The Impact of Performance Management on Transparency and Accountability in the Public Sector

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1. Issues and instruments of performance management
1.1 Introduction

Output or performance orientation is one of the most important elements of the new public management concepts. It plays a major role in almost all countries which are reforming their public sector. It means that organisations in the public sector are shifting their whole steering concept from traditional input control to an explicit output or outcome focus. Furthermore, most countries have begun to hold their public managers individually accountable for achieving certain output or performance targets, like key performance indicators in the UK or like key result areas in New Zealand. Thus, output or performance orientation is considered to be a major prerequisite for increasing transparency and accountability in public sector organisations (Pollitt/Summa 1997, 11).\(^1\)

Performance measurement is the logical prerequisite of performance management. Public organisations are using several concepts and instruments for performance measurement. Among them are:

- performance indicator systems
- accrual cost accounting concepts
- performance budgeting
- performance monitoring/controlling
- benchmarking procedures
- quality assessments and awards
- general performance awards and competitions (like Citizen Charter Award, Malcolm Baldridge Award, Speyer Quality Award)

It is not the main idea of performance measurement to determine the absolutely accurate output or outcome of a public service but to support the management of a public organisation to follow a certain vision and strategy. Key questions to be answered by performance measurement are (Hailstones 1994, 192f.):

- to what extent have given targets been reached?
- where does an organisation's performance stay compared with others?
- how large are deviations from a given target or a benchmark?
- what are reasons of possible deviations?
- what actions are necessary to correct a deviation and to reach a given target?

Performance measurement data has several addressees. At first there are several recipients within the respective organisation: The politicians (e.g. councillors), the top management, line managers, employees and their representatives, and also citizens or customers, tax payers etc. Possible target groups are also competing authorities, supervisory bodies or other governmental institutions. Finally, the general public (press media etc.) is increasingly

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\(^1\) This article concentrates on the effects of performance management on transparency and on accountability. It does not reflect other NPM-related effects on transparency and accountability, e.g. marketization or organisational decentralisation, which also may have remarkable impact on transparency and accountability.

\(^2\) The introduction of performance indicator systems in several states during the last years has been critically assessed from numerous authors. For detailed experiences in Australia, the U.K., the U.S. etc. see for example: Ammons 1996, Alford/Baird 1997, Bowerman 1995, Buschor/Schedler 1994, Guthrie 1994, Hailstones 1994, Jackson 1995, OECD 1997a, Stewart/Walsh 1994.

\(^3\) A more detailed summary of experiences with the Bertelsmann performance comparison program is available in German language: see Adamaschek 1997 (about 150 pages). The structure of the Bertelsmann comparison seems to be to some extent comparable with the performance measurement program initiated 1995 by the International City/County Management Association (ICMA) in the U.S.
interested in performance data. All these different target groups need or expect data for their specific requirements regarding the scope and details of performance.

Performance measurement generally plays an important role in all states which are undertaking administrative reforms in the NPM style. In some states central government forces the regular collection of performance data, for instance in the UK (local government performance data comparisons of the Audit Commission; see Audit Commission 1995). In the U.S. according to Ammons more than half of all cities is collecting performance data. "In most cases, however, the vast majority of the measures collected by a given municipality merely reflects workload. ... Only few US local governments systematically assess quality and efficiency. ... An even smaller cadre measures effectiveness and efficiency for more than a handful of departments" (Ammons 1996, 2). It can be assumed that this description of the US situation is somehow typical also for other states. Efficiency or effectiveness measures and quality assessments are generally not the rule but the exception.

1.2 Performance measurement in Germany

A recent empirical study comparing the use of performance indicators in the U.S., the U.K. and in Germany comes to the result that the intensity of using performance indicators is much weaker in Germany than in the two other countries (Loeffler 1997, 108ff). The intensity of using indicators for budgeting or for reporting is twice as large in the U.S. or U.K. as in Germany. This finding seems to be quite realistic (see also Hill/Klages 1996). Since a couple of years performance indicators begin to play a limited role particularly at local level where the implementation of the "Neues Steuerungsmodell" - the German variant of NPM - has successfully been started since the early 90s (for more details of the German NPM see Reichard 1997). Municipalities have begun to define and to describe their services in the form of "products", expecting to increase the transparency of their services, particularly of the costs. Some of these product descriptions are following a common masterplan, developed by the KGST, an association of German municipalities to improve local government management. The "product catalogues" of the different cities are expected to serve as an instrument for performance measurement. However, up to present only few product descriptions are including output or outcome measures; most of them concentrate primarily on cost aspects.

