information on required actions signals a need for progress, the focus on remaining contributions increases investment more than the focus on accumulated contributions” (Fishbach et al., 2011, p. 530). In both scenarios performance information are needed to evaluate goal achievement. Based on the previous literature on cognitive social capital (Leana & Van Buren, 1999; Nahapiet & Ghoshal, 1998) and on behavioural and psychology literature (Fishbach et al., 2011; Shteynberg & Galinsky, 2011) we can state that sharing common goals within an organization will enhance performance information use. Performance information are fundamental for public managers in order to understand whether the organization is rowing in the right direction towards the achievement of the defined goals or weather corrective actions are needed. Furthermore and more importantly, as shown from previous analysis, performance information could be used by managers as a motivational factor for the organizations towards the achievement of organizational goals. Making public sector employee aware of their contribution towards the achievement of organizational goals will increase their effort and commitment in the organization (Fishbach et al., 2011). Therefore having an organization that shares the same goals, i.e. having an organization with a level or cognitive social capital, will enhance managers’ ability to use performance information.
Research Design and Methods

Unit of Analysis

For the sake of this research proposal, the unit of analysis is the State of Florida County Governments. The first question to be answered here is why Florida? Three categories of reasons underneath this choice exist: geographical and socio-economic, political, and administrative. First, the State of Florida ranks fourth in the U.S. for population behind California, Texas, and New York. Florida has experienced a rapid and significant increase in its population, growing from 9.75 million in 1980 to 18.8 million in 2010. Population increase along with other factors (i.e. lack of state income tax and generally low taxes, lucrative homestead exemptions, and cheap land for suburban development) have made Florida one of the fastest growing states especially in the service and real estate sectors of the economy (Kolo & Watson, 1992), thus making Florida’s large size worthy of studying. The State of Florida has also been chosen for political reasons. Florida is considered a swing state, although still leaning slightly Republican. In the last five Presidential elections, Florida electoral votes have been assigned three times to a Democratic candidate (1996, 2008, and 2012) and two times to a Republican candidate (2000 and 2004): making Florida one of the ultimate battleground states. Political and ideological variation within Florida is also an interesting factor to be taken in consideration. South Florida and the most important metropolitan areas historically are more liberal supporting Democratic candidates and Northern Florida and more rural areas tend to be more conservative supporting Republican candidates (Griset, 2002). The final group of reasons is administrative. First, by restricting the analysis to Florida counties other potential influences on performance information use, such as the legal framework and state level obligations are held constant (as in Andrews et al., 2009). Second, the state of Florida has a relatively small number compared to other states of overlapping special districts that provide services also supplied by counties and/or municipalities (Wu & Hendrick, 2009). Finally, studying the state of Florida allows researchers to take into consideration different levels of

1 U.S. Census, April 1st 2010.
professionalism among public managers and civil servants: from high professionalism in more dynamic organizations to low professionalism in more conservative ones.

The second question to be answered is why county government? According to the Constitution of the State of Florida, counties are political subdivisions of State territory. There are 67 counties in the State of Florida. Counties have powers and duties on a variety of public issues and are also responsible for the delivery of public services such as: a) hospitals, ambulance service, and health and welfare programs; b) parks, preserves, playgrounds, recreation areas, libraries, museums, historical commissions, and other recreation and cultural facilities and programs; c) development; d) zoning and business regulations; e) housing, slum clearance, community redevelopment, conservation, flood and beach erosion control, air pollution control, and navigation and drainage; f) waste and sewage collection and disposal, water and alternative water supplies. Therefore, counties are the level of government that provides basic services to their citizens, making them worth studying. Performance management systems among Florida counties are very diverse with more advanced systems developed especially in metropolitan counties and more rudimental systems developed in rural counties. The differences are accentuated due to the fact that the Florida Statutes do not provide performance management State-wide requirements that every county has to follow.

