

**PERFORMANCE MANAGEMENT AS RITUAL IN THE NEW ZEALAND PUBLIC SECTOR**

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## ABSTRACT

Performance management systems (PMS) have been championed as promising much to the public and private sectors alike (Davis & Albright, 2004; Ittner & Larcker, 2001, 2003; Lapsley, 1999). The basis for most of these claims is that good financial and non-financial information leads to improved business performance (Van Thiel & Leeuw, 2002). In the case of the public sector, well-known systems such as the Balanced Scorecard need to be adapted to suit the unique requirements of the public sector; nevertheless, similar claims are made about their benefits in this context (Behn, 2002; van Helden, 2006; Verbeetsen, 2008). Given these stated benefits, and the sunk costs of initial implementation; one would expect organisations that adopt a PMS to continue using and improving it over time. However, this does not always appear to be the case (Behn, 2002; Bouckaert & Halligan, 2008; Gill, 2010; Office of the Auditor General, 2008). Some organisations adopt and then abandon their PMS (Qu & Cooper, 2011); others maintain it but in a decoupled or loosely coupled form (Perez & Robson, 1999; Van Hengel, Budding & Groot, 2014); while still others subvert its use, or the PMS drives behaviour that subverts “official intentions” (or benefits) (Power, 2000, p. 115). The academic literature on why organisations do not always continue using PMS has so far presented equivocal, ambiguous and inconclusive answers (de Bruijn, 2002; de Waal & Kourtit, 2013; Liguori & Steccolini, 2012; Van Dooren, 2011).

In response to this ambiguity, this study had three aims. The first was to better understand why some organisations that implement PMS attempt to overcome barriers to ongoing PMS use and others do not. The second related aim was to examine the notion of performance from a fresh perspective to offer insights into PMS experiences beyond those provided by the ambiguous prior literature. The third aim was to examine whether a consideration of the affective aspects of PMS can help explain the variable extent to which organisations attempt to overcome barriers to ongoing PMS use. Drawing together these three aims, the research question was:

Can a re-examination of the notion of performance, combined with a consideration of the affective aspects of PMS, provide new insights as to why some organisations attempt to overcome barriers to ongoing PMS use?

To answer this research question, I introduced Alexander's (2006) theory of performance to the accounting discipline. This enabled the problematising of the notion of performance in previous accounting studies of PMS and the consideration of the influence of affect. This theoretical perspective was used to analyse empirical data collected through interviews, document analysis and observation. It revealed consequential influences of the existence of ritual-like energy, derived from affective responses to multiple definitions of performance. Exploring these 'performative' influences helps to better understand why some organisations attempt to overcome barriers to ongoing PMS use, while other organisations do not.

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## ABBREVIATIONS

ANT	Actor Network Theory
FRC	Financial Reporting Council
PMS	Performance Management System
NPM	New Public Management
SSC	State Services Commission

### ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements) nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

A handwritten signature in blue ink, appearing to read "Shilpa S.", is centered on the page.

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# 1. INTRODUCTION

## 1.1 Introduction

“Inchworm”

Two and two are four  
Four and four are eight  
Eight and eight are sixteen  
Sixteen and sixteen are thirty-two

Inch worm, inch worm  
Measuring the marigolds  
You and your arithmetic  
You'll probably go far ...

Frank Loesser (1952)

The above lines from the children’s song “Inchworm” allude to the potential of arithmetic, and by extension accounting-based systems, to help people to “go far” and benefit the users. Advocates of performance management systems (PMS), one such accounting-based system, promise much to the public and private sector alike (Davis & Albright, 2004; Ittner & Larcker, 2001, 2003; Lapsley, 1999). The basis of most of these promises is that good financial and non-financial information will lead to improved business performance (Van Thiel & Leeuw, 2002). In the case of the public sector, well-known systems such as the balanced scorecard need to be adapted to suit the unique requirements of the public sector; nevertheless, similar claims are made about the benefits of PMS (Behn, 2002; van Helden, 2006; for an overview see Verbeetsen, 2008).

## 1.2 Research Problem

PMS are believed to improve performance for several reasons, including gaining competitive advantage, increasing the organisation’s ability to adapt to external changes, and improving decision making (for examples, see Cavalluzzo & Ittner, 2004; de Waal &

Kourtit, 2013; Ittner, Larcker & Randall, 2003). Given the promised benefits of using PMS, and the sunk costs of initial implementation, one would expect organisations that adopt a PMS to continue making use of it. That is, organisations would be expected to continue using and improving their PMS over time. However, this is not always the case (Behn, 2002; Bouckaert & Halligan, 2008; Gill, 2010; Office of the Auditor General [OAG], 2008). Some organisations develop and then abandon their PMS (Qu & Cooper, 2011); others maintain it, but in a decoupled or loosely coupled form (Van Hengel, Budding & Groot, 2014; Perez & Robson, 1999), while still others subvert its use, or the PMS drives behaviour that subverts “official intentions” (or benefits) (Power, 2000, p. 115). This prompts the question: Why is it that some organisations that implement PMS continue using it (overcoming barriers and subversions), while others do not?

This question forms the starting point for developing the more focused research question that underpins this study and is presented in Section 1.4.3. Given this question’s broad scope, I will describe below how I narrowed its focus, based on the existing literature, which has already addressed parts of this question.

### **1.3 Outline of Literature Review**

The existing literature on why organisations do not always continue using PMS has so far presented equivocal, ambiguous and inconclusive answers (de Bruijn, 2002; de Waal & Kourtit, 2013; Liguori & Steccolini, 2012; Van Dooren, 2011). In particular, such ambiguity can be seen in studies examining the diversity of barriers to the use of PMS and why perverse behaviour can happen after PMS implementation.

In regard to the barriers to PMS implementation, the focus to date has been on behavioural, technical and institutional barriers to the implementation and long-term use of PMS (for examples, see Burns, 2000, Brignall & Model, 2000; Ezzamel, Hyndman, Johnsen, Lapsley & Pallot, 2005; Otley, 1999).<sup>1</sup> Despite identifying specific types of barriers, the literature cannot always account for why and when some organisations attempt to overcome these barriers but others do not (Liguori & Steccolini, 2012). One reason may be that many factors and effects operate at once. Hence, Franco-Santos,

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<sup>1</sup> Further definition of these barriers and their contexts is included in Chapter 2’s literature review.

Lucianetti and Bourne (2012, p. 100) note that it is “essential ... to pay attention to how people respond to these systems [PMS] and to the different factors that affect their responses”. Cavalluzzo and Ittner (2004, p. 265), focusing on the public sector, concur by noting that “technical and organisational factors can have (sometimes complex) interactive effects on PMS implementation and outcomes”.

Furthermore, even where barriers to PMS implementation and long-term use are overcome, it has been noted that PMS can lead to perverse behavioural effects, including concerns that legitimating factors dominate functional purposes (e.g. Power, 1997, 2000, 2003; Arnaboldi & Lapsley, 2008; Skaerbaek, 2009). However, again the literature cannot account for why some organisations pursue legitimacy rather than “official intentions” (Power, 2000, p. 115) and others do not (Liguori & Steccolini, 2012). This literature that highlights the subversive use to which PMS can be put, including legitimating purposes, can be seen as another barrier to the on-going use of PMS. Hence, throughout this study I refer to both barriers and subversions to official intentions as barriers to ongoing PMS use.

Another suggested reason for the ambiguous understanding of what is happening is that the approaches taken to study PMS might be too narrow (Broadbent & Laughlin, 2009; Liguori & Steccolini, 2012; Modell, 2009, 2012). According to Berry, Coad, Harris, Otley and Stringer (2009), the approaches taken to study PMS have been dominated by contingency, institutional, and, to a lesser extent, actor-network theory (see e.g. Boedker, 2010; Ittner, Larcker & Randall, 2003; Modell, Jacobs & Wiesel, 2007). Franco-Santos et al. (2012) also note that methodology and methods tend to focus on case studies, surveys, quasi-experimental and experimental research. The limitations of these approaches have been raised in the literature. For example, while acknowledging the influence of institutional factors in implementing new accounting tools, Liguori and Steccolini (2012) argue that practice variation is still observed in the presence of similar institutional barriers. Rautiainen and Jarvenpaa (2012) note that even when there is a clash of institutional logics, which is believed to lead to the decoupling of substantive and legitimating aspects of PMS, mediation of the logics can occur. Furthermore, Kurunmaki (2004, p. 327) identifies how “hybrid” identities that meld institutional logics can also form. And, while there is evidence of legitimation efforts distorting organisational activities in some countries (Cooper & Ezzamel, 2013; English, 2013; Power, 1997, 2003) or organisational settings (Arnaboldi & Lapsley, 2008, Craig, Amernic & Tourish, 2014) scholars in other contexts have not found similar trends (e.g. Pallot, 2003).

Reflecting on these ambiguous, inconclusive and inconsistent findings, Bourne, Melnyk, Bititci, Platts, Andersen and Omsøyen (2010, p. 1) observe that PMS research

is at a crossroads. From an academic perspective, studies in the literature on the impact of performance measurement on ... performance are inconsistent in their findings. This suggests that our understanding of this field is far from complete.

Given that there has been nearly 30 years of research on this topic, it may be timely to question some of the assumptions of PMS research to date, rather than to extend specific studies or findings relating to barriers, perverse effects, and their influence on the organisational attempts to overcome barriers to ongoing PMS use.

#### **1.4 Aims and Research Question**

This study has three aims. The first, as outlined above, is to better understand why some organisations that implement PMS attempt to overcome barriers to ongoing PMS use and others do not. The second related aim is to examine the notion of performance from a fresh perspective to offer insights into PMS experiences beyond those provided by the ambiguous findings of the existing literature. The third aim is to examine whether a consideration of the affective aspects of PMS can help explain the variable extent to which organisations attempt to overcome barriers to ongoing PMS use. The second and third aims are further explained below and lead us (along with the first aim) to the research question that guides this study.

##### ***1.4.1 Re-examining the Notion of Performance***

It is unlikely that a single new theory, approach or specific study can fully answer the question of why some organisations attempt to overcome barriers to ongoing PMS use and others do not. Hence, this research focuses on challenging one specific aspect of the existing literature in order to give direction to the future choices made at the crossroads of PMS research (Bourne et al., 2010). The aspect challenged is the existing notion of performance within PMS studies. My re-examination of the notion of performance is conducted in two ways. First, I select a research context (government departments) that in

itself presents challenges to the notion of performance (Lapsley & Skaerbaek, 2012). Second, I introduce a theory of performance (Alexander, 2003, 2004, 2006, 2011, 2012) not yet used in accounting research (outlined in Section 1.5 below).

Heeding Pallot's (1999, p. 425) encouragement to "reinvent accounting" by challenging its private sector foundations, I draw on the public sector context to examine whether challenging the concept(s) of performance inherent in prior PMS literature can bring new insights into the debate surrounding reasons for the ongoing use, subversion, or discontinued use of PMS. In doing so, I seek to not only examine the question of attempts to overcome PMS barriers, but also to examine how and why the current literature is hampered through taken-for-granted assumptions based on private sector notions of performance.

This decision to focus on the concept of performance draws on Broadbent and Laughlin's (2009, p. 283) concern that too little attention is paid to "*ex ante* performance management" compared to "*ex post* performance measurement" (emphasis in original). Currently, *ex ante* PMS research focuses on the system's nature and properties in order to improve its design (Broadbent & Laughlin, 2009; Ferreira & Otley, 2005, 2009; Fitzgerald, 1991; Otley, 1999). As Johnsen and Vakkuri (2006, p. 292) note, while the meanings of "measurement" and "management" have been well rehearsed in this research domain, only limited attention has been paid to the multiple and nuanced meanings of "performance" (see also Modell, 2005). This builds on research into managerial identities (Kurunmaki, 2004, Skaerbaek & Thorbjornsen, 2007) among other things, to consider the identity of 'performers' and performance in PMS use.

The public sector provides an ideal environment for challenging private sector notions of performance because public sector performance does not necessarily consist of traditional elements such as:

- High returns on assets: since many public sector assets, for example national parks, are non-liquid and non-saleable, either politically or practically (Cuganesan & Lacey, 2011; Williams, Macintosh & Moore, 1990).
- Satisfied customers: For example, a prisoner's welfare is important, but their satisfaction with the prison service is not necessarily a key determinant of prison performance (English, 2013).

- Measurements of quality that are assessed in terms of consistency: this is because good quality public services may be *individualised* rather than consistent (State Services Commission [SSC], 2008b).

As these traditional aspects of performance are less relevant in the public sector, the notion of performance is open to interpretation and negotiation (Modell, 2005, 2012). This makes the public sector an “inherently interesting” research context (Lapsley & Skaerbaek, 2012), and I argue especially for a study that seeks to re-examine the meaning of performance. Furthermore, the overlapping roles of the public sector, in terms of simultaneous policy setting, enforcement, and evaluation roles may make complex and interactive effects across and within organisations more pronounced. These effects may be more pronounced because inherent in many public sector organisations are many of the barriers that are expected to inhibit successful implementation of PMS. These include:

- Multiple objectives and lack of ownership/property rights (Mensah, Schoderbek & Werner, 2009).
- A context that is “Inherently complex”, including matters such as democratic entitlements and social justice (Lapsley & Skaerbaek, 2012, p. 355)
- Separation of those that pay for, and those that receive, the public service, and in some cases those that contract the service. Hence, there will be a separation between judgements made about different types of performance (Brignall & Modell, 2000).

Problematizing the performance aspect of PMS enables a focus on public servants’ involvement with PMS in general, and the ways they work with and negotiate barriers to ongoing PMS use in particular. I call this their “enactment” of PMS in this thesis. I argue that placing this experiential aspect of PMS at the centre of this study will reveal insights that have been overlooked by research that focuses on the technical, organisational and institutional barriers themselves, rather than the way public servants experience barriers and attempt to overcome them.

To assist in placing public servants’ experience of PMS at the centre of this study, I introduce a theory from outside the accounting discipline that challenges accounting conceptions of performance. This theory, Alexander’s (2003, 2004, 2005, 2006, 2011,

2012) theory of performance, is outlined in Section 1.5.<sup>2</sup> This theory allows me to recognise that the experiences of actors engaged with PMS are not purely cognitive, but are also affective. Incorporating this neglected aspect of actors' experiences into understandings of PMS enactment will potentially reveal further insight into why variability exists in the extent to which organisations that implement PMS attempt to overcome barriers to ongoing use.

#### ***1.4.2 Examining the Affective Aspects of PMS***

Prior studies' limited attention to the affective aspects of PMS means there is only a partial understanding of the role of organisational actors' emotional understandings of PMS. To date, there has been only one study of emotions and feelings in public sector PMS, that of ter Bogt and Scapens (2012). These authors outline the stress and distress caused to academics through the increased use of quantitative PMS in universities. Outside public sector research, there is more focus on emotions. Boedker and Chua (2013, p. 245) examine "accounting as an affective technology". "Affect" in their approach is the "feelings and emotions" of individuals (Boedker & Chua, 2013, p. 245). They explore how accounting devices construct affect and dispose employees and managers towards achieving company goals. In particular, Boedker and Chua (2013 p. 262) examine how the use of affect "persuaded, enticed and even seduced" employees into action. Guenin-Paracini, Malsch and Paille (2014) also focus on the particular emotion of fear in auditing practice to build on Pentland's (1993) initial work on how people construct comfort during auditing practices.

The studies by ter Bogt and Scapens (2012), Boedker and Chua (2013) and Guenin-Paracini et al. (2014) explore affect as it influences action, drawing on a growing interest in emotions in management and organisational studies literature (Ashkanasy & Daus, 2005). However, to date, there has been no theoretical framework in accounting or management literature to explain the connection between affect, understandings of performance, and how PMS are enacted within organisations. This is the gap in knowledge this study seeks to address. In doing so, it will shed further light on why variations occur in the extent to which some organisations attempt to overcome barriers to ongoing PMS use and others

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<sup>2</sup> Although I draw from all of these works by Alexander, for ease of reference in this research, I have only cited one key reference (Alexander, 2006) in most of the text. Where material is specifically drawn from another work, this has been referenced accordingly.

do not. In other words, my focus is not on the emotional experiences of actors *per se* (as in ter Bogt & Scapens, 2012, and Guenin-Paracini et al., 2014), but on the role of emotions in motivating collective and organisational action to overcome barriers to PMS. That is, I investigate how emotions motivate, become systematised, are mediated, and eventually affect (and are affected by) action to attempt to overcome barriers to ongoing PMS use.

### **1.4.3 Research Question**

Drawing together the three aims of this study, this research combines a consideration of the affective aspects of PMS with a fresh perspective on the notion of performance in order to answer the following research question:

Can a re-examination of the notion of performance, combined with a consideration of the affective aspects of PMS, provide new insights as to why some organisations attempt to overcome barriers to ongoing PMS use?

To address this research question, I introduce Alexander's theory of performance as the conceptual framework for this study.

## **1.5 Alexander's Theory of Performance**

I adopt a theory from outside accounting to challenge what Guenin-Paracini *et.al* (2014, p. 264) call "the cognitive and technical orientation adopted by most academics". In drawing on a theory from outside accounting to inform this study, it is important that the theory's assumptions and taken-for-granted notions are exposed and compared to the assumptions and taken-for-granted notions that underpin the accounting, and specifically PMS, literature. This exposure of taken-for-granted notions in PMS research will help give direction to those academics at the crossroads of PMS research (Bourne, et al. 2010, see also Liguori & Steccolini, 2014). In exposing taken-for-granted notions, this research gives indications of ways in which PMS research is unnecessarily limited and may, instead, travel in new directions to address the issue of ongoing PMS use, as well as other PMS questions. In this sense, Alexander's theory provides a framework for expanding some of the newly emerging areas of accounting research that have yet to be fully conceptualised

in the PMS literature, such as emotions. These will be further explained after the specific contribution of Alexander's theory has been outlined.

### **1.5.1 Alexander's Combination of a Theory of Performance with the Lens of Ritual Studies**

Alexander's theory of performance challenges the focus on performance as a service model or as a production model, which Chapter 2 will highlight as the dominant means of understanding performance in PMS research. Alexander (2011, p. 13) combines the idea of performative effects with the performance of an organisation to specifically argue that research should explore the consequences of performance being seen as an "interpretative category" rather than an "ontological state".<sup>3</sup> The significance of this concept to the study of PMS is detailed and situated in the context of current PMS approaches in Chapter 2. For now, it is enough to say that Alexander argues that the cognitive basis on which people make judgements about performance has become fragmented to the point where their agreement is often achieved "against great odds" and parties do not always accept that other parties have authentic intentions in describing performance (Alexander, 2003, p. 162 and 2006, p. 29). As a result, this creates ontological insecurity when people act or interact (Alexander, 2011, p. 13). This in turn means that most social and organisational action will meet with subversions, resistance and other barriers. Hence for action to "happen" at all (Quattrone, 2009, p. 90) requires a willingness to persevere through such barriers. This reframing of performance as an *interpretative category* facilitates two contributions to the PMS literature, both of which provide new explanations of *why* some organisations attempt to overcome barriers to ongoing PMS use.

Boedker (2010) suggests accounting research distinguish between performative and ostensive approaches. Generally, performative theories are those that examine how social practices and action come into being through a "dispersion of power to many agents" and "variable ontology" (Boedker, 2010, p. 597). This is compared to ostensive approaches, which have fixed ontological status, examine intended consequences, and describe or record rather than cause action (Boedker, 2010, p. 597). While the distinction between performative and ostensive approaches is well articulated in the accounting literature,

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<sup>3</sup> For ease of reference, rather than quoting and referencing Alexander's (2006) key terms every time they appear, I will quote and reference them the first time they appear. From then on, I will italicise them to signal that they are drawn from Alexander.

Alexander (2006) uses the lens of ritual studies to explore performative effects in a different way to other performative theories such as actor network theory (ANT). The differences among performative approaches are less well articulated in the accounting literature. A performative lens combined with a ritual lens contributes to thinking through action in a different way to ANT-based performative studies because it links the energising emotional belief of the moral “goodness” of what is being done to the action being undertaken (Alexander, 2006, p. 38). In doing so the action becomes the construction of truth, reality and identity (Alexander, 2006, p. 38). This is more than causing an action, which ANT in particular shows can be done by any actant (object or person). Ritual, or ritual-like activity, constructs a shared belief in reality because the interpretation of action as moral and hence “good” imbues people, activities and objects with an energy to which people attribute reality and truth (Alexander, 2006, p. 38). The energy and moral purpose also motivate and mobilise particular forms of action to support the constructed notions of truth and reality, even if that means attempting to overcome barriers and resistance. It results in audiences “sharing a mutual belief in the descriptive and prescriptive validity and ... authenticity of one another’s intentions” for action and describing performance (Alexander, 2006, p. 29). This shared belief motivates them to continue a performance, such as continuing to use a PMS, despite any type of barrier – institutional, technical or organisational.

This approach to ritual contrasts with previous accounting studies of ritual. Within the study of accounting, the word ritual is used more as a pejorative term or as a way to describe decoupling (Perez & Robson, 1999) than as an analytical concept. For example, Gambling (1987) takes the perspective that it is the accountant’s function to “both ... devise new rituals to meet new circumstances and accommodate them within the orthodox canon” (p. 319). He argues that rituals are used to justify the pre-existing decisions of both witchdoctors and modern accountants. Power (1997, 2003) uses the term to describe behaviour that separates the functional purpose of action from its legitimating function, when the legitimisation is pursued to the exclusion of the functional purpose. Carrington and Catusus (2007), like Power (1997), considered the idea of comfort and the role of audit rituals in providing comfort to those that participate in them, even when the function is subverted. Davison (2004), with one of the most explicit theoretical discussions of ritual, uses Eliade (1959) to examine historical religious myths still embodied in the “preparation of financial statements and associated ritual” (Davison, 2004, p. 476). Davison (2008) also uses a symbolic/semiotic approach to ritual to analyse rhetoric and repetition in annual

reports. Coppock (1977), Ezzamel (2009), Hooper and Kearins (1997) and MacLulich (2003) use the idea of ritual to highlight the role of accounting in maintaining social order and social control, but not how ritual can be used to negotiate and change the social order.

My study develops previous work undertaken in regard to comfort (Carrington & Catusus, 2007; Pentland, 1993; Power, 1997) but expands that perspective to consider how ritual-like performances can reconcile tensions created by PMS intentions (Power, 1997), potentialities (Broadbent & Laughlin, 2009) and displacements (Skaerbaek & Thorbjornsen, 2007). It extends the previous ritual-based literature by examining both the positive role that ritual can play in engaging people in action to overcome barriers to ongoing PMS use and some of the limitations of this approach.

The ritual lens offered by Alexander's theory of performance introduces to the notion of PMS barriers an understanding that *any* action will have barriers. That is, organisations will not only have institutional, technical or organisational barriers, but also will be subject to fundamental fragmentation of the goals, values and even definition of facts. According to Alexander (2006), contemporary society is so fragmented that failure will be the norm for most group actions. For example, in regard to the use of PMS, decoupling will be the norm because socially and organisationally fragmented audiences are divided not only along the lines of managerial and professional logics (Thornton, Ocasio & Lounsbury, 2012) but by many other societal divides as well. Examples of other divisions include previous experience of the organisation, performance or the PMS, class, location, ethnicity, gender, and so on. Hence, Alexander's perspective offers a counterpoint to much previous PMS literature in which decoupling is seen as a "deviation of practice" (Cooper & Ezzamel, 2013) from the expectations of either goal congruence (Selznick, 1957) or institutionalisation (Modell et al., 2007; Thornton, et al., 2012).

Alexander (2006, p. 30) notes that fragmentation can exist to the point where actors and audiences "do not accept the validity of one another's intentions and often disagree even about the descriptions that people offer for acts". Consequently, in fragmented situations, cognitive arguments based on PMS data will not be enough to create unity or action to overcome barriers. It will not be enough because the multiple dividers between people's experience and expectations of the barriers will keep people from being able to unite to address the barriers. In this sense, Alexander (2006) shows that in situations of ontological insecurity resulting from competing definitions of performance, people engage in ritual-like

behaviour to gain the emotional energy, identity and integration – as well as the more well-studied aspect of comfort (Guenin-Paracini et al., 2014; Pentland, 1993; Power, 1997) – needed to forge successful performances.

By using ritual as a theoretical lens to consider how groups address fragmentation and barriers to “official intentions” (Power, 2000, p. 115), Alexander’s (2006) theory enables this research to consider not barriers to the use of the PMS itself, but rather to focus on how groups negotiate multiple barriers to the ongoing use of PMS. Thus, Alexander’s theory sheds light not on any specific barrier, but instead on the actions that groups can take when faced with barriers.

#### *1.5.1.1 Ritual Brings Emotion and Belief into the Study of PMS*

Ritual as an analytical concept highlights the significance of the emotions and beliefs involved in action. As noted earlier, to date PMS theorising has not fully accounted for practitioners’ experience of the emotional responses or the belief and intention to persevere through institutional, organisational or technical barriers.

In sum, focusing on the performance element of PMS, sheds new light on what PMS users feel, believe and do in relation to persevering through PMS barriers. Introducing Alexander’s (2006) theory enables enhanced understanding of how organisations develop and enact notions of performance. It also allows an investigation of how these collective understandings are used by groups to stay engaged enough in performance work to overcome barriers to PMS use.

### **1.6 Research Methodology and Method**

Like Alexander’s theory, this research takes a performative approach, drawing on Butler’s (1993) concept of performativity. This has similar roots to, but is not quite the same as, the performativity promoted by Boedker (2010). Boedker’s (2010) concept follows the effects of actions on objects of human and non-human form within an ANT frame. Rather than concentrating on the reconfiguration of actor-networks, this research shares the idea that objects have a variable ontology, changing in interaction with others, but focus in on how people are in a constant “process of *becoming*” (Butler, 1998, p. 29, emphasis added).

Butler's perspective recognises the intentionality in human action that is in the process of trying to create and realise its own intentions. I use this approach to performativity because, as Ahrens and Chapman (2007, p. 1) note, management control systems are "structures of intentionality". It also allows focus on the intentional (if not always successful) relationship created between people, organisations and organisational performance.

This research is also situated within an epistemological position that crosses disciplinary boundaries and takes an interpretative perspective (Bryman & Bell, 2007, p. 19). This means I do not seek to prove a causal relationship between variables. Instead I take the perspective that "if people define a situation as real, it will be real in its consequences" (Agar, 2010, p. 291).

The public sector was chosen as the research site because it is characterised by different institutional arrangements to the private sector. These arrangements encourage multiple perceptions of reality and ambiguity around performance definitions. As noted in Section 1.4.1, the notion of performance is open to more interpretation and negotiation in the public sector (Modell, 2005, 2012), making it an interesting context for examining how PMS are enacted. In order to maximise the differences between public and private sectors in this study, I have selected three government departments in New Zealand that have limited service delivery roles as the case study sites. This is because such government departments have the least direct interaction with citizens, and hence are least like the private sector in terms of service delivery functions. Data was collected through interviews, documentary analysis, and fortuitous observations (as detailed in Chapter 4). Cases and data were collected until theoretical saturation (Bryman & Bell, 2007, p. 549) was achieved. Consistent with Alexander's identification of fragmentation, and the need to keep the case sites confidential, this research does not compare and contrast the three sites. Rather, it considers the common experiences of public servants in regard to PMS use and also their daily struggles with PMS. This is done by thematic coding with the purpose of gaining insights into *why* some organisations attempt to overcome barriers to ongoing PMS use while others do not, rather than into PMS isomorphism (Thornton et al., 2012) or abandonment (Qu & Cooper, 2011).

## 1.7 Intended Contributions of This Research

As noted above, this study seeks to re-examine the notion of performance and consider the affective aspects of PMS in order to provide insights into why some organisations attempt to overcome barriers to ongoing PMS use. I suggest that better understandings of how public servants construct the reality of their performance (in the absence of visible and tangible measures such as profit) will lead to new insights into the barriers to PMS use. The specific focus I pursue relates to better understanding of what public servants do to manage the subjective, changing and constantly (re)constructed expectations of what they do, should do, and should achieve (Brignall & Modell, 2000; Modell, 2005, 2012). This focus will supplement the accounting literature's existing focus on the design, use and impact of PMS and on legitimacy-seeking behaviour (e.g. Power, 1997; van Helden, Johnsen & Vakkuri, 2008). It will supplement these approaches because it shifts the analysis from assuming that performance is an *ontological state* with a fixed identity, to seeing performance as an *interpretative category* that is constructed and negotiated between audience and actor. As such it relies on people's emotions, intentionalities and representations. This recognises that PMS is often complicit in directing as well as enabling "action in ways that are not predetermined" (Boedker & Chua, 2013, p. 265). Such an approach facilitates the study of the ways in which people negotiate barriers to ongoing PMS use or stifle the incentives to pursue legitimating functions over functional PMS aims.

This study seeks to advance the existing PMS literature in three specific ways:

1. It advances the literature on comfort (Pentland, 1993), fear (Guenin-Paracini et al., 2014) and affect (Boedker & Chua, 2013) by examining how people, when faced with ontological insecurity related to multiple views of performance, collectively respond and develop systems (in ritual-like fashion) to address that insecurity and create comfort, reality and truth to enable action (Alexander, 2004, p. 547). How people and organisations collectively address ontological insecurity in order to motivate action and persevere through PMS barriers has not been studied before. The findings of this study suggest that ritual-like behaviour, rather than necessarily subverting "official intentions" (Power, 2000, p. 115), can help to motivate groups to persevere through barriers that might otherwise impede PMS use. This study

provides practical suggestions of what can be done to create ritual-like effects and attempt to overcome barriers to ongoing PMS use.

2. It advances the literature on public sector performance by comparing and contrasting the views of public servants in government departments with the existing public sector PMS literature to identify similarities, differences and emergent understandings. This highlights that current, private sector-based definitions of performance may prevent PMS research from exploring the transference of emotional energy needed for groups to unify enough to overcome barriers to ongoing PMS use.
3. It advances the PMS public sector literature by exploring the views of public servants working in New Zealand government departments. To date, the majority of research on the public sector has occurred in service delivery organisations, such as hospitals and schools, or has focused on the privatisation of public entities and/or the trading enterprises they become (Broadbent & Guthrie, 2008; Jacobs, 2009, Skaerbaek & Melander, 2004). This study's examination of government departments allows a focus on the negotiated and fluid concept of performance that is co-produced with internal and external stakeholders inside and outside the public sector. In this fluidity, the significance of emotion, belief, intentionality and communication to overcoming PMS barriers becomes apparent.

## **1.8 Structure of the Thesis**

The remainder of this thesis is structured as follows.

The literature review presented in Chapter 2 comprises two main sections. The first section examines the literature on barriers to PMS implementation and the subversive behavioural effects that can emerge from PMS implementation. The aim of this review is to identify the limits of our extant knowledge about why some organisations attempt to overcome barriers or mitigate subversive behavioural effects. The second main section examines how performance has been conceptualised and examined in the public sector PMS literature. It shows that three broad conceptualisations of performance have been utilised and indicates the (in)consistency of the vocabulary used to discuss performance elements. It also identifies that although there have been shifts over time in conceptualisations of performance, nevertheless these shifts have been within the

boundaries of private sector definitions of performance. This review makes visible the constraints on PMS research caused by unnecessarily narrow definitions of performance. It also suggests avenues for challenging the existing boundaries of the definition to better understand PMS barriers and attempts to overcome them.

Chapter 3 describes Alexander's (2006) theory and outlines how it is relevant to the study of PMS in the public sector. In doing so, it outlines the rationale for selecting a relatively underutilised theory in accounting. Overall, this chapter highlights why this theory, when applied to a public sector research context, is able to contribute to a better understanding of why some organisations attempt to overcome barriers to ongoing PMS use while others do not.

Chapter 4 describes the research methodology and methods that are employed to fill the identified gaps in the literature and answer the research question outlined in Section 1.4.3 above. It also outlines the data collection methods and approach to analysis.

Chapters 5–9 present the findings of the study. Chapter 5 describes the context and background to the three case study organisations. Traditional accounting research tends to assume that a context chapter is not part of the research findings. However, consistent with Alexander's performative approach, I assert that *some* aspects of context are only context when, and if, the actors *see them* as context. As a result, to understand actors' experiences of barriers and perversions, I outline their experiences of their context as part of Chapter 5. This approach also facilitates the description of the commonalities and differences that shape different actors' and audiences' definitions of performance. These descriptions differ from what might have been expected based on current public sector accounting literature. Chapter 6 presents a comparison of public servants' own conceptualisations of performance with those evident in the accounting literature reviewed in Chapter 2. It also outlines how Alexander's (2006) theory provides new perceptions of performance and insights into the differences between interviewees' perceptions and those in the accounting literature. It covers what public servants find advantageous about PMS practices and what they find limiting in current ways of approaching performance. This chapter reveals that the public sector participants in this research have shifted past the conceptualisations of performance that are discussed in much of the existing accounting research literature. This influences interviewees' enactment of PMS and their negotiation of technical, organisational and institutional barriers, suggesting the

relationship between barriers and people's emotions and beliefs is significant in their decisions to attempt to overcome barriers to ongoing PMS use.

Collectively, Chapters 7, 8 and 9 examine the emotions and beliefs that the participants in this research have about PMS, its performance, and their experiences of those performances. Chapter 7 focuses on the affective elements of interviewees' interactions with their PMS. It outlines not only what they feel, but also how this influences their personal decisions to attempt to overcome barriers and how they make these decisions. Chapter 8 builds on the previous chapter by looking at how these interviewees collectively respond, using the empowerment and creativity available to them in attempts to overcome barriers to ongoing use of PMS. This includes not only the barriers they encounter, but also what makes them persevere through those barriers to reap (or at least attempt to reap) the intended benefits of the PMS and its resulting performance information. Chapter 9 builds on the previous two chapters to describe and analyse two specific examples of PMS performances to examine the attempts to overcome barriers during these performances.

Chapter 10 concludes the thesis with the implications of the study's findings for extending PMS theory in public sector PMS research. First, it shows how the empirical findings, drawing from Alexander's theoretical insights, add to existing PMS theory. Second, it identifies what implications this has for practice. Third, it synthesises the elements and insights gained in the preceding chapters to assess the state of existing PMS knowledge in order to highlight fruitful avenues for future research. It concludes that problematising performance suggests (among other things) that performance can be seen as an *interpretative category* and, as such, organisational action to overcome barriers to ongoing PMS use needs to be explained in terms of how and why people interpret performances the way they do. The consequences of this approach have implications for understanding why, even though technical, behavioural or institutional barriers may exist, some organisations still attempt to overcome them while some do not.

## 2. LITERATURE REVIEW

### 2.1 Introduction

Performance management is a broad topic, and the “literature lacks an agreed definition” (Franco-Santos et al., 2012, p. 80). Van Dooren, Bouchkaert and Halligan (2010, p. 16) go further, noting that “performance management has accumulated many meanings”. As a result, the field of PMS research is diverse (Cavalluzzo & Ittner, 2004; Siverbo & Johansson, 2006). Indeed, within the public sector, Bouckaert and Halligan (2008, p. 1) identify performance management as one of the “big questions” of public sector reform generating significant interest, and Modell (2009, p. 277) claims it is “one of the most extensively researched topics in public sector accounting literature”. The consequence of this diversity in terminology, concepts and focus in many studies within this literature is the need to narrow the research question of this study to specific aspects of PMS that are less well studied. In other words, narrow it to the gaps in the literature. To recap, the research question is:

Can a re-examination of the notion of performance, combined with a consideration of the affective aspects of PMS, provide new insights as to why some organisations attempt to overcome barriers to ongoing PMS use?

The gaps in the literature that gave rise to this question have three key components: what is meant by PMS; what is meant by the words ongoing PMS use; and what has previously been studied in relation to notions of performance and affective aspects of PMS. To explore these gaps, this chapter is divided into five sections. After this introduction, Section 2.2 outlines and clarifies the definitions of PMS and ongoing use. Section 2.3 outlines the contours of PMS research, noting that the use of PMS is less well studied than other PMS topics (Gill, 2010; Van Dooren, et. al. 2010). These two sections examine literature from both the public and private sector in order to fully explore the concept of PMS and how it has been studied, before narrowing it to the context of this research, the public sector. Section 2.4 identifies two areas within the literature concerning people’s use of PMS that would benefit from additional investigation: performance and affect. Given the amount and range of prior literature on performance (Modell, 2009), the review of gaps in this section draws only on literature from the public sector. For the review of affect literature, this

chapter draws not only on public sector PMS literature, but also on literature from across and outside the accounting field. This is because there is such a limited range of accounting literature on affect to draw on for this study. Finally, in Section 2.5, I explore potential reasons for these gaps in order to ensure this study considers the causes of these gaps before selecting a methodology. I also identify gaps in the literature on theories and methodologies relating to the study of PMS in general and use of PMS in the public sector in particular. Collectively these gaps contributed to the choice of the research question as well as the theory and methodology for this study.

## **2.2 Definitions of PMS and Its Ongoing Use**

### **2.2.1 Definitions of PMS**

As noted above, the terminology and concepts used in the PMS literature are diverse and Modell (2005, p. 540) goes so far as to say they are “vague”. Therefore, I outline below the features that many key scholars attribute to performance management. For the purposes of this study, I adopt an inclusive definition of PMS. As a result, in this study, PMS refers to:

- a system for identifying organisational goals and developing related systems in order to monitor and measure those goals (Thomas, 2006);
- organisational performance, not merely individual performance (Herbert, 2008);
- more than a list of techniques; it also needs to take a “strategic orientation to the generation, interpretation and analysis of ... information” (Langfield-Smith, 2008, p. 206);
- performance measurement, but it is wider than only measurement (Bouckaert & Halligan, 2008; Broadbent & Laughlin, 2009); and
- using performance information to report on those goals and their attainment (Thompson, 2001).

In addition to possessing these features, a PMS also uses the performance information and accompanying systems of measurement within the decision-making process with the aim of continuously improving an organisation’s performance (Thomas, 2006, p. 1). Combining these ideas means that the use of PMS by organisations is not only a way to collect information to enhance decision making; but also involves *value* judgements about

that information and the performance of the organisation being measured. The values being judged relate to both the quality of actions performed by an organisation and the quality of the achievements of the organisation (Van Dooren et al., 2010, pp. 3–4). These judgements can be made inside or outside the organisation.

The consequence of using such a broad definition in this study and the “vague” use of performance language (Modell, 2005, p. 540) is that I include features that are often referred to by other names. For example, Franco-Santos et al.’s (2012, pp. 80–81) discussion of “comprehensive performance measurement” (rather than management) contains all of the features described above. This means the literature I refer to in the review below relates to both management and measurement as advocated by Broadbent and Laughlin (2009, p. 283), among others, and also performance as advocated by Johnsen and Vakkuri (2006), Modell (2005) and Van Dooren and Van de Walle (2008). The advantage of using such a broad definition of PMS is that I can highlight and explore aspects of PMS that have been marginalised in the prior literature (this is further discussed in the next section).

### **2.2.2 Definition of “Ongoing Use”**

According to de Lancer Julnes (2008), most PMS literature has too narrow an understanding of what the “use” of PMS information means and hence it often concludes that PMS are not well used. This is because PMS literature often frames PMS use as using performance information to make specific decisions. But as de Lancer Julnes (2008; see also de Lancer Julnes & Holzer, 2001) highlights, information is rarely used in such specific ways. She advocates broadening the understanding of information use to include its use in general informing and communication contexts. De Lancer Julnes (2008, p. 62) states, “just as the process of performance measurement is not monolithic, the use and purposes of performance measurement information have many facets too”. My study builds on de Lancer’s (2008) perspective to explore not only the multifaceted ways in which interviewees claim to use performance information, but also how they use the entire PM *system* to do their jobs. In this sense, I am drawing on a definition of “system” that combines its meaning as “parts of a mechanism or an interconnecting network; a complex whole” with its additional meaning, as the means by which “something is done” or achieved (Oxford English Dictionary, 2010, p. 1805). To my knowledge, there are no other studies that have considered PMS use this broadly.

This is because many studies of ongoing use of PMS (or other systems) assume that the words ongoing use mean that such practices become routine and “taken-for-granted” (Orlikowski, 2000, p. 410). Building on Quattrone and Hopper (2001), I suggest instead that it is possible to continue using something (such as PMS) without such use necessarily becoming routine. I argue that it is possible to use something in an ongoing manner, but to make a conscious decision to use it each time. This broad understanding of PMS use and its ongoing-ness challenges the embedded understanding of how organisations adopt accounting innovations in many PMS studies. Quattrone and Hopper (2006) question the linear assumption that we can compare a specific time period (T1) with a different time period (T2) and fully understand the processes of change (see also Busco, Quattrone & Riccaboni, 2007). Quattrone and Hopper (2006) suggest change is never a one-off act, from T1 to T2. They advocate more studies that examine the continuous and ongoing nature of change. To help fill this gap, this study does not look at the introduction of a new PMS. Rather I focus on the ongoing use of broadly defined PMS activity approximately 10 years after the introduction of a specific PMS across all New Zealand government departments. This approach reduces the focus on a point in time in understanding the ongoing use of the PMS to see how practitioners are using and keep using their PMS. The aim here is to understand what makes organisations attempt to overcome barriers to *ongoing* use, rather than one-off attempts to improve specific PMS features. In doing this, I recognise that PMS are systems embedded in people and processes; they are not merely a tool of control. Hence, this study bridges the management control literature (e.g. Chenhall & Euske, 2007) and the literature that characterises PMS as a practice and/or process (e.g., Modell, 2009; Van Dooren et al., 2010). My study simultaneously considers the attempts to control achievements through the PMS as well as the use of the PMS to achieve both “official intentions” (Power, 2000, p. 115) and other goals (Quattrone & Hopper, 2001). This approach takes its lead from Butler’s (1993) notion of performativity. I am studying *both* how practitioners name what they create and create what they name through their PMS (Butler, 1993). This notion of performativity and its significance is explained in more detail in Chapter 3.

### **2.3 Prior PMS Literature**

The PMS literature to date covers many different aspects of PMS. These include:

- advocating particular PMS and ways of collecting and using financial and non-financial performance information, such as the Balanced Scorecard or the Performance Prism (see e.g. Kaplan & Norton 1996; Neely, Adams & Kennerley, 2002);
- the nature and properties of PMS in order to improve their design (see e.g. Ferreira and Otley, 2005, 2009; Fitzgerald, 1991; Otley, 1999);
- the role of PMS in resurrecting the relevance of management accounting and extending strategic management accounting (Langfield-Smith, 2008);
- the classification of PM systems and how to enhance them (Broadbent & Laughlin, 2009, Franco-Santos et al. 2012);
- studies that link PMS to other programmatic intentions and show the role PMS plays in actualising those intentions, such as New Public Management (Arnaboldi & Lapsley, 2008; English & Skaerbaek, 2007; Hood, 1991; Lindeberg, 2007; Rose & Miller, 1992; Waks, 2009); and
- the benefits and barriers to using PMS (Behn, 2002, 2003; de Lancer Julnes, 2008; de Lancer Julnes & Holzer, 2001; Northcott & Taulapapa, 2012; Spekle & Verbeeten, 2014).