One example to promote performance measurement in the German public sector is the "Speyer Quality Award" (Speyerer Qualitätswettbewerb). Since 1992 the Postgraduate School for Administrative Sciences in Speyer is organising every two years a nation-wide competition for well-performing public sector organisations. Ministries, state agencies, local governments and all other kinds of public organisations are invited to participate. Candidates are describing their innovations and their reform ways in a form of self-assessment following a comprehensive questionnaire, supplemented by some external inspections. Applicants are asked to describe their management by using several structural and performance indicators (for more details see Klages 1995). Since 1996 the Speyer Award is open also for public sector organisations in Austria and in Switzerland. About 70-80 different organisations are participating in average in one competition.

Another example is the so-called "inter-communal indicator network" ("IKO-Netz") which has been founded in 1996 by the KGST. This network is continuing the preceding performance comparison program of the German Bertelsmann Foundation (see next chapter). Several municipalities voluntarily join an indicator circle to exchange performance data with the other members, to compare the data and to learn from each other how to solve certain
problems and how to organise better service processes. KGST is responsible for the logistical infrastructure and it moderates the exchange processes. At present there are already a number of these circles at work, most of them with about 20-30 member-communes, usually concentrating on a limited number of policy fields.

1.3 Case Study: The Bertelsmann Performance Comparison

An interesting experience has been made in the last 7 years with a performance measurement program initiated and organised by the Bertelsmann Foundation: The "local services benchmarking system" (Interkommunaler Leistungsvergleich; for more details see Adamaschek/Banner 1997) which took place from 1990 up to 1997 and which has recently been integrated into the above-mentioned IKO-network. The Bertelsmann Foundation supported the development of a comprehensive methodology to define, collect and compare performance data from different local authorities. The comparison started with 7 medium-sized cities, concentrating on the areas of public order, residents' registration, immigration, social welfare, parks and recreation, local taxes and charges. Lateron several additional circles of cities have been organised where similar comparisons took place. Meanwhile around 150 municipalities are cooperating in such performance indicator circles. In a parallel program several cities with support from the Bertelsmann Foundation are undertaking indicator comparisons concerning different fields of local culture (adult education, music schools, libraries, theatres, museums etc.).

The basic idea of this comparative performance measurement program is to collect data from similar local authorities referring to four basic goals of local government:

- the service mission (task fulfilment)
- efficiency
- client satisfaction
- employee satisfaction

It may be interesting that the program has elaborated more than 50 indicators for each of the two goals efficiency and employee satisfaction. In contrary, indicators related to service mission as well as to client satisfaction are - in quantitative terms - underrepresented.

The indicators and the procedures and standards for data collection have been elaborated by different expert teams from the member cities. The indicators are the basis of a management reporting system, and they are regularly (quarterly) exchanged between the participating municipalities. Observed weaknesses are subject of discussion in different quality circles within each city. Numerous seminars and workshops to train public managers and politicians of the participating municipalities have been performed. The Bertelsmann Foundation paid during the first phase of the comparison (1992-1997) all expenses for infrastructure including training and consultancy. In future the participating municipalities are expected to continue the network on their own expense.

Reported results of the Bertelsmann program are (Adamaschek/Banner 1997):

- certain improvements in different local services, e.g. increasing opening hours of citizen offices, reduction of waiting times of phone calls to offices, introduction of one-stop-offices, etc.
- cost reduction as a result of the intercommunal learning but also because pressure to justify costs of certain services against the council or the top management rose as an effect of intercommunal comparisons
- increases of revenues because of utilising new sources or of higher motivation of staff to collect taxes or charges
- streamlining and simplification of processes as consequence of learning from others but also as an effect of decentralising responsibilities

In assessing the intermediate results of the Bertelsmann comparison one can say that at first it is a great success to develop a functioning performance measurement infrastructure and methodology and to convince a large number of municipalities that regular performance comparisons are valuable. To some extent an "olympic spirit" of quasi-competition can be observed. Furthermore it can be assumed that such a performance comparison is promoting a more entrepreneurial or at least managerial ethos within the public sector.