Variables, data and measurement

Data were collected through a survey submitted to department heads, middle managers, and any other figure with a supervisory role in the 67 Florida Counties. A total of 600 emails were sent out and received 264 responses. The first dependent variable, routine performance information use, was measured by asking respondents the following question “to what extent do you agree or disagree with the following statements: I use performance information to: 1) Communicate program successes to stakeholders; 2) Advocate for resources to support program needs; 3) Explain the value of programs to the public; 4) Make decisions; 5) Think of new approaches for doing old things; 6) Set

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priorities; 7) Identify problems that need attention; 8) Rewarding government employees that the respondent manages or supervises. A five point Likert scale was used coded from 1 “strongly disagree” to 5 “strongly agree”. The second dependent variable, nonroutine performance information, was measured by asking respondents the following question: “Please evaluate the importance of each of the following information sources in providing relevant feedback about the work of your department: 1) Formal meetings with county employees; 2) Informal talks with county employees; 3) Written feedback from local politicians; 4) Written feedback from interest groups/customers; 5) Local media; 6) Formal meeting with politicians; 7) Informal talks with politicians; 8) Talks with interest groups, citizens, media. A five point Likert scale was used coded from 1 “not important” to 5 “extremely important”.

Following Andrews (2011), the main independent variable, organizational social capital, was measured by asking respondents the following question: “To what extent do you agree or disagree with the following statements. In my department, 1) co-ordination and working with other departments is a major part of our approach to the organization of services; 2) cross-departmental working is important in driving service improvement; 3) there is a high level of trust between top management and staff; 4) there is a high level of trust between county management and politicians; 5) the department’s mission, values and objectives are clearly and widely understood and owned by all staff in the service; 6) the department concentrates on achieving its mission, values and objectives. A five point Likert scale was used coded from 1 “strongly disagree” to 5 “strongly agree”.

Table 1 reports the factor analysis for Routine and Nonroutine Performance Information Use and Organizational Social Capital. All the variables load on two factor. The Cronbach’s alpha is good for all the three indexes as reported in the table.
Table 1: Factor analysis

<table>
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<tr>
<th>Variable</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Uniqueness</th>
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<tr>
<td>Q1</td>
<td>0.8099</td>
<td></td>
<td>0.2167</td>
</tr>
<tr>
<td>Q2</td>
<td>0.7248</td>
<td></td>
<td>0.2811</td>
</tr>
<tr>
<td>Q3</td>
<td>0.9323</td>
<td></td>
<td>0.2504</td>
</tr>
<tr>
<td>Q4</td>
<td>0.7308</td>
<td></td>
<td>0.3043</td>
</tr>
<tr>
<td>Q5</td>
<td>0.8236</td>
<td></td>
<td>0.3185</td>
</tr>
<tr>
<td>Q6</td>
<td>0.8165</td>
<td></td>
<td>0.2593</td>
</tr>
<tr>
<td>Q7</td>
<td>0.8945</td>
<td></td>
<td>0.2794</td>
</tr>
<tr>
<td>Q8</td>
<td>0.4589</td>
<td></td>
<td>0.8000</td>
</tr>
</tbody>
</table>

Nonroutine Performance Information (α = 0.8789)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Uniqueness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>0.8218</td>
<td></td>
<td>0.3330</td>
</tr>
<tr>
<td>Q2</td>
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<td>0.2271</td>
</tr>
<tr>
<td>Q3</td>
<td>0.6656</td>
<td></td>
<td>0.3625</td>
</tr>
<tr>
<td>Q4</td>
<td>0.5780</td>
<td></td>
<td>0.4068</td>
</tr>
<tr>
<td>Q5</td>
<td>0.7643</td>
<td></td>
<td>0.3893</td>
</tr>
<tr>
<td>Q6</td>
<td>0.9776</td>
<td></td>
<td>0.1852</td>
</tr>
<tr>
<td>Q7</td>
<td>0.8926</td>
<td></td>
<td>0.2524</td>
</tr>
<tr>
<td>Q8</td>
<td>0.6219</td>
<td></td>
<td>0.4134</td>
</tr>
</tbody>
</table>