Among this range of topics, several authors suggest that the use of PMS (the last bullet point above) is least comprehensively studied (de Lancer Julnes, 2008; de Lancer Julnes & Holzer, 2001; Gill, 2010; Van Dooren & Van de Walle, 2008).

### ***2.3.1 Literature relating to the Use of PMS***

According to Van Dooren and Van de Walle (2008, p. 2) the PMS research field is dominated by research that focuses on PMS benefits and the description of systems, rather than studying its implementation and use in practice. They claim there is an assumption in PMS research that the availability of performance information means it will automatically be used. Moynihan (2008) also notes that “in most instances, PMS have not been fully implemented” – suggesting they are not only not used well, they are often not used at all despite initial implementation (Moynihan, cited in McDavid, 2011, p. 1). Further, Franco-Santos et al. (2012) note there is also little knowledge about the “actual consequences” of PMS use. And, in terms of New Zealand-based research, Gill (2010) has noted that there is a limited understanding of practitioners’ use of PMS in the public sector.

Even when research does focus on implementation and use of PMS, it is “ambiguous” (de Bruijn, 2002, p. 579), “inconclusive” (de Waal & Kourtit, 2013, p. 448) and does not “account for” (Liguori & Steccolini, 2012) why it is used, and, not used (Van Dooren, 2011). It is even inconclusive about “the advantages, or for that matter the disadvantages, that organisations may expect when implementing and using” PMS (de Waal & Kourtit, 2013, p. 448). Furthermore, Bourne et al. (2010, p. 1) state, PMS “is at a crossroads ... this suggests that our understanding of this field is far from complete” and de Waal and Kourtit (2013), among others (see e.g. Modell, 2009, 2012, Liguori & Steccolini, 2012, 2014), suggest new research approaches are needed to address this gap.

What prior studies have contributed is an ever-growing list of factors and variables which are thought to make the ongoing use of PMS more likely (see e.g. de Lancer Julnes, 2008). Conversely, the literature has also provided an equally growing list of barriers to PMS implementation and use (see e.g. Behn, 2002). Studies to date include research into behavioural, technical and institutional barriers to PMS implementation and the longevity of its use in both the public and private sectors (see e.g. Behn, 2000; Brignall & Model, 2000; Cavalluzzo & Ittner, 2004; Ezzamel et al., 2005; Franco-Santos et al., 2012; Grossi & Reichard, 2009; Jaaskelainen & Sillanpaa, 2013; Otley, 1999; Van Dooren, 2011). Common themes in this literature in terms of PMS barriers to use include:

- technical difficulties, such as multiple objectives, poorly defined measures and obscure language, implementation problems related to system problems, and other similar difficulties.
- behavioural consequences, such as: linkage between PMS and individual performance assessments and pay; judgement biases; PMS effect on motivation of individuals and teams; leadership commitment and external or internal mandates; institutionalism; implementation problems related to inadequately managing people; the socialisation element of implementation; and so on.
- organisational capabilities, such as: the PMS is used (or not used) to generate capabilities to enhance the entity, such as strategy processes, communication, improved corporate control, and other factors related to the organisation’s capabilities.

To date, two key reasons have been suggested for the literature's inability to be definitive about when, how and why these barriers prevent PMS use in some organisations while other organisations attempt to overcome them. The first was proposed by Van Dooren and Van de Walle (2008). They claim it is because there has been limited recognition in the PMS use literature that PMS has symbolic as well as decision-making uses. They (2008, p. 3) claim PMS "can be studied as an instrument for service improvements. But it can also be studied as a symbol in the wider policy process or as a social phenomenon reflecting societal change". Although they note that Behn (2002) has identified eight different possible purposes for PMS, Van Dooren and Van de Walle (2008) suggest further study is needed to understand how the use to which performance information is put – and, I would add, the whole PMS – influences the organisation's decision on how and whether to keep using it. This gap may also result from the dominant focus within public sector PMS use literature on service delivery agents rather than policy agents. For example, among the PMS-use literature very few articles included a government department in their study. Because service delivery agents cannot change policy or law, the "official intentions" (Power, 2000, p. 115) of the PMS would be to improve their own services. Hence, the focus within service delivery agents is on the usefulness (or otherwise) of PMS for improving services. In addressing the gap in the literature on PMS use by focusing on government departments, I broaden the literature to consider the societal-level indicators and the symbolic use of PMS within government departments as well as the perception of its impact on society, because a government department's performance is wider than service delivery.

The second reason suggested for the literature's inability to be definitive about when, how and why some organisations attempt to overcome barriers to ongoing PMS use is that many factors and effects are likely to operate at once. Hence Franco-Santos et al. (2012, p. 100) note that it is "essential ... to pay attention to how people respond to these systems [PMS] and to the different factors that affect their responses". Cavalluzzo and Ittner (2004, p. 265), focusing on the public sector, concur when they state that "technical and organisational factors can have (sometimes complex) interactive effects on performance measurement system implementation and outcomes".

### **2.3.2 Gaps in the Literature on How Public Sector Organisations Use PMS**

These complex and interactive effects may be more pronounced in the public sector, making it an interesting research site. They may be more pronounced because inherent in many public sector organisations are many of the barriers described above. These include:

- multiple objectives and lack of ownership/property rights (Mensah et al., 2009, p. 203; Verbeeten, 2008);
- separation of those that pay for and those that receive the public service, and in some cases those that contract the service, and hence those that make judgements about different types of performance (Brignall & Modell, 2000, p. 281);
- limited contractibility for some types of public services (Spekle & Verbeeten, 2014);
- causal relationships and measurement challenges may be more complex (see e.g. Ball, 2001; Northcott & Taulapapa, 2012; Rietjens, Soeters & Klumper, 2011); and
- leadership commitment to accountability and performance judgement (Askim, 2008; Cavalluzzo & Ittner, 2004).

Taking account of both the inconclusive research on why some organisations overcome barriers to PMS while others do not, and the extra complications of the public sector research site, there remain many under-explored areas relating to PMS use in the public sector. I focus on two inter-related areas. The first is the concept of performance. This derives from Broadbent and Laughlin (2009, p. 283), who note that too little attention is paid to “*ex ante* performance management” compared to “*ex post* performance measurement” (emphasis in original). As a result, only limited attention has been paid to the multiple and nuanced meanings of “performance”, rather than measurement or management (Johnsen & Vakkuri, 2006, p. 292; see also Modell 2005). Van Dooren and Van de Walle (2008, p. 3) also note that a weakness in the prior literature on PMS use is its limited attention to the multifaceted nature of PMS. This study seeks to contribute to this oversight by problematising the notion of performance, resulting in a broadening of the definition of PMS. To do this, I next set out what has been studied in terms of performance in the management accounting academic literature to identify gaps in the notion of performance and how this study might address those gaps.

## 2.4 Prior Studies of Performance in Public Sector Management Accounting

To explore the understandings of performance in the literature, I began by searching highly ranked accounting journals. In order to build on Modell's (2009) literature review of PMS literature and institutionalism, I followed his search parameters which included the top four accounting journals likely to publish public sector research. As he did, I also used the bibliographies of the resulting articles to enhance the search as necessary.<sup>4</sup> This yielded 75 articles over the last 28 years that discussed the public sector and performance. All 75 articles mentioned the words "performance" and "public sector" in the abstract. I did not restrict the initial search to articles on performance management or measurement. As a result, topics spanned PMS as well as performance auditing and performance pay (in the public sector). In the search, two articles were also captured that were not public sector-based, but rather compared budgeting practices in the private sector (Perez & Robson, 1999) or the performance pay of charities (Jobome, 2006), with only passing references to the public sector.<sup>5</sup> These two articles were excluded in order to focus on the ways in which public sector performance has been studied.

In general, few of the articles identified by the search explicitly defined public sector performance and instead used taken-for-granted shorthand phrases. Indeed, some of these definitions appear to be so taken-for-granted that one article referred to performance as "the 3 Es" (English & Skaerbaek, 2007, p. 239), without specifying what the E's stood for. This is despite the fact that the literature varies markedly on how many E's there should be and what the letter stands for. For example:

- Most commonly "E" stands for efficiency (Hoque & Adams, 2011; Hyndman & Eden, 2000; Johansson, 2009; Mayston, 1985, 1989; Newberry & Barnett, 2001; Ogden, 1995; Tomkins, 1988; Tomkins & Green, 1988; Tooley, Hooks & Basnan, 2010; Verbeeten, 2008 – 24% of those that mentioned an "E" only used efficiency) and financial ratios as expressions of financial performance (Cohen, 2008; Jacobs,

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<sup>4</sup> Modell (2009) identified the primary journals for his research to be: *Accounting, Auditing and Accountability Journal*; *Accounting, Organizations and Society*; *Financial Accountability*; and *Management and Management Accounting Research*. The most common journal that bibliographies referred to outside this list was *Critical Perspectives in Accounting*.

<sup>5</sup> In both articles the comparison was relatively cursory – a comment on the in-depth work on this topic in the public sector, or a reference to the behaviours in the not-for-profit sector mimicking research on public sector behaviour. Given that the comparison was not the central focus in the articles, they were removed from further analysis.

2009; Ogden, 1995; Pilcher, 2010; Perez & Robson, 1999; Stanley, Jennings & Mack, 2008).

- Other authors discuss two E's – effectiveness and efficiency – and argue that the public sector must strive for both (37.9% of articles mentioning an E – Glynn, 1986; Hyndman & Connolly, 2011; Hoque & Adams, 2011; Lee, 2008; Rutherford, 2000; Samkin & Schneider, 2010; Seal, 2003; Siverbo & Johansson, 2006; Sola & Prior, 2001; ter Bogt & Scapens, 2012; Tooley, et. al., 2010).
- The third “E” has even less of a consensus. In some articles it stands for equity (Johnsen, 2006; Kloot & Martin 2000 – 6.8%), in others, economy (Mayston, 1985; McCulloch & Ball, 1992; Seal, 2003; Sola & Prior, 2001; Woods & Grubnic, 2008 – 17.2%) or efficacy (Sola & Prior, 2001, Seal, 2003 – 6.8%).

Given this diversity and limited attention to definitions, and in order to appreciate both the similarities and differences among understandings of performance (and the implications for my research), I used thematic coding to understand the range and depth of performance definitions. The 73 articles were coded using the key word or phrase the article seemed to be using to describe performance. These codes were then compared and merged into three broad categories. The three categories or types of performance are implicitly or explicitly used as the meaning of performance in these articles. These three types were:

- those that reflect a production model of performance
- those that reflect a service delivery or complex service coordination model of performance
- those that draw on the evolving idea of the “subjectivity” of performance.

This does not mean that articles might not have overlaps across types – and I will highlight these as appropriate – but rather that the three broad categories capture the range of understandings of performance in the literature. Below, I start by explaining the categorisation of these three types or definitions of performance before considering each type in turn.

#### ***2.4.1 Three Types of Performance: Overview of the Categories***

Of the three categories of performance, the first two emerged out of, or were encapsulated by, two articles that specifically addressed the meaning of performance, 1) Pollitt (1986)

and 2) Hyndman and Anderson (1997). These two articles were written a decade apart and show a shift in the circulating definitions of performance. In the paragraphs below, I describe these two categories in turn, using the respective key article as a starting point for each type of performance. Then, I outline the general understanding and approach to performance taken within that definition of performance and also highlight how different articles have used that definition of performance.

The third category of performance stems from a group of articles (mostly dated between 2005 and 2012), roughly a decade after Hyndman and Anderson (1997). This group of articles seems to be reconceptualising performance, whether explicitly or implicitly, by critiquing the existing research focus. The articles in this third category were not grouped together because they were written as a group or because the authors have the same purposes or topics, or even because they specifically ask the question “What is performance?”. Rather, they were grouped together because each article hints, or directly states, that there are opportunities for reconceptualising performance from a subjective point of view.

#### *2.4.1.1 Performance Type 1: Production Model of Performance*

The first article to ask “What is performance?” was authored by Pollitt in 1986. He outlined what is now understood as performance “in terms of a production model” (Connolly & Hyndman, 2003, p. 16). Likening government interventions to the production of goods, this model uses a linear process that links inputs to outcomes, through outputs.

This linear notion of production is still used as the foundation of many public sector guides to performance (HM Treasury, 2007; NZ Treasury, 2013). The inputs to outcomes model has also been the basis of performance management research models that assume this linear transformation of resources (see e.g. de Bruijn and van Helden, 2006; Ferreira & Otley, 2009, p. 268).

Even though Pollitt (1986) was one of the first to conceptualise this approach to performance, the purpose of his article was to predict and critique the potential consequences of the production-based conceptualisation of performance. He argues that the private sector focus of New Public Management (NPM) would result in an excessive

concern with efficiency.<sup>6</sup> He advocated that alternative conceptualisations should be developed. He introduced ideas such as quality, complexity and subjectivity, encouraging researchers to “go beyond the private sector model to assert the distinctively *public* character of the public service” (Pollitt, 1986, p. 167, emphasis in original).<sup>7</sup>

#### *2.4.1.2 Performance Type 2: Service Delivery and Service Coordination Model*

Hyndman and Anderson (1997, p. 140) anchored their framework for performance in Her Majesty’s Treasury model (similar to the production model outlined by Pollitt, 1986). They explicitly sought to highlight the elements of their definition of performance – inputs, outputs, outcomes (outcomes by this period were also being called results) and the causal links between them. However, the nuanced shift in their description (moving on from Pollitt, 1986) recognised that the production model was focused on producing products (such as cars), but that the public service’s key way of intervening in society was through “providing essential services to taxpayers” (Cohen, 2008, p. 265). Recognising this subtle shift in understanding, the performance model they described distinguishes between actual and planned inputs–outputs results. It also notes the need to make this type of performance into a system of management by adding a monitoring feedback loop in order to make the systems self-sustaining. Further, Hyndman and Anderson (1997) differentiated between the levels of planning and control needed at the strategic, management and task levels. Finally, they outlined the process of developing measures at all these levels. The consequence of this shift from conceptualising performance as a product to a service is that the definition of good performance changed from uniformly completing the product and delivering it on time to the customer’s service experience. Focusing on customer experiences makes the quality of the service to the individual the most significant performance indicator rather than the consistency of the product.

Williams et al. (1990) amplified this definition of performance by noting that public services are not standardised services and often involve the complex coordination of multiple services, which they call “reciprocal interdependency”. Using contingency methods and quantitative research, they highlighted that this type of interdependency not only alters the

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<sup>6</sup> Pollitt (1986) does not refer to the public sector reforms as “New Public Management” as his article was written prior to that term being coined. Nevertheless, he refers to the ideas that are now encapsulated in that term.

<sup>7</sup> There have been other critiques of the linear production model and the overemphasis on efficiency – these are detailed after the discussion of the service delivery model of public services.

behaviour of the implementers (such as budget processes), but also has implications for the components of performance. Broadbent and Guthrie (2008) also note the dominance of service delivery in public sector activities.

These two models, production and service delivery (whether direct service provision or complex coordination), provide a backbone for the vocabulary and conceptualisations of performance throughout much of the literature covered in this review. In implicit and explicit ways, scholars have chosen from these types of performance, and pre-existing PMS models built on these conceptualisations of performance. Among those most frequently cited for explicit reference are:

- Fitzgerald, Johnston, Brignall, Sivestro & Voss (1991);
- Atkinson & McCrindell (1997) (also used in Kloot & Martin, 2000);
- Van de Ven & Ferry (1980) (also used in Williams et al., 1990);
- Kaplan & Norton (1992), which proposes the Balanced Scorecard Card (BSC) (for an overview of 20 years of BSC research, see Hoque, 2014);
- Otley (1990) and Ferreira & Otley (2009).

Using these models and frameworks (as detailed above) allows researchers to select various aspects of performance, depending on their inclinations, purposes and specific research topic. Many articles implicitly define performance by referring to aspects such as:

- quality (Johansson & Siverbo, 2009; Yamamoto, 2004);
- quantity (Lee, 2008 – quoting Mayston, 1985; Mensah et al., 2009);
- both quality and quantity (Thompson, 2001; Tooley et al., 2010; Verbeeten, 2008);
- probity (Tooley et al., 2010);
- accuracy (Verbeeten, 2008);
- productivity (Hoque, Arends & Alexander, 2004; Johansson & Siverbo, 2009);
- cost (Newberry & Barnett, 2001; Tooley et al., 2010); and
- innovation and morale (Verbeeten, 2008).

Furthermore, scholars also combine these aspects of performance in different ways. For example:

- Yamamoto (2004) combines quality, accountability, financial performance and operations.
- Johansson (2009) combines efficiency, quality and productivity.
- Odgen (1995) combines goal orientation with efficiency and financial performance.
- Tooley et. al. (2010) combines quantity, quality and probity. Unlike other authors he only uses efficiency and effectiveness as a “surrogate” for cost, not as an end in itself.
- While Hoque et al. (2004) combine effectiveness and efficiency with customer service, Hoque and Adams (2011) combine welfare with efficiency.
- Seal (2003) adds the notion of dynamism to effectiveness and efficiency, while Seal (2003) and Sola and Prior (2001) both provide definitions for effectiveness, efficiency, economy and efficacy (but not equity).
- Other authors used concepts and words such as “balance” (Cuganesan & Lacey, 2011; Hoque & Adams, 2011), “integration” (Woods & Grubnic, 2008) and “multidimensional” (Modell, 2004, 2012) to discuss the need for variety and diversity in the measurement systems.

This list attests to the variety of words implicitly associated with production and service delivery models of performance. Compiling this list also highlights the narrowness of performance in the accounting literature. Some research has taken up encouragements to broaden the notion of performance (Broadbent & Laughlin, 2009; Pollitt 1986). For example, some authors have noted a shift in research away from a dominant focus on (private sector-like) efficiency towards accountability (Chia, 2007; Guthrie & English, 1997; Samkin & Schneider, 2010; Yamamoto 2004), while Hoque et al. (2004) note a similar change, but identify the shift from efficiency to customer service (see also Modell, 2005, considering students as consumers).

#### ***2.4.2 Subjective Performance: A Third Type of Performance?***

Despite the limited explicit discussion of the consequences of different definitions of performance, there have been implicit and explicit critiques of the two existing understandings of public sector performance outlined above. Three key sets of authors discuss the differences in public sector performance, intervention mechanisms, and the ambiguity of outcomes. I have labelled this category ‘Subjective Performance’, using the word that is most common to the articles. This label came from the studies themselves, but

is not particularly descriptive of what the word subjective means. Other authors have used other possible terms. For example, in contrast to the “rationalistic” tendencies of NPM, Pallot (1999, p. 423) has labelled the New Zealand public sector’s approach, as initiated in the 1990s, “intuitive”.

In the last decade, against the backdrop of this ambiguity not only of the meaning of performance, but also performance models, frameworks and the aims of government, institutional form, and democracy – some scholars have noted the importance of subjectivity to government performance and PMS (see section 2.4.2.1). Subjectivity constitutes the third type of performance researched in the 28 years this literature review spans. Pollitt (1986) did note the subjective aspect of public sector performance in his early exposition, but research has been slow to capitalise on this insight, prioritising the more linear and contingent relationships in the production and service delivery models of government that dominated prior research.

#### *2.4.2.1 Subjective Judgement as a Skill in Public Sector Contexts*

Jeppesen (2012) focuses on the consequences of the subjectivities of government performance for accounting in general, and in his case study of Danish performance auditors in particular. He highlights that the expertise of accounting is the objectification of information, yet also notes that Danish public sector performance auditors are suggesting that their distinction from the private sector is their ability to audit subjective performance. He uses this juxtaposition to question whether public sector auditors are undermining their own legitimacy or forging a new kind of auditing. One professional group (Danish public sector auditors), he notes, are trying to shape a belief in public sector distinctiveness. Jeppesen’s (2012) analysis of subjectivity builds on work of other authors such as Arnaboldi and Palermo (2011, p. 14) who expose the consequences of “neglect[ing] the developing and heterogeneous nature of the entities” in the public sector. Jeppesen (2012) extends that heterogeneity of understandings of performance to audiences of entities as well as entities themselves. This heterogeneity suggests new understandings of performance need to be developed outside the first two types (production and service delivery) outlined above. In Chapter 3 I discuss how these understandings of performance can be broadened to respond to this public sector distinctiveness.

#### *2.4.2.2 Government Use of Steering Media as Performance*

Using an adaptation of Habermas' concept of the lifeworld, Broadbent, Gallop and Laughlin (2010, p. 507) maintain that while some government entities may produce products or deliver services, governments also “develop ... societal systems of regulation” that will “steer” society in a desired direction. The purpose of their article is not to discuss that “steering” but to focus on PMS as steering mechanisms. As a result, they delineate two ways that PMS steer: through relational and transactional approaches. Although their purpose is different, for the purpose of this study their work is significant because it highlights that money, power, law and other societal regulators are used by governments to steer society. In this sense, the performance of a government agency (not directly involved in service delivery or coordination) is related to its ability to steer not only the entities under their control (government departments, arm's-length bodies, etc.), but also the citizenry of the jurisdiction. Hence, scholars such as Christensen and Skaerbaek (2007) can comment on the implications for, and role of, democracy in assessments of performance and the use of PMS in the public sector (see also Newberry & Pallot, 2006). Citizens in this context compete and vie for attention, all with equal claims to the validity of their knowledge-bases (Walker, Marchau & Kwakkel, 2013, p. 224).

#### *2.4.2.3 Constant Re-construction of (Subjective) Performance over Time*

Brignall and Model (2000) and Modell (2005, 2009) also contribute to this rethinking of performance by considering the reconstruction of performance management practices over a period of time based on changing institutional logics (see also Rautiainen & Jarvenpaa, 2012). Modell examines the performance assessment of a university (2005) and a student aid delivery entity (2012) to highlight that the very notion of performance was being redefined through the performance measures being constructed, used, argued over and remeasured by various stakeholders. He highlights the contribution of institutionalism (2005), ANT (2009) and critical theories (2012) in assessing and discussing the “subjectivities” (2005, p. 547) of performance. ter Bogt and Scapens (2012) also focus on the stress and pressure this kind of subjective judgement has on individuals (in their case, in the university environment).

Collectively, these three ways of considering subjectivity point to different ways of conceptualising performance in the public sector. They begin to critique the previous black-boxing of definitions of performance in the 30 years since private sector performance management was introduced to the public sector. However, although I have grouped them together because they provide alternatives to the implicit but dominant production and service delivery models, there remains no theoretical framework by which to explore the consequences of these more fluid, contextual and (re)constructed conceptions of performance. One consequence is that limited attention has been paid to how subjective judgements of performance influence individuals, as ter Bogt and Scapens (2012) note. A more systematic approach to the study of affect is the second knowledge gap to which this study contributes.

### ***2.4.3 Understanding Affect***

Because the notion of performance has been focused on product or service quantity and quality, there has been limited attention to the affective aspects of PMS, even within the PMS-use literature. Boedker and Chua (2013, p. 265) claim, affective aspects of PMS “could have surfaced [but] this has not been the case”. Furthermore, while ter Bogt and Scapen (2012) begin to address this deficiency, they focus on the stress and pressure of the PMS on the individual (see also Jayasinghe, Soobaroyen & Thomas 2009; Sawabe, Yoshikawa & Shinohara, 2010). This is just one aspect of the emotional responses experienced by those using PMS. Guenin-Paracini et al. (2014), while outside the PMS literature, have furthered the auditing literature by focusing on the particular emotion of fear in auditing practice. They build on Pentland’s (1993) initial work on how people construct comfort while undertaking auditing practices.

ter Bogt & Scapens (2012), Boedker and Chua (2013) and Guenin-Paracini et al. (2014) each explore affect as it influences action within the context of using accounting (PM and auditing) systems. Their research has as a foundation the emerging scholarship on emotions in sociology, management and organisational studies literature (see for example, Ashkanasy & Daus, 2005). Within accounting, however, there is as yet no systematic approach to the influence of emotions on organisational decisions to use, or how to use, accounting systems in general, and PMS in particular. This is a gap which this study seeks to address by including affect within the research question. In doing so, this research will shed further light on why variations occur in the extent to which organisations attempt to

overcome barriers to ongoing PMS use. This is because my aim is not to study the influence of emotional experiences on individual actors (as in ter Bogt & Scapens, 2012, and Guenin-Paracini et al., 2014), but to examine the role of affect in organisational attempts to overcome barriers to ongoing PMS use. In this sense, I am drawing on the Old French and Latin roots of the word emotion, as well as its contemporary usage. The modern English word emotion, meaning “any strong feeling, such as joy or sorrow”, is grounded in the Old French word *esmovoir*, which means “to excite”, and from Latin *ēmovēre*, “to disturb”, as well as from *movēre*, “to move” (Oxford English Dictionary, [OED], 2010, p. 574). In other words, I want to follow how emotions that excite and disturb influence the engagement and behaviours of actors in the ongoing use of PMS. That is, I investigate how emotions motivate, become systematised, are mediated, and eventually affect (and are affected by) action to overcome PMS barriers. This builds on Boedker and Chua’s (2013) insight into how to “entrance” people into enacting PMS by exploring how people attempt to overcome barriers to PMS use in order to enact and affect perceptions of performance. Further understanding the role of PMS, performance (more broadly defined than as production or service delivery) and affect collectively, I argue, will shed more light on why some organisations attempt to overcome barriers to ongoing PMS use.

## **2.5 Gaps in Theories and Methodological Approaches**

Before outlining the approaches to PMS study in the prior literature it is worth considering how the gaps outlined above might have come about. This is in order to determine how to address the cause of the gaps, and not merely the symptoms; that is, why the gaps exist in the literature (Bardach, 2001). Institutional theory, particularly the concept of path-dependency, is useful in highlighting how institutional pressures have probably contributed to the narrow definition of performance in the PMS research (Modell et al., 2007). I suggest that the two dominant definitions of performance respectively related to production or service delivery are bounded by the institutional limits of market views of performance. A market, by definition, is “a group of buyers and sellers of a particular good or service” (Mankiw, 2009, p. 66). According to this definition, performance is embedded only in transactions of goods or services. Hence, institutionalism is useful in revealing the dominance of production and service delivery models in conceptualisations of performance in public sector accounting research since NPM’s private sector influences were introduced. Institutionalism reveals the unintended impact of the private sector foundations

of NPM (Hood, 1995) reforms on public sector research and practice, which can be seen in the use of private sector language to describe performance. However, institutionalism does not necessarily explain how and why people think outside this goods/services dichotomy (Johnsen & Vakkuri, 2006).

### ***2.5.1 Gaps in the Theories and Methodologies Used to Study PMS Use***

The narrow definition of performance and the lack of research on affect, as indicated above, could result from the narrow selection of research methodologies within qualitative PMS research. According to Berry et al. (2009), research in PMS has been dominated by institutional theory (e.g. Modell et al., 2007) and to a lesser extent ANT approaches (see e.g. Skaerbaek & Tryggestad, 2010). Below I outline what each of these theories has contributed to PMS studies and then highlight the gaps that alternative theories and methodologies may be better placed to fill.

Institutionalism (including new institutional sociology and institutional economics) has been used to study how PMS are used to “maintain ... legitimacy, whilst being subject to regulatory and other institutional pressures” (Modell, 2009, pp. 277–278). The extensive use of institutionalism has allowed the development of “one of the very few substantial and reasonably coherent research programmes” (p. 278) in PMS. This facilitates “cumulative theorising” about the importance of “social and political” aspects of “achiev[ing] organisational objectives” (p. 277). However, it has been noted that institutionalism discourages research around the reasons for change (Modell et al., 2007). Indeed, it has been criticised because “institutional theory devotes too much effort to analysing the trajectories of macro-diffusion patterns while underestimating the meaning the spreading practices have in the originating as well as adopting context and the modifications – translations – they undergo in the course of their travels” (Meyer, 2008, p. 521). Some accounting researchers concur (in various ways) with this view (see e.g. Modell, 2009, 2012). Liguori and Steccolini (2012, pp. 27–28) go further, noting that institutionalism has not “account[ed] for organisations’ heterogeneity and practice variation ... in terms of different responses to the same implemented change in presence of similar external pressures”. Modell (2012), among others, advocates widening the theoretical base to ensure it maintains its critical edge. As a result of this limitation, I argue there are gaps not only within the topics of PMS use (performance and affect), but also in the methodologies chosen to study PMS use.

What prior studies of PMS tend to have in common is the methodological assumption that performance has a fixed, stable identity, or at most a fixed set of stable identities (Boedker, 2010). That is, they assume that performance is an ontological state. An ontological state is something that is a given (Boedker, 2010, p. 597). It pre-exists its definition and is immutable. A common example is ethnicity. We are born with a particular ethnicity and this cannot be changed. In this sense, if performance has a fixed ontological state, performance is definable, and once defined, can be visibly achieved or not achieved. This makes it measurable. For example, if performance means the processing of a set number of unemployment benefits, there can be fixed criteria for what that means, and it can be delivered. Performance will have been achieved. This fixed ontological view also means PMS is generally seen as a one-off implementation process (as noted above) that either becomes routine or does not. This leaves a gap in the literature which various scholars suggest can be filled by using new theories and methodologies (Boedker, 2010; Modell, 2009, 2012).

Boedker (2010) is one PMS scholar to suggest accounting research can benefit from performative theories that recognise that social reality might not be an ontological state (that is pre-determined or given) but is created "through language, gesture, and all manner of symbolic social sign" (Butler, 1990, p. 270). In other words, performative approaches study the consequences of beings and objects not necessarily having a stable identity or existing in a stable state. Instead, performative theories focus on situations and identities being reconstituted each and every time they are performed. Performative theories explore situations that "enact or produce that which it names" (Butler, 1993, p. 13). Applying this to this study means examining the implications of not only the acts where the PMS provides information but also each time the PMS is conceived, used and improved to achieve intentional aims.

ANT is the most common performative theory used in accounting research to date (see e.g. Skaerbaek & Thorbjornsen, 2007). ANT is amenable to exploring the consequences of viewing performance as an unstable identity (an *interpretative category*); however, it is not readily amendable to explicitly exploring how or why organisations attempt to overcome barriers to ongoing PMS use. ANT is not as useful in this regard because it is focused on tracing the effects of human and non-human correlations (Ahrens & Chapman, 2007, p. 6). It claims no pre-existing order, or essence, of people, objects, or concepts (like performance). The strength of this equalisation of human and non-human effects is the

ability to reveal how effects bring situations into being regardless of human intent and emotionality. That is, it shows how humans and non-humans cause things to happen regardless of any intentions or conscious strategies being enacted. A famous example from Latour (1991) highlights how the form of an object causes particular actions. He notes that if a hotel gives out keys with key chains that are convenient to carry, guests often forget to return the keys. It is not the guest's intention to keep the key, but often they do. In contrast a bulky and awkward key chain causes guests to remember to return the keys at the earliest opportunity (Latour, 1991, p. 103ff.). The object caused the action, even though the guest made no conscious decision to remember to return the key (or to keep it). Within the study of PMS, the variable ontology of ANT has been useful in describing and understanding the ongoing configuration of accounting innovations and public servants' identities (see e.g. Skaerbaek, 2009, Skaerbaek & Thorbjornsen, 2007). ANT, especially as espoused by Callon (1998), has also facilitated better understanding of how the framing and overflow processes shape public sector accountability reports (see e.g. Christensen & Skaerbaek, 2007). Kurunmaki and Miller (2006, p. 89) also demonstrate how ANT provides a useful framework to consider how government programmes are "articulated and made operable" and how changes and stability interact, giving agency to both humans and non-humans in the process of action.

However, the strength of the Latour example in demonstrating that the object caused action in the absence of intention means that human intentions, and associated emotions, are marginalised. This marginalisation means that only limited PMS literature considers these intentions and emotions. This is despite scholars such as Ahrens and Chapman (2007, p. 1) claiming that management control systems are "structures of intentionality". Hence there is a gap in the literature concerning the study of intentionality from a performative perspective and its link thereby with emotions. By introducing a performative approach that surfaces the role of emotions and human intent; that is, a performative theory from outside ANT, my study seeks to address the gap in performative approaches to PMS. In Chapter 3 I introduce a performative theory from outside the ANT family of theories to highlight how it has the potential to surface different insights to the prior PMS literature outlined in this chapter.

## 2.6 Summary

In summary, this literature review has highlighted that although there is significant public sector research on PMS, the notion of performance and the role of affect have been marginalised. Accordingly, my study aims to address this oversight by concentrating on performance as a concept – what constitutes it and how it is enacted. This leads into considering the affective implications of the subjective constitution of performance in the public sector. Hence, this study extends previous research that has begun to explore the subjective nature of public sector performance (Broadbent et al., 2010; Jeppesen, 2012; Modell, 2005, 2012; ter Bogt & Scapens, 2012) by combining the study of performance with the study of affect within the practices of PMS. This is done to address calls to study “how people respond to ... PMS” (Franco-Santos et al., 2012, p. 265) and the “complex interactive effects on [PMS] implementation and outcomes” (Cavalluzzo & Ittner, 2004, p. 265). As a result, my research challenges the narrow conceptualisation of performance in the literature and contextualises PMS as systems that are implemented by people in social settings, which includes examining how they collectively experience and feel about those situations. I introduce a particular theory and methodology that respond to calls for PMS research to recognise the symbolic as well as decision-usefulness of PMS (Van Dooren & Van de Walle, 2008). Alexander’s (2006) theory of performance is the subject of the next chapter.

### 3. THEORY

#### 3.1 Introduction

This chapter introduces Alexander's theory of performance (2006) because, as the empirical cases will show, it will shed new light on reasons why some organisations attempt to overcome barriers to ongoing PMS use. Alexander's approach is helpful because it aids in the systematic analysis of affect and broadens understandings of performance. That is, by combining performative effects with performance of an organisation, Alexander (2011, p. 13) provides a framework for unpacking organisational performance as an *interpretative category* rather than an *ontological state*.

Alexander's theory of performance provides insights because it is both a framework for analysis and also a theoretical challenge to some existing understandings of performance. To explain Alexander's approach, I first outline his framework. This framework is drawn from Goffman's (1959) use of the metaphor of the stage to inform theoretical analysis, which is a framework seen in management and some accounting literature (Christensen & Skaerbaek, 2007; Clark & Mangham 2004; Mangham & Overington, 1987; Sharma, 2007). Accounting literature tends to focus on Goffman's (1959) impression management and dramaturgy, which is understood primarily in terms of conflicted interaction rather than as a metaphor of the stage (see e.g. Bealing, Dirsmith and Fogarty, 1996; Covalleski, Dirsmith & Rittenberg, 2003; Pentland & Carlile, 1996). I argue that this metaphor has additional analytical possibilities than those that are evident in previous academic studies. To show this, after outlining Alexander's (2006) framework I describe how his theory informs my research in terms of challenging certain theoretical assumptions about the notion of performance. My description situates Alexander's (2006) theory in alternative conceptualisations of performance and outlines the particular concerns that his theory, based in the framework, can be used to illuminate.

#### 3.2 Alexander's Framework for Analysing Performance

Alexander's (2006) framework for analysing performance unpacks the symbolic, cultural and emotional elements of performance and relates them to the material means of production. He argues that the key elements of performance are found in this framework.

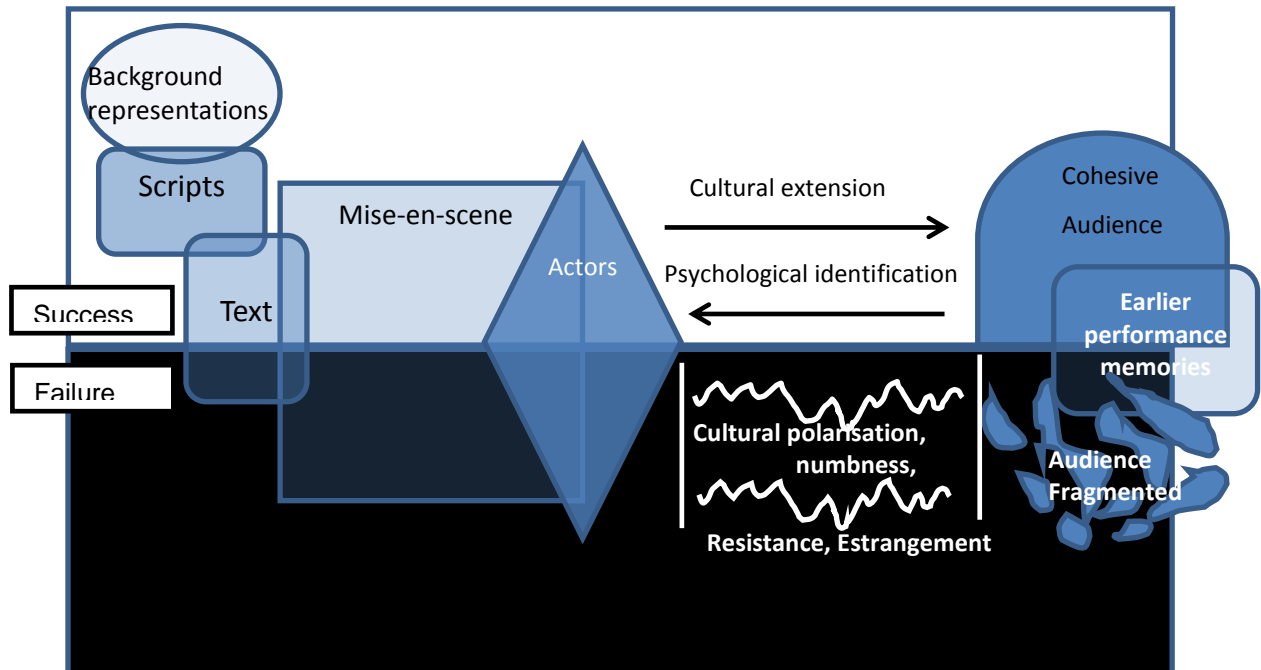


Figure 1. The key elements of a performance. Adapted from Alexander (2006, p. 77).

This diagram is deliberately complex because Alexander (2006) wants readers to understand the complexity of group interaction.<sup>8</sup> Below I explain the main elements of the diagram in the following order:

- *success and failure in Alexander's framework*
- *background representations, scripts and texts*
- *mise-en-scene*
- *roles in a performance: actors, audiences and social powers*
- *cultural extension and psychological identification.*

### 3.2.1 Success and Failure in Alexander's framework

Figure 1 is divided into two halves, with the white area at the top symbolising what happens when a performance is successful. The black area at the bottom shows what

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<sup>8</sup> In a later work, Alexander (2011) changes some of the specific terms he uses. He does not explain why he has changed his terms, but his explanations of the concepts are almost identical. For example, in one book he refers to background "symbols" (2011, p. 28) rather than background "representations" (2006, p. 34). Throughout this research I use the language from one of his fullest descriptions of his theory (Alexander, 2006), but draw on other work when it more succinctly describes a concept.

happens when a performance fails to convince its audience. This configuration of the diagram highlights that it is not the elements of the performance that change, but rather how the message is received that determines success and failure. This definition of success and failure alters the understanding of the factors that previous accounting literature has identified as influencing the use of PMS, such as senior manager support and appropriate capability (see Behn, 2002; Groen, Wouters & Wilderom, 2012). Applying this definition of success means that it is not the absence or presence of these factors that matters, but how these factors and the elements of a performance are combined by actors to persuade (or not persuade) audiences of the PMS's *descriptive and prescriptive validity*.

### **3.2.2 Background Representations, Scripts and Texts**

To understand *background representations, scripts and texts*, Alexander draws on concepts from Durkheim (1912[1965]), Goffman (1959) and Geertz (1973). These concepts are outlined below.

#### **3.2.2.1 Texts**

Texts are vessels that hold meaning (Alexander, Smith & Norton, 2011, p. 6). Texts might include stories, objects and there are even arguments that they extend to cultures and societies (Geertz, 1973). Alexander (2006, p. 33) notes that while texts can have cultural logics embedded in them, they are also “read” by those viewing them who import their own interpretations. These interpretations are based on *background representations* and *scripts*.

#### **3.2.2.2 Background Representations**

*Background representations* are the societal ideas that people use to interpret texts and this is a concept Alexander (2001, p. 56ff.) draws from Durkheim (1912[1965]). *Background representations* come to symbolise society's broader ideas and moral systems. They do not always reflect any particular individual's personal experience, but *background representations* live as “independent forms” (Morrison, 1995, p.154). This means a person does not need to experience the connection between the *background representation* and the moral system or idea it implies. Nevertheless people believe that *background representations* are “real” enough to act on (Mellor & Shilling, 1997).

Examples of *background representations* can include law (when society generally agrees with the law), societal expectations (such as gender expectations) and other values or morals, such as those contained in parables.

Geertz (1973) uses the idea of the rose to explain how ideas like *background representations* and *texts* are the building blocks of meaning in society. A rose might be seen as text. Some cultures include in their *background representations* a belief that when a rose is given from one to another it is seen to communicate love. However, in the absence of this shared *background representation*, the gift of a rose is merely the transference of ownership, from one person to another, of a flower.

### 3.2.2.3 Scripts

For a rose to be successful in communicating love, the individual actor must also produce a *script* that makes use of the *background representation* but enacts it in the here and now (Alexander, 2011, p. 28). A script is the words and actions that individuals use to communicate relevant parts of *background representations* to others. Comic relief is achieved in the film *Imagine Me and You* (2005) by exploiting the difference between *background representations* and the way that they are enacted in *scripts*. Instead of buying a rose for a girlfriend he has been unfaithful to, a minor character purchases a cactus with phallic overtones, calling it his “last chance” flower. After the selection of the cactus, the florist switches from trying to help the man make up with his girlfriend (by suggesting roses) to reassuring him that the cactus communicates exactly the right message.

### 3.2.3 *Mise-en-scene*

The *mise-en-scene* involves putting the narrative into a particular scene (Alexander, 2006, p. 36). Giving a narrative a *mise-en-scene* will change the way the performance is perceived. This principle also underpins concepts of framing and overflow in other accounting research (Christensen & Skaerbaek, 2007). The previous example of the rose is instructive in showing the importance of the *mise-en-scene* to understanding the *scripts* that are in play. If the gift of a rose has a wedding ring on it, as a form of marriage proposal, it can be taken to signify the deepening of love and the romantic union. However, if the marriage proposal (even if it is in the form of a ring on a rose) follows a

positive pregnancy test, the marriage proposal might be interpreted as 'doing the right thing' or clarifying property relationships, rather than being directly related to love.

Applying the concept of *mise-en-scene* to the public sector, the recent New Zealand debate over the \$36 million of taxpayer funding spent on the America's Cup has been situated in different *mise-en-scenes* by different actors. In the *Dominion Post*, Lim (2013) located the debate in alternative uses of the funding – his headline read "America's Cup costs better spent on youth". Mckergow (2013), in contrast, situated the debate within the advantages he claims the Cup brings to New Zealand: "marine industry, global recognition, world-beating technology, Olympic medals and publicity on the world stage that could have never been bought". As these contrasting examples show, how performance is judged depends on the scene in which it is contributing – is global reputation worth as much or more than youth development projects, and should they even be compared?