The Bertelsmann Foundation in their evaluation of the first experiences mentions several advantages of performance comparisons (Adamaschek/Banner 1997, 202ff):

- the comparison promotes synergy through inter-communal cooperation
- the comparison initiates a process of continuous learning and improvement; every participant of an indicator network is benefitting from learning, even the "lame ducks"
- the comparison concentrates the focus on the whole organisation and on the organisational and motivational conditions of service delivery
- the comparison offers a chance to increase public interest in local services and to strengthen public accountability.

First empirical findings from practising the Bertelsmann comparison come to mixed results: The participating cities, without any doubt, have had success with regard to the efficiency of several services. Even more, the comparison had positive impact on employee motivation and satisfaction. The available performance data in fact opens the chance for decision makers to have more transparency for their decisions.

However, several problems and deficits can be observed:

- the extremely high effort (personnel capacities) to elaborate the indicator system, to coordinate the network, but also to collect regularly the data for more than 700 different indicators raises the "value for money" question. It can be assumed that an average-sized city has to pay about 2 Mio DM per year only for the time consuming data collection which is reducing the personnel capacities.

- municipalities do sometimes misunderstand the aim of the comparison: they expect "100%-comparability" of services between different communes which is not feasible, despite the efforts to coordinate data sources and procedures.

- some municipalities did not find the right balance between the necessary homogeneity and comparability of the performance indicator system and the individuality of an own communal reporting system. These municipalities did not use the collected data for their own monitoring and reporting purposes.
Consequently, they became frustrated to collect masses of data only for the performance comparison program without having a benefit from it.

- the network changed frequently their data collection standards which made periodic comparisons difficult or impossible

- the program concentrated to a large extent on data collection; according to the opinion of some participants the opportunity to discuss causes of deviations and to learn from "the best of class" was limited

- the quality and outcome orientation of the comparison seems to be limited; several participants regret that quality indicators are underrepresented within the system

Although it may be too early to sum up experiences with the Bertelsmann comparison and despite the existing lack of empirical data, some lessons can be drawn:

1. The way from a performance indicator network to a substantial increase of performance and to a change of structures and behavior is long and difficult. There is some evidence that the Bertelsmann comparison had some positive effects on the efficiency of the participating municipalities, but substantial structural changes could not be observed up to present.

2. A successful performance measurement system needs realisation of certain framework conditions (Adamaschek/Banner 1997, 204ff.):

   - "performance boosters": the citizens, the market with its competition, and the local politicians are necessary factors to motivate the bureaucrats to undertake efforts for measuring performance. Some first empirical impressions show that none of the three factors played a significant role during the program. This is particularly true with market competition. Marketization is up to present not a major reform issue in the German case.

   - results of performance measurement need publicity: they should be published in the local media to inform the citizens and other interest groups, as it is the fact in the UK with the charter results. It can be assumed that publicity of results only played a marginal role in the German program.

   - performance measurement needs an adequate managerial infrastructure, i.e. quasi-autonomous, decentralised units which are responsible for the results of their work and which have the "freedom to manage"; furthermore adequate management tools (cost accounting, information technology, personnel management etc.) are required. Some examples of participating cities show that performance comparisons had only poor impact because the managers could not take the necessary decisions to increase performance.

   - performance measurement needs "meta organisations" like city/county associations, foundations, consultancy, academic institutions to assist the municipalities in introducing and performing performance comparisons. This condition has been fulfilled to a large extent in the German case.
3. The politicians must be included: The sustainability of an indicator network can only be expected if the council and the political appointed leaders of a public organisation are regularly involved into the interpretation of the results of performance comparisons, and if they take the consequent actions. Some German cities complain about poor impact of the comparisons due to resistance of politicians to react with adequate decisions on the produced data.

4. The citizens or more precisely the customers of a public organisation should be involved into the performance measurement process. They should be interviewed in customer panels and they should have the opportunity to tell their own demands concerning public services. Within a limited scope customer demands are included in performance comparisons. However, strengthening citizen participation is not an aim of the program.

5. The employees should actively participate in the performance comparison. They must have fair opportunities that job contents and working conditions are improving as a consequence of the comparison. Furthermore, employees will only follow the rules of the game if they must not expect dangers for their workplaces. The massive financial crisis of German local authorities and the consequent cutback of workplaces in most offices appears as a severe danger for the performance comparison program with regard to employees participation. Experience from several cities with heavy cutback problems shows that some employees are forging the data.

6. In cities with heavy financial stress performance measurement programs tend to get the image of being a mere cost reduction instrument. "Economy" seems to be the ultimate goal in several cities. Other criteria of the comparison like client satisfaction or quality only play a subordinated role.