Organizational Social Capital (α = 0.7526)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Uniqueness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>0.9258</td>
<td></td>
<td>0.2181</td>
</tr>
<tr>
<td>Q2</td>
<td>0.7983</td>
<td></td>
<td>0.2812</td>
</tr>
<tr>
<td>Q3</td>
<td>0.7712</td>
<td></td>
<td>0.4349</td>
</tr>
<tr>
<td>Q4</td>
<td>0.5329</td>
<td></td>
<td>0.5749</td>
</tr>
<tr>
<td>Q5</td>
<td>0.8658</td>
<td></td>
<td>0.2817</td>
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<tr>
<td>Q6</td>
<td>0.8011</td>
<td></td>
<td>0.3645</td>
</tr>
</tbody>
</table>
The following control variables have also been added to the model. The first control variable is system maturity. It was measured following Moynihan and Pandey (2010): “Please indicate the extent to which your department has implemented each of the following: 1) Benchmarks for measuring program outcomes or results; 2) Strategic planning that produces clear organization mission statements; 3) Systems for measuring performance and customer satisfaction.”. The second control variable is developmental culture. It is measured following Moynihan and Pandey (2010) and Kroll (2013): “To what extent do you agree with the following statements: 1) My department is dynamic and entrepreneurial. People are willing to stick their necks out and take risks; 2) The glue that holds my department together is a commitment to innovation and development; 3) The staff shows great readiness to meet new challenges.”. Other control variables include: Leadership commitment to results (Moynihan & Lavertu, 2012); Citizen demand (Moynihan & Ingraham, 2004); Peer exchange (Kroll, 2013); Resources (adapted from the FedView Point Survey). Also demographic control variables have been added to the analysis as well. Descriptive statistics are reported in the following table.

**Table 1: Descriptive Statistics**

<table>
<thead>
<tr>
<th></th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine PI use</td>
<td>176</td>
<td>4.097</td>
<td>.559</td>
<td>1.375</td>
<td>5</td>
</tr>
<tr>
<td>Nonroutine PI use</td>
<td>174</td>
<td>3.562</td>
<td>.795</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>OSC</td>
<td>170</td>
<td>3.962</td>
<td>.593</td>
<td>2.333</td>
<td>5</td>
</tr>
<tr>
<td>System Maturity</td>
<td>180</td>
<td>3.6</td>
<td>0.943</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Leadership Commitment</td>
<td>180</td>
<td>4.161</td>
<td>.7334</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Developmental Culture</td>
<td>171</td>
<td>3.704</td>
<td>.669</td>
<td>1.333</td>
<td>5</td>
</tr>
<tr>
<td>Citizens demand</td>
<td>176</td>
<td>3.063</td>
<td>1.015</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>
The Table shows the descriptive statistics for the dependent, independent, and control variables in the analysis. The number of observations ranges from 155 to 180. Missing values are acknowledge to exist regarding all of the variables. Regarding the composition of the sample, most of the respondents are middle-aged department heads, which have been working in their organizations for more than ten years but less than twenty. The average employees that these managers supervise is around 16 with a minimum of 1 and a maximum of 400.

**Results and Discussion**

Preliminary diagnostic tests show that data have verified the assumption underlying OLS regression. Stata 13 has been used to conduct the analysis. Results are shown in Table 3

**Table 3: OLS Regression Results**

<table>
<thead>
<tr>
<th></th>
<th>Routine PI Use</th>
<th>Nonroutine PI Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSC</td>
<td>.186** (.092)</td>
<td>.0376 (.147)</td>
</tr>
<tr>
<td>System Maturity</td>
<td>.116** (.047)</td>
<td>.099 (.077)</td>
</tr>
<tr>
<td>Leadership Commitment</td>
<td>.126** (.061)</td>
<td>-.063 (.098)</td>
</tr>
<tr>
<td>Developmental Culture</td>
<td>-.473** (.188)</td>
<td>.509* (.301)</td>
</tr>
<tr>
<td>Citizens Demand</td>
<td>.021 (.040)</td>
<td>.151* (.064)</td>
</tr>
<tr>
<td>Peer Exchange</td>
<td>.114 (.075)</td>
<td>-.142 (.120)</td>
</tr>
</tbody>
</table>
Supervisor Status   .004 (.024)  .037 (.038)
Length of Stay      .006 (.045)  -.049 (.073)
Age Group          .00003 (.0009)  .002 (.002)
Constant           2.497*** (.374)  1.751** (.588)
Obs.               150  148
R-squared          0.2717  0.1810
Adj. R- Squared    0.2194  0.1212