### **3.2.4 Roles within a Performance**

#### *3.2.4.1 Social Actors*

For a performance to be successful, the *background representations, scripts and texts* identified above must be "put into play" (enacted) by "flesh-and-blood" people (Alexander, 2006, p. 33). This is more than being physically present. The actor must enact the *script* in such a way as to make the distinction between *script* and action disappear. As Alexander (2006, p. 34) puts it, the "desire of the actor is to cause the spectator to confuse his emotions with those of the stage character". In this sense, to successfully communicate meaning and energy, the social actor must successfully "project ... emotions and textual patterns as moral evaluations" that the audience accepts and agrees with (2006, p. 34). This description of the actor means that in the rose-giving example above, the one giving a rose as part of a marriage proposal is the actor. That actor tries to convince the audience of his sincerity – in this case, in expressing love. The person receiving the flower is the audience.

#### *3.2.4.2 Audiences*

Audiences are those that observe performances (Alexander, 2012, p. 16). They are the people that judge the sincerity of the performance, whether or not it is real and whether or

not they agree with the performance. The key to the success of the performance is what Alexander (2011, p. 30) calls “cultural extension that expands from script and actor to audience”. Here, the audience must feel more than cognitive observance of the performance. To successfully energise the audience, it must not only observe and understand the *background representations* and *scripts*, but must also experience the “emotional or moral signification” of the acts. When the audience experiences this emotional and moral signification, Alexander (2006, p. 34ff.) calls this *psychological identification*.

Extending the example of the rose still further, the audience is the person receiving the rose with the wedding ring on it. As audience they determine whether the love (symbolic) and wedding proposal (a *script* that expects marriage) are believable. Even when actors are authentic and/or skilled, audiences can decode messages in different ways. The audience might see the performance as *contrived* for personal gain or that the essence of what should be done or said (the right *script*) has not happened.

#### 3.2.4.3 Social Powers

This element of the performance refers to the ability to create, critique and distribute actors’ messages. In terms of a marriage proposal, these are the people, friends and relatives that comment on the appropriateness of the match. Some might criticise the form of the proposal, others might question the sincerity of the actor, still others might suggest only the intended audience can make such a decision.

The mixture of actor, audience and the *social powers’* ability to mediate messages is seen in the changing depictions over time of the emotions related to the Azaria Chamberlain case in Australia. In this case, a mother (Lindy Chamberlain) was accused of killing her baby, Azaria, and blaming a dingo (Brown, 2012). Newspaper reports (*social powers*) emphasised Chamberlain’s “calm demeanour” throughout the trial as a sign of guilt. This *social power* determined that the actor was not convincing because the social power (the newspapers) insisted they knew a woman who had lost her baby to a dingo would be emotional. This example indicates how actors’ performances are not only read as texts with a specific cultural logic; they are also read as *scripts* through their emotional infusion. Thirty-two years after the trial, when a coroner ruled that a dingo had killed Azaria, the report emphasised “there were smiles, tears of relief and loud applause” at the ruling

(Brown, 2012, p. 1). These changing emotional descriptions affect how audiences relate to the actors being described and mediated by *social powers*.

#### 3.2.4.4 *The Fluid Roles in a Performance*

In everyday life, the audience and the actors in any given performance can shift and mutate. For the purposes of this research there are three broad groups of actor/audience relationships. Butler (1993) identifies “the self” as the first combination of actors and audiences. She notes that individuals negotiate their identity with themselves. In doing so, they play the role of both actor and audiences, and sometimes, social powers.

The second level is related to performances that occur between one recognised group and another group, believed to be external to the first group. Alexander (2006) uses as case studies contexts where political *scripts* and *texts* are enacted by politicians that appear as actors in front of communities (audiences), media and other stakeholders (social powers). He notes that public servants produce the *background representations* and *scripts* and provide them to politicians, but his analysis is on the relationship between the politicians as actors and the public as audiences.

For the purposes of my research, the actors in government departments also perform in their own right at each of the two levels outlined above. In addition to these two levels, they also perform as actors and audiences within their department. This is the third level of performance. As a result, government departments are internally differentiated; that is, there are times when the senior management team will be the actors convincing staff, who play the role of audience. Equally, there will be times when the staff are the actors, convincing management. There will also be other divisions within the department where groups of staff and managers act collectively to convince other groups of a particular perspective. Actors are identified by their attempts to convince audiences of the validity of their performance.

The shifting roles between actors and audiences can be seen in the relationship between a government department and its external auditor. In New Zealand, the department (as actor) needs to convince auditors that the presented non-financial performance information is a “true and fair” representation of the department’s performance (compliance with Generally Accepted Accounting Principles (GAAP), (Financial Reporting Council (FRC),

2011, p. 1). Yet, as Power (1997, 2000, 2003) highlights, auditors approach their work through the beliefs and skills of a craft that was designed for financial representations and only with the assurance that misrepresentation would be detected, not a judgement on whether the department is doing the right thing. Hence, if the performance is to be successful, and achieve the legitimating effect that Power (1997, 2003) argues both parties need, the actors must shift the *script* and their actions to meet the auditor's *background representations* (for examples of the complexity and disruptions to how this happens, see Arnaboldi & Lapsley, 2008, Skaerbaek, 2009). After working with each other as actor and audience, the department and auditor then combine as a single actor in order to influence other third party-audiences, such as Parliament, of both the department's and the auditors' legitimacy. These roles in this second performance change, as both department and auditor become actors. Further complicating the performance and its reception is the fact that the performance aimed at the auditor may also be seen by other non-auditors (e.g. through annual reports), and therefore may not be interpreted in the same way, because others do not have the same *background representations* as auditors. Hence, as Alexander (2006) highlights, audiences are multiple and fragmented.

#### *3.2.4.5 Participation and Fluidity in Roles Depends on the Means of Symbolic Production*

Alexander's (2006) framework is designed to consider both symbolic roles, such as actors and audiences, as well as the material means of production. *Material means* refers to the resources required to get a performance seen. For example, when New Zealand politician Rt. Hon Winston Peters tabled documents in Parliament which exposed an alleged tax conspiracy, he presented them in a box that had previously contained wine. The inquiry soon became known as the Winebox Inquiry (Davison, 1997). Peters' access to the means of production is seen in his ability to present information to Parliament, under Parliamentary privilege. Parliament House as a forum provides a space that is seen and analysed by the media. It also affords politicians legal immunity from civil or criminal liability for any statements made.

The means of material production might also be seen in Peters' knowledge of the news timetables and photo opportunities that ensured that the issue was available for air time. Finally, the winebox itself was a prop that could be used to convey meaning (even if the wine had no meaning in this case). Peters had considerable access to the means of symbolic production. However, Alexander (2006) notes that access to material means,

such as the media and other production apparatus, is not the only kind of production. A preacher on the street corner also has opportunity to reach people through symbols and ideas. Material means to display symbols is important but not deterministic. Equally, symbolic meaning is critical to perception but not “primordial” (Alexander, 2012, p. 4). Both material and symbolic means are necessary to successful performances.

### **3.2.5 Cultural Extension and Psychological Identification**

The key to the success of a performance is what Alexander (2011, p. 30) calls “cultural extension that expands from script and actor to audience”. This means the audience must feel more than cognitive observance of the performance. If audiences experience the “emotional or moral signification” of the performance they are said to have *psychological identification* (Alexander, 2011, p. 31). In a successful performance there is reciprocal *cultural extension and psychological identification*. If a performance fails, then the performance will not result in *cultural extension* or *psychological identification*. Instead it will generate *numbness, estrangement, cultural polarisation, and resistance*. For example, if a marriage proposal is deemed to be about property rights and not romantic union, it may be rejected because the audience feels resistant to the collective ownership of what was private property.

### **3.3 Alexander’s Theoretical Challenge to Some Views of Performance**

Alexander’s framework is useful in systemising the study of performance by identifying roles, objects and processes such as *actors, props* and *background representations*. This will facilitate the description of how the PMS is used in my case study departments. Even more relevant to the question of why some organisations attempt to overcome barriers to ongoing PMS use is the way Alexander uses this framework to challenge the fundamental essence, or ontological state, of what constitutes performance of an organisation.

Challenging the essence of something is difficult, because the essence of most things is taken for granted (Butler, 1993). To challenge it, as Alexander does, requires exposure of not only the taken-for-granted categories, but also the other options that could have, but didn’t, influence that interpretation and classification. As a result, Alexander draws on three meanings of performance to expose the circumstances surrounding how and when

performances result in performative effects. In doing so, he contributes a theory to explore why some actors attempt to overcome barriers to action (in the case of my research, barriers to ongoing PMS use).

To explain how Alexander (2006) does this, this section discusses two *interpretative categories* that Alexander highlights the significance of: machine-like and stage-like performance, within the multiple ways that the word performance can be understood. I then explore how this categorisation has affected some prior accounting literature (as outlined in Chapter 2) and the implication of the assumptions by which much accounting literature distinguishes between *reality* and *rhetoric*. Finally, I show how Alexander's conceptualisation of *ritual-like performance*, as an alternative to both machine-like and stage-like performance, provides a new way of systematising the study of subjective performance and affect. I argue that this will shed new light on why some organisations attempt to overcome barriers to ongoing PMS use and others do not.

### **3.3.1 Alternative Conceptualisations of Performance**

"Performance" is a ubiquitous word in contemporary society. A Google search for it returns nearly 3 billion hits. One of these promotes an academic conference entitled "Can performance save the world?" ([www.performingtheworld.org](http://www.performingtheworld.org)). Another advises us of a performance-enhancing drug; another sells us performance shoes. There are "sports performance" clips on YouTube and the list goes on. From this array of scholarly research, advertising and advocacy, we see that "performance" can be used in just about any context. It has verb, noun and adjective forms and can apparently span any topic from cars to mind control. Yet, among this array, there is seemingly a distinction between the "performances" being identified: they are either machine-like or stage-like. Before problematising this distinction, I describe the implications of each and its uses in PMS and other accounting research.

#### **3.3.1.1 Machine-like Performance**

The first OED (2010, p. 1320) definition of "performance" relates to the performance of a task. It states performance is "the capabilities of a machine, product, or vehicle". The definition continues by noting performance is also "the action or process of performing a task or function" or "a task or operation seen in terms of how successfully it is performed".

The example the OED (2010, p. 1320) uses to contextualise the definition is “the continual performance of a single task reduces a man to the level of a machine”.

Associating human performance with the machine is the most common way that accounting research uses the word performance. For example, this kind of language and conceptualisation of performance is seen throughout the literature review outlined in chapter two. Indeed, in that review performance is discussed in terms of the need to “accomplish ... tasks” (Williams et al., 1990, p. 223). Earl and Hopwood (1980, p. 10) state “we do not seek to question the necessity for rationalisation machines” to “create rationale for action”. Moreover, Czarniawska-Joerges and Jacobsson (1989, p. 29) specifically invoke the “machine metaphor” in their work on budgeting as a symbolic performance.

Hence, performance from this perspective is the efficient functioning of human resources in the achievement of pre-set goals. This conflation of the human task with the functioning of the machine is made possible by previous modern thinkers that have already established this linkage. For example, Descartes declares that “the living body is not fundamentally different from the lifeless, it is a kind of animated corpse, a functioning mechanism” (Leder, 1998, p. 119). Equally, contemporary management and performance measurement texts hold the machine out as the “ideal”. For instance, Merchant and Van der Stede (2007, p. 12) claim that automation is a solution to management control, as machines such as robots are more consistent in replication, more accurate, and do not suffer from motivational lapses.

The cover of the Merchant and Van de Stede (2007) textbook reinforces this view of performance – it depicts a mass of train tracks. The overall effect is disjointed and chaotic, but each and every track is set with a finite destination and direction to travel, all heading towards a distant station. In this management control-orientated sense, PMS are designed to get the human resource of an organisation to perform like a machine in the fixed grooves of a railway. This is what I am calling machine-like performance. This machine-like definition of performance is relatively unproblematic in the sense that machine-like performance is deemed to have an essence, an ontological state. As a result, those performing in a machine-like fashion have an essence to imitate; that is, a fixed ontological state for performance to be measured against.

The second way of describing performance (stage-like performance) is more interpretative than this, but it is not absent from accounting literature. For example, although Czarniawska-Joerges and Jacobsson (1989, p. 29) invoke the “machine metaphor” they do so in describing budgeting as a symbolic performance. In this context, Czarniawska-Joerges and Jacobsson (1989) are linking machine-like performance to the use of symbolic meaning rather than performing a task. Their article considers the second way of describing performance, that of stage-like performance.

### *3.3.1.2 Stage-like Performance*

The second OED (2010, p. 1320) definition of the word performance relates to an artistic, theatre or live performance of some sort. In this sense it means “an act of presenting a play, concert, or other form of entertainment; act of performing a dramatic role, song, or piece of music” (OED, 2010, p. 1320). Including the word entertainment in this definition of performance suggests the idea that plays or concerts can be characterised as not having an essence but are created only to entertain or persuade, which is similar to the meaning of the word rhetoric.

The allegory of stage-like performance in the academic analysis of everyday life has a long history (Goffman, 1959) and more recent use in accounting. For example, a significant amount of management and accounting work has used dramaturgy and institutional theory to consider the way that legitimacy and impression management is achieved in organisations (Bealing et al., 1996; Clark & Mangham, 2004; Covalski et al., 2003; Mangham & Overington, 1987; Pentland & Carlile, 1996; Sharma, 2007). Fewer studies have focused on the theatrical elements of Goffman’s (1959) original work; nevertheless it has appeared either on its own or in conjunction with other theories, such as overflowing and framing (see e.g. Christensen & Skaerbaek, 2007). These theatrical elements formed the basis of Alexander’s (2006) framework for analysing group performances, as described in Section 3.2.

### ***3.3.2 Problematising Machine- and Stage-like Performance: Reality and Rhetoric***

A key connotation of the stage-like performance is that it is fictional or not real. That is, a stage-like performance is seen as having no essence, and hence is merely a representation. A representation without essence has limited consequence. However,

when an essence does exist, such as dramatisation of a real event, its representation creates the possibility of false representation. Furthermore, knowing when a stage-like performance is real is sometimes difficult. Goffman (1959), for example, argues that not only do performances happen on the stage; everyday people also manage their interactions with others as if they were stage-like performances. From this point of view, performances in everyday life can be very subversive, because life is assumed to have an essence, a reality, and any deviation in the enactment of that essence can be perceived as false. For example, assets, liabilities and equity might be seen as the essence of GAAP-compliant reporting; when used correctly they will provide “true and fair” reporting (FRC, 2011, p. 1). Any deviance from this model might be fraud.

A suspicion of the gap between real and rhetorical performances is clear in accounting research. This suspicion has led to a productive research stream on the use of accounting for legitimising purposes rather than performance improvement (see e.g. Power, 1997, 2000, 2003; O’Dwyer, Owen & Unerman, 2007). Indeed authors such as Power (1997, 2000, 2003) have noted that such legitimising aims may actually subvert task accomplishment and hence machine-like performance. In terms of reporting, Christensen and Skaerbaek (2007, p. 105), using Goffman (1959) as a base, note that performance management reporting might include “false representations of reality”. Further, Chang (2009, p. 145) claims that these types of representations are for the purposes of impression management to gain a “favourable image”. These authors all imply that there is a definition of performance (an ontological state) that can be both subverted and falsely represented and that researchers need to expose both the reality and the rhetoric.

Yet, if one unpacks Chang’s example, rhetoric may not be as false as it appears. I will use Chang’s (2009) analysis of impression management to show this point. Chang (2009) claims the UK government of the day (the Labour Party) subverted the National Health Service (NHS)’s “star rating” system by making waiting times more important than clinical quality measures. If performance is seen as a fixed ontological state, then his argument is convincing. He shows how the government systematically weighted ratings to prioritise waiting times over other professional views of quality healthcare. Chang (2009, p. 145) also shows this created a “favourable image” with the public. He implies that this impression management was rhetoric because it did not include clinical measures, which he implies, formed the real story about performance, *the* description of this ontological

state. That is, the real or perhaps “true and fair” description of performance (Financial Reporting Council, 2011).

However, despite his argument, Chang (2009) also meticulously highlights that the Labour Party never claimed it was rating general hospital performance. Rather, he notes, the Labour Party claimed that the public considered waiting times a priority and so the PMS they created gave weight to this priority area. If it is right that the public valued waiting times, then from their perspective the Labour Party showed the public which hospitals performed in terms of waiting times.<sup>9</sup> This example shows that performance is not only what clinicians define it to be but also an *interpretative category* whereby the public (as represented by the Labour Party) have a different view of performance but one nevertheless just as valid. This is what Walker et al. (2013, p. 224) call multiple but “equally valid” perceptions of *interpretative categories*. In these terms then, the Labour Party was not necessarily using false rhetoric, but providing an accurate representational report on what citizens voted for. Hence it is an example of the accountability function of democracy in action.

Chang (2009) uses a fixed idea (ontological state) of the definition of performance, one which is related to professional views of good clinical performance measures. As a result, in his mind, the Labour Party presented a false view of hospital performance, for the purposes of persuasion (rhetoric). An approach like Chang’s (2009) prevents analysis of performance as an *interpretative category* within multiple meanings of the notion of performance.

Using a perspective that takes performance as an *interpretative category* (an interpretative construction of reality) results in moving beyond identifying *reality* (clinical measures) and *rhetoric* (waiting time measures) to highlight that reality is constructed by those who are shaped by, and are shaping, the construction (Modell, 2012). This perspective hints at the

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<sup>9</sup> This argument is only possible because Chang did not question whether the Labour Party was right to claim that “the public” cared most about waiting times. Indeed, as Chang (2009, pp. 157–158) points out, they never claimed these were the “best hospitals”, they just reported on changes in waiting times (and some minor acknowledgement of other factors). It is only if the public does not care about waiting times or cares more about the same measures as the clinicians that Chang’s argument that the public was misled can be sound.

need to question whether a reality/rhetoric split is as clear-cut as some of the accounting scholarship on legitimation suggests.

Alexander's (2006) contribution to this perspective is to problematise the distinction between *reality* and *rhetoric*. He draws on early theorists, such as Austin (1955[1975]) and Goffman (1959), who questioned this *reality/rhetoric* split. The basis of their argument is that because stage-like performances are real, in the sense that they exist in a particular time and space, other concepts are needed to understand how people interpret and act on *background representations, scripts* and *texts*. Goffman's (1959, p. 72) point is that "all the world is not, of course, a stage, but the crucial ways in which it isn't are not easy to specify". "Everyday life" is Goffman's (1959) preferred term to describe the idea of reality. As a result, Goffman (1959, p. 72) observed that while people in everyday life were not consciously "acting", social positions required "something like role-playing" in order for a person to be recognised in that role. In this sense, choosing the right tone, style of speech, clothing and so on become part of a credible performance because, as Goffman (1959, p. 72) argues, "life itself is ... enacted".

Austin (1955, p. 7ff.), taking a linguistic approach to performance, offered some new vocabulary to overcome the reality/rhetoric split. He introduced the terms "serious" and "non-serious" performance. This is because performances, regardless of whether in everyday life or on the stage, can address real matters, sometimes as consequential as abuse, adultery, treachery, murder, and so on. He wanted to challenge the reality/rhetoric divide in order to question the meanings attributed to acts in everyday life and those on the stage. He demonstrated that the effect of a performance, not its location, was what mattered to its ontological status. Performances were serious when they had consequences and non-serious when they did not. Austin's (1955) theory anchors the idea of consequences to performance. Performances that have consequences can be said to be *performative* or have performative effect (Alexander, 2011, pp. 9–10). Performative effect means that things happen as a consequence of the performance. Understanding this process will be crucial to understanding why some organisations attempt to overcome barriers to ongoing PMS use and others do not. Yet Alexander's contribution is not performativity itself. He draws his notion of performativity from Butler (1993) and it is worth exploring her theory momentarily, to see how Alexander has combined it with stage-like performances and adapted it for use in political and public sector contexts.

Butler (1993) challenged whether the categories of female and male were ontological states. She suggests there is no essence (ontological state) to these categories, only interpretations of what females and males are. As a result, she contributes significantly to the performative approach to studying everyday life. She (1998, p. 29) argues (focusing on her subject matter of gender) that gender is not given; it is a “process of becoming”. This means that we do not merely perform our gender; we also need to constantly (re)perform it for it to be recognised and taken seriously. In each and every circumstance, people act out their gender expectations either by confirming or resisting the expectations determined by their (assumed) sex. She argues that successful performances of gender are when the audience perceives the person’s gender, their sex and their essential identity to be identical. Audiences then see that the person *is* female, rather than enacting femininity or female-ness. This means each person has to constantly perform their gender, and perform it in ways that reaffirm the inseparability of the sex and gender performance. When a person gets this performance “right” their performance is deemed to be real, or to use Austin’s (1955) term, serious.

Highlighting the seriousness of gender performances, Butler (1993) compares stage performances to those in everyday life to reveal one significant difference that Goffman (1959) omitted. To illustrate this, Butler (1993) shows how the drag show disrupts the expected conflation of performance and essence. A drag show challenges the external conflation of sexual organs with gender identity for all that view the performance. However, because this disruption occurs on a stage, she argues that it “need [not] have any consequences for real life” (quoted in Loxley, 2007, p. 142). This does not mean that there might not be consequences – the fate of those actors and writers who lost their heads as totalitarian regimes disagreed with their “performances” is, indeed, to use Austin’s (1955) term, a serious matter. However, people can choose to perceive the consequences of performances differently, if initiated on the stage. On stage they can be ignored; they can be dismissed as entertainment. The challenge of a “drag performer” when one appears in everyday life, Butler (1993) argues, is completely different. These performances that disrupt gender expectations challenge not merely specific, taken-for-granted events such as using the bathroom (Daily Mail, 2012). The enactment of this disruption challenges the fundamental assumption of the ontological state of gender and the fixed identity of a person (Beemyn & Rankin, 2011). This challenge (at a subconscious level) reveals the *interpretative categories* of all reality and all identity. Butler’s (1993) perspective highlights

the contingency and fluidity that challenges modern ideals of stability (Unerman & O'Dwyer, 2004) which previously provided ontological security.

All this theoretical discussion of gender expectations seems a far cry from “serious” PMS. Yet some accounting research has considered the advantages of this kind of ontological fluidity. Cuganesen, Boedker and Guthrie (2007) seek to overcome the suspicion of the reality/rhetoric split by considering how the fluidity of a concept (such as intellectual capital) actually helps the idea mutate (perhaps decoupling along the way); the mutation can then become relevant and useful so that unification of action and reporting occurs. While much accounting research puts suspicion on decoupling and ambiguity, Cuganesen et al.'s (2007) research supports the idea that ontological insecurity of a concept might be useful. They emphasise that as reality is (re)constructed in a unified way, the transition stage of decoupling can transform into a reality (ontological stability) for staff, managers, and their audiences.

Despite the potential in this line of research for understanding subjective notions of performance, even Cuganesen et al. (2007) end their analysis by justifying the “temporary” separation of reality and rhetoric upon the idea that the *interpretative category* transforms back into reality (a fixed ontological state) once its usefulness as rhetoric is complete. This is reminiscent of a return to the ideal of machine-like performance, where the fixed consistencies of the machine are the performance goal. In a non-serious, that is fictional but deliberate, critique of this machine/human performance perspective, Kafka (1919) writes of a man being written on by a machine that enfolds his body into an enormous typewriter which marks language on and in his body, repeatedly, until he dies. This machine, which is only capable of repeating and marking the same message into the man's (now broken) body, is a “serious” critique of the analogy that people are (or can become) machines. Loxley (2007) argues that in the context of both Kafka's short story and everyday performances (such as people becoming what their PMS intend), the distinctions between serious machine-like performance and rhetorical stage-like performance become blurred. The link Butler's (1993) view exposes between identity and performance reminds us that even if the machine killing the body is too extreme as a metaphor, systems such as PMS influence not only our completion of tasks but might also affect how we think and feel about ourselves, our organisations and our identity.

Problematizing the clear-cut distinction between machine-like and stage-like performances opens new possibilities for seeing both types of performance in a new light. This “performative turn” (Fisher, 2014) draws attention to questions of whether a person’s performance of their identity, and the organisation’s performance of its identity, is perceived as real because it is part of what the organisation is – its essence. In contrast, the individual or organisation might disagree on what the essence is, and enact a different performance than the one expected, but still believe it to be authentic. The problem with exposing this kind of ontological insecurity and the multiple *interpretative categories*, which might be “equally valid” (Walker et al., 2013, p. 224), is that the relativising does not inform PMS implementation. That is, if both Chang’s (2009) and the Labour Party’s definition of performance are simply different, rather than one being rhetoric and the other reality, how does that aid in the implementation of PMS, except to reinforce the existing research that suggests “broader” measures might be needed (de Bruijn & van Helden, 2006)? While Butler’s (1993) perspective opens a possibility, a new way of thinking, we need to “stretch” her work to make it more usable in accounting (Mckinlay, 2010, p. 232). Alexander’s theory provides the type of stretch needed. He draws together Goffman (1959), Austin (1955), Geertz (1973) and Butler (1993) (among others) by asking how people negotiate these *interpretative categories* and what facilitates and prevents them arriving at a consensus or at the very least, an acceptance that it is a “reasonable account”, or at least *no reasonable alternative* exists (Alexander, 2006, p. 32). This ability to arrive at a consensus in the face of ontological insecurity might shed light on the entities that attempt to overcome barriers to ongoing use of PMS and those that do not. Alexander (2006) does this by centring ritual-like performances within his approach.

### **3.4 Alexander’s Ritual-based Theory of Performance**

As noted previously, Butler’s (1993) approach exposes the link between identity and both individual and organisational performance. By making a connection between performed identity and everyday life, this approach suggests that the analytical power lies not in the separation of two kinds of performance, stage-like (rhetoric) and machine-like (real). The focus needs to shift to audiences’ and actors’ interactive effects in coming to agree on the essence of the performance. Alexander does this by looking at performances that have serious or consequential effects in everyday life, and he uses ritual as a lens to do this.

Ritual-like performance is a more complicated conceptualisation than either machine- or stage-like performance because the essence of a ritual is hard to pin down, suggesting it might not have one. Like PMS, it lacks an agreed or analytically useful definition. One ritual theorist (Bell, 1992, p. 69) even notes how “little certainty there is in ‘identifying either ritual’s centre or boundaries’”. However, what Alexander (2006, p. 29) is interested in is the process that occurs during a ritual whereby ritual is the “simplified cultural communication in which the direct partners to the social interaction and those observing it share a mutual belief in the descriptive and prescriptive validity ... and ... authenticity of one another’s intentions”. Alexander draws our attention to how these beliefs come to be shared. That is, how people come to believe in a shared idea despite the cynicism, critique, “unbelief” or fragmentation of the people, issues or, more generally, “our times” (Alexander, 2006, p. 31). In a sense, he is combining a study of how people reach a view that a performance is machine-like, and he does so by exploring the rhetorical processes used in stage-like performance to guide audiences to reach that view.

In addition to the idea of linking machine-like and stage-like performances, Alexander (2006) also highlights the significance of identity building that occurs in these processes and how this is tied to the energising belief of the moral goodness of what is being done. This linkage, Alexander argues, is what makes a performance ritual-like. And finally, if a performance is ritual-like in its consequences, then the group will be “energised”, gain a “shared sense of identity” (Alexander, 2006, pp. 29–30), and “produce integration” (p. 31) or “comfort” (Pentland, 1993). Ritual has its efficiency and effectiveness in providing transference of meaning, comfort, identity and a sense of belonging, which enable and empower action, especially action directed at change.

As Alexander (2006) contends, this ritual-like element is crucial in contemporary society because society is fragmented in terms of the cognitive basis upon which people make judgements about performances. That is, the *interpretative categories* they use to classify performance are substantively different. If, as Butler (1993) and others argue, people are looking for a correlation between a performance and an essence, yet they “frequently do not accept the validity of one another’s intentions and often disagree even about the descriptions that people offer for acts” (Alexander, 2006, p. 30), they need ways to come to a “mutual belief”. Alexander (2006) argues that this is done through “flesh and blood” ritual-like performances that result in emotional energising and acceptance of the moral status of certain acts. Introducing ritual-like performance allows Alexander to focus

attention in a different place to many performative theories. The study of ritual centres the performative effects of the energising belief in the moral goodness of what is being done, or, at the very least, a moral belief that there is *no reasonable alternative*. The energy that rituals create imbues significance onto processes and objects and this motivates and mobilises action. Alexander's theory makes explicit linkages between strategy, ritual and performance. This creates a framework for examining how PMS are used to create ritual-like effects on the moral evaluations of actors and audiences.

Thus, Alexander creates a new understanding of the terms success and failure when it comes to performance. He claims a performance is ritual-like when it energises its audience. He calls this success. However, at the other end of the continuum, if audiences remain unconvinced by a performance, because they think it is contrived or fake in some way, then it is a failed performance. Furthermore, the nature of the performance, machine-like or stage-like, is not indicative of the possibility for success. Some staged performances are more successful as rituals than attempts to be machine-like. For example, to return to the discussion of the UK Labour Party and the NHS star rating system, the Labour Party appears to have failed to convince Chang (2009) of the reality of their performance, given his reaction to the NHS star rating system. He (2009, p. 145) does not describe it as an authentic attempt to steer hospitals towards improved waiting times, but rather an attempt to create a "favourable image". Labour's performance was not, in Chang's description, successful at energising him to believe in the advantages of the star rating system. Since the Labour Party lost the next election, it would seem that Chang (2009) was not the only one that was unconvinced.

### **3.4.1 Success and Failure in Terms of Ritual-like Performances**

As a result of questioning the solid distinction between reality and rhetoric, Alexander's perspective on success and failure is also different from much accounting research based on a view of ontological stability. To explain performances of success (energising and unifying the group) and failure (performances being perceived as artificial or contrived), Alexander (2006, p. 32) argues that "to be effective in a society of increasing complexity, social performances must engage in a project of re-fusion". The concepts of re-fusion and de-fusion are similar to coupling and decoupling (Dimaggio & Powell, 1983; Meyer & Rowan, 1977), with some crucial differences. The predictive element is the same. The success of a social performance in a fragmented society depends on the ability of the

actors to re-fuse the elements of performance, making it more *ritual-like*. Performance failure occurs when de-fusion remains obvious to the audience. In contrast to current uses of institutionalism in accounting research, Alexander (2006) is interested in projects that attempt re-fusion. He takes failure as the norm in fragmented societies – and here his ideas echo Kurunmaki and Miller's (2006) description of government as a "congenital failure". Hence, studies of decoupling would not be the focus of research influenced by Alexander (2006). Rather, he encourages research to explore the processes that are used to re-fuse society.

To use his theory for analysis (and this is where it differs from institutional theory), Alexander unpacks the symbolic, cultural and emotional elements of performance and relates them to the material means of production. As the complexity of the diagram of performance elements reminds us, there are numerous ways in which performances can fail. This is because all these elements must fuse together for a performance to be deemed successful by actors and audience alike. Furthermore, Alexander's use of ritual-like performance means that success is not judged on whether a PMS becomes a routine in an organisation. Rather, it is only successful when and if it is used to make things happen. It is the performative effect of the ritual that forms the basis of analysis within Alexander's theory of performance, not whether people go through the motions of formalistic process. This contrasts with many existing accounting considerations of ritual (Gambling, 1983; Power, 1997).

While previous studies have examined situations where an organisation's functional purpose is subverted in order to achieve its legitimating function or to give participants comfort, which is characterised as ritualistic (see e.g. Carrington & Catusus, 2007; Power, 1997), Alexander uses his concept of ritual-like performances to analyse the creation of ritual-like energy that comforts and also unifies the group in such a way that it attempts to overcome fragmentation, difference, and other specific barriers to achieve group goals. This approach reframes performance and ritual from being an essence, as being true to oneself, to performance being an ongoing continual creation that has consequential effects. These effects either energise audiences, thus empowering collective action, or the performance is perceived as inauthentic and demotivates audiences and actors. In terms of PMS, Alexander's theory suggests organisations will attempt to overcome barriers to ongoing use of PMS when ritual-like energy not only creates comfort but also encourages

people to overcome barriers and unify around moral aims, such as “official intentions” (Power, 2000, p. 115).

### **3.5 Why Hasn't Alexander's Theory of Performance Been Used in Accounting Before?**

Alexander's theoretical work, developed as a professor of sociology at Yale, has received limited attention in accounting research. Alexander (1982) has been quoted by Ezzamel (2009), but only as a reference to summarise the significance of Hobbes's work to modern thought. This limited attention may stem from the accounting discipline's rather narrow use of the word ritual. Alexander does not use the word in the pejorative sense. He does not associate it with “hollow form” or meaningless compliance, as it often is used in accounting (see e.g. Czarniawska-Joerges & Jacobsson, 1989; Power, 1997).

Alexander's (2006) theory of performance also shifts concentration from the materiality of practices to leave room for the invisible elements of the meaning-making process – cognition, emotion, creativity, and others. This allows Alexander the freedom to demonstrate the link between integrative, affective and symbolic communication, material objects, and practice within groups. According to Alexander, symbolic action (invisible forms of knowing and communication) are not always and not merely self-seeking aggrandisement, or “survival” tactics (Samkin & Schneider, 2010, p. 263). Symbolic action and legitimacy are necessary (but not sufficient) to enable and perhaps empower practice. Furthermore, Alexander (2006) argues that studying practices alone (without symbolic action) should be replaced by the “more multidimensional concept of ‘performance’” (2006, p. 29). His words echo the calls of some management accountants who are on a parallel course, arguably with the same desire (see e.g. Modell, 2012) – yet Alexander's meaning would change the models of performance used in prior accounting research of the public sector (as discussed in Chapter 2). To Alexander (2006), ritual provides the unifying concept that links symbolic action and material reality. Accounting has been suspicious of these invisible elements of performance, which may explain its reluctance to use theories that make such creativities visible. For example, Power (2000, p. 115) only associates the word “creative” with activities that “frustrate official intentions”. Given that words such as ritual, creativity and emotion have not been the focus of accounting research, it is hardly

surprising that a theory that puts them at its heart has been overlooked by accounting scholars.

### 3.6 Summary

I began this chapter by outlining a framework of performance elements underpinning Alexander's (2006) theory of performance (see Figure 1). When actors can fuse these elements and act in unison, then the performative effect of the ritual-like performance is achieved. A ritual-like performance results in a collective energising, and in that state the individual actors and audiences form a group that can achieve significant change or significant resistance to change in society, the workplace, or whatever domain the group inhabits. I intend to examine this ritual-like performance within the context of departments that are attempting to overcome barriers to ongoing PMS use.

Alexander's theory draws on anthropological understandings of the term ritual to indicate the meaning-making symbols and processes that people use to create group unity around the moral acceptability and goodness of certain actions in the face of ambiguity or conflict. Alexander's theory combines the material means of production with an understanding of how human beings emotionally respond to, and unite around, symbolic meaning. In his notion of performance, he argues that human beings cannot separate their instrumental and emotional or symbolic values, hence he promotes the study of them all, at the same time. Drawing on Butler (1993) (and others) his theory makes visible the human need to give meaning and emotional weight to instrumental action. As Christensen and Skaerbaek (2007, p. 120) note, activities are otherwise fulfilled (if done at all) with "little passion" and, I argue, it is this passion, or as Alexander (2006, p. 31) calls it (at the group level), *cultural extension* and *psychological identification* that enables humans (collectively) to persevere through institutional and other barriers to ongoing PMS use.

What is interesting about public sector PMS, from a theoretical perspective, is that it needs to be seen to be machine-like to serve the *background representations* of efficiency and effectiveness, as identified in Chapter 2. In addition, the performance must also be ritual-like if departments are to attempt to overcome barriers to ongoing PMS use. Because collective energy (*cultural extension* and *psychological identification*) will compel action,

PMS that are developed through ritual-like performance are likely to have more longevity than those developed through cognitive agreement with PMS benefits.

Previous research suggests task completion (machine-like behaviour) is not enough without emotional energising. In addition, emotional energising that is hollow in form, or worse “frustrates official intentions” (Power, 2000, p. 115), is also not enough to compel actors to continue attempting to overcome barriers (see e.g. Johnsen, 2005; Pollitt, 2006).

In sum, Alexander’s theory not only provides a new definition of performance but also new definitions and criteria for success and failure of performance. This new approach offers the opportunity to better understand the emotional and symbolic processes that people use to seek unity in their understandings and enactments of organisational performance. Alexander’s theory also marries the symbolic and the material, ensuring neither side dominates research. Finally, Alexander’s theory specifically focuses on human intentionality and agency. This means that while institutional and non-human elements have a place, his theory allows a focus on how human’s *re-fuse* energy and passion into audiences to convince them of the authenticity of action and hence provide the rationale to persevere through institutional and other barriers to ongoing PMS use. The features of this theory enable the data collected in this research to be interpreted as *interpretative categories* and hence expose the implications of notions of performance and affect for understanding PMS use.

## **4. RESEARCH METHODOLOGY AND METHOD**

### **4.1 Introduction**

This chapter outlines the research methodology and methods used to investigate departmental public servants and their PMS to answer the research question:

Can a re-examination of the notion of performance, combined with a consideration of the affective aspects of PMS, provide new insights as to why some organisations attempt to overcome barriers to ongoing PMS use?

First, the ontological and epistemological foundation of the study are outlined. This is followed by an outline and rationale for the methodological perspective, the research design, the methods, and finally the recruitment methods for the case studies and interviews. Details are also provided on the interview process, interview protocol, and there is some reflection on the strengths and limitations of this methodology and methods for answering the research question. The chapter concludes by describing the ways in which the collected data were analysed.

### **4.2 Methodological Gaps**

As outlined in the literature review (Chapter 2), there have been calls for new approaches to studying PMS. Some of these have suggested research should be founded on the interpretations and experiences of PMS practitioners, inside and outside the finance units of public services (van Helden, 2005) and bottom-up views of PMS (Groen et al., 2012). Furthermore, previous studies of PMS in government departments have been dominated by surveys and document analysis (Chia & Koh, 2007; Hoque & Adams, 2011; Hyndman & Connolly, 2011; Lee, 2008; Williams et al., 1990). If research is to respond to these calls for more understanding of the practitioners' perspectives, it is important to add the "insider" voice to existing research. This can best be achieved through qualitative research conducted using an interpretivist perspective.

### **4.3 Filling the Gaps: An Interpretivist Perspective**

A research methodology must be appropriate to the research question. The research question of this study considers why organisations attempt to overcome barriers, and this, combined with Alexander's classification of performance as an *interpretative category*, assumes that there is "active involvement of people in reality construction" (Bryman & Bell, 2007, p. 25). Such an approach requires gathering evidence on how people think about performance and how they enact their PMS. The investigation of how people think and feel about systems and hence how and why they enact them the way they do does not lend itself to large-scale quantification or a search for "centralising tendencies" (Simons, 1995, p. 24). Instead this research focuses on contextualising interviewees in their own frame of meaning.

#### **4.3.1 Ontological Position**

Alexander's ontological position, and that informing this research, is derived from Butler's (1993, pp. 94–95) form of performativity, which recognises the performative nature of reality and its construction by individuals. As a result, the research is positioned in the view that all phenomena can have variable ontologies that change depending on their interaction with other phenomena, and that hence all things (including humans) are in a constant "state of *becoming*" (Butler, quoted in McRobbie, 2005, p. 91, emphasis added). Butler's (1993) perspective gives agency to human beings who are viewed as being in a constant state of becoming. As Dubrick (2005, p. 391) describes it, "performance stand[s] in distinction from mere 'behaviour' in implying some degree of intent". While Dubrick's (2005) pejorative use of "mere behaviour" is uncalled for, given the productive behavioural research in accounting (see Franco-Santos et al., 2012, for a review that includes behavioural literature), he does make a specific point. Performance is judged on the achievement of its intent. That is, people choose conformity and/or resistance to societal views of an object's expected (thus assumed intentional) essence. In Butler's (1993) case she focuses on how people become women every day through their "performance" of gender expectations. Using the same perspective, Dubnick (2005, p. 393) notes that public servants have "constitutional competence" and are expected to be in a constant state of becoming public servants as judged by their performance of these competencies. Butler (1998, p. 29) also highlights that people need to constantly repeat (or reject) this "process of becoming". In this sense, this research recognises that the same is true of a PMS and a

person's role in implementing it; and it is also true of an organisation, which is in the process of *becoming* what its stakeholders (inside and outside the organisation) want/expect.

#### **4.3.2 Epistemological Position**

This research is also situated within an epistemological position that crosses disciplinary boundaries and takes an interpretivist perspective (Bryman & Bell, 2007, p. 19) in which “there is no objective reality but instead multiple realities” (Bailey, 2007, p. 53). This means I am not seeking to prove a causal relationship between variables. Instead I take the perspective that “if people define a situation as real, it will be real in its consequences” (Agar, 2010, p. 291). This perspective informs the way I examine departmental public servants' perceptions of PMS. For example, this epistemological position makes relevant consideration of how people construct their reality in order to enact their PMS. This is appropriate because I will be describing perceived effects (consequences) of the PMS in general and tracing the public servants' views of the reinforcing, stabilising effects that contribute towards attempting to overcome barriers to ongoing PMS use. This will provide insights into the relationship between people's meaning-making behaviour (in terms of performance), the emotional consequences of their decisions (affective elements), and how performance management is enacted. These insights will be used to generalise ideas for use in improving theory about ongoing PMS use in the public sector (in the concluding chapter).

#### **4.3.3 Situating the Researcher in the Text**

The interpretivist research approach recognises that “what is learned in research does not exist independently of the researcher” (Bailey, 2007, p. 54). For me, this means my experience and status affects the research in subtle as well as obvious ways. Taking this into account at each stage of the research will be significant for the trustworthiness of the research (Bailey, 2007, p. 54). As a result, I acknowledge my perspective as a female researcher with significant experience in the public sector. I have been both a manager and principal analyst developing and implementing PMS, and I have worked for central agencies that control and mandate various parts of the public management system (including performance management). This experience over 18 years informs my understanding and interpretation of participants' perspectives.

Given the small size of the New Zealand public sector, I have also met many of the interviewees before in various professional roles, and observed many of them progress through the levels of public service. This helps establish trust and also focuses the investigation on participants' experiences of the system, rather than descriptive accounts of the system's characteristics, which the interviewees tended to assume I know. My "closeness" to the subject matter also makes the concept of empathetic identification significant (Patton, 1990, p. 48). Empathetic identification is the ability of the researcher to comprehend the participants' stories and the meanings participants attach to them. Empathetic identification is an aid to the interpretive researcher who is trying to learn about "the actor's definition of the situation" (Schwandt, 2007, p. 39). This insider perspective is useful for qualitative enquiry. Qualitative research aligns with the aims of the interpretivist research approach and opens for discussion the multiple meanings attributable to daily events (Bailey, 2007, p. 53).