2. Effects of performance management on transparency

Increased transparency is the one of the major goals of NPM reforms (Jann 1997, 98). The whole NPM logic of output-oriented and decentralised steering is expected to increase transparency of public activities. Contributions to transparency are particularly resulting from NPM elements like the following:

- output (or: product) oriented organisational structure (result centers etc.)
- units with clear cut result-oriented responsibilities
- council committees organised along the same product structures as administration
- council and top management concentrate on formulating clear strategic goals and financial targets and controlling the performance
- a regular reporting is based on performance indicators, it informs about goal achievement and possible deviations.

Transparency is a meta-goal: Rational decisions and actions are possible, if goals and/or means are adequately transparent. However, due to imperfect information one can never reach complete transparency. In this sense transparency is also a condition of political and administrative action: It means that strategies and activities of a public organisation are lucid and distinct with regard to their goals, their alternatives and their effects. Transparency can be related to different goals:

- transparency with regard to efficiency
Higher transparency of performance of public organisations primarily means more and better information about efficiency and effectiveness. However, in a broader sense of "performance" the other aspects mentioned above would also be included. Transparency can be seen as a dependent or as an independent variable (e.g. transparency as precondition for practising performance management). In this article transparency is used as dependent variable: depending on the effects of performance management.

Transparency can be viewed under two aspects: It is on the one side a question of communication between different actors. If the politicians are setting goals and the administration tries to break down the goals in concrete targets and budgets, the transparency of goals, targets and budgets is a matter of the social relations, the power structures, the trust among the communicating actors. Transparency on the other side is a technical and instrumental topic: How to make goals, targets and budgets clear and distinct. Performance management tackles both dimensions of transparency: It is at first a technical instrument to enlarge the lucidity and clearness of goals or actions. But it is secondly a topic of the social relations and of the organisational culture: To what extent are actors really demanding for higher transparency and to what extent are they used to think and to behave in a "performance culture"?

Organisational studies are showing that actors within an organisation are interested to produce uncertainty and intransparency. Actors in hierarchies - both at the top and at bottom - tend to create desinformation as a means for securing autonomy, power and prestige. The Principal Agent theory for example is explaining that the agent tends to increase his information advantages against the principal in order to gain sufficient autonomy for his actions. Thus, intransparency to some extent also has a protective function in organisations. It is therefore important to find the right balance between transparency and intransparency.

It seems that most of the actual discussion about increasing transparency by using performance management is dealing with the technical dimension and is neglecting the social-communicative dimensions.

Transparency of administrative performance can be viewed from a supply side and from a demand side (table 1): From the supply perspective the main argument is to deliver meaningful, easy understandable, actual, and target-group-oriented data. From the demand side one has to consider that managers - as well as politicians and other addressees - must accept and use the tools and the data. That means that they must be motivated towards transparency and that they must be able to work with such tools and concepts. There is evidence that existing performance management concepts do not reflect adequately the demand-side of transparency.

---> table 1!!

What contributions to transparency can be expected from performance measurement?
Performance data
• informs about the efficiency and effectiveness of the own services
• informs about the own performance in relation to the performance of comparable other organisations
• is an instrument for monitoring, controlling and evaluation
• helps to distribute resources with more justice (e.g. to support underfunded policy areas)
• is a prerequisite for competition

Is there a substantial increase of transparency because of performance measurement activities in public sector organisations? According to the - highly limited! - empirical data available the effects on transparency of providing performance data for administrative decisions are mixed. Of course there are several empirical findings that increased transparency of performance data has had positive effects. Several municipalities in Germany are reporting increasing cost-consciousness among managers caused by the introduction of cost accounting. On the other side a study from 1996 about performance measurement in U.K. agencies is showing that although the amount of data has grown remarkably there is still a lack of meaningful information about "performance" (Talbot 1996). The study reports that no clear interrelations between objectives and performance indicators could be identified, and that no clear links between inputs, outputs and objectives could be observed. "While the amount of data available about government has increased, in many ways its comprehensibility and utility has decreased" (Talbot 1996, 29). Furthermore, the originally simple framework of performance measurement "has resulted in a complex web of controls and reporting regimes which has little of the clarity originally envisaged" (ibid).

Other studies do also report about the counter-productivity problem of performance measurement: A non-manageable data overkill can lead to a decreasing transparency and therefore to a limited acceptance of the adressees.

