

theories *of* performance

*organizational and service improvement
in the public domain*

COLIN TALBOT

OXFORD

THEORIES OF PERFORMANCE

Organizational and Service
Improvement in the Public Domain

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1 Introduction – Why the Issue of Performance Will Not Go Away

Performance measurement and management of public services has been on the rise across many countries in recent years. It is widely perceived to have started around the late 1980s or early 1990s, but in fact discussions about various aspects of performance – not always using that label – go back far beyond that period. In 1916, for example, the US Congress established a “Bureau of Efficiency” to tackle waste in US federal government (Lee 2006). But it is also clear that there is currently a very real “performance movement” (Radin 2006a), and one which is likely to expand further as many advanced states face fiscal problems following the 2007–9 global financial and economic crisis. Demands will grow for government that “works better and costs less” (Gore and National Performance Review 1993) as the consequences of the financial and economic crisis for public finances develops. The performance of public agencies is thus both a perennial and a contemporary issue – just one of the many paradoxes surrounding the subject.

There are theoretical, empirical, and practical reasons why this subject will not go away, and while it may wax and wane, it is certain to always return to center stage in academic and policy circles from time to time for the same reasons.

The theoretical and empirical reasons are both simple and complex. In the early 1980s, writing about what was then called “organizational effectiveness” (OE) studies, a couple of experts in the field pointed out that all theoretical conceptualizations of organizations implicitly addressed the issue of which organizational forms were more or less effective (i.e., performed) (Cameron and Whetten 1983b). While they were writing about all organizations, this applies equally to public and private sectors. Moreover, in empirical research on organizations, “effectiveness” (or performance) was the ultimate dependent variable – in the end all studies were studies of what made organizations more or less effective. The really complex theoretical and empirical problems start to arise in defining and then measuring effectiveness or performance.

And finally there is a simple practical reason why interest in effectiveness or performance would not go away – all organizations, public and private,

are there for a purpose (or purposes) and those with an interest in those purposes are always going to ask the question of how well are they doing. Moreover, this final reason also ensures that theoretical and empirical research interest in the effectiveness and performance of organizations will continue to excite scholars – or at least those who are engaged with practical concerns as well as theory. And those that are not so engaged with practical issues will probably still be interested in critiquing, if only in order to dismiss them, the outputs of those who are, so in reality most will continue to engage with the issues.

More than three decades later, scholars in a different field – public policy and administration – made a very similar point when discussing the latest set of indicators for comparing the performance of governments – the Bertelsmann Stiftung’s “Sustainable Governance Indicators” (SGIs):

As a measurement instrument, the [SGIs] rests upon a few implicit and explicit causal assumptions. One of the central causal assumptions of the SGI – and, indeed, of the disciplines of political science and public policy studies as a whole – is that quality of life . . . depends to a substantial, though not exclusive, degree on systematic political and administrative processes. . . . Without this foundational belief in causality, there would be little reason to study governmental and administrative systems.

(Jann and Seyfried 2009)

Public organizations – by which I mean departments and ministries, agencies, units, programs, systems, etc. – sit at the intersection of the interest in organizational effectiveness and performance generically and interest in the performance of the public sphere as a whole. In a sense the performance or effectiveness of public organizations (broadly defined) is thus an ultimate dependent variable for *both* the generic study of organizations and the study of the public domain.

From this perspective, the study of performance of public organizations can be seen as embracing a vast literature on organization and on government dating back centuries, never mind a couple of decades. It would clearly be impractical to even attempt a review, much less any sort of synthesis, on such a broad array of research and practical experience. To a large extent this is not (or should not be) necessary, as many of the more contemporary strands within organizational and governmental studies have in any case already been created by “standing on the shoulders of giants” of the past, as Isaac Newton famously remarked about his own achievements in physics. Although this is not always the case, and past lessons have been forgotten, or the source of current thinking become obscured by the mists of time – as will be seen later in the book (e.g., Chapter 7).

So while one or two references may be made to older scholarship and practice, mostly this book will concentrate on fairly modern (in a historical sense) attempts to understand, and improve, the effectiveness and performance of

public organizations, that is mostly from the latter half of the twentieth century up to the present. That is more than enough to deal with, and indeed still too much for any one scholar to fully comprehend.

Virtually every discipline and subdiscipline in social sciences, and a few others too, has had something to say about organizational and management theory and public administration, policy and management theory and thereby, by implication, about the performance or effectiveness of public organizations. Anthropology, economics, political science, social psychology, and sociology have all contributed to both organizational studies and public administration, as both are inherently multidisciplinary in relation to these fundamental social science disciplines. Other fields from the more physical and biological sciences have had something of interest to contribute – systems theories, complexity theories, ethology, psychology, evolutionary psychology – just to mention a few.

Moreover, all these fields and disciplines, as we will discuss later, have been riven by rather more foundational conflicts over ontology, epistemology, and methodology and interpenetrated by crosscutting “philosophy of science” disputes, or the “paradigm wars” as some have called them. They have also been engaged in various border disputes – for example, economics, in particular, has sought to “invade” the traditional territory of political science and public administration through public choice and related theories.