My substantial experience in the public servants' world means I am sensitive to the various jargon and language games used by participants (Austin, 1955) and the incentives and pressures that they face. My experience created a degree of "closeness" whereby, even in an interview situation, I had a sense of how the stories participants tell me are located in space and time (Patton, 1990, p. 48). My closeness means I need to spend less time getting to know the industry than a true outsider would (Patton, 1990, p. 48). Nevertheless, this perspective does not lend itself to a "search for inner meaning from the participants" (Silverman, 1997, p. 209), which is not the intent of the research question. Rather the research is designed to draw insights from following the effects of particular institutional arrangements (of PMS) with people's emotional and cognitive responses. Taking an interpretivist perspective enables iterative understandings to be developed and tested with research participants. In this way, this information is "not simply [a collection of] accurate or distorted pieces of information but provide[s] the researcher with a means of analysing the ways in which people consider events and relationships and the reasons they offer for doing so" (May, 1997, p. 131).

The interpretivist perspective recognises that researchers "cannot totally leave behind their understanding of the world" and interpretivist researchers "reject the view that value neutrality is essential to the research process" (Bailey, 2007, p. 54). This does not mean, however, that the research is not rigorous. Critical reflection and self-awareness become

the key tools for the researcher interpreting the stories they are told. I will do this within Alexander's (2006, 2011) theoretical lens in order to provide new insights that improve performance management theorising. My experience increased trust between myself and the participants because the participants knew I had experienced their situation and understood the pressures that they face. In addition, research participants also benefited from the research as it was an opportunity to "offload issues and concerns" and in particular to "think through problems" with someone who had not only experienced their situation, but was also knowledgeable regarding research and examples that may help them with their problems (Bryman & Bell, 2007, p. 481).

Of course, a potential weakness of any study is that the researcher's previous experience unconsciously prevents the researcher from hearing the participant's perspective (Bryman & Bell, 2003; Patton, 2002). Furthermore, interviews are known to be mediated encounters. Nevertheless, if the presuppositions of both researcher and researched are made transparent and form part of the analysis, this can provide "an essential way of understanding and explaining social events and relations" (May, 1997, p. 131). To mitigate this potential weakness, during interviews I presented interviewees with alternative perspectives to those they discussed. These alternatives were taken from other interviews and from the literature. As new ideas surfaced, I could probe and reflect on differences between the participant's circumstance, that of other interviewees, and my own experience. This enabled reflexive conversations about PMS in the specific context of each interviewee. This is consistent with the interpretivist approach.

#### ***4.3.4 Summary of the Benefits of the Interpretivist Approach***

In sum, regarding my position within this study, I built on the strengths of my position inside the public service. My experience as a senior public servant in both sector-specific agencies and central agencies meant I had the trust of my interviewees and they could speak freely, knowing I understood their position and their jargon. I also have similar experiences to theirs, and so they did not feel vulnerable discussing their motivations, feelings and insights, as they might with a complete stranger. As a result of this position and level of trust, the use of an interpretivist approach is necessary to give these participants voice and to ensure that their varying perspectives are recognised. While there has been an increased focus on qualitative and behavioural research into management accounting and performance management, an interpretivist perspective

allows an opportunity to explore the experiences and perspectives of the individuals who enact PMS. This affords the opportunity to uncover new insights into the practice and enactment of PMS in the public sector. This comes close to answering van Helden's (2005) call for joint fieldwork to be conducted by accountancy researchers and public officials. Despite the benefits of this approach, during the analysis I was also conscious of ensuring that the voices of the participants were heard, and not entirely controlled by my own experiences (Bailey, 2007).

#### **4.4 Research Method and Design**

The research method and design of this study took into account the researcher's access to public sector officials and also broadened the range of people usually studied in relation to PMS (Franco-Santos et al., 2012; Groen et al., 2012). This site and focus extends existing accounting research which, according to van Helden (2005, p. 114), is not yet fully cognisant of "what is really going on in the public sector" and that "generally speaking, the authors [in leading accounting journals] ... tend to mainly stick to their academic background". This means accounting research tends to focus on the diffusion of accounting techniques from the finance department and on areas where "cost provides a competitive advantage" (Langfield-Smith, 2008, p. 206; see also Ezzamel, Liley & Willmott, 1997; Lapsley & Wright, 2004; for an exception see Tillema & ter Bogt, 2010). Within the public sector, competitive advantage is only a relevant consideration in specific circumstances; hence there is a view that accountants and accountancy have little to offer in discussions of effectiveness, or even efficient business processes, let alone significant policy debates. As a result of this perceived disconnection in the public sector between what counts as performance and tangible "bottom-line results" (Ezzamel et al., 1997, p. 457; see also Ball, 2001; Brignall & Modell, 2000; Liguori, Sicilia & Steccolini, 2009), accountants, accounting techniques, and accountancy information seem increasingly removed from the relevance of everyday public management. To widen the debate regarding PMS and its usefulness in the public sector, this study started with the chief executive (CE) of the departments studied and then used snowballing methods to follow the chain of people believed to be significantly involved in PMS (this is described more fully below in the section on interviewee selection). What is relevant to note at this point is that in only one of the three case study departments was the Finance Manager naturally

identified as a potential interviewee. In the other two departments the Finance Manager was identified as an interviewee after a question from me.

#### ***4.4.1 Case Study Method***

The case study research method focuses on the details of a specific person, action or event (Yin, 2009, p. 17). It is an empirical inquiry that investigates a topic in depth and within its real-life context. It uses multiple data sources to cope with the consequences of a real-life context, where there will be “many more variables of interest than data points” (Yin, 2009, p. 18). The case study method is best used when research questions ask “why” and “how” questions (p. 2), such as why some organisations attempt to overcome barriers to ongoing PMS use. The method also benefits from theoretical assistance to focus data analysis, given the wide variety of information obtained during collection (p. 18). It enables enough contextual information to be studied to make sense of abstract concepts within the perspective of those enacting them, and is commonly used in the study of PMS (see Chapter 2). This is partly because case studies “provide a vehicle through which several qualitative methods can be combined, thereby avoiding too great a reliance on one single approach” (Bryman & Bell, 2007, p. 63).

##### *4.4.1.1 Criteria for Case Selection*

The case study method may involve a single case study or multiple case studies (Yin, 2009, p. 19). My original intention had been to focus on one case study of a public sector department, but due to challenges in the field I decided to use three case studies. The first challenge was that interviewees and the case study departments were guaranteed confidentiality. This is difficult given New Zealand’s small public service, which has approximately 36,000 employees spread across approximately 38 departments at any one time. If this research provided too much contextual information about the case not only would the department be revealed, but also the identities of the senior managers. Hence, some of the insights gained from very particular contextual information could not be included in this research without identifying the case study to those who know the current configuration of the government departments. I therefore conducted multiple case studies and analysed commonalities across the cases to inform the research.

The second challenge was that while my focus was on insider perspectives, I had to ensure I had enough perspectives to ensure breadth in the study. By focusing on one department, I could only gain insights from those in a particular organisational form or those who had control over a particular steering mechanism within a particular sector. For example, if the department was a policy-only department, then the participants were limited to how performance management functioned in terms of determining policy frameworks. I had to ensure, by adding additional case studies, that new perspectives did not emerge; that is, that theoretical saturation had been achieved. In particular, I wanted to cover the different ways that governments can steer society (Laughlin et al., 2010). Following Laughlin et al. (2010), this meant including in the case studies departments that make policy regarding law and funding. This included setting law and enforcing it, as well as verifying and monitoring compliance. It also included developing funding regimes and distributing funds.

Bardach (2000) identifies a third way for governments to intervene. He notes the importance of direct and subtle government education efforts (including social marketing). Consequently, my data collection involved three case studies. Upon completion of the interviews for the third case study, I had included in my interviews at least one department with a role in law making and enforcement, funding, and educative roles. In addition, at this point it was observed that no new insights were being revealed. This meets the definition of theoretical saturation (Bryman & Bell, 2007, p. 549).

The case study selection criteria utilised “maximum variation (heterogeneity) sampling” so that the ideas being generalised into theory would have “greater significance” because they were repeated by people from diverse perspectives (Patton, 2002, p. 235). In this sense, this type of sample can reveal “important shared patterns that cut across cases and derive significance from having emerged out of heterogeneity” (Patton, 2002, p. 235). Because this research is about PMS, the cases were selected from the list of government departments required to follow sections 40–46 of the *Public Finance Act 1989*. These sections cover the strategic direction and performance measurement requirements on departments. Through this legislation departments are all bound by the same institutional features, such as PMS legislation and accountability mechanisms, and receive their funding in the same way. Any divergences among the group would be a result of empowered decision making rather than different legal or funding constraints.

Second, the case study departments had to be big enough to ensure that their PMS affected several people. In a very small department, it is possible for departmental performance management to either be collapsed into individual performance, or for a single individual to manage the systems, such that it does not affect the other employees (that is, it is decoupled). Furthermore, I had to have access to a sufficient range of participants to enable potentially diverse perspectives about how the systems were enacted within the department to be elicited.

A third criterion, that was later abandoned, was that I had not worked for any of the case study departments, so I only had an outsider's perspective. This criterion immediately eliminated approximately 10 departments. This criterion combined with the two criteria above made it extremely difficult to recruit enough departments. This problem was exacerbated because, in the second year of my research, PMS became a focus of central agency attention, as a precursor to intended changes to the *Public Finance Act 1989*. This meant a number of pilot initiatives commenced in departments, and the additional disruption of an academic research project was deemed to be an excessive burden on the relatively small PMS teams within most departments. Consequently, one of my case study departments had by necessity to be one that I had previously worked for, and hence my presence in the department was not new to the staff or management. Pragmatic considerations meant that the second criterion – access to the right people – overrode the third criterion, an outsider's knowledge of the department.

To obtain access to the three departments, I sought permission of each CE to use the department as a case study. Once access had been granted, people were generous with their time and resources, for which they received thank-you notes after the interviews.

#### **4.4.2 Data Collection**

Three types of data sources were used to analyse each case:

- document analysis;
- semi-structured interviews inside and outside the department; and
- observation opportunities that arose while in the field.

#### 4.4.2.1 Document Analysis

Document analysis was used to understand the policy and procedures that guide each department and how the department represents its PMS to the public. First, I examined the externally published information that summarises each department's performance management framework and its reporting against that framework. In New Zealand this accountability documentation usually includes the Statement of Intent, the Information Supporting the Estimates of Appropriation report, the quarterly reports to the minister, and the Annual Report (more details about these documents are contained in the case context chapter (Chapter 5).

Second, I asked departments for any documentation that guided the departmental thinking on the best ways to undertake performance management. This material varied substantially both across case studies and across different layers within the departmental hierarchy. Some departments publish additional reports and information which monitor other aspects of performance than that required in the accountability documents. I also requested access to internal documents that report on performance, such as the Audit Management Report, the CE's performance agreement, and any other relevant documents.

The available written documents also included stakeholder surveys, consultation feedback documents, departmental research about their users and other stakeholders, and in one case summarised assessments of media reporting on issues related to the department's work. These documents provided information on what external stakeholders thought and wrote about the case study entities. Given the importance of this external *audience* perspective in this research, I also supplemented the documents provided by the departments with other written material found in publically available spaces such as print media, websites, blogs and departmental Facebook pages. This was not a systematic search of all media forms; it relied on the media sources that interviewees discussed (e.g. the political news weekly *TransTasman* [[www.transtasman.co.nz](http://www.transtasman.co.nz)] or a department's Facebook page). I used what was most discussed in interviews because this was what was forming these *actors'* views of what their *audiences* thought.

#### *4.4.2.2 Semi-structured Interviews*

Interviews were the primary source of data collection because the research was focused on getting the participants' perspectives – from different parts of the department and from outside it where relevant. Semi-structured interviews sit between structured and unstructured interviews, where the structured interview is designed to be rigid enough to be consistently replicated and the unstructured interview is where interviewees have almost complete discretion to choose the material covered (Cargan, 2007, p. 108; Denscombe, 2010, p. 175ff.). For my research, I developed a question list that was approved by the Auckland University of Technology Ethics Committee (AUTEC); however, interviewees were allowed scope to modify and add or delete questions, as they saw relevant. The semi-structured interview also meant interviewees could challenge assumptions within the question list and identify perspectives they found more relevant. Sometimes these insights, such as the unexpected importance of emotions on actions, were most critical to understanding why the department continued attempting to use the PMS, despite the barriers.

The interview approach also made use of my access to CEs and other public servants, as well as the trust I have established over my career. Interviews allow a focus on the reinforcing and disruptive effects and incentives in the system. Cognitive gaming has always been a focus of PMS research, but my research was to focus the interview into “a conversation with a purpose” (Dexter, quoted in Lincoln & Guba, 1985, p. 268) on how people think and feel about the PMS, as well as how they manage (or manipulate) it. The decision to use semi-structured interviews allowed the opportunity for people to reflect on their practice in the workplace and make connections across different parts of the performance management cycle (Myers, 2009).

##### *4.4.2.2.1 Interviewee Selection Criteria*

I did not predetermine who to interview, but rather used “snowball sampling” (Bryman & Bell, 2007, p. 200). Snowballing is usually used to target people in the same social circle (Cameron, 1997, p. 37). In this case, it led to interviewing participants in the departmental circle for performance management and at different levels in the department. In each case study department I started with the CE and asked who they worked most closely with in terms of departmental performance. I then interviewed a selection of those people and

asked the same question, in turn, interviewing another selection of the identified people. Interviewing only a selection of the possible pool of interviewees helped to protect the confidentiality of those that were interviewed.

The snowballing technique generated interviews with a range of people and positions within each department. Interviewees included people with positions such as the leadership team (including deputy CEs), strategy managers, a finance manager, operations managers and staff. For each case study, the interviewees usually included a principal analyst, who often does the work of putting together the disparate senior leaders' perspectives into a coherent documentary summary, and in some cases provides performance and strategy advice to the leadership team. As van Helden (2005) predicted, these positions are not always in the finance unit of government departments. Furthermore, job titles for this role were also diverse, and included titles such as performance advisor, principal analyst/advisor, strategic policy analyst, corporate or strategic planner, and communications specialist. As a result, interviewees were not selected based on job title or group in the department, but on whether other people in the department identified them as having a role in organisational performance management.

#### *4.4.2.2 Interview Structure*

Prior to the interviews, an interview guide (including question list) was developed based on the factors and areas that the mainstream PMS literature tends to focus on (as outlined in Chapter 2). This guide is reproduced in Appendix 1. While the first few interviews followed the guide relatively carefully, the material raised by interviewees often led in diverse directions, depending on how they answered the first question, "Can you start by telling me about your job [as it relates to organisational performance]?". It became clear that interviewees were using different definitions of organisational performance, and that they thought about PMS in very different ways (and sometimes they held multiple definitions of performance). These diverse perspectives are outlined in Chapter 6. Hence, while the guide was used to prompt interviewees about certain aspects of PMS, such as changes in the PMS over time, many interviewees also self-selected topics that were not on the interview guide and so a decision was made to focus on what interviewees were raising that was different from previous literature, rather than the material that confirmed isomorphic pressures (Meyer & Rowan, 1977; Thornton et al., 2012) or other factors affecting PMS implementation, such as leadership support or capabilities (Groen et al.,

2012). Although all interviewees were free to raise issues that they considered relevant, the researcher also steered the second and third case studies' interviews to some of the same topics raised in the first case study. This ensured there was material for comparison between the three cases.

The interviews lasted between 30–90 minutes each and in addition to these formal interviews, my place inside the public sector also meant that I saw many of these interviewees on multiple occasions, when they introduced me to other people they work with. Often in those informal encounters, they asked about the findings of my research and, based on my summaries of information gained so far, they commented further, and their colleagues also expressed their views. This created additional “file notes” included in the data to be analysed in this research. I recorded these participants' thoughts immediately afterwards in a journal format. These informal interviews helped mitigate the “point in time” perspective that interviewees have during formal interviews, and meant that interviewees had multiple, if unplanned, opportunities to add new information, insights or experiences to their initial interview (Denscombe, 2007, p. 194). In total I had 30 interviews and file notes (see Appendix 2 for interview and other meeting dates and places).

To reference these interviews and observation opportunities I numbered the interviewees based on a notation system that separates the departments. The departments were labelled A, B and C (in the order of the CEs' interviews). The numerical notation used indicates the participation level of the interviewee in the department, with the CE labelled “1”. This notation does not identify the interviewees' gender (which is the consequence of giving a *nom de plume*), or their job title, which may identify them. For example, the CE of the first case study is identified as #A1. Representatives from outside the departments (such as central agency representatives) were identified as #CA, plus a number indicating the order in which they were interviewed. Finally, participants at events who were not formally contacted about being interviewed were identified by the event number assigned in Appendix 2. For example #E1 indicates the first event I attended where relevant material to my research was discussed.

#### *4.4.2.2.3 Limitations of Snowballing and Interview-based Methods*

A weakness of snowballing is that the sample is usually relatively homogenous. This is because social circles often comprise people of similar age, ethnicity, social status and

other characteristics (Cameron, 1997, p. 37). However, in my research using the snowballing technique helped identify the “social circle” of those who are involved in departmental performance. This method contributes to filling the gap van Helden (2005) identified: that accounting research tends to be done with the financial group of an organisation. In this case snowballing through an organisation and outside it increased the diversity of layers within and outside the organisation, enabling the “triangulation of subjects” (Rubin & Rubin, 2005, p. 67) which helps to increase the diversity of perspectives and mitigate bias in data analysis (Miles & Huberman, 1994).

Prior to interviews being conducted, all interviewees were provided with participant information sheets, consent forms and a list of questions from the interview guide. Participants were informed of their right to withdraw from the study at any time or to decline to answer any question. They were also assured of the confidentiality of their individual responses. During several interviews, interviewees also stated things like “gosh that tape isn’t going anywhere is it?” or “don’t repeat this outside this room, but...”.<sup>10</sup> These comments reflected the reality of the public servants being interviewed; they had many relevant experiences to share, but their positions as public servants prevented them from publically (and identifiably) disclosing their experiences. Their trust in me made me particularly concerned to protect the identity of the case study departments and those interviewed.

Another potential drawback of the interview method, especially where the interviewer is known to the interviewees, is the social desirability phenomenon (Rosenthal, 2004, p. 53) or interviewer effect (Miller & Brewer, 2003, p. 330). The interviewer effect is where some participants may feel the need to represent their department as if it entirely conforms to some ideal, such as the central agency guidance about PMS. Given that I had met many of the interviewees during my prior roles at NZ Treasury and the State Services Commission (SSC) (entities which formally assess other departments’ performance), I needed to quickly establish a trust-based relationship to ensure they felt comfortable discussing practices that deviate from ideals and guidance as well as those that conform with the guidance.

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<sup>10</sup> Usually this comment was made when particularly sensitive detailed descriptions were used. These specific details are not reported in this research, as requested by the interviewees. Nevertheless, they informed analysis.

#### *4.4.2.2.4 Ensuring Accuracy and Credibility of Interview Data*

All formal interviews were tape recorded (subject to the permission of participants) and later transcribed. Tape recording freed me to be “more alert” to participants’ responses and, where necessary, allowed me to probe their answers (Bryman & Bell, 2003, p. 489) and notice their body language (Boedker & Chua, 2013). Where tape recording was not possible, notes were taken and accumulated as file notes. The total number of interviews and case studies was determined by the point at which theoretical saturation was achieved (Mills, Durepos & Wiebe, 2010, p. 928).

Whether there is a specific number of interviews that correlates to a likely point of theoretical saturation in qualitative research is debated (Denzin & Lincoln, 2011, p. 259). Nevertheless, a total of 30 in this study aligns with some studies that note that “top performing” research (as defined by citation and place of publication as well as “Google top performers”) generally has 20–30 interviews and that a greater numbers of interviews did not result in more “impact” (Marshall, Cardon, Poddar & Fontenot, 2013, p. 20).

Credibility in terms of neutrality of data collection, given my situated position as researcher and former public servant, was gained through “active listening” while being cognisant of the purpose of the research (Silverman, 2006, p. 110). This approach recognised that all interviews are interactional and retrospective and thereby impact on the trajectory of the information gathered (Denzin, 1970; Rapley, 2004; Silverman, 2006). Despite the potential to explore meaning construction, the credibility of small-scale qualitative interview-based research has been questioned. This includes questioning the localised nature of the knowledge produced and its “external validity” (May, 1997, p. 154). While the knowledge produced during the case study will be local (to a degree), it will also be focused on the “generative mechanisms of human interaction” (Porter, 1993, cited in May, 1997) which are often generalisable to theory, regardless of location. Another way to address this concern is to use “a variety of data sources” (May, 1997, p. 154), which I did.

#### *4.4.2.3 Observation*

While I did not establish a formal observation protocol during interviews, many participants wanted me to observe certain interactions myself, so that I could “really understand” what happened in their department (#A3, #B3, 4, 5 and #C4). They believed this would aid the

quality of the research. Each took me, either at the time, or invited me to come back at a later time, to observe people involved in performance management initiatives (these are reproduced in Appendix 2). Such opportunities resulted from an invitation on the part of the interviewee, so that participants knew their rights regarding refusal. Furthermore, each interviewee asked their colleagues and others present “if they minded” my observations. No one refused. The only time this general permission could not be granted was when I was invited to attend strategy days, or other large group functions. In these cases some individuals would not have known why I was there. During these invited opportunities, I listened and observed activities. I also asked participants their thoughts during breaks and later recorded these observations and participants’ thoughts in a field-note journal (May, 1997, p. 144). I also took photographs of any materials developed during the sessions. Taking advantage of opportunities to supplement the interviews with observation, even unplanned observation, enhanced the collection of rich, contextualised data. This is because access to the research site allows a window into some of the taken-for-granted activities that interviewees may forget to mention and provided me “with a means of analysing the ways in which people consider events and relationships and the reasons they offer for doing so” (May, 1997, p. 131). The limitation was that as the opportunities were ad hoc, no framework for systematic comparison of the observations was created. Rather, the information was used to supplement and triangulate the interview and documentary data.

Triangulation was achieved by comparing documents, interview data, and the observations described above. Cross-referencing was also used by comparing formal interviews and the additional discussions held with interviewees at unanticipated meetings. Finally, to understand the interplay between actors and audiences, the interviewees, document sources and informal conversations were compared with each other. The diversity of perspectives collected – at multiple levels in the department (Bailey, 2007) and from a range of stakeholders, including media coverage – facilitates “subject triangulation” to mitigate bias (Rubin & Rubin, 2005). For example, when a CE quoted his recollection of the *Public Finance Act 1989*, I compared this to the Act itself. I did not do this to confirm the accuracy of his recollection, but rather to highlight similarities and discrepancies between recollections and documentary sources. This example is expanded in Chapter 6.

#### 4.4.2.3.1 *Observation Limitations*

I outlined above the social desirability or interviewer effect (Miller & Brewer, 2003, p. 330) as a limitation of all data collection techniques whereby the subjects of research know they are being studied. These are known as “obtrusive” methods (Miller & Brewer, 2003, p. 331). The form of observation I chose was also obtrusive because my access to the observed sites was gained through the invitations of the research subjects. Knowing that I am studying their behaviour can influence that behaviour, and also my opportunities for observation were ad hoc. This means the research relies on the triangulation to mitigate this limitation (as outlined in Section 4.4.2.2.3). However, given that the theory that is used in this research focuses attention on *performances*, the obtrusive nature of the research has the advantage of observing events that people implicitly see as performances that can be observed by researchers. Chapter 9 compares one such performance I was invited to observe and another that people discussed in interviews and could be seen through documentary summaries of the process. Comparing these two performances facilitated insights to be drawn about when ritual-like energy was transferred between actors and audiences and when it was more difficult for such energy to be transferred.

#### 4.4.2 *Data Analysis*

One challenge with the free-ranging nature of semi-structured interviews is the amount and complexity of the data collected. This complex and rich picture is a strength of research that does not start with a hypothesis to test, as it “seeks out unexpected data and creates new concepts to explain them” (Agar, 2010, p. 289). This will give the research a criticality that is not about generalisable success or failure of PMS, but about what works in practice in enacting PMS. This aspect of implementation is often lost in previous studies of performance management, which consider performance as a stable ontological state (see e.g. Scott, 2008). At the same time, as a tool for making assumptions visible, qualitative research is also useful for ensuring “the actor’s point of view” does not become *the* “explanation” (Silverman, 1997, p. 199). Instead this research not only seeks to “understand the cultural forms through which ‘truths’ are accomplished” (Silverman, 1993, p. 208), but also which effects of actions stabilise into enacted PMS. The key method I used to analyse the diverse data from interviews, documentary analysis and observation was thematic coding, in an “iterative-inductive” (see e.g. O’Reilly, 2012, p. 30) approach informed by Alexander’s theory.

#### *4.4.2.1 Outline of the Approach to Coding and Theme Development*

I have selected an interpretivist thematic analysis sensitive to the lens of ritual studies (Bell, 1992). Given that relationships are inherently subjective, and related to meaning structures of individuals and groups, reducing the data to statistically valid generalisations would not assist qualitative research. Nor would it assist managers with implementation and maintenance of performance management initiatives, especially in complex and context-specific situations. As a result, a positivist approach using content analysis that gains its validity and reliability from, among other things, peer-reviewed (“objective”) coding and statistical testing of relationships in the data may not be the most useful. Furthermore, Silverman (1993, p. 100) cautions against only treating information from respondents as “fact”, which is what objective coding tends to assume, when these answers also distil a situated “narrative”. As a consequence, this analysis does not seek to determine the best way of implementing performance management initiatives. Instead, it assumes each response is a positional statement. Treating these responses as fact, even as perceived fact, is to indicate they supply information about causes, when they may only supply information about symptoms (Bardach, 2000, p. 18).

Instead of making a choice between fact and narrative during thematic coding of interviews, I sought to make visible some of the meaning-making categories that individuals use when defining the effects of PMS in their departments. Given the semi-structured and guided nature of the interviews, as well as the interviews’ dislocation from the context of the respondents, the gathered data did not lend itself to discourse or narrative analysis. Therefore, for this analysis, each response was reduced to a key idea or key ideas and each idea was categorised. In this sense, the analysis applied principles of induction but was informed by the direction set in Alexander’s (2006) theory. The purpose of the categorisations was to reveal the ways in which people think about PMS in government departments and to see if the lens of performance and ritual added value to understanding these perspectives. Thematic coding began as soon as the first interview was complete.

One unanticipated consequence of tape recording most of the formal interviews was that my interactions with interviewees were also recorded. As thematic coding began straight after the first interview, I realised during the analytical phase that I had used words and phrases from previous interviews to clarify points made during a subsequent interview and

compare interviewees' views. For example, one interviewee had discussed the "service production model" (#A7) and I used this phrase with another interviewee to clarify their understanding of a "baking a cake model" (CA#1). Her agreement with this phrase enabled me to confirm that coding these two interviewees' types of performance in the same place was consistent. This gave the thematic coding a degree of in-built triangulation, as the coding was, in effect, being tested through discussion with other interviewees. In addition, this meant the "back and forth between theory and data" (Orton, 1997, p. 419) during the interview and analysis phase provided a confirmatory check of both the validity of the coding and the relevance of the theory to explaining the data. The "back and forth" between interviewees also provided a confirmatory check on analysis even if only later interviewees could hear what earlier previous interviewees had said.

The development of categories was completed while being sensitive to Llewellyn and Northcott's (2007, p. 194) reminder to be aware of the "singular case", whereby an insightful comment is as significant as a view held by the majority. Consequently, although frequency counts were used to inform the analysis, the focus was on developing categories to better inform research and implementation.

#### *4.4.2.2 Procedures for Coding*

Inductive reasoning, albeit informed by Alexander's (2006, 2011) concept of ritual-like performance, provided the lens for developing the thematic coding (Holton, 2010). The first step was to clean the data to ensure it was free from material error. The data was then coded ("open coding" as described by Bryman & Bell, 2007, p. 586). Some codes were taken directly from the responses. For example, I used some commonly repeated phrases as codes. In other cases, codes were developed from the perceived key idea behind the statement, which was checked and discussed with interviewees. As noted above, coding began as soon as the first interview was complete. This meant coding was iterative as new interviews shifted the potential for combining or separating codes. Once this coding was complete, codes were collapsed into emergent categories based on patterns and commonalities in the data. These categories were Wittgensteinian "family resemblance" categories rather than a collection of identical responses (Laurén and Nordman, 1989, p. 54). Finally, anomalous cases were considered. This included both data that did not fit within a category and data where the categorisation appeared to distort the key idea. In this way coding and categorisation was an iterative process of checking that analysis not

only made sense but was also being informed by theory. For example, as interviewees described their view of performance and what it was, these descriptions were first matched against the models of performance discussed in the literature review (Chapter 2). Those that could not be categorised into the models from Chapter 2, or provided too much diversity within the category of “subjective” performance, were then considered in terms of Alexander’s conceptualisation of performance. The outcome of this analysis is more fully described in Chapter 5. The purpose of this approach was not to define *the* categories that can be generalised to *all* PMS, but rather to give ideas for expanding theory beyond its existing parameters to contribute towards improving understanding of the equivocal research on barriers to ongoing PMS use (Liguori & Steccolini, 2012).

#### *4.4.2.3 Limitations of Coding as a Form of Analysis*

The limitations of the obtrusive data collection techniques have been outlined above (Miller & Brewer, 2003, p. 331). The limitation of analysing response data, as Silverman (1993, p. 98) cautions, is that even among the data collected, any communication will be fraught and will contain multiple potential meanings and motives, whether obtained through obtrusive or unobtrusive methods. While I do not take his extreme solution, that is a study of the interaction itself, not its transference of meaning, I do note the limitations of the meanings imputed to this data. Consequently, each chapter clearly links the data to elements within Alexander’s (2006, 2011) theory of performance to structure and reveal insights into attempts to overcome barriers situated with the *background representations* and *scripts* that actors had available to them, or could create. I do not claim that this research is describing a singular reality for any particular individual or group.

### **4.5 Summary**

The selection of an interpretivist methodology and case study methods facilitates a close study of how departmental employees feel about, and how they enact their views of, performance and PMS. While there are always ontological insecurities in qualitative research, just as there are with accepting multiple, equally valid, views of performance, the strength of this approach is that it gives voice to how practitioners are dealing with those ontological insecurities. This has the potential to provide insight for improving PMS theorising, even if the material collected may not be generalisable outside the case studies

analysed. The next chapter considers the case context for this study. While it provides the material traditionally given in a case context, it also provides additional material that Alexander's approach makes visible if we are to understand the *performance* of performance, as well as the structures and mechanisms through which departmental employees attempt to overcome barriers to ongoing PMS use.

## 5. CASE CONTEXT

### 5.1 Introduction

This chapter describes the context for the case study entities in this research. It is divided into two parts. The first part models itself on the case context material usually accompanying PMS research (see esp. Arnaboldi & Palmero, 2011, and Rautiainen & Jarvenpaa, 2012). To this end, it contains general features that affect all New Zealand public service departments, paying attention to the steering elements of law, money and accountability mechanisms (Broadbent et al., 2010). I describe as many case details as possible, as long as the details do not identify the case. Given that my cases are government departments, they are all controlled by the same pieces of legislation and parliamentary funding process. The first part of the chapter shows that these departments have relatively similar institutional contexts, organisational structures and PMS processes.

The second part of this chapter covers material that is not usually provided in the context chapter because it is based on interviewees' views of their context. This departure from convention was made in order to be consistent with Alexander's theory. That is, Alexander's (2006) understanding of a performance is that it is embedded in a context that is interpreted by *actors* and *audiences*. In each performance, *actors* and *audiences* identify their own context, what Alexander calls *background representations*, in order to make that context meaningful. Alexander's point is that the elements for understanding a performance are not ontological states but *interpretative categories* (Alexander, 2006, p. 31). That means that even though such elements can be described without reference to those involved in the performance, the *interpretative categories* used by those involved are important for understanding context. As Fallan, Pettersen and Stemsrudhgen (2010, p. 190) argue, "an audience's interpretation of a reaction to a person, event or discourse can be shaped by the frame in which that information is viewed". Given this interpretative act, it is necessary to outline the frame being used by interviewees as part of their context. In other words, even if Alexander's analytical framework suggests what the *background representations* might be when overlaid onto a description of the New Zealand public management system, if those involved think different *background representations* are in use, then it is with their interpretations that they will interact. Hence, a description of context cannot be made from this perspective in the absence of the interpretative context that *actors* and *audiences* attribute to situations. Consequently, the second part of the

chapter is derived from identifying the *actors* and *audiences* involved in performances, bolstered by the interviewees' *interpretative categories* used to understand their context (*background representations*).

## 5.2 Background to the Key Elements of the New Zealand Public Sector PMS

In general, government departments<sup>11</sup> are public service entities in which:

- (a) there is little distinction between the Crown, ministers and the entity;
- (b) the entity is constitutionally controlled by ministers, but also has an obligation to provide free and frank advice to ministers (thus differing from independent or elected boards, or any other accountability mechanisms);
- (c) the entity is bound by the *Public Finance Act 1989*, which requires ministers (or, by delegation, their departments) to produce accountability documents for the department, which are then submitted for audit; and often
- (d) the entity does not have a function that involves direct service delivery to the public.<sup>12</sup>

The core business of government departments is usually providing policy advice; developing funding and legal frameworks; and (possibly) carrying out enforcement and investigation functions. For example, the Ministry of Primary Industries has a large policy advice function, which includes setting the legal frameworks for managing and protecting New Zealand's biosecurity. It also has an enforcement function, whereby biosecurity officers can impose fines for breaches of the legal framework. In addition, a small number of government departments provide a few, but nevertheless very large, service delivery functions, such as courts and prisons. The legal relationships between government departments and other parts of the state sector are detailed in Appendix 3.

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<sup>11</sup> For the purpose of this research, government departments are those that are bound by the PMS-related sections of the *Public Finance Act 1989*. These departments are listed by name in the Act.

<sup>12</sup> There are some exceptions to this. For example, the Department of Corrections is responsible for providing prison services. In addition, service delivery functions are shifted inside and outside government departments from time to time. For example, the Ministry of Justice (MoJ), which had previously been a policy-only ministry (MoJ, 2004) is now responsible for Court services as well. As a result of these types of movement, during the course of this study the number of government departments shrank from 34 to 29. In addition, several direct service delivery functions (e.g. legal aid services), which were previously located outside government departments, were incorporated back into them.

Broadbent and Guthrie (2008) note that while research over the last 20 years has come to include a wider variety of public sector entities, health care remains popular and thus there is the opportunity within research to consider other ownership and delivery structures. Government departments are interesting cases because they present challenges to fundamental aspects of accounting conceptualisations. These challenges can help improve accounting theories and our understanding of the social aspects of accounting. This potential can be seen most starkly in two areas. First, given the lack of profit motive for public entities, “accounting numbers” – referring to revenues and costs or quasi-markets (Robson, 1992) – are less meaningful and legitimate in the context of providing policy advice or developing legislation or funding models. This is not to say that departments are not required to develop performance measures, but these measures are not always quantitative in nature. For example, measures might take the form of assessments of community resilience or cultural strength (see e.g. [www.msd.govt.nz](http://www.msd.govt.nz) or [www.treasury.govt.nz](http://www.treasury.govt.nz)), or a qualitative evaluation of how widely adopted a department’s best practice guidelines are within other public sector entities (e.g. [www.dia.govt.nz](http://www.dia.govt.nz)).

New Zealand government departments also make interesting case studies because this nation’s model of public management allows considerable room for experimentation and empowerment to set strategy and manage performance as entities see fit (Norman, 2003). This is elaborated upon in Section 5.2.1 below. Also, comparatively easy law making due to the unicameral parliament (Norman, 2003) and the relatively small size of government departments<sup>13</sup> makes New Zealand an excellent setting in which to consider how departments attempt to use PMS in ongoing ways and to understand why some organisations attempt to overcome barriers to ongoing use and others do not. This is because, in theory, each department has considerable freedom to develop its own appropriate and relevant PMS, rather than being dependent on the government executive to set centralised and decontextualised targets, as occurs in many international jurisdictions. Despite Pallot’s (1999) disappointment in what the New Zealand public sector achieved with its early reforms and freedoms, this relatively autonomous context may still reveal insights into how this freedom is exercised in terms of PMS and overcoming barriers to their ongoing use.

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<sup>13</sup> In total, government department staff numbers are currently capped at 36,000 full-time equivalent staff. This cap excludes prison and probation services (Rutherford, 2014).

The New Zealand model for public sector performance management (including strategy-setting and budgeting) is well described in the literature, since New Zealand's NPM reforms were world-leading in their impact on public sector management (Lye, Perera & Rahman, 2005; McCulloch & Ball, 1992; Newberry & Pallot, 2003, 2004; Norman, 2003; Samkin & Schneider, 2010; Scott, 2008; Thompson, 2001). To recap this literature, key features of the NPM reforms in New Zealand included:

- the alignment of public sector management models with private sector models that are predicated on clear goals and accountabilities;
- devolved managerial responsibility; and
- consequences for poor performance.

In the New Zealand public sector these elements meant shifting away from a hierarchical, command-and-control, rule-based bureaucracy (Weber, 1947[2012]). Under the *State Sector Act 1988* and *Public Finance Act 1989* ministers were to set strategic direction and specify outputs, and managers were to determine the most effective and efficient means of implementation within broad budget accountability (Newberry & Pallot, 2006). This new model was criticised in the 1990s because its myopic focus on individualised, devolved accountability for outputs reduced effective cross-agency collaboration (Schick, 1996). Consequently, the *Public Finance Act* was amended in 2004 to give greater prominence to setting outcomes that encouraged a focus on changes to society rather than the outputs delivered by a department. The new model has become known as "Managing for Outcomes" and follows the tight-loose-tight formulation ([www.ssc.govt.nz](http://www.ssc.govt.nz)).

The tight-loose-tight formulation means, in its ideal state, that Managing for Outcomes provides for tight control of goals, loose control of means of achievement, and tight control of performance monitoring (Fiske & Ladd, 2000, pp. 171–172). This formulation is used to guide judgements about the quality of departmental performance. For example, the 2012 Performance Improvement Framework (PIF) review of the Ministry for Economic Development (MED) used this model. Another example is the criticisms of the alleged inability of education sector agencies to perform the tight roles of monitors (Adams, 2009, p. 6). Ideally, this model allows considerable room for experimentation and empowerment to enact PMS as entities see fit. Coupled with comparatively easy law making, due to the unicameral parliament (Boston, Levine, McLeay and Roberts, 1996, p. 24) and comparatively small size of government departments, New Zealand's PMS are relatively

direct management tools rather than the means for managing “at a distance” (Qu & Cooper, 2011, p. 347). The PMS is also the main way that accountability to Parliament is discharged (OAG, 2002).

Together, these features make government departments excellent case studies to examine similarities and differences between departmental performances of PMS and to better understand why some organisations attempt to overcome barriers to ongoing PMS use and others do not, even when they have similar institutional environments. This is because each department has considerable freedom to develop its own appropriate and relevant PMS. Despite Pallot’s (1999) earlier disappointment in what the New Zealand public sector had achieved with its early reforms and freedoms, this relative autonomy (compared to other jurisdictions) may still hold insight into how this freedom is used, and not used, to “reinvent” (Pallot, 1999) performance management or at least better understand why some organisations attempt to overcome barriers to on-going PMS use. Hence, I have narrowed the focus of this study from the broad NPM reforms to the current system of outcome-based performance management in the New Zealand public sector (this is explained in more detail in the next section).<sup>14</sup>

### **5.2.1 Evolution of New Zealand’s Public Sector PMS**

In the 1980s New Zealand responded to a financial crisis with the adoption of what came to be known as NPM. First, the government privatised those agencies that it believed provided goods or services that could compete in free markets. This is encapsulated in the State Owned Enterprise Act 1986. Next, it altered the human resource structure of the public service, changing the employment relationship so that staff became employed by, and accountable to, the CE of a specific department (Ball, 1990, p. 128). The Act that introduced this change, the *State Sector Act 1988*, stated that the CE “will promote efficiency in the Department” (s12 (c)).

In 1989, the government changed the financial management systems of its departments (Ball, 1990, 129). Among many technical reforms to accounting systems, such as the move to accrual accounting (see Pallot, 1999), the *Public Finance Act 1989* made the CE

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<sup>14</sup> For analysis of the New Zealand NPM reforms as a whole, see Scott (2008).

responsible “to the responsible minister for the financial management and financial performance of the department” (s34). This Act also set up a contract-based accountability arrangement (called purchase agreements), whereby ministers purchased goods and services and held agencies to account through performance standards (Ball, 1990, p. 134). The goods and services provided under the purchase agreements were called outputs. Yearly purchase agreements specified the outputs, output classes (groups of goods or services), funding, appropriation and Statements of Service Performance for a given financial year (McCulloch & Ball, 1992). A Statement of Service Performance described the non-financial performance measures. These tended to include quantity and quality measures.

While the word, outcomes, was defined in the Act as the “impact or consequences of services upon society” (s2), there were no other substantive references to outcomes in the Act. According to several of the participants in this study (#C2, #B3, #CA1, #CA2), public service rumour claims that while there had been a section that made ministers responsible for setting outcomes and being accountable (to the public) for their delivery, ministers removed these sections prior to the Bill entering the House. In the 1990s the myopic focus of departments on output production in purchase agreements resulted in criticism of the system and its performance across the public sector (OAG, 1998; Schick, 1996). The 1996 Schick Review was undertaken to suggest changes. By 1997, the Minister for State Services Hon. Paul East stated, “If the budget round becomes overwhelmingly to do with expenditure control – and particularly to do with short-term expenditure control – the incentives for intelligent debate about the achievement of high-level outcomes are bound to be driven out” (East, 1997, p. 7). The State Services Commission also produced the article “Looping the Loop: Evaluating Outcomes and Other Risky Feats” (SSC, 1999). This title reflected the perceived increased risk of evaluation when output contracts were for specified quantities of outputs, regardless of their effect.

To combat this, Managing for Outcomes was introduced at the turn of the century. Building on the Schick Review (1996), the Pathfinder Project (2000) and the Review of the Centre (2001) were established to provide guidance on how to integrate outcome-based management into an output-focused PMS. Managing for Outcomes was formally mandated in 2001 (CAB Min [01] 38/6A) and supplemented the purchase agreement contracts with a Statement of Intent, which specified the agency’s medium-term direction (for a minimum period of three years) in terms of outcomes.

In New Zealand the word, outcomes, is used differently to some jurisdictions. The meaning of the word outcome as used by interviewees and as specified in the *Public Finance Act 1989*: is

- (a) is a state or condition of society, the economy, or the environment; and
- (b) includes a change in that state or condition (s2, *Public Finance Act 1989*).

Further, the term impact means “the contribution made to an outcome by a specified set of outputs, or actions, or both” (s2, *Public Finance Act 1989*).<sup>15</sup> In the guidance material designed to further explain these definitions, the difference between the two is articulated by noting that an impact is a “direct effect” of the service provided and the outcome is the general change in society that government seeks (OAG, 2014b, p. 3-8305). In other words, impact is a subset of outcome.