Some additional reported difficulties with performance measurement among others are:

• difficulties with measuring performance can lead to systematic deviations or distortions. There is "a danger that performance will be skewed towards what is being measured" (Likierman 1994, 130)

• decision-makers may tend to prefer facts which are easily measurable. There is a tendency "for monetary to push out non-monetary indicators" (ibid).

• there are particularly problems to measure quality and to include quality indicators within an indicator system. Experience from product catalogues in Germany shows that most indicators inform about the costs of a certain product but only few of them are covering the quality of the service.

• performance measurement is concentrating in most cases on the measurement of outputs. Although the outcomes of administrative activities are much more important than the immediate outputs, evidence from different countries shows that outcome or effectiveness indicators are extremely rare and mostly not very informative (Jackson 1995).
• the increasing competition among public sector organisations also can have a counterproductive effect on transparency: competitive pressure can lead to informational isolation of single organisations or of competing units and thus can lead to lower transparency (Hepworth 1994, 141). Thus, performance orientation can cause the following dilemma: on the one side it promotes transparency. But on the other side it encourages competition, and competition can reduce transparency because of increasing partial interests of the competitors.

• there are reports from some cities in Germany about destructive behavior of employees: some of them are forging data to present positive results, particularly in cities under strong financial stress (KGSt 1996, 46ff.).

• we experience a growing interest of the citizens for "value for money" also within the public sector. They become increasingly interested in comparing the services and their costs of different public authorities. But the results must touch their very individual demands and experiences. Very general publications of performance data in so-called "league tables" does not have much effect on the general public, the public response on such publications is limited, as we know from U.K. experiences (see Bowerman 1995, 174ff.).

One of the crucial questions of performance measurement is whether politicians are willing to accept greater transparency and to make more "rational" decisions based on transparent data. On the one side it can be argued that politicians cannot escape of increased transparency. If they are sufficiently provided with performance data, it is difficult for them to neglect this data. Thus, higher transparency is a "new rule of the game", and politicians have to observe this rule. On the other side there is evidence that politicians have the tendency to avoid clear and transparent decisions because transparency can also be (mis)used by their political enemies. The answer on this question remains open.

Following evidence from OECD (Trosa 1997, 7) there is a tendency of politicians to avoid the publication of evaluations which include negative results. "There is in general perhaps a natural reluctance for politicians to embrace performance measure willingly. Being too specific about political intentions, and in particular given the difficulties of doing so in a time of severe financial constraint, leaves politicians exposed to a subsequent charge of non-delivery if they do not achieve 100% of planned targets" (Hailstones 1994, 195).

Transparency is depending to some extent also on the role of the citizens: If a citizen is participating actively in the planning or production of a certain service, he or she will be more interested in the structures and conditions of the whole service as if he/she is only playing a passive role as consumer of certain services.

Vincent Wright (1997, 10f.) refers to another problematic aspect of transparency: If (social etc.) disparities which were hidden in the past due to poor data are becoming transparent this may cause political problems. The rationing of scarce resources, as he points out, has been managed in the past "by a combination of ignorance, obfuscation and legitimation" (ibid.). But now obfuscation is replaced by transparency and this can lead to delegitimation of the whole process of service delivery.

3. Impact on accountability
"Public accountability rests both on giving an account and on being held to account" (Stewart 1994, 75). Public accountability is the responsibility for exercising public power. The question is whether public accountability can be strengthened by introducing performance management into public sector organisations.

At first it has to be stated that neither the parliamentary chain of command nor the executive (or: bureaucratic) chain of command are functioning well in the present situation. Both traditional concepts of maintaining public accountability are more fiction than reality (Jann 1997, 97f.). Thus, the issue of strengthening public accountability emerged during the recent reform debate. Several governments experience that strengthening accountability is a necessary countermeasure against the decentralisation and devolution of power (OECD 1997b, 19ff.).

If we distinguish between political and administrative accountability (Uusikylä 1997) it can be said that performance measurement primarily contributes to administrative accountability and only secondarily to political accountability. The impact on administrative accountability is expected to be positive. The argument is the same as in the case of transparency. But there may be in future a shift of administrative accountability: If performance measures are addressed to the citizens it can be expected that public managers will be held directly answerable to the users of certain services instead to the political representatives.