Note: Regression coefficients marked with an asterisk were statistically significant at * p<0.10; ** p<0.05; *** p<0.01

AS Table 3 shows Organizational Social Capital is positive and significant. The more managers are connected to and trust each other and their employees and the more the organizations define goals, the higher these managers will use performance information to make decisions. The first hypothesis is therefore accepted. At the same time system maturity and leadership commitment are significant and positive as well. On the other hand developmental culture is significant and surprisingly negative. If we look at the second model we don’t find any significant result except for the positive sign of developmental culture and citizens demand of performance information. The second hypothesis needs to be rejected: organizational social capital is not a good predictor for nonroutine performance information use.

The results just described need to be further discussed taking into consideration the literature. The first result just bring further evidence of the potential benefits (Portes, 1998) of social capital more in general and organizational social capital more in particular. Discussing each organizational social capital component it is possible to infer, following Nahapiet & Ghoshal (1998) that network ties, which provide access to information, and network configuration, which are the channels through which information moves within an organization, are important for performance information use. Trust, which is at the base of the relational component of social capital, plays an important role as well. The more managers trust each other and they information that are provided with, the more likely will use this information in their decision making process considering them reliable and
valuable. Finally shared goal will intensify the use of performance information by manager in order to understand the level of achievement of the organization. Having said that, these results do not hold true for nonroutine performance information. A possible explanation of these results might be that the level of social capital is not high enough for nonroutine performance information to be used. Ouchi (1979) argued that organizations with a high level of interactions among their members and with a high level of self-identification with the organization and its member will tend to substitute formal information system to informal information system. Therefore hypothesizing that nonroutine performance information use would be used more than routine performance information. In the case of Florida counties the level of organizational social capital is not enough to foster routine performance information use but not enough to for nonroutine performance information to be shared, trusted and used by managers in their decision making process.

Conclusion

This article analysis the relationship between performance information use and organizational social capital, a factor overlooked thus far in the literature on the determinants of performance information. This article tries to fill a gap in the literature by hypothesizing that the more managers are interconnected among each other’s and with public employees, the more public managers trust their employees and the information they are provided, and the more an organization has shared goals, the more likely these managers will used performance information in their decision making process. This hypotheses have been tests on a sample of county managers from the 67 Florida Counties. The results show that organizational social capital could be a good predictor for routine performance information use but not for nonroutine performance information use, at least in the context of Florida.

Like most of the literature points out, also this analysis shows that organizational social capital can potentially benefits public organizations. Therefore on a prescriptive level the questions is how to create organizational social capital, if these potential benefits are proven to be true. Even if the
literature on how to create organizational social capital is not well developed, some contributions could be still analysed. Cohen and Prusak (2001), and Ellinger et al., (2010) identified three managerial tools that could be used in order to create and foster organizational social capital: making connections; enabling trust; and, fostering cooperation. However, no specific examples were given. Another important contribution to take into consideration in order to understand how to create organizational social capital is a study by Korte and Lin (2013). In a study about socialization of newcomers in an organization they described the typical patterns that new comers experience in order to build their structural, relational, and cognitive social capital. Understanding the structure of the groups and relationships already established in an organization is important in order to operate on the structural component of organizational social capital. Regarding the relational component of organizational social capital the authors shows the importance to find a mentor “for the purpose of learning how to accomplish various tasks and how things were done in the organization, as well as facilitating integration into the group” (Korte & Lin, 2013, p. 418) and the importance to build camaraderie defined as “a category of activities for the purpose of becoming integrated into the group” (p. 418). Finally, the cognitive dimension of organizational social capital could be developed by: understanding the engineering method, learning the work processes, and learning the culture of the group. Therefore if managers and politicians consider organizational social capital a resource that is able to guarantee potential benefits, including performance information use, they might as well considering techniques and tools able to create and foster social capital at organizational level.
References