In contrast to this approach, in Europe it is the outcome that is the individual effect and the impact is the larger change in society. For example, Glendinning, Clarke, Hare, Kotchetkova, Maddison and Newbornner (2006, p. v) note “‘Outcomes’ refer to the impacts or end results of services on a person’s life ... Outcomes are by definition individualised, as they depend on the priorities and aspirations of individual people”. Another UK web-page to help NGOs (Robertson, Nicholls and Sanfilippo, 2004) defines outcomes as “changes to people resulting from the activity, i.e., a new job, increased income, improved stability in life”. In this sense, outcomes are a subset of the impact (social indicators). The European Commission’s (2004) description of impacts and outcomes puts this clearly in a linear diagram that reverses the New Zealand positions of impact and outcome.

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<sup>15</sup> The Public Finance Act 1989 defines how government departments both manage and report on their activities and is intended to be an empowering piece of legislation. It is the legislation that made accrual accounting mandatory and included the need to specify a department’s intended (in a document called a Statement of Intent) and actual achievement of outputs, impacts and outcomes (Annual Report). See McCulloch and Ball (1992).

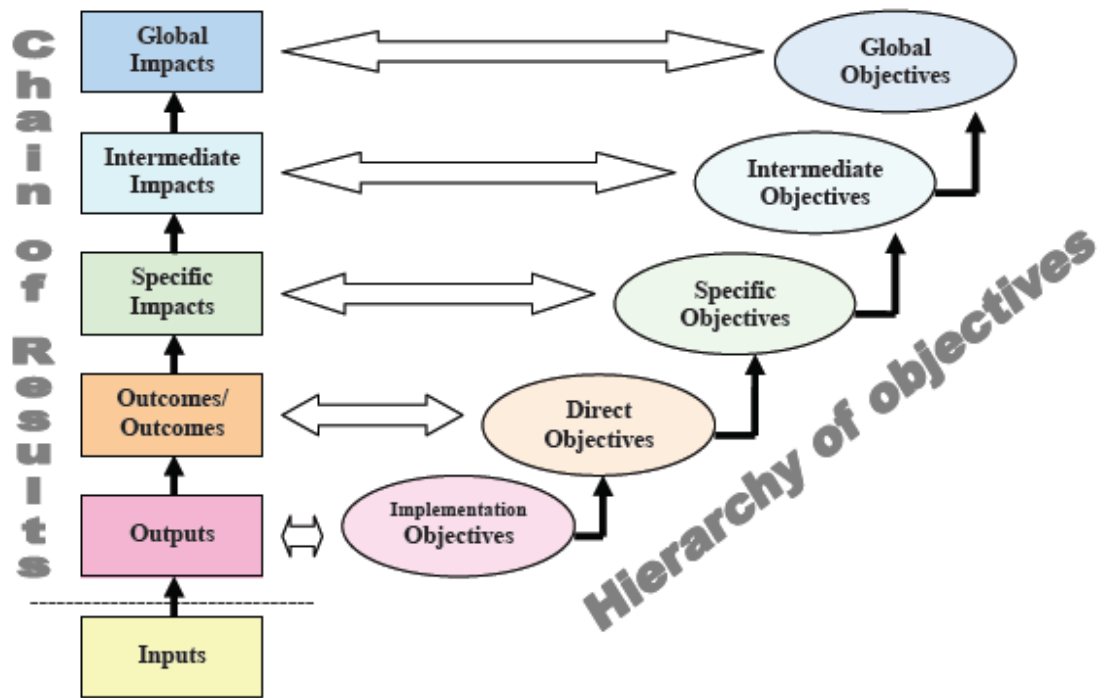


Figure 2. Relationship between chain of results and hierarchy of objectives (European Commission External Evaluation Unit, 2004, p. 2).

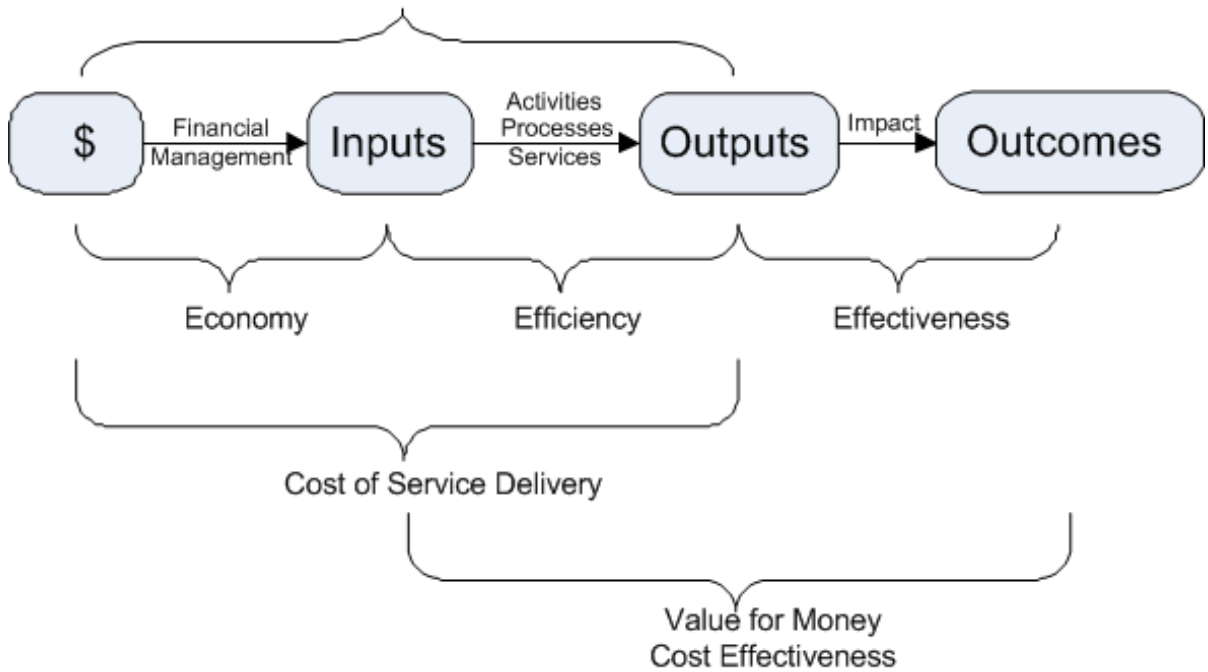


Figure 3. Performance management principles and processes (adapted from NZ Treasury, 2013, p.5).

Furthermore, in the United Kingdom as recently as 2012 Humphrey and Miller (2012) were still discussing the various definitions of the word “impact”. These initial debates relating to definition have stabilised in New Zealand and now focus is on improving impact and outcome measurement, rather than defining what it is. This experience in focusing on (UK) impacts (New Zealand outcomes) for 10 years is a point I will return to in Chapter 6, because this perspective affects the boundaries of how my study’s interviewees are using their PMS.

The inconsistent use of language across these national jurisdictions is not unique. For example, Modell (2005) discusses the “vagaries” of performance language and Connolly and Hyndman (2003, p. 14) note that language in this area is often “imprecise”. Hyndman and Anderson’s example is that “target” and “objective” are used interchangeably. In contrast to generic findings about inconsistencies of language use in other jurisdictions, this research found that while public servants interviewed for this study may use words differently to other jurisdictions, they were consistent with each other, in terms of outputs, impacts and outcomes. Hence, in the next section I detail what the key words used in describing performance mean, as they are defined in the regulations and laws that established the New Zealand public sector’s PMS.

### **5.2.2 Components of PMS in New Zealand**

The components of PMS for New Zealand government departments are contained in two forms; 1) central agency guidance on the components of the PMS itself, and 2) legislatively mandated requirements on what must be publically reported, in terms of the PMS framework and performance information.

The components of the PMS are contained in guidance form because a department has full discretion to develop the outcomes framework and main measures, using any existing (or innovative) process or PMS system it chooses. Guidance from the State Services Commission (2010) and the NZ Treasury (2008) only stipulates that the outcomes framework should demonstrate an evidenced link between outcomes and the delivered outputs. Here is an example of the suggested PMS components, from a joint NZ Treasury, State Services Commission, and Office of the Auditor General (#E3) PMS training session.

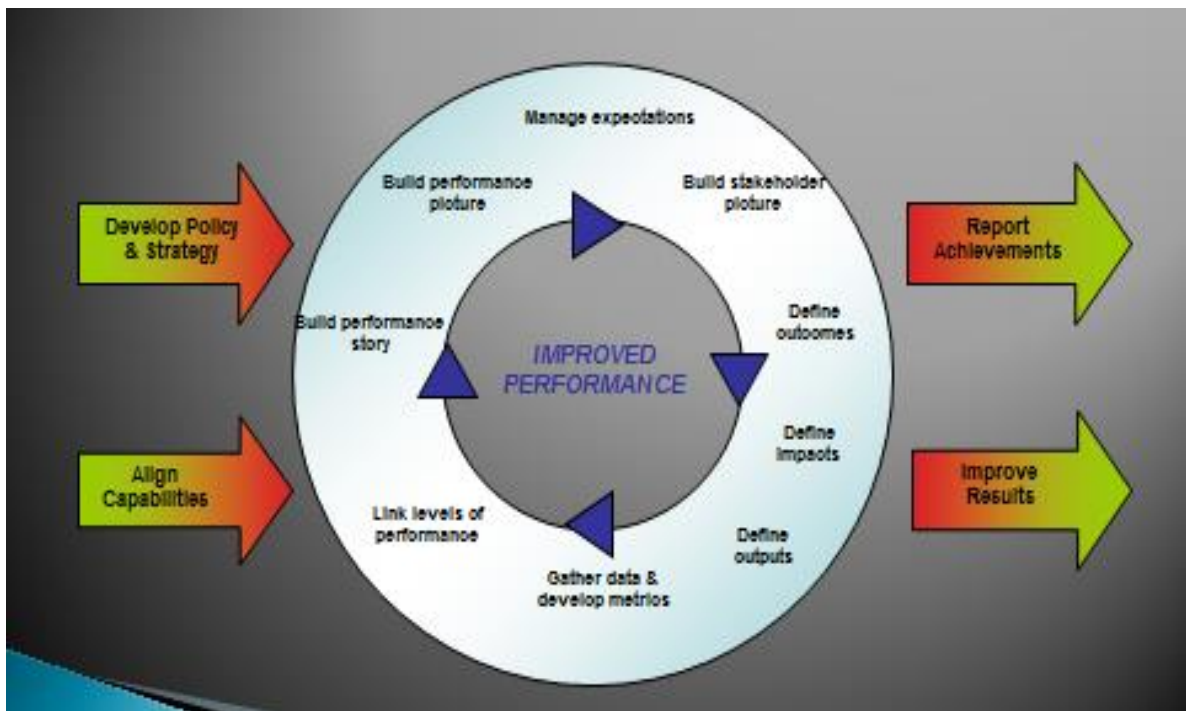


Figure 4. Performance Management, Accountability and Planning Cycle (SSC, 2009, p. 4 also used in various PMS training sessions, which started in 2008, see #E3 for three examples).

Responses to the empowerment afforded to departments to create their PMS can range from employing a consultant to design documents that meet the few legislative prescriptions but are completely decoupled from the department's operating systems, to CEs using an inclusive participatory process to champion strategic change, crystallise departmental purpose, motivate staff, and stimulate strategic conversations across the department. According to my study's interviewees, many departments sit somewhere in the middle (#A1, #B1, #C1, #CA1). Some departments use PMS adopted from the private sector. For example, the New Zealand Police (Davis, 2012, p. 9) and the Royal New Zealand Navy (<http://www.navy.mil.nz/downloads/pdf/public-docs/06nxapplication.pdf>) have adopted adapted versions of the Balanced Scorecard and the Baldrige Performance Excellence Program respectively. Other departments use a PMS directly based on the outcomes framework and reporting requirements identified in the *Public Finance Act 1989* (Warren, 2012).

In contrast to the guidance documents, which are suggestions, the *Public Finance Act 1989* prescribes what must be publically reported about the PMS. Departments must publish a Statement of Intent before the start of the financial year, with other budget

documents. Legal requirements around the Statement of Intent were formalised in amendments to the *Public Finance Act* in 2004. While still an empowering piece of legislation, that allows departments to choose their PMS; the Statement of Intent content was to include the “future operating intentions” that “must set out and explain”:

- “(a) the nature and scope of the department's functions and intended operations; and
- (b) the specific impacts, outcomes, or objectives that the department seeks to achieve or to contribute to through its operations; and
- (c) how the department intends to —
  - (i) perform its functions and conduct its operations to achieve those impacts, outcomes, or objectives; and
  - (ii) effectively manage those functions and operations within a changeable operating environment; and
- (d) the main measures and standards that the department intends to use to assess and report on matters relating to the department's future performance, including without limitation, the following matters:
  - (i) the impacts, outcomes, or objectives achieved or contributed to by the department (including possible unintended impacts or negative outcomes);
  - (ii) the cost-effectiveness of the interventions that the department delivers or administers;
  - (iii) the department's organisational health and capability to perform its functions and conduct its operations effectively; and
- (e) any other matters that —
  - (i) are reasonably necessary to achieve an understanding of the department's operating intentions and direction; or
  - (ii) may be specified by the Minister or the Responsible Minister for the purposes of subparagraph (i)”.

*(Public Finance Act 1989, s. 40)*

Over the last several years, incremental changes have been made to the expectations in the guidance and *Public Finance Act 1989*. For example, the Better Public Services reforms suggest that performance measurement should be done in terms of price, quantity and standards (CAB Min [12] 1/1). Another example was the 2010 Review of Accountability Documents (ROADs), which saw a separation of the strategic direction and long-term outcome measures from the annual information. Strategic information remained

in the Statement of Intent, but annual non-financial performance information became more obviously part of the budget cycle, by being included as Information Supporting the Estimates of Appropriations (known as the ISE). In addition, further amendments to the *Public Finance Act 1989* were passed in August 2013, with most of the provisions coming into force from 1 July 2014. These amendments reinforce the earlier initiatives and also develop further the empowering elements of the Act. For example, the new Act contains the ability to more easily shift expenditure between capital and operating expenses in order to better achieve outcomes and suggests the strategic intentions only need to be published every three years, if the department chooses.

In sum, New Zealand government departments (in agreement with the minister) can choose any PMS to set their strategic direction, performance management framework, and performance measures and targets. However, once they are set, this framework must be published in the Statement of Intent.<sup>16</sup> Publication must be prior to the period to which the framework and measures relate. They must also be reported against in each applicable annual report. Since 2001, the document headings may have changed, but the legal definitions and encouragement to provide “meaningful reporting” in terms of outcomes have not (NZ Treasury, 2013, p. 3).

### ***5.2.3 Background to the Three Case Study Government Departments***

Within this context, three government departments were chosen as case studies. To recap from the methodology chapter, the chosen departments were departments where I could access a variety of people including the CE, where the department did not have service delivery as its primary function, and where the department was large enough to need an organisational PMS. These departments were chosen because they have roles in steering other departments, people and processes through policy advice, laws, control of funding arrangements, and other monitoring functions across government. This means they have similar institutional arrangements and case study settings. Despite the similarities, there are some differences in how the departments went about their PMS processes and the size and scale of the departments. These have been summarised in the following table:

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<sup>16</sup> These were the requirements that were in force when data for this research was collected. The *Public Finance Amendment Act 2013*, which came into effect on 1 July 2014, has altered some of these requirements.

Table 1: Settings for the case study departments

Case setting	Case A	Case B	Case C
<b>Adoption of Managing for Outcomes system<sup>1</sup></b>	Current version adopted in 2010	Current version adopted in 2010	Current version adopted in 2007
<b>Method of development</b>	Top-down – implemented and driven by the CE.	Bottom-up – driven by one manager in consultation with staff	Initiated by the CE, with significant mid-level engagement – currently moving into frontline development
<b>Fiscal status<sup>2</sup></b>	Believe they have the budget to achieve their prioritised aims	Feel constantly stretched and lacking resources	Committed to innovating to deal with expected funding reductions
<b>Dominance of a professional group among the staff and management?</b>	A professional group dominated frontline personnel. Policy staff were generalists. <sup>4</sup> Policy staff had diverse tertiary qualifications; the professional group had tertiary and professional qualifications	All policy generalists, although several had a particular area of policy expertise. Staff had diverse tertiary qualifications	Most frontline staff had similar qualifications and experience. Some thought of this work as a profession, others did not. Policy staff had diverse tertiary qualifications
<b>Size of budget</b>	Mid-level	Small	Mid-level

Notes:

1. All entities had been implementing the ideas of NPM reform since the 1980s.

2. No government department is allowed a deficit. None retained material surpluses.

3. This classification of small and mid-level was calculated taking the medium staff numbers across departments and defining those within 15% of that medium as mid-level. Those below that threshold were small, and those above would have been deemed large. The medium departmental staff numbers (based on 2009 published FTEs) was 326.

4. By “generalist”, I mean that although a new staff member might have a background in a subject relevant to the department, for example health or education, this was not a prerequisite for the position. Policy experience in another area may have been valued over subject matter knowledge, during the selection process. Most subject matter knowledge in government departments is believed to be acquired “on-the-job”. Some policy staff interviewed had specialised in a particular area relevant to the department.

### 5.3 What Other Information Is ‘Context’ when Using Alexander’s Theory?

The preceding sections have outlined the elements that have traditionally been used to contextualise previous case studies of central government departments. These include the comparison of reform intentions (legislative requirements) with reform achievements (Scott, 2008), “local translations” (Arnaboldi & Palmero, 2011) and other ontological states about the site, such as the dominance of professional groups to balance managerialism (Brignall & Modell, 2000). However, the application of Alexander’s (2006) theory requires highlighting additional contextual information. This includes the identification of the *actors*, *audiences*, and *background representations*, as described in Chapter 3.

Some of this material has not been considered in regard to previous PMS studies. As a result, I have used information that is derived from academic and regulatory sources where possible, but to highlight the interviewees’ perspectives, it is supplemented with interview data as well as documents interviewees provided (or assumed that I knew how to access, given my status as a public servant). This is because much of this material is about what these interviewees believe is the context in which they work, especially because the *Public Finance Act 1989* is an empowering act. Empowering legislation is also known as “outcomes-based” legislation. It

puts more emphasis [than prescriptive legislation] on specifying a performance standard for the desired outcome and does not deliberately constrain how compliance is to be achieved. (Guerin, 2003, p. 8)

As a result, that which is not prescribed or prohibited in the legislation is left to the judgement of the department. Using Alexander’s (2006) theory, I argue that these judgements are, in part, made depending on the *actors’* and *audiences’* interpretations of their context, as much as what objectively is known about that context (such as what is specified in legislation or other guidance documents).

Before identifying the *interpretative categories* that actors and audiences bring to performances, it is necessary to identify who these players are. Because classifications of *actors* and *audiences* are *interpretative categories* rather than ontological states, they are fluid and depend on the perspective of those involved. Below I outline some of these shifting perspectives and how they are relevant to this study.

### **5.3.1 Actors and Audiences**

#### *5.3.1.1 Actors*

Because my study investigates PMS in government departments, it may seem logical that the first group of *actors* are those that implement and maintain PMS within government departments. However, because Alexander's (2006) theory is based on Butler's (2005) notion of performativity, "the self" is the first consumer of a performance (Butler, 2005, p. 46). Alexander asserts human beings can maintain a performance and at the same time "observe" (Alexander, 2006, p. 34) and judge the authenticity of that performance, even as we obscure and make "opaque" that performance to ourselves (Butler, 2005, p. 46). In this sense, the person is the first *actor and audience* in one. This "self-knowing" (Butler, 2005, p. 46) of the *actor* was significant for interviewees in this study – and will be discussed more fully in Chapter 6.

In addition to the self as actor, the performance of PMS centres on those *actors* who need to convince audiences (the other staff and management "observing" [Alexander, 2006, p. 34] the PMS team) of the need to use the PMS. This set of actors also needs to ensure *audiences* run the system in the way that generates the most value for the organisation. Wouters and Wilderom (2008, p. 489) highlight that PMS are usually studied from the perspective of "top-management: how it allows them to monitor whether given objectives have been achieved". However, they argue that PMS can also be systems that supports mid- and lower-level managers for their "own purposes to assess how things are going, identify problems, prioritise issues, develop ideas for improvement, engineer solutions for concrete problems, or make decisions" (p. 489). I would also add that in the public sector it is not only managers that benefit from the information provided by PMS, but also policy experts and other staff developing new policies.

Interviewees noted that in government departments it is not only managers that develop and use PMS (#A1, 5; #B4; #C3, 4). Because academic PMS research is usually situated in the private sector, the staff are assumed to act at the direction of managers (Wouters & Wilderom, 2008). However, depending on the issue or structure of a government department, this is not always the case in the New Zealand public sector. Because a department deals with multiple policy areas, which might include hundreds of pieces of legislation or Cabinet mandates, each manager will not always have expertise in every

Act. However, interviewees (#C4; #B5) noted that there will usually be a senior or principal policy analyst who is expected to have expertise in these policy areas, including knowing details of the intended impact and functioning of each piece of legislation or Cabinet mandate in their policy area. Often, those policy experts (within their area of expertise) will work directly with the CE or the minister. They may also publish papers in their area of expertise (e.g. Larsen, 2010, p. xii).

To keep abreast of impacts and outcomes, those policy analysts need the impact and outcome information that comes from the PMS as much as managers do. The *actors* that promote the PMS must convince the *audiences* of the usefulness of the PMS to their goals. Inside the department, therefore, *actors* are the people trying to promote the PMS and ensure others use and improve it, and the *audiences* include top management, mid-level management and policy experts.

Finally, in another fluid move, because, as Broadbent and Guthrie (2008) highlight, the boundary between public services is becoming pliable, a public service PMS also has audiences outside the department. Unlike the situation that Wouters and Wilderom (2008) describe for PMS information in the private sector, where PMS is used only by managers (whether top management or mid-level), New Zealand government departments are required to make financial and non-financial performance information public in their Statement of Intent and Annual Reports (accountability documents). As a result, performance information is performed both within the department (as described above) and outside it (as described below). Despite the ownership of the PMS usually residing in one unit within the department (or split between finance and another unit for the non-financial information), once the results are reported the PMS becomes perceived to be the performance of the whole department. At that point, the department becomes the *actor*, and there are multiple *audiences* for its information/performance.

#### 5.3.1.2 Audiences

Once the department was described as the *actor*, interviewees were very clear about their *audiences*, that is, those that “observe” (Alexander, 2006, p. 34). Some even specifically used the term “audience” in interviews (e.g. #A2, 3). Broadly, interviewees grouped their audiences into four categories:

- the minister (and sometimes the minister as part of Cabinet or Parliament) (#CA1, 2; #B1, 2, 4, 5; #C1, 2, 4);
- the department's appointed auditor (#CA3; #A1, 3, 5; #B2, 3, 5; #C3);
- the central agencies who monitor the department's performance (NZ Treasury and the State Services Commission, although occasionally this also includes the Department of the Prime Minister and Cabinet) (#A1; #B1, 2, 3; #C1, 2, 3, 4; #CA1, 2, 3); and
- the "public" (all interviewees identified the public).

I have put the word "public" in speech marks because the interviewees do not directly interact with the public in the same way as a service delivery arm of government does. Instead, they primarily interact with an "idea" (Power, 1996) of the public, and the word is used in this sense in the following discussion. As a result, the content of the idea of the public was more fluid and accessed in indirect ways. For example, some interviewees understood the public as the perspective the media reported (e.g. #B4). Using Alexander's framework, the media would not be considered an *audience* but rather a *social power*. A *social power* (Alexander, 2006, p. 36) has the ability to create and distribute messages about *actors'* performances. This requires access to the means of symbolic production, although the scope and reach of this access can vary, for example, from that of an independent blogger to a multinational news corporation (Alexander, 2006, p. 36). This blurring (in the interviewees' discussions) of the role of *social powers* and *audiences* in performances revealed that for these government departments *social powers* were treated as if they were *audiences* for the purposes of the performance. This was not because interviewees clearly identified the media as an intended audience. Indeed they were just as likely to invalidate the observations of media reporting, including saying "what would they know" (#C2), or the media "just get it wrong" (#C4), or "good news stories don't sell" (#B2). They tended to think of the media as media-ting public opinion, through their "interpretative authority" (Alexander, 2006, p. 36). Hence, in the absence of views directly communicated from communities/public, what the media reported was taken as a plausible view of what the public thought. In this sense, the media was an *audience* for the department's performance. Equally, in their role as a *social power*, the media also represented what many people among the public knew about departments, as the public had limited interaction with the department. The consequences of this are discussed further in Chapters 7 and 9.

For other interviewees, in addition to the media, the public was understood through:

- advocacy groups (#E3; B1, 2, 3; A3; C1, 4);
- consultation sessions with the public on specific policies or projects (#E1, 3; A1; B1, 2; C1, 2, 3);
- academic literature or the experiences of similar departments overseas trying new things (#A1, 2, 3; B1, 2, 5; C1, 3, 4);
- case investigation when a service delivery agent was investigated (#A1, 5; B1, 3, 5; C1, 4);
- other policy experts' views (nearly all interviewees); and
- networking across the public service (all interviewees).

One of the case study departments had, in the past, contracted research through a company that offered expertise in public opinion gathering. Another regularly checked comments on its social media sites, such as web or Facebook pages, and letters and other communications from concerned citizens.<sup>17</sup> As well as the diversity of audiences, the intangible nature of some audiences was also highlighted:

“I would say the audiences of [our work] are amorphous and oblique and sometimes there is no living breathing individual body that can reflect them. When you say we serve [a specific stakeholder] it doesn't mean to me that we serve those individuals currently in those positions – we serve the concept ... as much as we do the people.” (#A3)

As a result of this fragmentation, for the purposes of this research I have divided the concept of “the public” into two audiences. The first is the media as both a social power and audience. The second is a collective of all the other sources of information that the interviewees used to understand what the public thought. This makes five groups of key external audiences: media, auditors, central agencies, ministers/Parliament, and the interviewees' idea of the public.

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<sup>17</sup> As noted in Chapter 4, I have used all of these sources as well as departmental sites and media summaries to identify audience perspectives, as I could access them. While this is not the same as directly contacting “the public”, these departments are under the same constraint in accessing and understanding their public audiences.

### 5.3.2 *Background Representations*

To recap Chapter 3, *background representations* are the societal ideas and practices that have become so compressed that they shape moral systems (often unconsciously). They do this shaping regardless of whether audiences fully understand the subject matter (Alexander, 2006, p. 33). That is, people may not consciously analyse *background representations* but they believe them to be “real” enough to act on (Morrison, 1995, p. 154). Alexander (2006) divides collective representations into *background representations* and foreground scripts. The material from interviews that could be classified as the high-level moral systems that shape behaviour (*background representations*) are covered next. The *scripts* that bring life to these values are the subject of Chapter 6.

#### 5.3.2.1 *Background Representations Discussed in the Interviews*

When asked about their work environment or context, interviewees did not start by identifying the factors outlined in the case setting above (such as the *Public Finance Act 1989*, Pathfinder Project, or the size, subject or their professional concerns). Rather they focused on what Alexander (2006, p. 33) calls *background representations*. For example, when asked about their role in PMS development, many interviewees focused first on being public servants (#A1, 2, 3, 5; #B1, 2, 4, 5; #C1, 2, 4; CA1, 2, 3). Below, I outline the structure and accountability relationships that public servants identified as core to their environment and in some cases, their identity as public servants (#A3; C2; B2, 3; CA1). I do this by outlining what they told me, and by referencing the documents that formalise the acceptable practices of the public servant – the Code of Conduct (SSC, 2007, 2010).

First, nearly all the interviewees stressed that public servants are politically neutral and serve the government of the day (SSC, 2010, p. 15). Second, the four most commonly cited principles from the New Zealand Public Service Code of Conduct (SSC, 2007, 2010) that interviewees raised in relation to their role as public servants were:

- “demonstrating a spirit of service to the public of New Zealand” (SSC, 2010, p. 32) and making “a difference to the well-being of New Zealand and all its people” (SSC, 2010, p. 9);
- “provide robust and unbiased advice”, which several interviewees also called “free and frank” (#CA2) advice (SSC, 2007, p. 1);

- “do not compromise our organisation or our minister” (SSC, 2010, p. 30);
- consider “the ‘angle’ that commentators may adopt if there is media reporting of our activities” (SSC, 2010, p. 30), which interviewees called the “Dom Post test”, in reference to the daily Wellington newspaper, the *Dominion Post*. This refers to the idea that “not only must justice be done; it must also be seen to be done” (Sen, 2010, p. 146; see also OAG, 2010, p. 36).

Interviewees’ use of the public service Code of Conduct as the *background representations* to which they anchored their answers generates two interesting points; one relating to the collective identity of public servants, and the other related to accountability and responsibility.

#### 5.3.2.1.1 *Background Representations* of a Collective Identity as Public Servants

The first point is to highlight that the idea of a public servant working across the public service for the public good is a view that it has been suggested NPM undermines (Hood, 1995, p. 93–94). For example, in New Zealand, prior to the *State Sector Act 1988*, public servants all worked for the State Services Commissioner and were assigned to departments for as long as the State Services Commissioner saw fit (Ball, 1990, p. 129). Some interviewees with very long careers remembered that the name, public service grade (a hierarchical ranking system), salary and years of service of every public servant were published in “the book” (#C2; #CA2). This meant that within each grade all public servants were (in theory) the same, regardless of the department they worked in. The *State Sector Act 1988* ended this system and made CEs responsible for individual departments, including, employing, training and paying staff (Ball, 1990, p. 129). It was believed that this would make public servants focus on individually and organisationally accountable goals (#A3; #B5; #C2; #CA1, 2). While the reforms were not intended to break down the “public sector ethos” (#C4) they were supposed to focus individuals on the accountabilities of their department and ensure efficient delivery of services. It is now recognised that this idea incentivised silo-based behaviour and meant social issues that crossed agency boundaries did not receive the attention they needed (Schick, 1996; SSC, 2010). As a result, amendments to the *State Sector Act* were passed in 2013.

Many interviewees commented that although departments and other public entities may act as silos, individuals still think of themselves as public servants, regardless of the

department that they work for. This point was reinforced by a participant in a public sector forum I attended, who was originally from Britain. In a small group session he commented on how strong the public servant identity is in New Zealand. While working in the United Kingdom, this participant had considered himself part of his sector first. For example, he thought of himself as someone working for justice (when in the justice sector), or for peace (when in the military). However, in New Zealand he had noticed that people in equivalent positions maintained a dual identity. He said that in his observation people thought of themselves as:

“a public servant who is making the world a better place, in [the area of] say, justice ... I’m not saying everyone thinks like that ... but I was not used to such a strong idea that we are all public servants together, even if we don’t work in the same department.” (#E3)

My point here is not to contrast the United Kingdom with New Zealand but to highlight the collective sense of public service that the interviewees felt. As another example, during the tea break of a public service event four public servants (including myself) were discussing the then upcoming *State Sector Act 2013* changes, and specifically the ones designed to break down silos. When I commented that my interviewees had a strong sense of being public servants, rather than being confined to the boundaries of their department, even if departments acted in silos, one of the other members of the group agreed, adding:

“of course there is an ‘us and them’ mentality [between his own department and another public service department], but everybody is trying to do the right thing – it’s just our way is better! [group laughs].” (#E4)

What this comment adds to understanding how public servants think about their *background representations* is what Alexander (2006, p. 31) has termed the acceptance of the “authenticity of one another’s intentions”. This point is specifically covered in Chapter 7, but for now it is necessary to note that the interviewees in this study had a collective identity, and accepted that other public servants (in general, if not in specific circumstances) were trying to “do the right thing” (#A3). Their code of conduct describes this as “acting with a spirit of service” (SSC, 2010, p. 4). This was a strong *background representation* embedded in the *interpretative categories* that the interviewees used to understand their performances and those they observed. This commitment to the spirit of

service is not quite enough to categorise them as the sort of “zealots” that Hood (1995, p. 93) claimed dominated the idea of public servants prior to the NPM reforms. Equally, it does not make them as “self-serving” as NPM reforms are claimed to incentivise.

This suggests that the decision of the majority of interviewees to talk first about being public servants, before discussing their policy goals or their departmental perspective, survives from a time prior to NPM reforms. In contrast to this attitude that continues across time, the division of responsibilities between ministers and departments initiated in the reforms has become sacrosanct to several interviewees.

#### 5.3.2.1.2 *Background Representations of Accountability and Responsibility*

In changing the employment relationship between CEs and departmental staff, the *State Sector Act 1988* also separated departmental and ministerial responsibilities. One area the CE has sole responsibility for is departmental capability matters (*State Sector Act 1988*, s.32). One interviewee noted his concern that this principle had been recently violated. He commented:

“I will tell you what terrifies me ... it’s the interference of the prime minister into this redundancy business at MFAT [Ministry of Foreign Affairs and Trade].<sup>18</sup> What is he doing? – I know the media are not always (scoffs) accurate in their reporting, but it doesn’t matter, all over the front page of the paper is the prime minister running MFAT, discussing what their terms and conditions should be. It doesn’t matter whether he is or he isn’t [running MFAT], people think he is. Unless something is done, so that people know it’s wrong – he has no [legal] right, and if he can overstep that boundary – it’s a slippery slope – what else can happen? It’s terrifying, and nothing is happening [publicly] to stop it.” (#C2)

While this specific example did not arouse such intense responses in other interviewees who mentioned this incident, they did note that the boundaries between the minister as audience, and the minister as public face, and hence an *actor* of departmental performance (to use Alexander’s language), was fluid, and sometimes (in their opinion),

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<sup>18</sup> This department is identified as it was not the department for which the interviewee worked. However, his assessment of the situation speaks to the perspectives of public servants about the moral values and codes that do, and should, drive behaviour, whether or not they work in the department concerned.

more fluid than it should be. This suggests the departmental values that form the *background representations* of many public servants, include not only the “Dom Post test”,<sup>19</sup> but also ensuring the minister maintains the legal boundaries of his or her authority. This is an unwritten code of conduct that underpins interviewees’ values, especially given that the State Services Code of Conduct only mentions that *public servants* must act legally and “respect the authority of the government of the day” (SSC, 2010, p. 15).

### 5.3.2.2 *Background Representations Refuted in the Interviews*

Some of the existing literature suggests that entity survival is a key driver in entities determining what and how to report. For example, Chang (2009, p. 145), researching UK hospitals, claims that “impression management” and gaining a “favourable image” drive performance reporting. Samkin and Schneider (2010, p. 257) go further, arguing that their case entity, a New Zealand government department, uses its reporting accountabilities to ensure its own “self-preservation as much as to achieve its public benefit purpose”. Chang (2006, 2009) and Samkin and Schneider (2010) suggest, in their respective case studies, that public entities undertake their *performances* (to use Alexander’s terminology) in order to ensure their survival.

If this was the situation in the three case studies, one would expect to find background representations related to survival, or at least a longevity narrative or even a justification of the department’s continuing existence. These were not found among the interviewees in this study.

In describing the ultimate goal of their department, most interviewees in two of the departments (Cases B and C) had a narrative that related to doing “such a good job” (#B5) in steering significant permanent changes in society that government intervention would no longer be required and their entities could be disestablished. Rather than focusing on survival, the departments wanted to be seen to perform because this gave them space and trust to experiment and try new ways of “delivering benefits for citizens” (#C1, see also #C4; #B1, 2, 5). For Case A, even though some senior managers had noted in interviews that their department was “probably a necessary evil” (#A1, see also #A, 2), the strategic-

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<sup>19</sup> As noted on page 12, this refers to the *Dominion Post* newspaper. The test is the impact an article can have, depending on its “angle”, when it is on the front page of the main Wellington newspaper.

planning day saw staff from interns to senior managers trying to redesign the system so their function was no longer required. The purpose was to ensure that the department was prioritising its resources in the most effective ways and ensuring it was not repeating tasks year after year if new technology, or other system changes, meant its function could be more efficiently delivered elsewhere or ended altogether. This would enact the “Treasury mantra – if it’s not effective it’s not cost-effective – don’t do it!” (#A4). One participant in the strategic-planning day remarked:

“Wouldn’t it be great if someone could write a computer programme to search for [a specific kind of data] in the information management system and then check it against [a specific compliance requirement]. Then we could be free to do the stuff where our brains are needed.” (#E1)

To use Alexander’s terminology, this public servant wanted to free humans’ time and brains for tasks that required a social performance to be accepted, rather than applying them to what was, in his mind, a machine-like task.

This striving on the part of public servants to reduce their functions, rather than to “enrich themselves” (Hood, 1995, p. 93), goes to the heart of the shift that Hood identified when he coined the term NPM. This suggests the pre-NPM assumption of “ascetic zealots” has survived more consistently than the “low trust”, “accountingised” models of behaviour where deviation from “objective” reporting of accurate financial information was seen to be in the pursuit of personal gain (Hood, 1995, p. 94). Alexander’s (2006) theory of performance provides an alternative view. For some functions, machine-like performance is enough (e.g. the monitoring function the analyst referred to above). However, there are many other functions for which social performance is not necessarily suspicious or false, but critical for improvement to occur.

This analysis suggests that the background representations driving the interviewees in this study are embedded in a public service ethos of service. This means public servants enact their PMS within a context of service to the public (regardless of their direct interaction). Yet, as Alexander reminds us, whatever the background representations, performance must be enacted through foreground scripts. Foreground scripts are the way in which *background representations* are made specific and concrete for the *actors* and *audiences* (Alexander, 2006, p. 32). Given the significance of these *scripts* to this research, the next

chapter explores fully the varying perspectives on performance and the *scripts* used to enact it – as identified by interviewees, and implied in the other data sources.

#### 5.4 Summary

This research began by questioning the equivocal understandings of why some organisations attempt to overcome barriers to ongoing PMS use (Liguori & Steccolini, 2012), given the stated benefits (Behn, 2002). This chapter has contributed to this debate by identifying the *actor's* perspective of context as a missing component of previous studies of PMS use. In contrast to what might have been expected, the context that the interviewees and others used to understand PMS did not derive from private sector models of performance or the underpinning principles of managerialism. Rather, they anchored their understandings of context in their role as public servants. This meant their context was steeped in the following background representations:

- the spirit of service;
- political neutrality and serving the government of the day (including not compromising the minister);
- free and frank advice; and
- the scrutiny of their behaviour by the media (and others, including Parliament and the public).

In addition, these driving *background representations* are not anchored in “survivalist” narratives as some literature argues (Samkin & Schneider, 2010). However, this does not make the interviewees either “zealots” (Hood, 1995, p. 93) or wedded to pre-NPM values (such as the idea of a single public service). They accepted the idea of individually accountable departments.

This analysis suggests that within the spirit of service, these interviewees had accepted the NPM divisions of labour between ministers and departments, and saw PMS as a means to achieving both the spirit of service and the discharging of their accounting-ised accountability as public servants. This indicates that any study of PMS use in the public sector needs to consider the PMS's alignment and adaptability within a context of service and accountability. This is additional to the stated benefits relating to efficiency improvements or better prioritisation in the PMS literature (Behn, 2002). The next chapter

examines how these *background representations* are transformed into *scripts*. This follows Alexander's (2006) belief that regardless of the *background representations* in play, how *actors* enact them will influence how audiences perceive them, and hence the resistance or otherwise that they mount to ongoing PMS use.

## 6. SCRIPTS AND UNDERSTANDINGS OF PERFORMANCE

### 6.1 Introduction

This study explores whether a re-examination of the notion of performance (combined with a consideration of the affective aspects of PMS) can provide new insights as to why some organisations attempt to overcome barriers to ongoing PMS use. The previous chapter outlined the context and *background representations* that interviewees in this study used to give context to their notions of performance. This chapter specifically focuses on what the interviewees' notions of performance were in order to highlight why a re-examination of performance will provide new insights into the attempts to overcome barriers to ongoing PMS use.

Based on the literature review presented in Chapter 2, the understandings of performance among interviewees were expected to fall into three categories:

- The production model of performance (Pollitt, 1986).
- The service delivery or complex service coordination model (Hyndman & Anderson, 1997; Williams et al., 1990).
- The evolving idea of “subjective” performance (e.g. Modell, 2005, 2009).

However, just as the academic literature had “vague” performance language (Modell, 2005, p. 540) and some authors acknowledged the fluid and changing notions of performance (Brignall & Modell, 2000), interviewees' definitions of organisational performance were also diverse. This is despite an expectation that the legislation and central agency guidance might have resulted in either coercive or mimetic isomorphism (Thornton et al., 2012, p. 21) towards the “rationalist NPM approach” (Pallot, 1999, p. 423).

Indeed, interviewees showed little sign of the need to conform to a particular approach. While most respondents knew about the first two production and service models of performance and a few used them to describe what performance meant in their context, the majority fell within the third category – having subjective notions of performance. These subjective definitions were more aligned with Alexander's (2006) perspective that performance is an *interpretative category* rather than an *ontological state*. Given the

limited theorising in the literature related to subjective performance, this chapter addresses this gap by showing the relationship between the multiple definitions of performance that interviewees used and Alexander's (2006, p. 33) concepts of the *foreground scripts* and *mise-en-scene*.

To do this, this chapter is divided into two parts, with both parts drawing on the first question asked of the interviewees. This question was about organisational performance and what it meant to them and their role.<sup>20</sup> The first part of the chapter examines the similarities between the interviewees' views of performance and those in the production and service delivery definitions of performance in the literature. I do this in order to indicate that the heavy reliance on these two models in the literature is not entirely misplaced. I show that some interviewees thought these understandings of performance could assist them in certain ways. As one interviewee put it, "the production model is not necessarily the best model, but it is a useful model" (#A5).

In the second part of the chapter, I show that the majority of interviewees included definitions of performance from outside the production and service delivery models. The use of multiple understandings of performance combined with an interviewee's belief that audiences held multiple views of what constitutes performance supports the argument that more attention should be paid to a re-examination of performance and especially the idea of subjective performance (Brignall & Modell, 2000). I do this by exploring what Alexander's lens in general and in particular what his concepts of *foreground scripts*, supported by a struggle over *mise-en-scene* and *props*, reveal about these enactments of PMS. I build on these concepts in later chapters to show that Alexander's view of performance provides an alternative to the production and service delivery models, which provides additional insight into attempts to overcome barriers to ongoing PMS use. It also contributes to extending the existing literature on subjective performance (e.g. Modell, 2005; Jeppesen, 2012).

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<sup>20</sup> While all the interviews were semi-structured and allowed significant variation in topic to emerge, every interviewee was asked first what organisational performance meant to them. As noted in chapter four, please see the Appendix 1 for a full list of questions.

## 6.2 Comparing Models of Performance: The Literature versus Interviewees

### 6.2.1 The Production Model of Performance

The production model likens performance to the production of goods. This model uses a linear process that links inputs to outcomes through outputs, and is the version of performance used to inform guidance for government departments in New Zealand (NZ Treasury, 2012; OAG, 2008, SSC, 2009). As its dominance in the literature would suggest, this language permeated many interviewees' descriptions of performance.