Moreover, the increase in the sheer volume of academic publishing has been matched by the increase in publications – mainly books – written by consultants or practitioners mainly for the latter. These advance a huge range of possible ways in which to improve the performance of businesses, as a brief glance at the business section in any airport bookstore would show. Strategic management, business process reengineering, total quality management, human resources management, value management, knowledge management, innovation, customer focus, balanced scorecards, and fifty-seven varieties of leadership have all been advanced as answers, usually THE answer, to improving performance. Many of these have, of course, also been copied into public sector practice.

Within more academic organization studies the paradigm war has been fought out with competing, fundamentally different, ontological, and epistemological perspectives (Burrell and Morgan 1994) or simply employing a wide variety of metaphors and analogies to frame approaches to understanding organizations (Morgan 1986). Each of the issues, approaches, and theoretical perspectives mentioned above has produced its own stream of literature, research and “how to” books – sometimes running into the thousands.

And that is just in general business, management, and organization studies without even starting to look at the field(s) of politics, public administration,

and public management. And in each and every case the implicit or explicit dependent variable is effectiveness or performance.

Consilience Deficit Disorder

The material examined in these pages is inevitably selective, and the process of selection is a difficult one, to put it mildly. One answer – adopted by far too many scholars – is to keep your head down and concentrate on a fairly narrow field, and dig as deeply as possible into that. In the process, wider ontological, epistemology, and methodological issues are, as far as possible, sidelined. If challenged on this, many would claim that grand theory building is impossible, or at any rate unfashionable, and the best we can hope for is some micro or possibly midrange theories that connect a few dots.

Closely allied to this attitude is the view that pluralism and diversity in social science approaches is actually a good thing – there is nothing wrong with researchers having, implicitly or explicitly, totally incommensurable paradigms – as long as everyone has something “useful” to say. I have coined a term for this collective problem – Consilience Deficit Disorder (CDD).

The term “consilience” comes from the work of biologist E. O. Wilson, the originator of “sociobiology” and the highly controversial idea of “gene-culture” coevolution in the origins of modern humans. Wilson has argued that modern science, especially social science, is suffering from a general lack of “consilience” (Wilson 1998). By “consilience” he means that science has to be internally consistent, both within and between disciplines. This may seem obvious but there are those even in the so-called “hard” sciences who question such assumptions and argue that we live in a “dappled world” where theories only have very limited applicability and do not necessarily have to “join-up” with theories in other domains (e.g., Cartwright 1999), or that the various social science disciplines are, and should remain, quite distinct branches of knowledge (Steuer 2003).

Consilience as an alternative is both an attitude of mind, as well as a scientific proposition. For example, the fundamental problem in theoretical physics is the search for a “grand unified theory” (GUT) or “Theory of Everything” (TOE) that can bring together the insights of quantum mechanics and relativity theory, both of which have substantial empirical verification but as yet have not been “joined-up”.

The idea that they can be unified into a single theory is both an attitude of mind as well as a hypothesis that cannot, as yet, be proved. The attitude of mind is not simply a belief, however, in the way that religion is a belief without any supporting evidence. It is rooted in sound scientific thinking.

The belief that a GUT or TOE is possible is an inductively derived one – over the last three or four centuries we have made enormous strides in understanding how the universe operates precisely by assuming there is some underlying causal consistency. Induction often gets a bad name, especially in some of the more esoteric branches of scientific philosophy, but the reality is that induction has often worked well in establishing the “first draft” of scientific ideas. On this basis it is reasonable to induce that we will make further progress toward GUT or TOE, as well as toward the rather grander synthesis or reconciliation of the physical and social sciences that Wilson advocates. Induction is of course fallible – all swans are not white – but in this case there is pretty good reason to think consilience might be correct. Moreover, the alternative, to assume that causal links and consistency between different branches of science is impossible, leads fairly rapidly into rather dismal nihilistic cul-de-sacs.

Wilson chose the word “consilience” to try to avoid the accusation of simple or crude determinism. To say that various levels of knowledge – physical, chemical, and biological, for example – have to be consilient is not to say that the evolution of human beings can be predicted from the nature of quantum mechanics. Rather, it is to assert the evolutionary explanation for the emergence of human beings has to be consistent with the underlying laws of physics, chemistry, and biology.

The social sciences in general have largely ignored or attempted to avoid this requirement for consilience. The study of management and organization – the disciplinary area that has probably had greatest influence on the study of performance – is especially guilty in this regard. Some experts in the field have repeatedly pointed out how management research largely fails to cumulate knowledge – data and theories; is beset by “the tyranny of the new” although often is just repeating the past theories and findings under new labels; is cursed by self-promoting “gurus,” including academics; is prone to fashions and fads, and to succumbing to “halo” effects of “successful” organizations and individuals (Huczynski 1993; Micklethwait 1996; Shapiro 1996; Pfeffer and Sutton 2006; Rosenzweig 2007). These failings are largely due to the tendency to ignore the need for consilience. If there is no overriding imperative to try to make theories “joined-up,” is it hardly surprising that little cumulative progress seems to be made?

There are some, sporadic, attempts to overcome this. For example one recent work that tried to take an overview of the development of management theory is a welcome, if as yet insufficient, contribution (Smith and Hitt 2005). This volume – subtitled “the process of theory development” – invited many well-known theorists, with significant contributions to management theory to their names, to reflect on the process of theory development. What is notable is that despite an apparent invitation to discuss philosophy of science