We can observe that most performance measurement concepts are relatively weak to inform about effectiveness and responsiveness. The impact on political accountability is therefore limited. Some critics argue even more sceptical that performance data does not necessarily lead to a higher accountability but could reduce the accountability of politicians (Bowerman 1995, Klein/Carter 1988). The data supply from performance measurement sharpens the old dilemma: a minister cannot be held responsible and accountable for everything what is going on in his organisation. The distinction between strategic and politically sensitive issues and "the rest" becomes more obvious than before. Thus, performance management forces the government to redefine the political accountability of politicians (ministers, mayors etc.) towards responsibility for strategic goal achievement (Boston et al. 1996, 321, with reference to experiences from New Zealand). There may be a danger, however, that ministers may escape from their political accountability because of the new distinction between politics and administration. They will tend to make their chief executives responsible. Several actual cases in the U.K. (e.g. prison administration) show that such an attitude seems to be realistic.

Generally, many observers of the actual administrative reforms fear that political accountability - at least in their traditional forms - could be diminished or weakened. One major argument is the fragmentation of the politico-administrative system caused by decentralisation and autonomisation (Stewart 1994, Moe 1994). Whether alternative forms of accountability - the "market accountability" or the "contractual accountability" can replace the traditional public accountability, remains at least doubtful (Stewart 1994, 75ff.). Linda deLeon (in her EGPA-statement from 1995; see: DeLeon 1997) asks for a new and different concept of public accountability which should concentrate on results instead of strict rule observation and which should use professional control mechanisms rather than bureaucratic ones. However, the detailed elements of such a new concept of accountability appear to be unclear up to present.

4. Conclusions
Obviously, performance measurement and management do have positive impact on transparency and on accountability of and in public sector organisations. Generally, it can be expected that decision makers on the political as well as on the administrative level are interested in a higher transparency of goals, actions and consequences, i.e. in a higher degree of available information. It can also be expected that accountability - particularly on the administrative level - will be strengthened if accountable actors will be provided with relevant performance data. However, some limitations of these positive expectations ought to be observed (see above). Generally, we have to keep in mind the potential danger that sophisticated performance measurement systems can replace the necessary political debate with technical managerialism (Bowerman 1995, 180).

One important condition for success is the "personal factor". The values, attitudes and behavior of politicians and of executives are a major prerequisite. Both groups of actors have to accept the results of performance measurement. They must have the ability to interpret the results, to undertake the necessary actions and to "translate" the results to their subordinates. This is a question of the incentive structures: a performance-related behavior of executives is only to be expected if positive or negative deviations from targets - as long as they are caused by the management - have individualized consequences, i.e. consequences on salaries (performance-related pay) and/or on promotion.

The above mentioned personal factor which is essential for the development of transparency and of accountability can only grow within an appropriate performance culture. Research about administrative culture is showing that opportunities for developing performance culture are higher in civic societies with a high individuality orientation and consequently with greater acceptance of executives to work with individual responsibility and self-accountability. Pollitt/Summa (1997, 11f.) present findings from an international comparative NPM study that administrators in the Nordic states (Sweden and Finland) are more collective and egalitarian oriented as their anglosaxon counterparts and therefore more reluctant to take over individual responsibility. Following the authors it seems to be suitable to distinguish between the performance orientation of an entire organisation and of individual actors. In countries with a high individuality orientation it can be advisable to motivate and to reward individual employees with regard to their personal performance. In other countries it may be more suitable to design incentive systems which are related to groups or to larger organisational units.

Finally it must be stated that we are still missing a sound and empirically valid theory to explain the effects and interrelations of NPM-related reforms on the state and on public sector organisations. This is also the fact with effects of performance measurement and management on transparency and on accountability. NPM "offers a lot of prescriptions which have a certain common sense appeal, but their basis in theory is often unclear or eclectic" (Jann 1997, 100).

Literature:


Adamaschek, B., G. Banner, Bertelsmann Foundation: Comparative performance measurement - a new type of competition between local governments. In: M. Pröhl (Ed.),


transparency

**Supply side:**
- Performance indicators
- Accounting data
- Quality assessments

**Demand side:**
- Acceptance
- Ability to work with the instruments
- Readiness to reflect results in decisions (user groups)

**Effects on:**
- Efficiency
- Effectiveness
- Legality
- Legitimacy
- Responsiveness

**Conditions:**
- Methods of data collection
- Quality of instruments
- Performance culture
- Training
- Incentives
- Accountability

*Table 1: Supply and demand side of transparency*