The closest match to the central agency guidance on performance came from one central agency representative (#CA1). She said she commonly used a "metaphor of making a cake" to describe performance. She described the process as starting from having a vision for the cake, the purchase and choice of inputs, mixing and cooking it in the right way, and then icing it as necessary. In less metaphorical language, a chief financial officer also described performance as being about:

"tracking – measuring how each input adds value to the business ... [and then] show[ing] how we [the department] add value to society. We do that through the minister, by giving the minister a menu of choices." (#C3)

Interviewees also used the business language of the production model introduced with NPM. For example, managerial language from the private sector was evident in many interviews. As one senior manager noted, performance is:

"value management and turning resources into results and communicating about the value of the results – performance is good management in the context of bigger management." (#A3)

One CE prefaced his definition of performance with the statement:

"the bureaucratic speak is, you know ... expenditure, outputs, productivity etc. But as I say, fundamentally it's about: 'Did we deliver what we said we were going to deliver within the time frames and within the budget and to quality

standards? Did we do what we said we were going to do with public money?”  
(#B1)

While he started with private sector language, his touching on the issue of “public money” hints at the limitations of transferring the production model to the public sector. The academic literature has raised concerns that NPM’s private sector focus would result in an excessive focus on efficiency (Pollitt, 1986).<sup>21</sup> Pollitt (1986) called for alternative conceptions of performance to be developed. He introduced ideas such as quality, complexity and subjectivity, encouraging further research to “go beyond the private sector model to assert the distinctively *public* character of the public service” (Pollitt, 1986, p. 167, emphasis in original).<sup>22</sup> While Pollitt (1986) warned that NPM’s private sector focus would result in an emphasis on efficiency, to the detriment of other elements of performance, in New Zealand this was averted (see Chapter 5 for a fuller account), at least for the interviewees in this study. Accordingly, the potentially detrimental focus on outputs was redirected towards a focus on outcomes and cross-agency work through the Schick Review (1996).

As a result, the interviewees who described the production model of performance tended to comment on its limitations rather than endorse its use. For example, the interviewee that used the cake metaphor also insisted that the key to good performance was not the ingredients or the cooking, but rather taking a “systems” view of the whole process. She said “you have to have a clear sense of impact – people have to eat it” (#CA1). Furthermore, a CE noted that the production model impeded his department’s ability to explain its “unique contribution” to the “public good” properly, because the combination of the indirect services and the coordination and monitoring role that the department had did not “fit” this “production line” (#B1). In this sense, interviewees (including actors such as departmental actors and central agency audiences) were aware of the underlying assumptions of the NPM reforms, and aware of the foreground scripts that central agency guidance promulgated, but they were also aware that this was insufficient to understand and “communicate” their “performance story” (#A3).

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<sup>21</sup> Pollitt (1986) didn’t explicitly refer to the public sector reforms as “New Public Management” because his article was written prior to the coining of that term. Nevertheless, he refers to the ideas that are now encapsulated in that term.

<sup>22</sup> There have been other critiques of the linear production model, and the over-emphasis on efficiency – these are detailed after the discussion of the service delivery model of public services below.

### **6.2.2 Service Delivery and Service Coordination Model**

As described more fully in the literature review (Chapter 2), Hyndman and Anderson (1997, p. 140) anchored their framework for performance in the production model. However, there is a nuanced shift in their description, from products to services. This means performance measures shift from consistent delivery to quality service, as Broadbent and Guthrie (2008) note. Hoque et al. (2004) also observe a shift in performance emphasis from efficiency to customer service.

The service delivery and service coordination model's definition of performance is recognisable in New Zealand public sector guidance documents on strategic management and performance management (see e.g. SSC, 2009), but featured less in the interviewees' discussions of performance. It was not altogether absent from the interviews, just not dominant. #B1, for example, defined performance in terms of the quality of the service delivered. He noted "up to the sort of quality levels that's expected – that's the sort of very basics" but the department must also "deliver what we set out to deliver within the budget and quality expectations and time frames" (#B1).

In addition, consistent with the literature review in Chapter 2, interviewees used a similar diversity of language to describe performance. For example, one spoke of "efficiency and effectiveness" (#A2), another "timeliness and quantity" (#B3), and another "cost" (#C3). Even within the same departments there were differences as to the favoured term(s) for performance. For example, #A2 focused on efficiency and effectiveness equally, whereas #A4 discussed effectiveness more often. Both discussed outcomes as the key way of knowing whether the department had performed. In another example, while #C3 focused on cost, efficiency and "modern accounting techniques" (which he did not further define), #C1, 2, and 4 all focused on "outcomes" as the key indicator of their department's performance.

Some interviewees also commented on issues that the literature review identified as recent "shifts". For example, several accounting scholars note a shift from efficiency to accountability (Chia, 2007; Guthrie & English, 1997; Samkin & Schneider, 2010; Yamamoto, 2004). Only four interviewees specifically used the term "accountability" (#A1; #B2; #C2; #CA2); however, the focus on delivering on promises (being accountable for public spending) was evident in most interviews. For example:

“In terms of performance and systems [my role] is to (1) make sure they are in place and (2) to ensure that the information coming out of them is of use, and used – and ultimately ... I'm accountable for both elements – the operation of the system and the results that come out of it.” (#A1)

The same sense of obligation, without using the word accountability, is found in other interviews. For example, one performance specialist noted:

“my role is the coordination of the planning documents and guiding the team – where does the ministry want to go, as a whole, as a team. Guiding them in reporting and then making sure people know we have delivered on that promise.” (#B5)

When discussing accountability, interviewees were clear that they should not be accountable for outcomes. Instead they acknowledged that they should be accountable for the delivery of their outputs, but they knew that outcomes were the real measure of the government's (including their own) success in “making a difference” (#C4). As one interviewee put it:

“Treasury's old phrase used to be we are accountable for the 'managing' bit of managing for outcomes, not the 'outcomes' bit – but they [the managing for and the outcomes] are so mixed up – especially what we do here – we [name of the policy and programme area which covered enforcement and provided an advice function] don't actually achieve the tangible outcomes, like changing people's lives – the pointy bit of that job is done by [name of the service delivery entity].” (#B2)

In contrast to the literature review, interviewees did not use any of the named PMS in the literature (such as the Balanced Scorecard [Kaplan & Norton, 1996]). When asked about the frameworks used to assess performance, the most common response was the Performance Improvement Framework (PIF). The PIF was developed by a joint State Services Commission and NZ Treasury unit (now known as the Performance Hub) to combine best practice from the (academic) PMS frameworks tailored for the New Zealand context (see SSC, 2014).

While not using well-known frameworks for their PMS, most interviewees referred to the key concepts behind many of the frameworks considered in the literature review. For example, one performance expert focused on the “alignment” between written plans and action, as well as “overall effectiveness” to overcome silos (#B5). Another interviewee spoke of an “engaged but integrated” strategy (#C4), and yet another noted the “imperative” nature of “linking strategy” and day-to-day work. Two CEs (#A1; #C1) commented on integrating strategy and action and using PMS to inform strategy. Many interviewees mentioned the need to ensure “balance” (#A3, 4; #B5; #C1, 2, 3, 4) in measures across the business units, types of measures and from high-level outcomes to input tasks. Several interviewees discussed their preferred well-known frameworks, and how they tried to use those principles when working with their departmental PMS. This included “Lean Six Sigma” (#CA3); and “Baldrige” (#CA2).

### **6.2.3 Subjective Notions of Performance**

The mix and match approach between the words associated with the service and production models of performance suggests a wide diversity of institutional logics regarding what counts as performance, rather than narrow definitions associated with either professional groups or managerialist philosophy, as much institutional research reviewed in Chapter 2 suggests (Brignall & Modell, 2000). The limited focus of these two conceptualisations of performance indicates an unnecessary narrowing of options in conceptualising performance in public sector PMS research, given that interviewees’ definitions were considerably broader.

Furthermore, as Modell (2009, 2012) notes, new theoretical perspectives are needed to address the “inherently inter-subjective aspects associated with different actors’ interpretations” (Brignall & Model, 2000) and the “ambiguous knowledge base” (Jeppesen, 2006) of assessing public sector performance. This is what I have termed a “subjective” understanding of performance (see Chapter 2). To address this issue, I return to Alexander’s (2006, p. 33) concept that performance must always be enacted, and hence always has the performative effect, which opens any definition of performance to uncertainty and interpretation. Definitions are enacted in *foreground scripts* which provide the logic and the moral rationale for actions. In the next section, I explore this uncertainty and interpretation in the interview data, following two key themes: outcomes-based

understandings and co-production of performance, to extend both Modell's (2005) and Jeppesen's (2006) (among others) point regarding the significance of subjective performance in public sector work (Rahaman & Lawrence, 2000).

#### 6.2.3.1 *The Outcomes Script*

Interviewees could simultaneously talk about outcomes as both fixed ontological states and as multiple equally valid *interpretative categories*. This is because the outcomes they aimed to achieve were ontological states when viewed as “the big picture” (#C1). However, while the big picture appears to be relatively stable and separate from the individuals performing it, making it an ontological state, the picture is so big that it allows considerable room for negotiation and interpretation. The big picture also shifts the boundaries of performance from department to society, creating further ambiguity for responsibilities regarding free will and coercion (Newberry & Pallot, 2004). As a result, the performance of a department not only is, but needs to be, co-produced with others (such as citizens).

In general, interviewees discussed outcomes performance, meaning they focused on the changes in society that occur as a result of the whole-of-government action provided for in the *Public Finance Act 1989*. Several interviewees also focused on impacts – the direct effects of the output (service) on citizens (SSC, 2009), but often in the context of achieving outcomes.

As one CE (#C1) put it, “benefits for citizens ... is why I'm here”. He also said:

“I think organisational performance is all about delivering benefits for citizens actually. ... I can't remember the exact words now of the *Public Finance Act 1989* but something like an output – sorry an outcome – is defined ... something like benefits for citizens or something like that ... it's pretty close to that (yeah) so ... that's what organisational performance is all about – you gotta have that big picture ... strategic intent and then everything else fits underneath that in terms of the way you go about ... cascading your vision and strategy down through the organisation the way you plan – the way you report ... it's all about ... big picture reporting so that is how I see it, in big picture terms.”

Although this CE's department did not interact directly with "the public" (the citizens he talked about), it assisted other government entities to improve their performance (including interacting with citizens). Hence, he was mainly interested in knowing when citizens thought things were getting better (in his sector) as the big picture of performance. To him, performance could "only be seen in these terms". He added that he knew it was necessary to assure government (as the people's representative) that his department was not wasting resources and was spending its appropriation on what it said it would, but he did not see this as being the part of his department's performance that mattered. His focus was on measuring the changes in society that resulted from the work of several agencies in his sector to know whether they were all "collectively" making a difference.

Because interviewees focused on societal change, their views contrasted with the existing performance literature, which tends to concentrate on a "focal" entity (Brignall & Modell, 2000, p. 281). Instead, interviewees spent more time discussing, in terms of performance, how to create, manage and use the "qualitative parts of performance systems" (#B6; #CA2). This was because the "qualitative parts" provided them with the contextualised data and case studies that enabled descriptive and evidenced discussions about intervention strategies for specific programmes, and also for policy advice and regulatory action. It also provided the information needed to explain the intended changes in specific groups and society as a whole, as well as unintended consequences. The interviewees described how focus on performance at the societal level manifested in different, but equally valid, views on the "important" (#B5) performance measures. This is in contrast to individual customer service measures, which were relatively uncontested.

Most commonly interviewees focused on "meaningful measures" (#B5) and "sector-based measures" (#A3, 5; #B2, 5; #C1, 2, 4) rather than organisational measures related to specific services, in order to see the big picture. For example, one performance expert (not speaking about her own department/sector) mentioned the need for sectors like "justice and education" to work together to solve the issues society faced. The same interviewee also noted: "Justice is doing really interesting things with the joint key performance indicators for the justice sector – it's a start" (#A5 – see [www.justice.govt.nz](http://www.justice.govt.nz)). Hence the interviewees talked about the need for performance information to be "meaningful" to citizens and citizens' understanding of what government departments did. Another interviewee at the performance expert level emphasised that each department or other

government entity only “held a part of the puzzle”; that is, their expertise had to add “value” but they could not alone achieve the “outcomes” government sought (#B5).

If PMS are to be beneficial to departmental users, as the literature claims is the reason for their uptake, PMS needs to be a tool not only to assist decision making, but also to provide the kind of information needed to piece together the “puzzle” (#B5), show how citizens are benefiting (#C1), or even how society is changing and responding to both government interventions and other external stimuli (#A2, 3; #B1, 2, 4, 5; #C1, 2, 4; #CA1, 2, 3). This suggests a PMS needs to be as nuanced as necessary to collect data and identify trends in behaviour across multiple facets of human life, the economy, or the environment. I argue that this communicative role contributes to why some organisations attempt to overcome PMS barriers, especially in an environment where performance is co-produced.

### 6.2.3.2 Co-production of Performance

The second theme that emerged in the interviews that relates to the subjectivity of performance is the importance of the audience in determining the definition of performance and the multiplicity of understandings of performance among *actors* and *audiences*. For example, one senior manager noted the different needs of different audiences. She said:

“repackaging [performance information] in a way that whoever is receiving it is going to think that that’s a great piece of work – if it is a great piece of work ... it’s ... about the value that people are looking for, different levels or different types of value that people are looking for in the work that we do.” (#B2)

Another noted:

“it makes me feel philosophical because I think that’s the nature of impact, you know ... what we think is marvellous ...[but someone else]... is just confused or doesn’t agree.” (#A3)

This quote points to both the *interpretative categories* that create multiple definitions of performance, but also in this instance she is noting that they can’t always be managed by shifting the emphasis and performance information; sometimes people

just disagree, and “you have to suck it up” (#A3). This perspective points to the idea that there are multiple, equally valid, definitions of performance.

Another interviewee noted the different values in performance assessment more specifically:

“Sometimes the staff don’t get it – [the central agencies] don’t really care about the work we do with people. They want to know we are efficient and not wasting resources. They do that by comparing us to others. Our [the performance experts’] job is to make sure they get the right comparison, and we do that by the story we tell in the accountability documents.” (#B5)

This interviewee did not mean that nobody cared about “people”. Rather she was emphasising that different audiences have different interests and priorities. While the department’s view of performance was about the outcomes related to people’s lives, central agencies focused on the benefits to citizens from well-run government departments and no wastage of public funds, because they assumed that the focus on people’s lives was managed by the department (#CA1).

A more obvious separation of the ontological state of performance and the *interpretative categories* used to assess it was heard at a public sector forum on PMS (#CA3).<sup>23</sup> One participant commented on how much the minister’s view of their department’s performance had improved since they had appointed a new private secretary.<sup>24</sup> The participant said that the new private secretary understood how to show the minister the department’s performance (using the same PMS as the previous private secretary) “in a way the minister understands”. In this sense, good performance was dependent on the minister’s recognition of it as such (as mediated by the private secretary), as much as on what the department did and hence on the objectivity of the numbers or the qualitative data produced by the PMS.

The subjectivity this created in managing and measuring the multifaceted aspects of performance caused difficulties and likely barriers for another interviewee:

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<sup>23</sup> This conversation was heard at an event on 22 November 2013 at which a few of the interviewees in this study and other public servants were present (see Appendix 2 for a list of interviewees and dates of events at which they were present).

<sup>24</sup> The private secretary is the liaison person between the department and the minister.

“It’s about what the public needs to know to hold us to account, but how can they know all of it? ... In some ways, how do we know? Yes, of course we can use the best available methods – we should be accountable for ensuring we have systems in place and doing our best to know what we can – but can anyone really know?” (#B3)

Multiple but equally valid ways of defining performance could be resolved internally for each department. As one interviewee noted:

“we exist as a department to have a range of views, but in the end, we are here for the chief executive’s view, that is the one we will use.” (#A2)

When the department was co-producing its performance with those who were external to the department, however, this way of resolving ambiguity was not available. Reinforcing the idea that there may be multiple (equally valid, if not equally preferred) ways of interpreting performance inside and outside the department, one interviewee described a failed PMS initiative from her previous employment. She noted that it had failed not because the PMS had not been “hugely beneficial”, but because it had been linked with a policy reform “that was extremely unpopular”. The “public attack” was “enormous”:

“partly it was a misunderstanding on their part, partly [the reforms, not the PMS] did change how things would work – it might have been better for them, but, in the end, they said it didn’t work, and well, I thought more effort could have been made to inform people, but in the end, it was deemed unsuccessful ... [key] people backed away, so now people won’t use the PMS.” (#B5)

According to this interviewee, the performance and benefits of the PMS were not in doubt, and yet (among other things) the PMS was seen to be part of the reform programme. The debate was not over the *ontological or interpretative* status of the PMS, but on the *interpretative category* of another initiative – the reforms. Judgement about good performance was not assessed on the *ontological state* of the PMS (Alexander, 2001, p. 13), but on the *interpretative category* the audience brought to the reforms. In this sense, quantifiable information was important “for accountability reasons” (#B3), but qualitative information about how the department works, what its levers are, and how it is

encouraging change in society by changing laws, policies, incentives and funding availability “is what matters” (#B5). The ability to see these levers and “understand what we do” (#B5) is contextualised by Alexander’s (2006) concept of the *mise-en-scene*.

Alexander (2006, p. 33) claims that *scripts*, such as outcomes-based language are the way that *background representations* are made specific and concrete for the actors and audiences within a particular *mise-en-scene*. This point may help to better theorise why the majority of interviewees did not focus on the production and service delivery models of performance. Alexander (2006) notes that making a performance concrete transforms an interpretative category into the appearance of an ontological state. In doing so it opens the possibility for debate and critique of that enactment – it must be co-produced with other actors and with audiences to be a successful (unquestioned) performance of the chosen ontological state. The first step in that possibility is the selection and enactment of *foreground scripts*. These scripts are significant in determining the specific moral evaluations and emotional energies that actors bring to their performance and how audiences respond. The *mise-en-scene* involves framing the story in a context that gives it specific meaning. Giving a performance a specific context will change the way the performance is perceived.

The contestation over what a department or other government entity does (or should be doing) was well debated by interviewees. For example, one senior manager stated:

“An organisation exists for a purpose so management’s responsibility is to ensure that it fulfils that purpose as effectively and efficiently as it can. It [performance] is the whole thing, the managing of the business of the organisation which goes to performance and [some people] ... lose the ‘for what’ thread of the argument.” (#A2)

An interviewee from another department commented more passionately:

“We don’t do what most people expect, and a 20-page accountability document cannot explain all the nuances ... they don’t see what we see, every day when we do our jobs. Arguing about whether the measures are enough of a stretch target, or whether we should prioritise [a specific] policy area over [a different policy area] ... I mean, really, these are people’s lives we are dealing with, they

don't care whether you are prioritising [a particular area] at the moment, they just need help... That's what people don't see, and it can't be in a 20-page SOI [Statement of Intent]. The world out there is just so different to what these people [the external audiences in Wellington] have experienced. Every year we do what we can to build that picture for them." (#B2)

Another interviewee (#C2) gave an example of how shifting the *mise-en-scene* had changed the reception of a performance story. This interviewee was trying to highlight that performance is an ongoing exercise. He told a "story" he had heard from other public servants – this was not his personal experience. However, he believed it was true, and hence it shaped how he thought about performance in terms of his role.<sup>25</sup>

According to this story, a CE of the former Department of Child, Youth and Family Services (CYFS) received a negative evaluation for one of the group homes the department ran for troubled young people. In response he chose to open the group home to the media. He took a group of journalists to the home and allowed them the opportunity of meeting staff and young people. He showed them the complexities of the young people's needs and the attempts to make the homes run efficiently while treating the young people in a therapeutic rather than prison-like way. In this way, the *actor* (the CE) controlled the particular *script* and *mise-en-scene*. He shared with the audience the challenges of the task and made both staff and young people real to the media. He projected a different set of emotions into the script than would have been the case had he issued an impersonal press release. In contrast to the common accusatory reporting of CYFS's failure and waste of public money, the story about the negative evaluation of the home was reported in a less inflammatory way and contained more emotions and information actually related to living and working in group homes. The space created by this more balanced view of the situation allowed the CE (and no doubt the staff) to spend more time working on improving the situation of the group home rather than responding to media and ministerial needs (#C2).

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<sup>25</sup> As noted in Chapter 4, following Agar (2010), information is treated as real if interviewees believed it to be so. Hence, although I could not identify any additional evidence of this incident occurring, it is included because this interviewee acted on this story and used it as a learning device. He shared it with his staff and others he had trained over the years, as a way of ensuring performance was achieved.

In another example, one CE (#B1) noted the conflicts between those judging his performance. He noted that “in Wellington” people judging his department’s performance focused on “Did they deliver what they published in the SOI [Statement of Intent” (a forward-looking accountability document published at the start of the financial year – see Chapter 5). He felt this put the department “between a rock and hard place”. It meant the department could not change to a better mix of outputs during the year, if better opportunities arose. He noted this stopped him achieving his entity’s purposes, because it was charged with providing “innovative” and “strategic” solutions to long-term problems. However, he was also aware that when the department was “agile” and responded to other audience needs, often audiences praised the performance of the department, noting the department’s “responsiveness”.

Another senior manager commented on the challenge of communication given the nature of public sector work (and hence what might count as performance):

“It’s a challenge, measurement is not simple ... public sector organisations often have multiple purposes, it’s not just make a profit, you are managing in a complex and often ambiguous environment – so the benefits ... are not always as clear as they might be, whereas the cost is quite clear and so that [communication] is quite a difficult thing to manage.” (#A2)

Another interviewee also commented on the significance of that communication to facilitating future action:

“you have to communicate your performance – you have to inspire people. When people trust you, they give you the time and space you need to perform – if not, they second guess everything, shutting new ideas down before they can even be tried – I hate that. It used to be like that when I first arrived. Now it’s much better.” (#C1)

This interviewee attributed this change to his “constant communication” with stakeholders.<sup>26</sup> Another interviewee, who had been identified as an *audience* to this case

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<sup>26</sup> The difference in style or expectation of the three case entities has not been specifically analysed, because it is outside the scope of this study. However, it is worth noting that this CE

(Case C), also focused on the importance of the department's ability to "tell the story". She noted:

"All these elements [such as outputs and financial management systems] aren't what count as performance. Sure, if the entity can't answer my basic questions with good quality performance information, I begin to wonder. But when I'm sure [about them], then I only want to know what they are planning, what is going to help next, and whether they have anticipated the risks. This is performance" (#CA1).

A performance specialist also noted the practicality of how the form of communication was determined in consultation with key audiences (in terms of reporting documentation):

"Our Annual Report measures have a column for 'met/not met'. We inserted this because the Auditor wanted us to state whether or not we achieved our targets – and some targets had two parts – e.g. 'to the approved quality on time' – so it might be on time, but not the right quality – we also split some measures. So we report – whether we met the target or not. And we say why. Take [a specific issue], we have to report 'not met' and be clear about why. Sometimes it is our fault – that one [the specific issue] wasn't our fault, but next year we will have to report on [another issue] – that was our fault, and we have to say what we are doing about it." (#A5)

In this example, the audience (the auditor) has caused the department to change how it was reporting. However, this was not accepted as a fixed "ontological state" of good reporting, nor accepted as a coercive situation. In response to this change one senior manager at the department's Strategy Away Day said:

"I don't like how the auditor is forcing us into this binary way of seeing things [met/not met] – it is fine for the timeliness of [specific output], but for the

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identified significantly more external stakeholders as people he thought were involved in the organisational PMS of his department, when compared to the other two CEs. His communication strategies with external stakeholders appeared more comprehensive and he had more "buy-in" from them, than the other two, according to other interviewees inside and outside his department (#CA1, #CA2, #B5).

important stuff – we are closer to our ideals, or we are not – but ‘not met’ is harsh – and not always appropriate. – I’m not saying this because I haven’t met my targets, but because that way of reporting oversimplifies the story – the world is just not like that – There is work to go with the auditor.” (#E1)<sup>27</sup>

By “work”, this participant meant that the department needed to spend more time communicating with the auditor so the auditor better understood the context of the department and hence the nuances required to interpret the multifaceted aspects of the department’s performance.

In addition, some case departments specifically sought feedback on proposed work programmes and measurement frameworks from their key audiences. In this sense, what audiences wanted played a role in determining not only what was done, but what counted as performance. As one interviewee reflected:

“When I came here, I was told things are different around here – that I would come to understand. And, yes, people are very connected to the community here. They know what key people think and they know how far they can go – that doesn’t mean they shy away from change, but they do it *with* the people – there is constant communication – I think it’s a lot of discussion, because the data tells me enough, but the longer I’m here, the more I see that that support is critical to achieving what we need to.” (#B4)

These diverse perspectives open up for analysis the subjectivity of performance judgements when one looks at more than the direct impact of a service on a targeted group (May, 1997). Although the interviewees had diverse experiences and examples, the common theme is the significance of communication to performance management systems and co-production of what performance means and how it should be reported. PMS were seen as tools to do this. As one interviewee put it:

“the PMS allows us to tell the performance story – to change the judgements about us, so they can see what difference we can make.” (#C4)

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<sup>27</sup> This senior manager was not interviewed specifically for this study. This comment was made at the Strategy Away Day on 2 November 2012 (see Appendix 2).

### 6.3 Insights from Alexander: A New Way of Understanding Subjective Performance?

The interviewees' focus on communication both in describing outcomes and/or audiences' multiple understandings of PMS information is more akin to Alexander's description of performative effects than to production processes or service delivery models of performance. Brignall and Modell (2000) and Modell (2005, 2012) have laid the groundwork for this type of understanding of performance by highlighting the "politically negotiated consensus" (Brignall & Modell, 2000, p. 289) of public sector performance. Rautiainen and Jarvenpaa (2012) also note how contestations are driven by institutional logics, and Modell (2005) traces more complexity in the construction, modification and (re)construction of understandings of performance in his case entity. This is a first step in understanding co-production of the PMS. It is also the first step in understanding the influence of performance information derived from the co-production of performance definitions.

Exploring the nature of these definitions of performance within Alexander's theoretical lens takes Modell's (2005) and Rautiainen and Jarvenpaa's (2012) discussions further. Using Alexander's lens makes sense of three elements of the described *foreground scripts* and *mise-en-scene*, which I discuss below. The first is their fragmented nature. The second is that the PMS is only given meaning in the context of its communication (its performance). The third is that considering PMS as a technical tool, or *prop* in Alexander's language, obscures the possibility of the performative nature of PMS; that is, the role of PMS to act and construct identity for actors and audiences.

#### 6.3.1 *Fragmented Foreground Scripts*

Alexander notes that contemporary society is fragmented and rarely unified in its *background representations, scripts* or values. The diversity of interviewee understandings of performance is consistent with this view. There are dominant themes, such as the focus on outcomes and co-production. However, there are many counterviews held within departments and by powerful audiences. For example, the central agency representative that understood performance as making a cake (#CA1), focused on the "eating of the cake" as the end point. This is an impact (in the New Zealand vocabulary). Had she been more focused on outcomes, she would also have

asked if the person had gained nutritional content, or had an increase in happiness levels, or perhaps both, depending on the department's purpose.

The key to understanding the consequences of this fragmentation is not continuing to identify the contestations between an increasing number of institutional logics that describe different kinds of performance (Rautiainen & Jarvenpaa, 2012; see also Annisette & Richardson, 2011, for suggesting ways to narrow the number of institutional logics). Instead, the use of Alexander's lens recognises that performance may not be a pre-defined, ontological state. In some circumstances it is at least shaped, if not co-produced and (re)enacted over time. The good cake is only good if the department and audience can agree that the cake was both good quality (Williams et al. 1990) and making it was the right thing to do (Van Dooren et al., 2010). To use Alexander's (2006, p. 32) language, *actors* and *audience* agree on the *reasonableness* of the *account*.

### **6.3.2 The Significance of Communication to PMS Benefits**

Pallot (1999) identified the significance of communicating to accounting, stating that "accounting has been defined as 'measuring *and* communicating' information for decision making" (p. 425, emphasis in the original). In practice, interviewees also put emphasis on communication. For example, one interviewee noted that managers needed to "turn resources into results *and* communicate about the value of the results" (#A3). Within the Alexandrian frame, this means the PMS must be about more than supplying information for decision making (Bouckaert & Halligan, 2008). It is, as the definition of the word communication implies, about "sharing of ideas and feelings" (OED, 2010, p. 352). Alexander's theory reveals how this "sharing" process not only occurs, but is critical to ensuring people (in this case) continue attempting to overcome barriers to ongoing PMS use.

This insight extends the limited theorising on how to combine the study of measurement information with its communication and use (Gill, 2010; Van Dooren & Van de Walle, 2008). Alexander's theory (as will be detailed in the next two chapters) provides an opportunity to do that. This is because he considers how the *background representations* from Chapter 5 and the *scripts* in this chapter combine with affective elements such as emotions and feelings in order to communicate with audiences. Research need to do this to "really understand" (van Helden, 2005) departmental

interviewees' focus on communication as a benefit of PMS to understand how this motivates them to persevere through PMS barriers.

I am pursuing this line of argument because interviewees spent more time discussing the communication and reception of performance information – linked back to what their department did – than the usefulness of PMS information in isolation of its reception, internally or externally. This suggests that understanding the attempts to overcome barriers to ongoing PMS use may relate to its communication challenges as much as its technical or behavioural challenges. The success of PMS might not lie in using measures to demonstrate that targets have been achieved (machine-like performance), but instead in unifying the belief that a department was enacting its essence, even if the department “juggles” (#B2) with what that essence might be. That is, its role might be in supporting ritual-like performance. This is a different communication challenge to that of complying with the *Public Finance Act 1989*, or even “true and fair” reporting standards (FRC, 2011, p. 1).

### **6.3.3 The Importance of Examining Props within the Context of Their Performance – *Mise-en-scene***

Under the title “On the Folly of Designing Artefacts while Hoping for Patterns of Action”, Pentland and Feldman (2008) argue that accounting research needs to take better heed of how humans and artefacts interact. By making the entire performance the focus of study, Alexander’s (2006) theory, linked from *background representations* to *audience* receptions, contextualises the role of *props* – or artefacts, as Pentland and Feldman (2008) call them – such as PMS. Alexander (2006) indicates their importance, but at the same time highlights that their importance is dependent on how they are used and understood within the performance. Hence, props do not, and cannot, stand by themselves. They need to be enacted with the injection of feelings and this must be done in front of audiences. Alexander makes clear that these feelings and moral evaluations, what he calls the “flesh-and-blood” (Alexander, 2006, p. 33) part of a performance, are critical not only to its enactment, but also its reception (its ability to persuade audiences). As Alexander (2006, p. 34) puts it, the “desire of the actor is to cause the spectator to confuse his emotions with those of the stage character”. In this sense, to successfully communicate meaning and energy, the social actor must successfully “project ... emotions

and textual patterns as moral evaluations”. PMS can provide the basis of these textual patterns.

This perspective reinforces the argument of Newberry and Pallot (2004, 2006), among many others, that accounting is not merely technical; it is negotiated. Alexander’s (2006) theory provides a framework for exploring the performative nature of PMS – the ability to mobilise and to paralyse action through belief, feelings and communication, rather than negotiation as “tools for conflict management” (Rahaman & Lawrence, 2000). Alexander (2006, p. 33) argues that mobilisation occurs when “cultural extension ... expands from script and actor to audience”. Accordingly, key to the success of the performance is that the audience must feel more than cognitive observance of the performance. For the group to be successfully energised, the audience must not only cognitively observe the *background representations* and *foreground scripts*, and agree on the *mise-en-scene* of the performance, but must also experience the “emotional or moral signification” of the acts. This is the subject of the next chapter.

#### **6.4 Summary**

Together, this chapter and the preceding one have outlined the *background representations, scripts, props* and *mise-en-scenes* that actors in this study described. This chapter has identified how some *audiences* responded to those *background representations* and *scripts* in order to co-produce the meaning of *performances*. Hence, using Alexander’s perspective extends Ferreira and Otley’s (2009) approach, for example. This is because Ferreira and Otley (2009) ask their first questions about the clarity of the vision and mission. In contrast, as my interviewees noted, if *actors* and *audiences* are negotiating what counts as performance, and there is only general agreement at the outcome level as to what counts as performance, PMS need to take into consideration how to adapt to simultaneously different definitions of performance, rather than clarity of vision and mission. To be useful enough to ensure an organisation continues attempting to use its PMS, a PMS must be able to address fragmentation of performance definitions. Key to addressing this will be recognising the communicative role of PMS.

When actors can fuse these elements and act in unison, then *psychological identification* and *cultural extension* is achieved and it creates energy to persevere through barriers.

This process of *psychological extension* and *cultural identification* is the subject of the next two chapters. Chapter 7 starts by exploring the emotions of actors and audiences and their enactments of “flesh and blood”, Alexander’s next step in a performance.

## 7. EMOTIONS, CULTURAL EXTENSION AND PSYCHOLOGICAL IDENTIFICATION

### 7.1 Introduction

Previous ostensive studies of PMS have allowed little room for emotional responses to PMS (for an exception see ter Bogt & Scapens, 2012, on the distress caused by PMS). Yet, in the interviews conducted for this study, interviewees expressed varying degrees of emotional response to the use of the PMS in their departments. From a behavioural and technical perspective, individual emotions and feelings about PMS are not necessarily relevant to understanding central tendencies in behavioural analysis (Simons, 1995, p. 25). This chapter argues however that the impetus for attempting to overcome ongoing barriers to PMS use depends on actors' abilities to convince fragmented audiences of PMS benefits (Alexander, 2006). Convincing fragmented audiences of something relies on emotions (among other things) to stimulate processes of *cultural extension and psychological identification* which lie at the heart of ritual-like effects. Without emotional response and commitment, neither *cultural extension* nor *psychological identification* is achieved. Without them, ritual-like performances are not possible. Ritual-like performances are those that have consequential performative effects, and hence I suggest researchers trying to understand attempts to overcome barriers to ongoing PMS use need to consider whether and how ritual-like effects are created. That is, researchers need to consider how fragmented and multiple definitions of performance are negotiated between actors and audiences to create emotional agreement, cause *cultural extension* and *psychological identification* and hence stimulate ritual-like performances. Ritual-like performances generate effects that compel organisations to sustain actions, such as the ongoing use of PMS.

This chapter analyses the interviews and other material relating to emotions to give empirical description and further explanation of the processes of *cultural extension* and *psychological identification* within Alexander's framework. These are the processes that Alexander (2006) argues create ritual-like performances and hence the energy needed to bring agreement, comfort and meaning to those who experience them (Pentland, 1993). In contrast to the previous two chapters, I start this chapter with how Alexander contextualises the criticality of emotions in performance. This brief excursion into theory allows the latter part of the chapter to show the relevance of individual and diverse

emotions to formulating general understandings of why some organisations attempt to overcome barriers to ongoing PMS use. As Boedker and Chua (2013, p. 245) note, emotions, as a topic of research has been limited in PMS research and theorising the role of emotions has also been limited. Consequently the opening to this chapter describes the parts of Alexander's (2006, 2011) framework that systematise the study of emotions in relation to ritual-like performance. The remainder of the chapter explores the empirical findings from actors and audiences on emotions in the context of relationships that Alexander (2006) identifies between performance and emotion. I describe how PMS literature might benefit from a better grasp of the role of emotion and its connection to ritual-like performance.

## **7.2 Alexander's (2006) Understanding of Emotion and Performance**

Emotional exchange is at the heart of Alexander's (2006, 2011) framework. As Alexander (2011, pp. 30–31) explains, “observation can be merely cognitive. An audience can see and can understand without experiencing emotional or moral signification.” To achieve an emotional exchange “actors present themselves as being motivated by and towards existential, emotional and moral concerns”, which Alexander (20011, p. 29) calls “cultural extension”. To unpack how this process occurs, Alexander considers the effect of both the performance and the processes or parts of the performance undergone by *actors* and *audiences*. While these two concepts (the effects and the process) are analytically distinct, Alexander (2006) acknowledges that in practice they are interwoven, perhaps even indistinguishable.

Alexander (2011, p. 29) notes the actor's desire is “to cause the spectator to confuse his emotions with” the actor's. The relation between actor and audience depends on the ability to project these emotions and textual patterns as moral evaluations that result in judgements about “truth” and “reality”. The audience's interpretation of these emotional and textual patterns determines the meaning, “which is defined by patterns of signifiers whose referents are the social, physical, natural and cosmological worlds within which actors and audiences live” (p. 29). Alexander (2006, 2011) provides a framework for unpacking the effects on the performance in the following diagram.

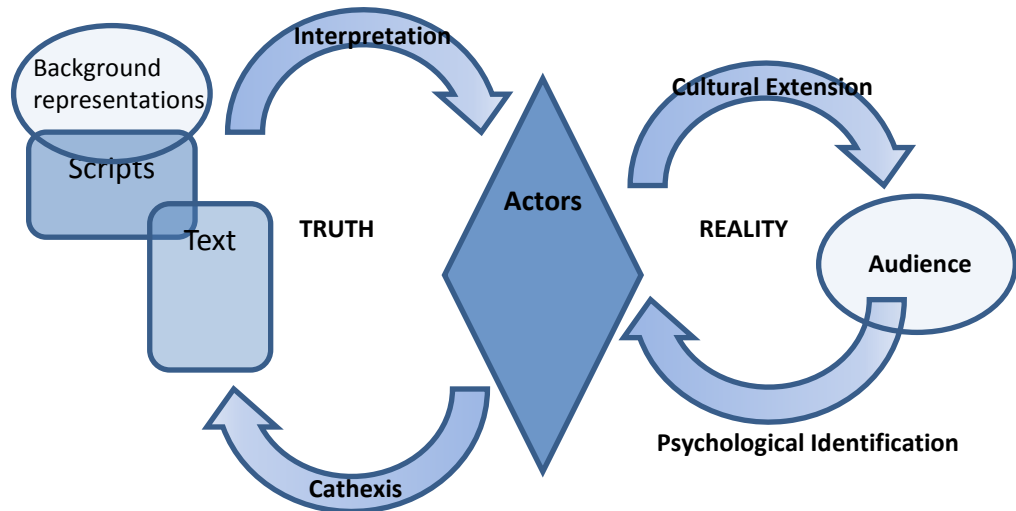


Figure 5. Successful performance. Adapted from Alexander (2011, p. 30 and 2006, p. 77).

Alexander claims that the basis of the actor's ability to project a *cultural extension* is the *truthfulness* with which actors *interpret* the *background representations, scripts and texts* within their performance. This sense of truthfulness is embedded in the idea that the self is the first audience. For a performance to be successful, the actor must believe the performance is truthful. That is, it is a ritual-like performance instead of a stage-like performance.

The term *actor* embeds in the performance, the possibility that the actor is pretending (acting) and does not feel the emotions they project and it is only the audience's perception of truthfulness that matters for the success of the process. However, the majority of interviewees in this study talked about the importance of truth and the authenticity of what they were doing, including how they felt about it. According to Alexander (2006, p. 59), "an authentic script is one that rings true to the background culture". It is achieved when actors can decode and *interpret* the *background representations, scripts and texts*, as well as infuse them with energy (*cathexis*). Alexander uses the term *cathexis* to describe this process of giving energy (including what he calls *flesh and blood*) to the ideas, objects and intentions of their projects. In what follows I address these two elements in turn:

- Actors: *authenticity* and *truthfulness* of actors infused with emotion;
- Audiences: the perception of *reality* on the part of audiences.

Alexander highlights that *truthful scripts* infused with emotion are what make a performance collective and potentially shared. When shared, the performance will be successful in persuading audiences of the *descriptive and prescriptive validity* of the moral evaluations in the performance (as noted in Chapter 3). In other words, when emotions are shared by the actor and the audience as part of performance, performance shifts from machine-like to ritual-like. The performative effect of ritual-like performance is that the PMS information and the judgements will be shared and become instructive in making judgements going forward. When shared, both actors and audiences believe there is *no reasonable alternative* and hence the performance is good or good enough, given the lack of alternative. This is deemed to be a successful ritual-like performance because this agreement with the moral goodness of the act, plus the emotional commitment to it, results in the energy that compels action. This is what Alexander (2006) means by ritual-like effect.

### **7.3 Interviewees' Interpretations**

#### **7.3.1 Authenticity and Truth**

As noted in the theory chapter (Chapter 3), authenticity is an idea that causes concern to contingency theorists and accounting scholars using the ritual lens. The potential for performances to be inauthentic or “non-truthful” often limits the validity of actors’ assertions of their reasons and intentions for the performance. For example, Gambling (1987) states that even witchdoctors in traditional societies decide what they think is best and then attribute that wisdom to the gods. He claims modern-day accountants do the same thing.

This assumption of inauthenticity might be particularly pertinent in the public sector. As noted in Chapter 4, public servants are specifically required to serve the government of the day, regardless of their own views. This principle of political neutrality is embedded in their code of conduct (SSC, 2007) and means that “in public” they cannot disagree with government policy. Yet, despite the possibility of deliberate acting required by their position as public servants, the majority of the interviewees in this study expressed the importance of ensuring their performances were authentic. Authenticity mattered to them personally and they thought it was also important that audiences knew performances were

authentic. In one case, the interviewee specifically noted that this was achieved through honesty. She stated one needs to be:

“absolutely authentic – trust and honesty are the key. ... yes we need a high trust model, we believe in what we do. I’m in a position to do that for the sector and government – that keeps me motivated.” (#C4)

Another interviewee was more specific in that he had to believe in what he was doing. He noted the organisations he worked for had to have a “thirsting for improvement – that’s why I’m here, we are all on the same journey – otherwise I would have to leave” (#C3).

Taking another perspective on authenticity and truthfulness, other interviewees specifically talked about the *alignment* between what they do and the collective representations that enable their performances. For example, one CE noted that “the definition in the Public Finance Act 1989 for outcomes is something like making a difference for citizens”. The formal definition in the *Public Finance Act 1989* for outcomes is “a change in society, the economy or the environment” (*Public Finance Act 1989*, s41). While these definitions are not entirely different, it is clear that this CE believes the Act supports his interpretation of what he is there to do, and in his mind the *Public Finance Act 1989* has narrowed its definition to the parts of that definition he cares about. That is, the word society has become citizens and the word change has become difference. So while his remembering of the *Public Finance Act 1989* definition may not be perfect, he believes it supports what he does, and hence he has made his recollection of the Act and his enactment of the Act authentic and “ring true” to him (Alexander, 2006, p. 59).

Another senior manager described how she went about creating authenticity for herself. Because she was the first audience and also the audience that was always present for every performance, she had to negotiate the moral consequences of the subjectivity of performance information and the changing judgements made by her external audiences:

“repackaging [performance information] in a way that whoever is receiving it is going to think that that’s a great piece of work – if it is a great piece of work ... At first I thought it was a little bit spin-doctoring and now I think it’s just actually thinking about the value that people are looking for, different levels or different

types of value that people are looking for in the work that we do ... so it's juggling.” (#B3)

In a sense, she is struggling with the idea that authenticity is not an *ontological state*, but an *interpretative category* (Alexander, 2011, p. 13). She implies that “spin-doctoring” is tainted or bad – a false manipulation of information (for more on this see Chapter 8). However, in her performances (to herself as well as others) she has made sense of the *interpretative categories* that others are using (in line with her own moral code – and that of the public service Code of Conduct to “be honest” (SSC, 2007, p. 1). She has done this by recognising performance as an interpretive category, with multiple equally valid interpretations, rather than with true and false statements. She came to see the different interpretations of performance as the same but with different emphases. That is, when she thinks something *is* a “great piece of work” (an ontological state), all audiences should know that in a way that matters to them (an interpretation of “great”, an *interpretative category*). She maintains the truth of her *background representations* and *scripts* to herself and the background representations and interpretations of her audience (as she perceives them).

