UK public services: do they measure up?

An examination of performance management though a lens of public service dominant logic

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Background to research

- The shift from an internal focus on efficiency and effectiveness in public service organisations (PSOs) towards the external co-creation of services with service users and customers is espoused in the theory of Public Service-Dominant Logic (PSDL) (Osborne et al., 2013*).

- According to Osborne et al. (2013) customers and citizens are the key stakeholders within PSDL.

- By co-creating services with PSO staff, the PSDL approach ensures public services are shaped by the experiences and knowledge of the service user.

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• According to Osborne et al. (2013), ‘what is now needed is an agenda of empirical research to test out the insights and limitations of this theoretical approach’ (Osborne et al., 2013, p. 151).

• This research therefore examines how UK PSOs use performance measures and reporting mechanisms to inform performance management activities through a lens of PSDL.
Research questions

• What aspects of performance measurement do UK PSOs focus upon?

• What are the performance reporting processes used by PSOs in the UK?

• How do performance measures and reporting influence performance management activities in UK PSOs?

• How do UK PSOs use aspects of performance management to inform public service improvements and value co-creation?
Two-stage qualitative case study approach

Stage one
- 7 public service organisations
- Fieldwork: November 2014 to April 2015
- 23 Semi-structured interviews with frontline staff and managers
- Focus on the:
  - the cycle of performance measurement and reporting activities; and
  - how these activities fed into performance management.

Stage two
- 4 public service organisations
- Fieldwork: October 2017 to January 2018
- 21 Semi-structured interviews with senior managers and directors
- Focus on the links and tensions between the stage one findings and:
  - performance management activities;
  - service improvements; and
  - value co-creation.

Findings from stage 1 informed the focus of stage 2
Stage one analysis

First order codes

- Statements illustrating fragmented or connected feedback loops (e.g. good feedback)
- Statements indicating fragmented or connected performance reporting mechanisms (e.g. reporting tools)
- Statements illustrating how PSOs have made limited attempts to measure public value and equity (e.g. outcomes)
- Statements indicating issues of efficiency savings or spending targets (e.g. cuts)
- Statements illustrating the multi-dimensional nature of measuring improvement (e.g. outputs)
- Statements indicating the different aspects of benchmarking (e.g. benchmarking clubs)
- Statements illustrating the range of continuous improvement journeys (e.g. process mapping)
- Statements indicating different aspects of improvement champions (e.g. leadership)
- Statements illustrating external pressures from stakeholders and agencies (e.g. regulatory bodies)

Coding themes

- Feedback loops
- Performance reporting processes
- Failure to link performance to public value
- Focus on budgets
- Measuring improvement
- Benchmarking
- Continuous improvement
- Improvement champions
- Inspection and oversight

Aggregate dimensions

- Fragmented versus connected communication cycles
- Structural and procedural inertia
- Public service improvement
Stage one findings

• Performance communication was generally fragmented.
  ‘Sometimes what we’ve suffered from in terms of [improvement] is people don’t think it’s their role to contribute to changing and improving things. They think it’s their role to tell you what’s wrong with it, but somebody else’s responsibility’. Interview with managers, Police authority 2

• Focus on internal efficiency and effectiveness.
  ‘So, the [organisation efficiency] review was very successful … we’ve identified that we can deliver … [millions] worth of cashable savings … whilst still delivering a high-quality service’. Interview with managers, Police authority 1

• Performance management structures and processes seemed to hinder value co-creation.
  ‘We’ve had tortuous conversations over various sort of team meetings about how we measure [our impact]’. Focus group with manager and improvement advisers, Civil service agency

• Service improvements focused upon compliance to regulation and value for money activities.
  ‘It’s central for regulatory compliance to have some mechanism by which we can continuously improve’. Interview with lean specialist, Health agency 1
Focus of stage two case analysis

- Alignment of performance measures and management information with public value co-creation.

- Connections between performance communication and service user value.

- Whether there is a ‘line of sight’ between performance management activities, service outcomes, and value co-creation.

- Measurement and assessment of organisational service user value.

- Staff engagement with performance management activities and value co-creation.
Preliminary conclusions

• The stage one case organisations were using aspects of performance management in such a way that are reflective of aspects of NPM, but not of PSDL.

• The case organisations did not ensure that service user value co-creation was an ‘inalienable component’ of public service delivery (Osborne et al., 2013, p. 149).

• There is an inevitable lag between practice in public service implementation and academic thinking but this research provides an opportunity for practitioners to improve practice, and for scholars to understand the gap between practice and latest thinking.

Questions & feedback

Thank you!

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