Collectively, the variety of perspectives of these interviewees on creating *truth* as an interpretative category highlights the significance of authenticity to self in the performance of a PMS. In this sense it is not the analytical benefits alone that compel people to use PMS; it is the ability of the PMS to support their truthful portrayal of their performance. Although published after the interviews for this research, a recent SSC (2014, p. 8) publication “Getting to Great” reinforces the significance of “authenticity” and states that the highest-performing public sector agencies are those whose “authentic leaders” lead with “head and heart”. In other words, when emotion is imbued in authentic performance it is more likely to be successful. This is called *cathexis*. *Cathexis* (Alexander, 2011, p. 30) is the process of giving energy (including emotion as *flesh and blood*) to the PMS *scripts*, *props* and *mise-en-scenes* that were outlined in Chapter 6.

### **7.3.2 Emotions and Cathexis**

Interviewees described a range of emotions in learning, implementing, maintaining and working with PMS. Some of these emotions were positive – “passionate” (#C7), “inspired” (#B2), “amused” (#A3), “excited” (#CA3), “proud” (#C4), and so on. For others this had a

more negative effect on their emotional state. Interviewees cried (#A5), described “horror-filled weeks” (#C4) “irritation” (#A2), “disappointment” (#A2; #B5) or “frustration” (#A3), extending to outright anger (#A3; #B1; #C4); some were scared about particular things (#A3; #C2; #B4) and demoralised (#B4). Interviewees also thought they saw their colleagues experiencing emotions from “hatred” (#C4) and “cynicism” (#B3) through to “enjoyment” (#A3) and “relief” (#A2).

Given this diversity of emotions and people’s ability to control emotions (discussed more fully below), I am not arguing for a direct causal relationship between emotion and individual or group action. Rather, I highlight the two ways that interviewees talked about emotion influencing their behaviour and PMS enactment. The two ways that emotions affected people were:

- effects on the individual;
- effects that connected departmental performance and individual identity.

## **7.4 Effects of Emotions**

### ***7.4.1 Effects on the Individual***

Interviewees reported emotional responses to judgements made when (mis)using PMS information that could have immediate effects. For example, one interviewee said, “I just walked out [of the meeting] – what else could I do?” (#A8) Another said, “you have to put up with it and hope you don’t say anything inappropriate [laughs] – it can be a career limiting move!” (#C4).<sup>28</sup> In this case, self-silencing is the effect. Another interviewee combined her emotional response with action: “Oh my God! I couldn’t believe it, I had to go and see him [another audience, the CE] straight away” (#A3).

Interviewees also talked about the effect of their emotions on their motivational energy. For example, several interviewees commented that media or other “misuse” of performance information that “was just wrong” (#C2, 7; #B3) was very demotivating, making interviewees feel “depressed” and “tired” (#B3, 4). Furthermore, when positive judgements

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<sup>28</sup> This study did not undertake a specific gendered analysis of the interviews; however, it is worth noting that in general it was female interviewees that were more likely (but not always) to talk about controlling their emotions and trying not to be seen to be reacting emotionally.

(such as media or ministerial praise) had been made about an entity that the interviewee thought had not performed well, it was also demotivating. One interviewee noted:

“[a specific entity] got all greens in the PIF!<sup>29</sup> – How did that happen? [the interviewee speculated in a derogatory way, then said] ... but really, if any of these people [making the assessments] really *needed* that entity’s help – God help them!” (#B1)

Interviewees also noted that using PMS worked best when it provided information on areas for improvement as well as assessments of poor performance. One interviewee noted:

“take our PIF review – it showed we have all the strategy bit right, and here in head office we are living it, but it also told us that maybe we haven’t yet got all the staff on board. That is motivating, makes me feel pretty good [smiles] that our [his unit’s] part has been done well – but we have more to do as an organisation.” (#C3)

Another interviewee in the same department described by #C3 noted, “being judged gives us momentum” (#C4). He said, “positive feedback is welcome, but especially when it comes with things to improve. ... that becomes our new drive” (#C4).

#### **7.4.2 Effects That Connected Departmental Performance and Individual Identity**

Persevering through institutional barriers and other obstacles to ongoing PMS use was achieved by going back to the truth of *background representations* and *scripts*. That is, the interviewees in this study commonly needed to remind themselves of the purpose of the PMS and public service. They described the moral signification and the belief they have in what they do. One noted, “that’s what the public service is all about, it’s not about being thanked, really it’s not what we are here for” (#B2). Another commented, “it’s a value and an ethics thing [to keep going]” (#A3). Another stated that the negative judgements “made me even more committed to doing the right thing” (#B5). And finally one interviewee, being

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<sup>29</sup> As mentioned in Chapter 6, the Performance Improvement Framework (PIF) was the key PMS referred to by entities. Among other things, it communicates through a traffic light system, where green indicates “good” performance.

specific about the *flesh and blood* involved in the job, said “it’s about your own personal principles... so... you are doing the right thing and maybe one day people will understand, but you have to hold on to your heart” (#C4).

The emotions and the truthfulness of the actor’s performance therefore reinforce each other. Positive emotions (such as being inspired and being passionate) drive the belief in the “rightness” or “goodness” of the truth about the PMS. Equally, the positive results from the PMS engender positive emotions. And, when such reinforcing cycles are disturbed by “misuse” of PMS information (or worse, judgements are made in the absence of the PMS information), then the missed opportunity for a good use of performance information (the truthful representation) provokes a remembrance of the positive emotion, “inspiring” PMS users. Equally, other emotions can demotivate. However, even in the face of demotivating emotions, interviewees in this study still reported the attempts they made to reframe *background representations* and *scripts* to show audiences the “truth”, knowing there were multiple truths circulating (#A2, 3; #B2, 3, 4; #C4).

## **7.5 Sharing Scripts and Emotional Effects with Audiences – Cultural Extension and Psychological Identification**

### **7.5.1 Actors**

Before specifically discussing the sharing of emotions between actors and audiences, it is first necessary to reiterate that I am not claiming an automatic connection between an emotion, its display and its audience’s reception. This is because many interviewees went out of their way to control their emotions in the interview, as well as during the events they recounted. For example, during one interview, the interviewee deliberately distanced herself from emotions she considered unacceptable.

“I was really pissed off ... what’s a professional term for that... I was really disappointed and umm I was umm disappointed that uh... we didn’t, urh that it wasn’t ... dealt with better ... It’s part of the political game but it, but it, yeh, it DISAPPOINTED me greatly that it, yeh that’s it, disappointed ... [interviewee stopped talking].” (#C4)

This quote has been transcribed to include the stops for thought and breath and the verbal pauses. This is to indicate how the interviewee attempted to filter her words so as to be “professional”. However, in doing so, she not only changed her language from informal to formal (from “pissed off” to angry or annoyed), she also changed the emotion itself. She seemed to consider being disappointed was the professional response to this situation. Being “professional” also reduced her ability to be articulate – something that she had been very competent at up until this point.

Another senior manager also controlled her emotions, both at the time of the incident she recounted and in the interview, in a bodily way:

“I had to take deep breaths [interviewee takes two deep breaths], and still I had to [interviewee takes two more deep breaths], yes, well I can say there was a lot of breathing involved [laughs].” (#A3)

A less senior interviewee was unable to control her emotions during the interview. In response to a question about a difficult PMS task, she became visibly distressed and soon began crying. She tried to end the interview on a positive note, saying, “I hadn’t realised how upset I was about this, I’m going to talk to my manager about what to do.” By the next time I saw her, she was back in control. She wanted to “forget about the inappropriate ... and embarrassing .... outburst” as “obviously it is ok now” (#A5).

Another interviewee ended emotions before they could begin. She said, “no point in getting cross, nothing you can do about it, just get on and fix it” (#A2). Most interviewees identified strategies that assisted them to persevere when emotions were affecting them. For example, walks outside, discussing with other public servants (other public service friends, colleagues or managers who were bound by the same “misuse of public information” codes (SSC, 2010), and one person noted listening to music (#B4).

The interviewees’ ability to control emotions suggests it is not merely the experience of the emotions that affects performance. Furthermore, some interviewees did not think they were particularly emotional in their work. They said they did not feel particular emotions (such as fear or hate) in relation to their PMS, when they were asked the question directly. However, the same interviewees would describe changes to the PMS in the following

ways: “I hate it when ... urrrh!” (#A5); “It really gets on my goat ...” (#C3); and “I will tell you what terrifies me ...” (#C2).

There was only one interviewee who did not invalidate her own assertion of a lack of emotional response to work matters. She stated, when asked about how she felt about the PMS, that:

“I should warn you, when I did the Myers Briggs [a personality assessment test] I am so far at the thinking end of the thinking/feeling continuum that it’s embarrassing, so I don’t know if I can answer that! [laughs]. (#A2)

So, while not everyone could identify how they felt about systems and processes as they were being used, even those that had limited emotional reaction to systems had intertwined their department’s identity with their own. Hence judgements made about the department, based on the PMS and other information, were “felt” as judgements about the individual. #A2 for example, even though she did not tend to feel emotional, noted:

“As a senior manager, it is a personal commitment to the performance of the organisation – it does matter. You can’t divorce yourself from the organisation – you do feel more than just an objective interest in the organisation – whether when things go well, but particularly when things go badly – even when you don’t work there anymore!”

A CE put it another way in response to a question about whether he identified with the department and the judgements made about it, based on their performance information:

“Oh without a doubt, without a doubt I think that my identity and reputation has changed ... I try and react in as impartial and objective way as I can, but you can't help but feel annoyed or angry. But, you have to do your best and deal with these things professionally and unemotionally because I know it’s not directed at you personally. But nonetheless, you are the chief executive in an organisation ... you feel it personally. You try not to make it personal but you... that is, it’s unavoidable that you feel personally affected by it all.” (#B1)

Other senior managers concurred, with slightly different emphases:

“but you are your identity, who you are and what you do and what people’s perception is of you ... inevitably has some impact and bearing on how people view you and the organisation.” (#C4)

“I have been a public servant for over 40 years – yes my identity is linked to the service role, and I have the institutional memory to see the good and bad, so yes, this is who I am.” (#C2)

“It is a privilege to serve – I am a steward for the people and I have been given a responsibility as a good steward – so yes, if people say I haven’t done that, I feel I have let them down. Often though, when [those that don’t understand my role and mandate] say that, then I have a responsibility to either change or ... I just think they don’t always understand.” (#B4)

What became clear from the interviewees was that authenticity and truthfulness was important to actors. They also believed it was important to audiences. Instinctively and analytically they believed that audiences responded to their authenticity. In this sense, the interviewees were less acting in stage-like performances (playing a role they didn’t believe in) than communicating something they were passionate about and seeking change based on the assumption that their actions would lead to change that was morally good. In other words, they were involved in stimulating positive effects because they were able to convince audiences that actions were not only good but also right. This suggests that while the interviewees were capable of inauthenticity in their acting, and capable of being less than truthful, for those who talked about it their choice whenever possible was to be authentic. In some cases, this was to the point where they would leave their positions rather than continue an inauthentic performance. In this sense, they gave *flesh and blood* to the idea that there was no *reasonable alternative* to the moral path they were advocating. Instead they chose to stake their identities against the performance of the department and tried to ensure that the judgements made regarding that performance were well informed and thoroughly negotiated. This is more than goal congruence and internalisation of particular values (Selznick, 1957); they were interested in the multiple values that contributed to notions of what counted as performance. In this way, interviewees infused authenticity and ritual-like energy into their PMS performance as they

saw this as the means for convincing audiences of the importance of overcoming barriers to ongoing PMS use to improve performance (and “benefits for citizens”).

### **7.5.2 Audiences**

It is difficult to unbundle the actor and audience perspective within the interviewee data. This is because, as noted in chapter three, at any point in time the actor is both actor and audience to him/herself and can also become audience to other actors. For analytical purposes, I separate the material below into a focus on actors’ views of audience emotions and audiences’ self-reported responses. This is not as simple as it sounds. To determine the ‘actor’s view’ I used material from when interviewees anchored themselves as the actor – meaning when they spoke about performances and their observations of their audiences during those performances. However, interviewees often switched to talking about themselves as audiences. Moreover, people that were identified through the snowballing technique (see Chapter 4) as audiences for the department’s PMS (e.g. central agencies), when being interviewed, spoke from their perspectives, sometimes as observing the department (the central agency as audience) and sometimes as actors trying to influence the department’s performance (the central agency as PMS oversight controller). In a sense, while Alexander’s (2006, 2011, 2012) dichotomy between performing and being observed appears simple, in practice audiences rarely just observe. In some cases, people as actors and audiences “identify protagonists and antagonists and weave them into accusatory narratives projected to audiences of third parties” (Alexander, 2012, p. 2). This means audiences in this study were rarely disinterested and hence their position during the interviews shifted between being actors and audiences. In this contestation, audiences can believe that the performances of others are “real” or “contrived”, and they register this cognitively and/or emotionally (Alexander, 2011, p. 30).

#### *7.5.2.1 Actors’ Views about Audiences’ Emotions*

Interviewees as actors were aware of how emotions and belief could be shared with audiences. Audiences were also aware of their opinions of the actors’ emotions (and the *reality* of the performance) as they performed. However, complicating this picture, actors’ perceptions of audience response and audience’s perception of actor’s *reality* can differ.

Regardless of these obvious difficulties, it mattered to the actors in the interviews how they thought the audience perceived their performance. They were not, as one interviewee put it, “naive” (#B5) about the reception of their performances. Actors assessed whether their audiences perceived their performances as *real* and whether they had moved past *cognitive* understanding of the actors’ performance to emotionally connect with the PMS. For example, one senior manager, in performing the benefits of the PMS to her CE, explicitly considered his reception of her infusion of energy (what she called “passion”) as key to her success in being given the freedom to improve her department’s PMS. She stated:

“I know [he] is humouring me slightly, that’s ok, (no I’m being silly), my chief executive knows I’m passionate about it... knows it [ongoing PMS use] is a good thing to do so...we do it.” (#C4)

Inherent in this example is the idea that the audience may only have cognitive appreciation of the PMS benefits. As Alexander (2011, pp. 30–31) notes, “an audience can see and can understand without experiencing emotional or moral signification”. In this case the interviewee wants to believe the CE “knows it’s a good thing to do” but also knows that the key to the CE’s decision to allow the senior manager to choose the particular PMS was *her* “passion” for the PMS, not his. That CE was interviewed prior to the senior manager’s interview and hence was not asked directly, in his role as audience, what he thought of this particular senior manager’s passion. He did say, however, when asked about how he felt about his department’s PMS, “the people here really care about what they do. That is crucial” (#C1). It is possible to conclude that whether or not the CE was personally passionate about the PMS, he perceived the “care” (possibly passion) as important to ongoing PMS initiatives, in part based on people’s care, as much as the “objective” benefits of the system.

Another interviewee implementing an improved PMS talked about watching audiences become passionate about the improved PMS. This interviewee noticed the difference *psychological identification* made to the audience’s (staff’s) behaviour (Alexander, 2006, p. 29): She said:

“things stick, people have got skin in the game ... that is how we had really good traction, with massive amounts of numbers. For some people it’s a

frightening experience – they are back to being 10 years old at the kitchen table with Dad trying to do Maths. The personal exposure is hugely empowering.” (#B4)

In this sense, this interviewee described how the PMS could transform how they thought about their own performance as well as the performance of their department:

“It was ... enlightening – that’s the word I’m looking for ... they had something at the end [after the PMS improvement process], these were people getting up to speak [about their experiences] in front of 100 people – no problem.” (#B4)

In a sense, she described the process of bringing the audience through the stages of (a) cognitive understanding, (b) *psychological identification*, to finally become (c) an actor in the ongoing performance of the PMS to encourage other staff to fully participate (the speech to 100 people).

In describing this situation as having “skin in the game” (#B4), this interviewee’s comments are reminiscent of Alexander’s view that actors who succeed in performing not only re-frame information as part of their departmental performance and accountabilities, but also make the frame *flesh and blood* for the audience. Machine-like completion of tasks and formal reporting of such performance information can never be enough to persuade audiences to participate in the social changes that government departments seek from PMS.

The “skin in the game” (#B4) comment also opened up the idea of the relationship between the actors and the audience’s sense of authenticity, truthfulness, realism and identity. “Skin in the game” (#B4) links both audience (real) and actor (truth) to identity. In this study, it became clear that the actors have their identity “in the game” (#B4). They take personally the moral and evaluative judgements made about their department and they see them as a reflection of themselves. In this sense, their performance is unlike the stage-like performance that might not have consequences. It is more like Butler’s notion of becoming, where each actor performs their identity and is judged accordingly. This emotional commitment to identity forms the basis of meaning that the actor and audience derives from the performance and hence the process becomes ritual-like. It is ritual-like

because it galvanises the energy to continue pursuing a moral purpose. It compels action (Alexander, 2006, p. 30) as well as creating comfort, as previous scholars have identified (Pentland, 1993). This means this ritual-like effect results in action to attempt to overcome barriers to ongoing PMS use. The barriers do not encourage actors (when ritual-like emotional energy is present) to decouple PMS intentions from day-to-day behaviour (Rautiainen, 2010). Rather they actively attempt to address the barriers or find alternatives so they can continue using their (possibly amended) departmental PMS.

The implications of the judgement aspect of PMS means that audiences always have the ability to provide counter-narratives to the performance story being told. Alexander notes that traditional societies often tried to control “any group’s pretensions to having the right to judge and evaluate” (2011, p. 41). In the sense that government departments have significantly more information about the policy areas, service recipients, laws and other performance information than the general public, they have the ability to control information. Nevertheless they know that as they control information, people (ministers, central agencies, other parts of government, and the public) make judgements anyway. As one interviewee put it:

“that is why this [the PMS] is so important – people are already making judgements – look at that *TransTasman* article<sup>30</sup> – what would they know! But a PMS can really help change that picture – not because we measure our quantity, quality and timeliness, because who cares about that? – not that we don’t have to account for public funds – of course we do – but because the PMS allows us to tell the performance story – to change the judgements about us, so they can see what difference we can make. That is, the changes we have the mandate to make, and how well we do that. Just because one of these businessmen has never seen us do stuff – doesn’t mean we are ‘not performing’ [interviewee uses fingers to insert quote marks]. But we can and should be responsible for putting it [the alternative story] out there – so people can see what difference we make.” (#C2)

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<sup>30</sup> Refers to an article in the New Zealand political news weekly the *TransTasman* in which five prominent Auckland-based business people were asked to collectively rank the performance of government departments.

Or, as another CE put it, “showing people how we make a difference to things they care about – that is what our PMS is all about” (#C1). A central agency leader, at a seminar for public sector employees, also stated:

“we need to deal with the intractable issues – we need to show people that we are doing something about it – you are going to have some presentations [later in the day] that talk about agencies collaborating – and the issues they deal with, like incompatible data sets, like different definitions of things like ‘a business entity’, and ‘offence or offender’, we need to fix these things, and fix them now.” (#E4)

In contrast to this focus on external public audiences, another manager commented on an incident where the CE was actor and the rest of the department was the audience. She wanted to emphasise the importance of communication in PMS:

“The PMS data [on a specific measure] was getting quite frightening. There was a fundamental failure on quite a simple thing to protect the public interest. We were worried so what [the CE] did, which I think was clever, is he changed the performance measures to say that it’s a shared responsibility and it will be reflected in our accountability documents. Even though we don’t control the impact, but what we put into our output systems and controls contributes to the impact [the part we do control].

So the CE set the impact target at 10% – that is, wanting the error rate to come down to 10%. I was saying, you know, you’re barking,<sup>31</sup> we’ve got no background evidence, we don’t know the benchmarks or anything – 10% is probably a leap of faith and I’m not comfortable that it’s our best estimate target,<sup>32</sup> but he said ‘I’m sending a message – I want that 10%’ from all the agencies involved, not just us.’ So, everyone did start sharing the responsibility – and so that [achievement rate] has gradually shifted downward [towards 10%]. There may be some trickery in there – I’m not saying that it is not gamed at all, but I think the important thing is that a

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<sup>31</sup> “Barking” is a shortened form of the colloquial expression “barking mad”, meaning mad or insane.

<sup>32</sup> The accounting policies of most government departments state that the best estimates basis will be used for forecast information.

constant message is being given that it is not acceptable to take no action when you could move things and do something to make sure the public has the information that is required.

We have had stoushes<sup>33</sup> about the cost of trying to collect the performance information and with the auditor about how we assign blame for not meeting the target (given that we don't control it). But I still think the mission to sharpen that focus for [staff and other agencies] was right and so for me that goes back to sometimes we get carried away with technical pureness. When we can say 'this is the right issue to be chasing' as an incentive and as a message. People responded to the *message* and so we are going to live with whatever imperfection there might be in the measurement and so on because we know and live with the fact that there may be some gaming – but because we know the big goal is the right one, we keep doing it.” (#A3)

In this example we see the incentive caused by a numeric target, but this interviewee also stressed the “right goal” (despite difficulty measuring it) and the response of staff to the CE's *message* – rather than any coercive pressure or (non-existent) sanctions that could have resulted from non-performance (#A3).

These actors' views of audiences' perceptions of PMS mean that the PMS role is expected to be more meaningful than a decision-making tool and more significant than a technical exercise. That is, it needs to provide more than objective information for decision-making or accountability requirements. For the PMS performance to be successful, it needs to be “designed to elicit an affective audience response” (Alexander, 2006, p. 59) and result in “two way fusion between the background and audience through the actor”. In other words, the PMS must “seem truthful to background representations and real to the audience” (Alexander, 2006, p. 60). If the performance is viewed as *contrived* rather than *real* (see Figure 5), the PMS will not become part of the departmental (or the external stakeholders') view of that which is important enough to put their time, emotion and energy into (Alexander, 2006, p. 60). Hence, they will not put their effort into attempting to overcome barriers to ongoing PMS use. They may even allow the PMS to “subvert official intentions”

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<sup>33</sup> Stoushes is a colloquial term meaning argument.

(Power, 2000, p. 115). Consequently, to create successful ritual-like performances requires emotional response leading to *cultural extension* from actors to audiences and *psychological identification* from audiences to actors. Audiences' emotional perception of PMS performances is the topic of the next section.

#### 7.5.2.2 Audiences' Views about Actors' Performance of PMS

To perceive a performance as *contrived* or *real*, audiences in this study used multiple points of reference. Some started by talking about the importance of believing in the descriptive validity of what a department was doing (its essence). As one central agency representative (#CA1) put it:

“I believe in the theory. The theory behind what they do is sound – I was involved in this kind of work 20 years ago when the [specific name] reforms were occurring. These reforms were on the right track.” (#CA1)

In this case, this audience member was drawing on her *background representations* as the cornerstone of what Alexander (2006, p. 30) calls *real*, as well as how it was enacted in *scripts*. This audience member believed in the descriptive validity of the department's performance (the *background representations*) before the current department's PMS performance began. However, the representative also noted that the CE's current *scripts* mattered in her assessment of the department's performance. The central agency representative continued (#CA1):

“it's a bit of both. Yes, I believe in the reforms – but the chief executive is excellent. He knows how to show the difference they are making, and he knows how to bring [external] people with him. That's how change will be achieved.”

In this case, this audience member had come to agree with the *descriptive and prescriptive validity* of the performance and the PMS used to describe and enact it. In other words, the CE confirmed his authenticity and the central agencies agreed that he had enacted his (and the department was enacting its) performance in a way that confirmed its essence. Performance was interpretative and in this case, the performance was being seen as authentic, real, and as a result, actors and audiences (including

external stakeholders) were coming together – with a ritual-like effect – to agree and be comforted that the performance was “good” and the PMS accurately described and prescribed that good performance.

Examples where audiences perceived performances as contrived were more plentiful. For example, as noted above one interviewee believed that a failed PMS implementation attempt was because “there wasn’t the assumption of good intent – [the criticism] was quite an attack for something that was hugely improving performance ... and efficacy” (#C7). In this case the *authenticity* of the performance was questioned and resulted in an assessment that the PMS was contrived. Another interviewee also described a similar contrived performance. In this case, it was the department (and interviewee) that were the audience, and a central agency was the actor. In this example, the department, as audience, rejected the script from the central agency actor’s performance of what a good PMS would look like. Referring to the PMS reforms of both 1989 and 2004, the departmental audience stated, “I am sick of the Treasury reinventing history”. He went on to add:

“I was there – I have been doing this work for over 40 years, and what Treasury currently says the reforms were for, and what they were for, [back then] is different. They can’t pull the wool over my eyes.” (#C2)

His rejection of the NZ Treasury’s description of the purpose of the reforms was based on his recollection of that description. In this sense, audiences have their own *background representations*. As a result, the NZ Treasury (as organisational actor) was unable to convince him of the validity of the description, and hence he rejected their perspective. While this did not lead #C2 (or his department) to reject using the department’s existing PMS (in this case), it did lead to their rejection of some of the new emphasis that NZ Treasury officials were arguing had always been expected within the PMS guidance.

Another example of an antagonistic projection was seen around the issues of whether government department performance should, and did, relate to its personnel management. As mentioned in Chapter 5, one interviewee claimed there was ministerial interference in the organisational capability of MFAT when the prime minister became involved in a redundancy consultation (#C2). According to this interviewee, this contradicted the *State Service Act 1988* (s32). While this interviewee saw this as a breach of legal mandate,

other audiences debated whether the issue of organisational capability in general and redundancies in particular was, or should be, indicative of departmental performance.

In terms of external audience judgements of this efficiency-type performance, one social power (the *transTasman* media publication) and two commenters (using the “comment” capability on the *transTasmans* website) projected their scripts and emotions into this debate. In response to *transTasman* ranking the Department of Conservation (DoC) as the fourth best department, one commenter (using the pseudonym “YesWeDid”) asked, “Did you rate Al Morrison highly at DoC because he sacked a whole bunch of people without too much fuss?”, an implied reference to the MFAT redundancies that received significant media attention. Furthermore, a less polite commenter (using the pseudonym “flipper”) stated, “only the clowns inside the beltway, who suck off each other, and at the same time, suck on the tax payer’s tit, think such matters [the redundancies] are important”. This comment suggests this commenter does not think the performance of government departments should be judged in terms of redundancies, or possibly other efficiency measures.

Actors within government departments were also concerned that undertaking redundancies should not be a performance criterion. One of the interviewees (in a department facing redundancies) noted:

“Some of the targets [to reduce the budget of the public sector] are not nice – if it has to do with staff numbers – you know – that’s not nice, you know – never nice – whenever I look at these situations I always look at things that have the minimum impact on staff, so we have done quite a lot of [alternative] stuff – so we’ve gone through all our procurement: property, various contracts – we have gone through all that and we’ve extracted quite a bit of savings from those areas and obviously staffing is one of those things where you look to make sure the structure supports the delivery of your services in an efficient way.” (#C3)

These statements represent different views on what counts as efficient performance. They also highlight different styles of antagonistic and positive performance stories. One external commenter uses emotive, dramatic and offensive language. The other uses the rhetorical-question technique to critically open up the area of public sector performance for

debate. In contrast, the internal actor uses vocabularies of care and concern. While the internet as a medium of communication for this debate makes understanding the complexity of these individuals' responses difficult (because there is no ability to ask them to clarify), these are the types of mediated audience response that departmental actors are responding to (including #C3). To collect more detailed feedback, some of the case study departments in this study undertake written surveys with key audiences. These comments (discussed below) included more constructive ways of supporting departmental performance than the public forums considered above.

These more constructive comments were designed to bring the audiences into the discussion of the performance (#SS1). For example, one audience member wrote: "The value of [the department's] performance is not clear to me." The same survey respondent wrote that the CE could "invite [stakeholders] to talk about what [the CE and the department] are trying to achieve and how it operates". Another respondent also suggested providing presentations of written reports (the *flesh and blood* component, to use Alexander's terms) and another noted that audience and the departmental actor could "work together on communicating the value". Interestingly, in the same written survey of audience feedback, audiences also noted that at times actors "don't seem to understand what they are doing or understand the environment". Just as actors seek understanding from their audiences (see Chapter 6), audiences also seek "understanding" and to control the *scripts* and *mise-en-scenes* of the performance they are an audience for. These audiences wanted *flesh and blood* performances that allowed them more control over the emotional and cognitive content of the performance.

So far, this chapter has traversed both the emotional projections into *cultural extension* and the emotional reception of *psychological identification*. I have shown that at least for these interviewees, PMS is more than a decision-making or accountability tool. PMS, regardless of whether it is recognised in accounting research, will "elicit an affective audience response" (Alexander, 2006, p. 59). The response will also depend on the *flesh and blood* delivery, which can result in a "two way fusion between the background and audience through the actor [that] seems truthful to background representations and real to the audience" (p. 59), suggesting PMS need emotional content to have ritual-like effects and fuel attempts to overcome barriers to ongoing PMS use. To emphasise this point, one interviewee noted in regard to a department that was seen to be performing badly since a change of CE, "They have lost emotional commitment to their performance" (#A2). As

such, interviewees like this one needed the benefits of the PMS to include its ability to support their performances and, in particular, aid in emotional communication to stimulate ritual-like effects. As one CE put it (at a public sector event):

“I think our behaviour was pretty good before [the consultant] helped us, but what really made a difference was using the PMS information to communicate what we really do – it made us a lot more confident telling that story – and being clear about what we do. I think that is why [certain senior people] were so against changes, because we were doing well. But now we can show how well we are doing, in the government context, it made telling that story easier and got other people’s emotional commitment to how important this change is.” (#E3)

Communication was critical to these public servants and the focus on the benefits of the PMS related to its communicative ability – not only internally but externally as well. In other words, in an environment where their value (the multiple definitions of performance) was contested, the PMS’s benefit was its power as a communicator of both data and emotion, as much as a decision-making tool.

## 7.6 Summary

The interviewees in this study made every attempt to remain professional, which appeared to mean being emotionless in their dealing with audiences. However, reconceptualising PMS “practices as performances” (Alexander, 2006, p. 38) makes clear the critical role that emotions play in shaping *cultural extension* and *psychological identification*. Furthermore, although most of the interviewees tried to control their emotions by being analytical, professional and using other repression techniques, they were attuned to the emotional responses of audiences. They knew when they were being humoured and they knew when audiences “were really getting it” (#C4) to become enthusiastic about the PMS and its potential.

All three case studies had at least one person that was “passionate” (#C8; #A3; #B2) or at least “really enjoyed” (#B5; #C3) PMS work. These individuals felt that transference of that energy to audiences assisted in the ongoing maintenance of the PMS. The findings

presented in this chapter suggest that emotions not only impact on an individual's work, but that those emotions are shared with audiences and this influences how audiences perceive the *prescriptive* and *descriptive validity* of the performances (Alexander, 2006, p. 30). To obtain the acceptance that there is *no reasonable* alternative to PMS implementation and a willingness to be involved in the PMS requires more than cognitive observance of the PMS benefits. It requires emotional connection with the *background representations* and *scripts* of the PMS and with the performance information. In each case study government department, there were passionate individuals who felt they were in a position to influence the ongoing use of PMS, and many interviewees reported that they sincerely wanted to improve. Whether this came from top management or from strong individuals, audiences (internally and externally) noted they were influenced by that enthusiasm. Even if the audience member was not personally as enthused as some others they observed, when the sincerity was believed to exist, actors were given space to improve and use the PMS to more of its potential – to gain the benefits from it.

In addition, the consequence of this emotional response was clear in the intertwining of the performance of the department with the identity of the participants. This is more than goal congruence and internalisation of values (Selznick, 1957). It is an emotional attachment to the moral “rightness” of the performance of the department and hence the judgements that result from performance information production are about the individual as much as they are about the organisation and/or society in which the department operates. This means the PMS has to be able to tell the multiple stories that respond to audience needs, and respond to the identity needs of the individuals implementing the PMS. This is a much more complicated picture than the use of PMS for informed decision making. The implications of this are discussed further in Chapters 8 and 9. For now, this chapter has laid the groundwork for saying that for ongoing PMS use to be attempted, the PMS needs to be able to respond to the fragmented and interpretative nature of audiences and performance expectations. To do that, (at the very least) the PMS and the PMS implementers need to give consideration to the *flesh and blood* of the performance and how PMS can support those *flesh and blood* performances. The *flesh and blood* includes emotion and the moral evaluations of the *audiences* and *actors*. The performance must be infused with emotion and authenticity to create *cultural extension* and *psychological identification*, with ritual-like effect, as well as the technical benefits of the PMS. *Creating performances* is the topic of the next chapter.

## 8. CREATIVITY AND EMPOWERMENT

### 8.1 Introduction

In addition to experiencing emotional responses to PMS use, interviewees also talked about the need to be creative and empowered. Empowerment is a commonly encountered research strand in public management and performance management literature (see e.g. Ball, 2001; Cho & Faerman; Fernandez & Moldogaziev, 2012; Kilby, 2004, 2010; Skelton, 1993; Taylor, 2013). Indeed, one of the underpinning principles of the managerial reforms in the New Zealand public sector was the devolving of responsibility and empowering of local managers (Norman, 2003). However, the link between empowerment and creativity, or even merely the role of creativity in public services or PMS is not well studied (Lapsley & Skaerbaek, 2012; Llewellyn, 2009, p. 992). When creativity is given attention, it is often focused on the control of creative industries, or artistic processes (e.g. Christiansen & Skaerbaek, 1997; Davila, Foster & Oyon, 2009). These are situations where creativity is the output of, as well as input into, production. In contrast this chapter outlines how creativity was not only mentioned by most of the interviewees, but also considered as a significant influence on departmental performance and PMS.

In this chapter, I highlight how Alexander's (2006, 2011, 2012) theory of performance assists not only in giving a perspective on why creativity featured with my interviewees and other observed public servants, but also on why it is relatively silenced in an academic literature that views performance as a fixed ontological state. To make this argument, the remainder of the chapter is divided into three sections. In the first section I establish that the interviewees and other observed public servants in this study both discussed the importance of creativity to PMS, and associated that creativity with empowerment and other emotions. The second section highlights the implications of the shift from focusing on *practices to performances* (Alexander, 2006, p. 29) for understanding this apparent disjunction between public servants' views and much published PMS analysis in accounting (Power, 2000). Finally, the third section puts emotion, creativity and empowerment back into a *flesh and blood* view of performance, to highlight what is "at stake" (Alexander, 2012, p. 2) when PMS provide expected and unanticipated performance information. I argue that identifying what is *at stake* has implications for people's decisions to persevere through barriers to ongoing PMS use.

## 8.2 Creativity in Government Department PMS

Interviewees noted the importance of creativity in the public sector and in PMS. Some also noted limitations to using the results of creative processes in using PMS or PMS information:

“Creativity: I associate that with performance. I take it to be people thinking anew about how to increase impact.” (#CA2)

“There are lots of creative minds here.” (#B5)

“I just feel [creativity] *is* very important and I think we are ... potentially about to hit a place where it could become very important. I think we have done this [PMS] for so long in the same way, it [creativity] can be stifled, but change is so necessary now.” (#A4)

“If people are empowered they are more likely to act in creative ways. People asking ‘how do we could do this differently’ is how I think of creativeness. Fear and creativity are likely to pull against each other, ... people that are afraid are more likely to hunker down.” (#CA1)

Public sector leaders, both overseas and in New Zealand, have also made public announcements about the importance of creativity for the public sector:

“A fast-moving uncertain environment demands a fast-moving creative public sector.” (Bichard, 2000 – Michael Bichard was then permanent secretary of the UK Department of Education and Employment)

“We don’t want functionaries in the public service, but meaningful, creative people and jobs.” (Stoop, 2012 – Graham Stoop was then the CE of the New Zealand Education Review Office)

“Risk management is an exciting craft that requires creativity, skill and endurance.” (Beusekom & Read, 2014 – Julia Read is the CE of the New Zealand Serious Fraud Office)

## 8.3 Implications of Shifting Analysis from Practices to Performances

### 8.3.1 Why Has Creativity Not Been a Key Area of Accounting Research?

Despite this study's interviewees and other public servants using the word "creative" in positive ways, understandings from an accounting perspective are not always so positive. Instead, creativity tends to bring up uncomfortable associations of the reality/rhetoric divide (see Chapter 3). Creativity has connotations that associate it with rhetoric. Indeed "creative accounting" is defined as a practice that "capitalises on loopholes in the accounting standards to falsely portray a better image of the company" (Investopedia, 2014). Power (2000, p. 114) meanwhile defines "creative accounting" as "games that exist to circumvent the intentions behind rules and regulations".

Analysing performative acts – those acts that have consequential effect – helps to explain both the significance of creative capabilities in PMS and its limited consideration in accounting research (Llewellyn, 2009). Much ostensive PMS and management control systems research focuses on consistency and replication (Merchant & Van der Stede, 2007). This is what was characterised as a machine-like performance in earlier chapters. By steering research towards performances, there is a re-emphasis on the importance of the creative act of performance and the dynamic (and often unpredictable) effects of each creative act when it is used to develop *flesh and blood* performances. In reframing *practices as performances*, Alexander (2006, p. 38) frames into analysis the significance of emotions in completing performances, as outlined in the previous chapter. He also frames in the creativity required of those who create and respond to emotional performances. For example, Alexander (2004, p. 547, emphasis added) notes that for rituals to have performative effect, "the aim is to *create*, via skilful and affecting performance, the emotional connection of audience with actor [and script] and thereby to *create* the conditions for projecting cultural meaning of performance to audience".

According to the OED (2010, p. 408), "to create" is "to cause to come into being" and other dictionaries go further, defining it "as something unique that would not naturally evolve or that is not made by ordinary processes". Herein lies the conundrum for definitions of machine-like performance, or more general ostensive approaches to accounting research (Boedker, 2010). If performances are *created* and would not naturally occur, then the measurement of an ontological state is suspect, if not futile (Power, 1997). This

interpretative position has two implications. First, performances might be false, that is, mere rhetoric. Second, more fundamentally, if there is not a fixed ontological state to begin with, then what should the measures be of? For example, if perceptions of crime are different to the crime rate measured another way (perhaps through police callouts, arrests, or convictions), then should the department focus on changing the perception, or changing the other measures? The accountant's promise of objective measurement and hence the moral fairness of judging an individual or organisation's performance against objective accounting measures are brought into question if we recognise that all performance is an interpretative category and not a pre-existing ontological state which is made visible through measures.

### ***8.3.2 Creativity, Multiple Definitions of Performance and the Resulting Ontological Insecurity***

Recognition of performance (and arguably reality) as *interpretative categories* makes visible the invisible intentionality of performance (on the part of both actors and audiences), and the indefinable nature of creation. The verb, create, means "to produce through imaginative skill" (OED, 2010, p. 405). Imagination is defined as "the faculty or action of forming new ideas, or images or concepts of external objects not present to the senses" (OED, 2010, p. 405). It is these invisible elements that Alexander includes in his frame. By not being content with shifting from machine-like performance to stage-like performance, Alexander shifts our attention to ritual-like performance by acknowledging that rituals create not a "sham reality" but "a mystical one" in which "something invisible ... takes beautiful, actual, holy form" (Huizinger, 1950, p. 14, quoted in Alexander, 2006, p. 37). This holiness and its moral imperatives help explain the significance of creativity in the mission-driven perspective of interviewees in this study. Those interviewees who, regardless of setbacks, felt compelled to do something to continue their fight for "higher" goals were following the prescription of performative ritual, not the machine-like prescription of efficient delivery (Alexander, 2006). This is the performative effect of rituals. This approach contrasts with the study of rules or routines that can be disrupted by setbacks or challenges to fundamental meaning structures (Thornton et al., 2012, p. 89).

Associating performances with ritual legitimises the focus on the invisible elements of performance (Alexander, 2006). These include the emotions identified in the last chapter, but also the role of creativity. Emotions and creativity are not easily seen and, as

Quattrone (2009) notes, we are in an age that values seeing. That is, ostensive research relies on “sort[ing] out the actors’ opinions, beliefs, illusions and behaviour to discover the typical life” (Boedker, 2010, p. 598). This is usually done through observations and determining the “central tendencies” of large groups (Simon, 1995, p. 24). However, the performativity attached to ritual-like performances means participants’ actions create what they name (Butler, 1993). That is, the reality they co-produce is created by them when they name it and seek to action it. The invisibility and lack of amenability to observation techniques is what facilitates the suspicion within accounting research of these invisible elements. That is, emotions, creativity and other invisibles are “not present to the senses” (OED, 2010, p. 405). They lack sense; however, they do not necessarily lack meaning. This invisibility makes them difficult to see and/or record; hence this is not the area usually associated with ostensive accounting research. This helps explain why accounting studies of creativity are often located in the creative industries, such as theatre (Christiansen & Skaerbaek, 1997) or film making. Creative industries are not the only industry to need creativity but they do produce a tangible product of creativity, such as a film, making their creative work visible. There are also arguments for the necessity of creativity to productivity in other industries (Ahrens & Chapman, 2007).

### *8.3.2.1 Linking Creativity and Multiple Interpretive Categories of Performance*

The creativity necessary to produce a performance (regardless of the good or service being delivered) is much harder to identify in research. At a conceptual level, things that are not transparent to the eye are difficult to incorporate into the objective framework where ostensive accounting research claims expertise. Despite the unease caused by this invisibility to ostensive accounting frameworks, this does not mean creativity and the ontological insecurity this creates is not part of the everyday experience of PMS users. Some interviewees in this study even “enjoyed” (#B3) the challenge. As one interviewee put it, commenting both on the invisibility of the actions of performance measurement and the significance of creativity and empowerment to those measures:

“I’m attracted to the slightly ephemeral, detached view we have ... it’s extremely exciting when you see the gains [at the ephemeral level]”. (#A4)

This individual chose to specialise in PMS and strategic planning because the multiple definitions of performance provide an intellectual challenge. To use Alexander’s terms, this

individual liked being able to *create* the *interpretative category/ies* of performance. He was less interested in the measurement of machine-like performance that required defining an ontological state and developing measures for that static state. While his overt discussion of the transitory and invisible elements of PMS was relatively exceptional, others did comment on the challenges that fluidity in *interpretative categories* created when using PMS. One senior manager noted:

“It’s about what the public needs to know to hold us to account, but how can they know all of it? ... In some ways, how do *we* know? Yes, of course we can use the best available methods – we should be accountable for ensuring we have systems in place and doing our best to know what we can – but can anyone really know?” (#B2)

Another interviewee (already quoted in Chapter 7) was struggling to unify all audiences’ understanding of the performance from their own *interpretative categories*:

“By repackaging [performance information, I can repackage it] in a way that whoever is receiving it is going to think that that’s a great piece of work – if it is a great piece of work ... so it’s juggling.” (#B3)

This quote employed a double interpretation of performance. She had a view of what a “great piece of work” was. She had previously said this was anchored in the “benefits for citizens” (#C1) view. Indeed, most of the interviewees defined their performance in terms of the differences they saw in the communities that were most affected by the regulation changes and incentive schemes they created (see Chapter 6). In addition to this view of performance, this senior manager (#B3) and others also noted that other organisations (such as the State Services Commission or the Office of the Auditor General) had different views of performance. For example, one interviewee noted that “What you think is fabulous is not necessarily what other people think is fabulous” (#A3), but that nevertheless you had to work to come to a shared understanding (OAG, 2014).

### **8.3.3 Creating Shared Understandings**

The creativity required to understand and communicate the multiple *interpretative categories* for performance under these circumstances is, in part, recognised in NZ

Treasury (2008, 2012) and OAG (2008) guidance on improving PMS and performance information. These documents call the narrative required in accountability documents the “performance story” (NZ Treasury, 2008, p. 15).<sup>34</sup> These accountability documents (as outlined in Chapter 5) summarise the organisation’s framework for PMS measures and are presented to Parliament in conjunction with the budget appropriation documents. The performance story makes the “results chain” between outputs, expected impacts, outcomes and performance measures clear (NZ Treasury, 2008, p. 14).

The OED outlines several meanings of the word “story”. I will unpack three of them in the context of the debates interviewees and other observed public servants had over what counts as a “good” performance story. First, a story is defined as “an account of imaginary or real people and events told for entertainment” (OED, 2010, p. 719). This definition shows how understandings of stories can cross the reality/rhetoric divide. A story is “an account”, which resonates with the accountability function of accounting systems. The subject can then be “imaginary or real”. Arguably, these guidance documents expect the performance story to focus on real events. The importance of authenticity to the interviewees in this study also suggests that (in the main) the stories told by these case entities are attempts to be *truthful* (see Chapter 7). But even if they are truthful, a second definition of “story” highlights that the story is always a representation. According to the OED (2010, p. 719), a story is “a particular person’s representation of the facts of a matter”. This use of the word “story” recognises the partial nature of representations, which simplify and construct the reality they claim to represent – just as accounting systems do (Quattrone, 2009).

Despite those that were “inspired” and “empowered” (#B3; #A2, 3; #C3) by the challenge of PMS when it is understood as an interpretive category, others noted the difficulties raised by different definitions of performance. As an example, the word “story” was not universally accepted by those using PMS. As one participant at an OAG and NZ Treasury-run workshop on public sector PMS noted:

“I hate that word [story]. Why have we started calling them stories? They are *not* stories, it’s performance information; ‘story’ implies, well it implies

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<sup>34</sup> NZ is not alone in using the ‘performance story’ phrase. See for example, Australian academic work (Thomas, 2006); work from Office of the Auditor-General of Canada (Mayne, 2004) and the Australian government (Roughley & Dart, 2009).

something else. What was wrong with the term ‘performance information’? That is what it is, information.” (#E3)

This participant appears to be using another (third) definition of the word “story”. It is a definition that contrasts with how OAG or NZ Treasury meant the word to be used. It is likely she is using what the OED (2010) claims is the “informal” use of the word story. In this informal usage, a story is “a false statement; a lie”. A shift in emphasis from the observation of practices to the invisible creative *performance* involved in developing a story and its communicative and expressive potential elevates the apparent relevance of creativity in PMS. Even if the participant above was not explicitly meaning that a story is a lie (fictional), she could also have been objecting to the association between stories and entertainment (the first OED definition of “story”). In the serious matter of public sector accounting and accountability, the participant at the event (#E3) said it was not appropriate to use the term “story”. It seems that this participant identifies with Butler’s (1993) comment on the serious implications of performance stories *not* told on a stage (see Chapter 3). This seriousness is that, unlike stage performances, public sector accountability documents not only describe the intended performance of the department, they have the consequence of creating the performance expectations for the department. That is, the accountability documents are performative – they create what they name, or claim to represent. As such, departmental performance is judged according to the *descriptions and prescriptions* in the documents. Several interviewees commented on the consequences of not “performing” what is represented in the accountability documents. Below is a selection of comments all reinforcing (from different perspectives) the insecurity that arises from the expectations created in accountability documents:

*Interviewee:* “It’s never a piece of failure, it is our job to experiment [as noted in the Statement of Intent (an accountability document)]. If they [the staff] are not making the 50% [target] ok, but the question is why not? Failure is not, ‘not reaching the target’ – it is the lessons, if it failed there is a reason, so failure should be more about the lessons. No use crying about it, but where to from here? [But regardless] we get severely judged if we don’t meet targets.”

*Interviewer:* “Who judges you?”

*Interviewee:* “SSC and [external] Audit ... I think in the creativity and empowerment there is fear. You have to be analytical. We need to get these

agencies to realise our job is the experiment, not the service delivery – if it works, then the service delivery is transferred to [another entity].” (#B5)

“being risk adverse stifles creativity, our department is not very good at accepting mistakes ... we have to change, and to change there has to be a level of creativity. You can’t do things the same, and we recognise that ... I think we have [got the talent] but, going back to the empowerment, we don’t necessarily have the free rein to do something [because of the accountability documents and political concerns]. We are so risk averse. GOSH! So risk averse.” (#C4)

“Creativity requires a kind of risk taking – you need to take risks to be creative because you are doing something that has not been done in the past. ... There are other times, when doing things differently, I’m convinced that [other] people are put off by fear of negative judgement.”<sup>35</sup> (#CA1)

#### **8.4 What Is at Stake?**

The statements above can be interpreted as further evidence of the risk-averse nature of the public service, which is well studied (Bourn, 2008; Hubbard & Paquet, 2010; Prowle, 2000; Stevenson, 2013). I argue that what is missing from these debates (and hence debates on the barriers to ongoing PMS use) is what is “at stake” when performance stories do not result in either *cultural extension* and/or *psychological identification* (Alexander, 2012, p. 2). To recap from Chapter 3, a ritual-like performance depends upon more than creating powerful symbols and it is not about the decoupling of substantive and symbolic meaning. Alexander (2012, p. 2) claims successful ritual-like performance is a matter of material resources and demographics, which affect “even if they do not determine, what can be heard and who might listen”. He continues: “some stories are enriched by long-standing background representations; others seem so counterintuitive vis-à-vis established traditions as scarcely to be believed”. Hence, reactions to performance stories relate to identity as well as moral judgements about that identity.

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<sup>35</sup> This interviewee specifically made the point that she had never been put off by fear, but that she had heard enough from other people to think that fear was a genuine inhibitor.

As noted in Chapter 7, integral to establishing individuals' identities is the organisational success in achieving impacts and outcomes and this is seen (among other things) in the PMS and the accountability documents that summarise the PMS results. These documents (regardless of whether individuals agree with everything in them), are the first basis of judgement about the entities. In this way, PMS are an information source to combat judgements made from outside the performance framework of these documents (OAG, 1998, 2014).

#### **8.4.1 “Wounding” and the Pain of Negative Judgement**

This insight leads us to consider PMS barriers in terms of links between PMS and individual and collective identity. Being judged through the PMS process is more than choosing the correct performance measures, as cognitive descriptions of PMS suggest (Cokins, 2004, p. 46). This reveals that while ostensive research seeks to establish why some organisations attempt to overcome barriers to ongoing PMS use, it is not equipped to consider the “wounding” effect (Alexander, 2012, p. 2) of PMS information. Seeing PMS as either a successful or failed *flesh-and-blood* performance highlights moral and emotional, as well as cognitive, judgements made about performance. Metaphorically, PMS performance failure is no longer discussing a broken machine (the machine-like performance discussed in Chapter 3), but rather the effect of the machine writing on (and metaphorically killing or harming) the broken body in Kafka's (1919) short story. Getting the performance wrong becomes an (im)moral action that disrupts the individual's and the organisation's identity. It also jeopardises the ontological security attached to the use of PMS. For example, when the data from the PMS revealed that targets and/or goals had not been met, the interviewees discussed their pain and disappointment:

“The feedback from interim audit and the PIF was painful. They [staff and managers] devote their lives and personal time, to this place. [But] we have to realise as a ministry, if there is feedback like that, it might be painful, and some lessons really come in a painful manner, but we just have to work on it. This is work, but at the end of the day there are people behind it, it's not about demonstrating what [different units of the business] did today, but what the ministry did as a result ... and the difference it makes.” (#B5)

“Those results really hurt.” (#B3)

“But other times, I say ‘suck it up guys, – you know feedback hurts’ ... but [to get different views] is why we ask for feedback. Suck it up! Suck it up and grow up – you know what I mean? Or am I just being brutal and mean?” (#A3)

“The one that I think was very painful is [a specific measure]. The amount by which it was missed ... was getting quite frightening and was starting to be quite big, [which undermines] the whole principle [of the programme].” (#A4)

“‘PAIN points’ was the heading of a slide for a presentation to public sector employees.” (#E4)

Other interviewees used more tangible metaphors of what kind of pain was *at stake*. As noted in the previous chapter, one interviewee discussed the “skin in the game” (#B4). While she did not call them “wounds”, her metaphor of “skin in the game” implies the same kind of potential for metaphorical pain as described by #B5 above, and by #A2 when discussing “feeling” the identity of the department (see Chapter 7). In this sense, organisational performance and identity are intertwined because individuals “felt” the organisational performance and hence judgements about it. While potential negative judgements about individual performance (see e.g. ter Bogt & Scapens, 2012) are described as a barrier to PMS, in terms of what is presented here there are also barriers from the collective wounding of identity. This means that while performance bonuses or termination of employment (or other tightly coupled rewards and sanctions) might be discussed as tangible reasons for distress (Rautiainen & Jarvenpaa, 2012), a metaphorical wound to a person’s identity also occurs when performance information about the department and the person’s self-identity are different.

This much more emotional response to self- and collective identity highlights where the machine-like metaphor of performance breaks down. Performance information (both positive and negative) affects identity and results in responses that are more intense and personal than accounting literature currently examines (for exceptions see Boedker & Chua, 2013; Guenin et al., 2014; ter Bogt & Scapens, 2012). Using a machine-like metaphor dulls the impact of judgements about performance. If a machine performs badly, and/or is broken, then it is fixed or replaced. There are no emotional consequences

involved. However, when performance is dependent on human action, then a failed performance is a failure to convince others of the *descriptive and prescriptive validity* of one's claims and identity, which does have emotional consequences.

Further, if the actors have failed to convince audiences, then the claims themselves become suspect. This occurs both at the superficial level and a more fundamental level. At the superficial level, when a department claims that it has improved its control systems and safety standards using data from its PMS, this can be met with scepticism (see e.g. Samkin & Schneider, 2010). This scepticism suggests the authenticity and truthfulness of the account is questionable. At a fundamental level, if a government department claims to be creating "benefits for citizens" and the performance fails to convince, questions arise about whether they are actually harming the citizens. As Alexander (2012, p. 2) highlights, "suffering collectives ... do not exist simply as material networks. They must be imagined into being." Suffering comes from the imagined (but performative) wounds. As one senior manager described it:

"Ministers [as audiences] do not always understand the significance of what they get and what they ask for in terms of performance information ... they ask for it, but then when they get it, they don't want it – they just don't know what people are going through – how do I fix that [with the PMS being based on production models]?" (#B4)

This *wound* left the manager striving to improve the PMS and overcome barriers to its use, in order to achieve the outcomes he was seeking on behalf of the public.

#### ***8.4.2 Implications of What Is at Stake for PMS and Departmental Performance***

This research is focused on attempts to overcome barriers to ongoing PMS use. The new light that Alexander's (2006) framework sheds on this problem is the link between social identity, performance information, and wounding. The burgeoning study of emotions in non-ostensive accounting research highlights this link, but notes the need for further theoretical exploration (Belk, Ger & Askegaard, 2003; Boedker & Chua, 2013). For example, Boedker and Chua (2013, p. 264) found that individuals "overlooked, tolerated and even accepted [contradictions] in order that particular emotive and identity relationships can be sustained; what we might call the 'happy slave' syndrome". They go

further to note that people “in our case, actively sought to develop new control devices, cultural norms and values that in essence further marked their entrancement. ... it indicates that subordination is co-produced. This preserves [a sense of] self” (p. 264).

In this study, I also found that individuals aligned their identities with their organisational achievement, but Alexander’s (2006) perspective adds depth to the metaphor of the “happy slave”. This is because these individuals are not slaves. As highly educated individuals with diverse skill-sets, senior experience, and relatively high degrees of disposable income, they have choices. Indeed, Boedker and Chua (2013, p. 264) noted that “those who proved unfaithful did not stay long”. Those left in Boedker and Chua’s (2013) study might be willing subjects (that make themselves happy), but they are not slaves. In contrast, in my study, interviewees made it clear they were not slavishly following what more senior officials required. One interviewee said:

“I am not afraid for my job. My personal circumstances are such, well if anything did happen, I have a community to support me through it. My fear, is for the community – what are we doing to them, if I can’t make a difference – what if I can’t convince the people here in Wellington what it means for them [the community], when they [Wellington officials] do [specific negative] things.” (#C3)

In introducing the idea of *flesh-and-blood* performance, and hence the wounding effect of a failed performance, Alexander’s (2006) theory does not use the metaphor of loss and entrancement (as do Boedker & Chua, 2013), but rather refers to actual *wounding*. Loss is something irreplaceable (at that moment). If it could have been replaced, it would not be lost, or a new one would have repaired the situation. A wound on the other hand requires healing, which is both possible and necessary. The interviewees in this study were seeking to live the essence of their performance. In addition, when wounded, they also needed to heal such wounds. The morality of their aim, “the benefits for citizens” (#C1) is not something their authentic performance lets them walk away from. By using a framework drawn from the moral perspective of ritual-like performance (Alexander, 2006), I have traversed how actors need to make their performance authentic and cannot leave that authenticity in doubt. Wounds to identity need to be healed. This was seen in the three case study government departments, which all attempted to overcome barriers to ongoing

PMS use because all three departments showed signs of ritual-like performance and departmental wounding when poor PMS results were produced.

The reason the wounds need to be healed is because audiences judge the authenticity of performances and then the *descriptive and prescriptive validity* of them. When the PMS supports that process of *psychological identification* and *cultural extension*, success is attained not merely for the PMS but also for the identity of the organisation and enough of the individuals in it for the PMS to be sustained. This is because ritual is a “symbolic-cum-emotional representation as a collective process centering on meaning-making” (Alexander, 2012, p. 2). It also requires material resources because “power and resources are critical, even if they alone do not decide” (p. 2) how a performance will be perceived. Collectively the group uses the PMS information to shape their view of themselves, as well as the difference they make. People who have put their identity into their PMS create performance stories (as the official guidance calls them) and they need these stories to be seen as valid because this also validates their moral choices. “Shared trauma” (Alexander, 2012, p. 2) results when something goes wrong with that validation. When there is a “threat to collective, rather than individual identity, that defines the suffering at stake” (p. 2). Threats to identity become traumas when they are “conceived as wounds to ... [departmental] identity” (p. 2). When the identity of the department, its employees and PMS have been entwined, negative judgements on the department’s performance, fuelled by information in the PMS, has lasting impacts. The longevity of this impact influences PMS use over the long term.

This is why performances of PMS (in these three departmental case studies, at least) are more ritual-like in nature than machine-like. The PMS is both a material and symbolic tool when performance is interpretative and not an ontological state. If a PMS starts to transform an organisation it is because people agree it is right (not just accurate or efficient). Indeed one central agency had as its vision for a period, “right people, right time, right place” (SSC, 2008, p. 3). This vision uses the double meaning of “right” as being both morally and instrumentally appropriate. Another interviewee pointed out that being risk-averse in areas of successful performance is:

“not a binary problem. There was a huge amount of creativity going on in Christchurch<sup>36</sup> and ministers had the backs of people doing it [by adapting systems like PMS]. [In contrast] there are times when there might be risk, but [people] are going to get through the boundary [of PMS obstacles].” (#CA1)

People “get through the boundary” [of PMS obstacles] if they can use their performances to bring about *psychological identification*, regardless of risk. The negotiation is in the *interpretative categories* of the PMS, not the quantified amount of risk or other barriers to PMS use. Hence, Alexander (2006) notes the significance of the expressive role of ritual in performances that highlight interpretive categories. In performances invisible connections can be felt and understood. But in the fragmented nature of modern society and departmental performance, these invisible connections need to be made visible, and PMS offers a tool to achieve this. The performance of the PMS has a significant role in whether that is achieved. For example, the PMS and its visibility in accountability documents have to make people understand the multiple realities of the government departments, and agree that *no reasonable alternative* is desirable. The difficulty involved with the multiple definitions of performance is that it creates ambiguity and uncertainty. The expressive process of ritual-like performance, in contrast, is a process for creating the comfort to “get through the boundary” (#CA1).

This perspective turns the machine-like metaphor on its head, as well as its corollary, the production-based model of performance. Success is not seen in the visibility of the well-produced product. It is seen, if it can be seen at all, when people believe in what is happening and think that it is the “right” thing to be happening. Further, in the case of a performance of identity, actors and audiences have to believe the department is performing its essence. Clearly, Samkin and Schneider (2010) and Chang (2009) (as discussed in earlier chapters) did not believe these actors were performing their departmental essence, but rather using rhetoric to persuade people that a performance was authentic when it was not. In contrast, this study highlights that audiences that do not believe in performances will never be part of making them succeed. Hence future PMS research needs to explore how and why people come to believe that the PMS serves higher goals – and come to be wounded when their beliefs are challenged by multiple definitions of performance.

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<sup>36</sup> This refers to the governmental work occurring after the 2010–2011 Canterbury earthquakes.

This makes reframing performance from a fixed *ontological state* to an *interpretative category* empowering for those who see and enact the morality of the performance. However, for those that felt they were failing to persuade audiences of the authenticity of their performance, or were constantly judged as never good enough, it was not empowering (#B1,3, 4). Those that felt empowered were prepared to act together to use PMS to change things (#A2, 3; #C2, 3, 7). This was not because their departmental values were internalised (Parsons, 1951; Selznick, 1957; Thornton et al., 2012), but because they emotionally and cognitively agreed there was *no reasonable alternative* to their performance. Furthermore, the performative perspective also emphasises that it is not about values alone. “Material forces are deeply implicated in social suffering and the strategic calculations and practical considerations surrounding traumatic events have significant effects on social organisation” (Alexander, 2012, p. 2). In this sense, the meanings of “emotional forces are carried by social groups whose actions transform the worlds of morality, materiality and organisation” (Alexander, 2012, p. 2). This includes choosing to attempt to overcome barriers to ongoing PMS use or not. As one interviewee noted, “I believe in what our sector are doing” (#C1). In other words, they believed that the PMS framework must be enacted in order to create “benefits for citizens” (#C1). Those that felt empowered felt able to be creative.

This perspective on identity and wounding might help explain the equivocal research on PMS barriers (Liguori & Steccolini, 2012). This is because entities (in these case studies) are selecting options where there is a “simultaneous presence of multiple equally valid frames of knowledge” (Walker et al., 2013, p. 224). Empowerment and creativity in this space play on people’s hopes and fears, not merely cognitive freedom to determine courses of action. Researching these additional affective barriers, combined with the creativity necessary to stimulate a ritual-like effect, suggests those organisations that can successfully engage people in ritual-like performance are more likely to be organisations that attempt to overcome barriers than those organisations that solely engage employees in cognitive discussions of PMS benefits.

## **8.5 Summary**

Characterising the departmental PMS discussed in this study as ritual-like helps us to understand how PMS and their *props* (such as accountability documents) are imbued

(temporally) with a status not only as a “true and fair” view (FRC, 2011, p.1), but also constituting what the department’s performance will be and what good performance looks like. An appreciation of ritual-like performance adds to existing PMS research by specifically focusing on the emotional process through which ritual *creates* truth, within *interpretative categories* (Alexander, 2006, p. 30). As noted in the previous chapter, the value of being sensitive to the effects of emotion in organisational practices, such as PMS, lies in the fact that people in organisations rarely undertake work solely based on cognitive-rational calculation (Schaffer, 2002). They also respond emotionally and creatively to address moral challenges. The focus on performance instead of practice means a place is created to study the invisibles of creativity, emotions and experiences that fuses action with meaning (Alexander, 2006, pp. 6–8) and compels people to attempt difficult actions, such as overcoming barriers to ongoing PMS use.

Building on Chapter 7 in order to combine emotion and creativity, this chapter has shown that attempts to create a shared belief in the *prescriptive and descriptive validity* of the performance can shed new light on how/why people both attempt to overcome barriers to PMS use and abandon PMS. This moral evaluation of performance as an authentic rendition of the invisible essence of an organisation is critical to understanding what PMS information puts *at stake*. Chapter 7 found that audience feedback “gives momentum” to PMS use. Chapter 8 has built on this finding by showing audience feedback and PMS information can wound the collective identity and in doing so jeopardise the creativity to overcome barriers to ongoing PMS use. Performance information is not only a cognitive challenge to the individual’s pay bonus or incentives. Inclusion of creativity and affective elements may explain why previous research has shown that incentives can influence quantitative but not the quality aspects of performance (Verbeeten, 2008). In these departmental case studies, negative performance information was an affront to individual and departmental attempts to benefit citizens. In this sense, it was difficult to hear a counter-story. Distress was caused by the PMS when the organisation could not reconcile the multiple views of performance and how the PMS was elevating one perspective over another, or not giving equal visibility to criteria that “told the whole story” (#C3). However, this did not necessarily mean the PMS was abandoned. It did mean *actors* and *audiences* questioned the principles of the PMS, such as the production-based model of performance. In contrast, when the PMS reinforces the individual and departmental sense of identity (the difference they made to citizens) the use of the PMS became more

extensive. Participants were not “happy slaves” (Boedker & Chua, 2013), although they did willingly participate in their own PMS-created controls and co-production of truth.

The implication of this is not that PMS information must align to self-identity for there to be attempts to overcome barriers to ongoing PMS use. It is rather that the PMS and its information must be able to be fitted to a story that “paints a better picture of the organisation” (#C4). This interviewee did not mean a positive picture designed for legitimisation (Chang, 2009); by “better” he meant a picture that speaks to multiple audiences. Speaking to multiple fragmented audiences can only be done when performances are creatively made *flesh and blood*, and can only create *psychological identification* when everything from *background representations*, *scripts* and *social powers* can reach a consensus that there is *no reasonable alternative* to a performance, because the actor is performing its essence. It is authentic, real, and truthful. It is also cognitively necessary. At present, PMS research and technical guidance on PMS use does not address these issues (Cokins, 2004, p. 46).

Because PMS were developed based on an assumption that performance is a fixed ontological state, it is easy for the PMS to tell a partial story – to highlight only that which is stable and observable. It also submerges the invisible elements of performance, especially if the organisation does produce a product, or part of the organisation produces a product/service. The implications of this are more severe when work (and hence performance) is more invisible or more morally contested. Government departments face both situations. These three case study departments are conscious of the limitations of the PMS grounded in assumptions of production models and fixed ontological states. They struggle with telling the performance story in ways that overcome these limitations. Some succeed by aligning their stories to accepted *background representations* and by agreeing on the essence of the department. Others are still contesting these *background representations* with their audiences, trying to redefine how performance should be judged. At the same time, they are also questioning how to adapt (or abandon) the PMS to improve the expressive potential of the performance within a PMS, rather than the management or system aspect of the PMS. Regardless of the success or failure to convince audiences, the implication of the shifts from barriers related to material and power networks and observable technical elements to those of performative skill opens a range of new issues for PMS actors and audiences to manage. These issues are discussed within the context of two specific performance examples in the next chapter.

## 9. PMS PERFORMANCES IN ACTION

### 9.1 Introduction

The previous chapters have collectively identified the *background representations* and *scripts* employed during the use of PMS in the case study departments (Chapters 5 and 6); noted the significance of *emotion*, *identity*, *cultural extensions* and *psychological identification* in ongoing use of PMS (Chapter 7); and explored the significance of creativity and social wounding in attempting to overcome barriers to ongoing PMS use (Chapter 8). This chapter discusses these concepts in terms of two specific performance examples from within two of the case study departments.

The preceding chapters, based primarily on interview data and comments made at various public sector forums, have revealed the meaning-making structures interviewees used to make sense of PMS (Silverman, 2011). What could not be displayed as easily were the invisible, dynamic and interactive elements of the performances themselves. Just as the invisibility of *background representations*, *creativity* or *wounds* to departmental identity presents challenges for PMS, it also presents challenges for interview data. As discussed in the methodology chapter (Chapter 4), interviews are recollections of past performances. This is, of course, always a disadvantage of interview-based studies (Silverman, 2011). Accordingly if researchers are to study the performances themselves, the partiality of that recollection matters. The recollections are partial not only in their factual content, but also because the *flesh and blood* of the performance is sometimes difficult to communicate.

To address this limitation, this chapter supplements the points made in earlier chapters through the analysis of two live performances. It does not introduce new theoretical points but is intended to enrich the descriptive analysis. While the invisible meaning structures that individuals and groups attach to action may not always be observable in these situations, the unfolding performance offers the opportunity to consider the transference (and disruption) of emotional, ritual-like energy that leads organisations to attempt to overcome the barriers to ongoing PMS use.

According to Alexander (2006), performance failure is the norm in fragmented modern societies; hence, he does not consider them to be instructive cases. As a result, the majority of this chapter is focused on a successful performance that resulted in *cultural*

*extension* and *psychological identification* that assisted the government department to continue attempting to overcome barriers to ongoing PMS use throughout the year they were involved with this study. The second example is spread over a longer timeframe and was understood through interviews, documents and observations of people's responses to parts of the performance. This ongoing performance is instructive because it affords the opportunity to explore the thought and creativity exercised to improve both the data collection and quality of the PMS and to better use the PMS information over time. This highlights the significance of *flesh and blood*; that is, the ability to create performative effect in order to attempt to overcome barriers to ongoing PMS use.

## **9.2 Example 1: The Infusion of Ritual-like Energy into a Performance**

### **9.2.1 Context: Mise-en-Scene**

The *mise-en-scene* for the performance in the first example is a case study government department's one-day strategic planning "away day" (AWD). The day aimed at confirming the organisation's strategy and confirming or further developing its performance measures. The performance measures included both annual measures generally related to quality, quantity and timeliness, and long-term measures (often three-yearly) related to changes in society that would result from the successful impact of the outputs (i.e. outcome measures). All of the quotes presented in this chapter come from the researcher's observations while present at the day and in conversations with interviewees and participants during and after that day.<sup>37</sup>

### **9.2.2 Actors and Audiences**

As noted in Chapter 3, performances can occur to the self, within a recognised group, and between groups. In this example, the people present were all employees of the same government department. That is, all staff and managers in the government department received an invitation. All those that volunteered were taken off-site and engaged in social

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<sup>37</sup> To preserve the anonymity of the government department, as well as the participants and the interviewees present at the day, the quotes that come from interviews are not referenced back to the interview schedule (Appendix 2) as they are in the rest of the study. This is because the case details in this example will identify the AWD to the department, and as a result the hierarchical numbering system will also identify the interviewees' position and hence the interviewees.

activities aimed at team building as well as strategic and performance measurement planning.

The *actors* were the day's facilitators. These were two in-house senior staff members, who were supported by another staff member, whose job description included organisational performance advice. The other participants at the event were the *audience*. The senior managers (including the CE) simultaneously took roles as *audience* and *actor*, as well as roles as a *social power* throughout the day. This will be elaborated on in the descriptions below.

#### 9.2.2.1 About the Actors

The facilitators were chosen to lead the strategic planning day because they were considered experts in PMS. This expertise was attributed to:

- their extensive experience across the public sector in implementing and working with PMS;
- their being often sought by external agencies because of their understanding of the legislation and requirements; and
- their colleagues' expectations that their previous educational backgrounds gave them skills in PMS.<sup>38</sup>

During the day they encouraged staff and senior managers to engage in discussions, exercises and inscription making (cf. Qu & Cooper, 2011). They did this in order to consolidate staff views on workable performance measures (among other things), and to communicate the senior leaders' desired direction for the department.

#### 9.2.2.2 Attempts to Create Processes for Infusing the Event with Ritual-like Energy

The facilitators put particular effort into infusing the day with emotion and energy. First they gave the day a theme: Doctor Who.<sup>39</sup> Second, they came in character. One was the

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<sup>38</sup> One was an accountant and the other had expertise in social science evaluation.

<sup>39</sup> *Doctor Who* is a long-running popular British science fiction television programme following the adventures of a time-travelling doctor and his various assistants. [http://en.wikipedia.org/wiki/Doctor\\_Who](http://en.wikipedia.org/wiki/Doctor_Who).

Doctor, the other Celeste, his beautiful assistant.<sup>40</sup> Celeste explained to the audience as they were still getting coffees, finding seats, and picking up the handouts in the middle of each table that:

“Doctor Who was chosen as the theme not just because of the rumour that Max<sup>41</sup> [the person playing the Doctor] is a major Doctor Who fan, but because Strategic Planning and PMS is a chance to rethink who we are, what we do and how we know we are performing. You are in the Tardis [a blue telephone box appears on the multiple big screens around the room]. It is bigger on the inside than the outside and any world outside is possible, just by steering it in the right direction.”

At that moment, Max, in his Doctor Who garb including the scarf and imitating his voice and out-of-control mannerisms, runs through the crowd, shouting:

“Is it too late, what time are we in? Where are we going, how will we know, do we have the systems in place? – Celeste, what are we going to do?”

Celeste then replied, “Don’t worry Doctor, we have Dale [the department’s CE]<sup>42</sup> here to tell us the vision.” The CE’s speech then outlined the difference the work of the department made for the public and who and how people relied on that work to do their own.

The Doctor’s precarious run through the audience had the immediate effect of making everyone sit down and pay attention (at least so they didn’t get hit), and in a sense transported them outside of their daily work activities. Making the day set-apart (Alexander, 2006, p. 115) is a key element of rituals. It makes people feel the situation is special and different to the usual rules and hierarchies of the organisation (Johnson, Prashantham, Floyd & Bourque, 2010). In this sense, the facilitators not only physically removed the AWD participants from their work environment, they also questioned their base assumptions – not only of time and space, but of what the department did, how it worked, and what systems it used. Using Alexander’s terminology, the actors used the

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<sup>40</sup> This woman is referred to by the role she played for the day, Celeste, to preserve her anonymity.

<sup>41</sup> Max is the name I have given to the person portraying Doctor Who, to preserve his anonymity.

<sup>42</sup> The CE’s name has been changed to preserve anonymity.

*mise-en-scene* (physical location and metaphorical setting inside the Tardis) to create the appearance of a stage-like performance to encourage participants to reconsider their relationship with the department's PMS. Making the performance appear stage-like created a sense that nothing that occurred need have serious consequences. In creating this sense of safety, audiences were more willing to open up to the emotional and higher-order goals that the actors were associating with the PMS, such as creating a difference for the public.

This introductory scene also showed the *actor* role of senior managers (including the CE). The CE was literally and metaphorically centre stage. She did not become one of the Doctor Who characters; she remained present in her usual attire and role as CE. She was not acting as the two facilitators were. Nevertheless, she became an *actor* persuading audiences of the *descriptive validity* of the department's goals and strategies, as developed by herself as CE and senior management. The CE and senior managers also acted in order to shape the *prescriptive validity* they believed best suited the department in terms of performance measurement and some of the measures themselves.

The facilitators maintained their "acts" as Celeste and Doctor Who throughout the day, reminding people (even those who had never seen Doctor Who), about the twists and turns of the television programme. For example, when an audience member asked about measuring the time it takes to complete activities, the Doctor replied, "From where I am, time is wibbly wobbly, and I am scared of the timesheet fairy." The self-labelled "timesheet fairy" (the employee tasked with analysing the electronic coding of time spent on tasks by employees), then stood up and passionately reminded people they "must" fill in their timesheets so that the government department could measure things like "cost per hour" because it would then know how much staff time was spent on specific activities. She also added, "It also makes my job a lot easier if you fill them in on time – the Doctor wouldn't need to be afraid if he did that!"

While this was a light-hearted reminder of timesheet punctuality, it also put the fear and passion into the subject of data collection for the PMS. In another example, during one exercise pictures of "Weeping Angels", which had been pasted onto sticks so they could stand in the middle of each table, were handed out. The Doctor told participants the angels looked into your eyes and turned you to stone, trapped in this way of doing things

“FOREVER”.<sup>43</sup> Even if participants did not know of the Weeping Angels, they responded to the pictures. Some participants had an emotional reaction to the Angels: one said, “It’s got creepy eyes”; another “The Daleks scared me as a child.” Others took the science fiction message and applied it to the PMS. One noted, “We can’t keep doing the same measures FOREVER – like Max said. If we have changed, our measures need to change as well.”

In summary, the *cultural extension* that the *actors* were creating for *audiences* to respond to was a moral story whereby the department made a difference to the public. This story was linked to an emotional story whereby the interlocking parts of the organisation (such as timesheets) all worked together, creating fear if people did not do what the timesheet fairy wanted, and also motivating action to support the PMS, which was how the story of the department’s achievements for the public would be communicated.

### 9.2.2.3 Audience Responses

One of the exercises that the audience were asked to complete is useful for examining audience responses to the *descriptions* and *prescriptions* of the PMS being communicated by the *actors* (cultural extension). This is because the exercises were designed to allow considerable room for the audience to express their responses to the PMS and create, in Alexander’s terms, *psychological identification*.

The first part of the exercise involved confirming what the department’s key contribution to society was. To do this, the participants were asked to create posters of the key contributions. Rotating groups used clip art, magazines, Post-it notes and coloured pens to write words, draw or paste pictures, and capture patterns of information to create A3 posters. The posters were then grouped and displayed to stimulate further discussion of the environmental scan and the strategic direction of the organisation. The second step in the exercise was to discuss the performance measures. The participants were broken into even smaller groups to discuss the current measures of performance; what else should be measured; how the data might be collected for new measures; and what would be done

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<sup>43</sup> According to the BBC, Weeping Angels are quantum-locked humanoids. “This means that they can only move when no other living creature, including their own kind, is looking at them. As soon as they are observed, they instantly turn to stone and cannot be killed.” <http://www.bbc.co.uk/programmes/b00rs69w/profiles/weeping-angels>. While this is a different meaning to the one used in the AWD, this changing of symbolism did not phase many within the audience.

with the measurement information. These ideas were written on large Post-it notes and stuck to the posters.

Some of the signs, pictures and words used included pictures representing the stereotypes of what the department did; some words and pictures related to traditional techniques and there was a poignant photograph of a mother in prison.<sup>44</sup> Adding emotion as well as imagination to these posters, one participant displayed her emotional input by obliterating a picture of a traditional technique in order to convey culture change over time within the department. Words on the posters included “distress” and “inspiration”; measures written onto charts ranged from “output per hour” to specific societal improvements that would result (eventually and at a distance) from the department’s interventions in society, such as the need for less prisons. Some debates within groups became heated. The staff member who used the obliteration of a picture to signify culture change met with resistance from some who questioned whether change had really occurred, and further resistance from those who believed the wrong change had occurred. Others debated whether the distance between the department’s work and an event such as imprisonment was just too great to be relevant.

The way the facilitators (*actors*) constructed the day stimulated and challenged participants (*audiences*) and also allowed the participants’ imaginations and bodies to be involved through the creation of physical artefacts (posters). This encouraged the audience to see things the actors’ way and at the same time shape collectively how they all (actors and audiences) felt about the purpose and meaning of the performance information. This process was part of *cultural extension*, seeking *psychological identification*. This is what audiences had to say:

“Celeste is just great, so much enthusiasm and energy. You really believe you can do it, when she is with you. She makes you strive to do even more – the stuff we are dealing with is really hard [the multiple perspectives of performance], but she makes it ok – doable. You just have to keep going, we will get there.”

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<sup>44</sup> To be clear, the department in this study is not the Department of Corrections – discussion of the relevance of this image features later in this chapter.

“This stuff could be really dry – but today it isn’t. I never really thought about why they needed that stuff [points to the accountability documents and measurement information], this [AWD] makes it seem worth doing, when they are using [the data] to show people the difference we are making.”

“I’d like to see us move it up a level – I know some of the people here need to hear this basic stuff. I can’t wait until we actually can analyse that information – like figuring out a way to calculate the cumulative effect of what we do – I mean look at these posters – the breadth of stuff we do, when you look at it all out like that – let’s start calculating that difference that it all makes together.”

A less enthusiastic participant, who appeared to be frustrated because improvement was not being achieved fast enough said,

“We could use this information to inform the people we work with as well [as us] – we used to do it in the UK, so why can’t we do it here?”

Each of these statements was responding to the emotional and moral goal communicated during the day. The expectation of a “dry” PMS was recast as showing the role of the PMS in the higher goal of communicating the difference the department makes. For other audience members, it was the facilitators’ enthusiasm and passion that made their own PMS struggles seem acceptable or “doable” (as noted above). These are all signs that ritual-like energy was being created during the performance.

### ***9.2.3 Ritual-like Energy and Routines***

Not all participants were enthused by the performance. One participant did not agree with the emotional energy he saw going into the PMS. He stated that a PMS is “not a priority, it’s not as important as people think – it should be a routine. Useful, but not an end in itself”. This quote highlights the distinction between ritual-like energy and that associated with routines. Participants in rituals feel “compelled” to act either to serve the higher order or recover from wounds (Alexander, 2006, p. 52). In this sense, ritual is differentiated from “routine” (Burns & Scapens, 2000, p. 10; Koch, 2011; Lanzara & Patriotta, 2007). Ritual is different because people that participate in a ritual give that participation special meaning

and status. Hence, as the participant above watched special meaning being transferred to the PMS, he stated he did not believe such status should be given to the PMS. Because ritual needs to have a special status to continue, a ritual can never be taken for granted or become a “habit”, a “routine” (Van der Steen, 2011, p. 506).

Regardless of whether people overtly or consciously designate an activity a ritual, a ritual only functions as such if it creates the belief that the action fulfils some higher-order goals, conferring positive outcomes on participants (Alexander, 2011, pp. 14–16). It is in this sense that ritual is an act of reality construction (Alexander, 2006, p. 57). While the participant quoted above was against making the PMS special, it was stated by other interviewees that the PMS remains a special activity that needs to be repeated. I therefore argue that it is a ritual-like performance, rather than a routine or machine-like performance that compels action to overcome barriers to ongoing PMS use. For example, one senior manager specifically noted that the AWD and PMS do not become automatic: the senior team consider when/where to repeat PMS activities. She said:

“It may seem like a waste of time ... But, you need everyone to know what is expected, so they can prioritise and be accountable, and know when to stop doing things so they don’t get overworked, so yeah, you have to do it [every year].”

Another manager was more specific about the ongoing nature of PMS, noting:

“You can’t get a consultant to come in, make a few changes and bugger off, you actually can’t do it, if it’s done properly – *You have* to keep doing it, so people can feel it.”

“Every year we do what we can to build that picture for [the public] [in the documents/inscriptions]. They need to know, and it can change each time.”

Another senior manager made the same point, but focused on individual action within the department:

“Everyone needs to take personal responsibility for implementing strategy – [and by implication the PMS], our team needs to meet [regularly] to discuss how we each do that.”

#### **9.2.4 Ritual-like Energy and Its Disruption**

Another example of the contestation over the ritual-like energy being created was observed during the AWD. During a small group exercise designed to reveal gaps in the performance framework of the department, one participant said:

“Well if this is an imagination exercise, then just imagine we don’t have to do our job anymore. There – no more problems. We’re done.”

Most of the group then sat in silence. This response ended the group work and ended the emotional input, making the performance seem *contrived*. Another participant at the same table, some time later, asked, “If we are to imagine that we don’t do our jobs, what would happen – can we use that approach to identify how to do things better?” Some people commented on this idea but the group discussion was not animated. In contrast, when the groups reported back what they had discussed, another group had taken the same counterfactual approach suggested within the first small group and used it to identify innovative challenges and solutions for the department’s PMS in its current form. The group that had identified the innovative solutions had given its *psychological identification* to the exercise/PMS and “got through” (#CA1) any barriers to contributing to PMS development. In contrast, the group that had experienced the *contrived* performance not only failed to participate in the exercise they also hid during the report-back, so they did not have to say they had done nothing during the exercise.

#### **9.2.5 Signs of Ritual-like Energy and Its Influence on Attempts to Overcome PMS Barriers**

The purpose of the AWD (in cognitive terms) was to confirm strategy and gather measurement information to improve the PMS and translate that day, which had incorporated minds and bodies, conversation and memory, into the written accountability documents of the department and the ongoing development of the PMS. The success of the day, from Alexander’s (2006) perspective, would be evaluated in terms of the

achievement of both *cultural extension* and *psychological identification* to create ritual-like energy. This section turns to an evaluation of whether this might have been achieved and the implications for attempting to overcome PMS barriers.

A place to observe *cultural extension* and *psychological identification* (apart from participants' immediate feedback, noted above), would be in the amount of discretionary effort (involvement and interest) that staff and managers put into the ongoing use of PMS. The following examples were both observed and reported in interviews:<sup>45</sup>

- The performance analyst in charge of developing the accountability documents received significant amounts of feedback on the first drafts.
- In a continuation of the poster exercise, blank A3 posters were put on the department's main meeting area walls, with felt pens and pictures left around so that people could make posters of the "achievements for the year – to go in our Annual Report". These blank sheets were filled in and ongoing use of "the wall" has continued, despite there being no compulsory or even formal request for people to do this.<sup>46</sup> The phrase "the wall" was also used to discuss PMS in future conversations about it.
- Interviewees noted that the strategy and performance measures were being discussed in teams and the accountability documents were being used to set work programmes for the next year. One manager was observed several times involving her team in each phase of the accountability documents' development and then meeting with them to discuss the feedback and consequences of the published accountability documents as well as what would be relevant to amend in the PMS the following year.
- Those involved in collecting and reporting on PMS information were clear that some individuals still "just go through the motions", but those maintaining the PMS found that the "majority" of people believed in the "value" of the PMS and that had increased after the AWD.

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<sup>45</sup> I have not identified the interviewees to preserve their anonymity, as noted at the start of this chapter.

<sup>46</sup> There was an instruction above the A3 sheets. It was printed as one word per A4 sheet, so it could be seen from a distance, but there were no other instructions such as emails, requests in meetings, or other formal requests to fill in the A3 sheets. No person's name was ever attributed to "the wall", so those that filled it out did not do so because the CE or other senior manager overtly suggested they should.

Furthermore, participants in the AWD also had greater comfort in terms of knowing what to do for the following year. Senior managers affirmed their comfort in the PMS by discussing it with their peers, or sought external consultation with respected individuals or external departmental representatives. As one senior manager put it:

“You get a pretty good feel for what people think [each year]. You need to keep getting that input [throughout the year], and you need to combine that with the data you are getting [from the performance measures], so it’s a bit of gut feel, and a bit of data. ... Together it keeps you on track.”

Consequently, participating in this AWD and subsequent meetings gave individuals a sense of comfort, at emotional (gut) and cognitive (data) levels. They felt they had expressed their department’s planned and past performance appropriately, and felt able to continue in their role of pursuing these performance goals, even though definitions of performance were multiple and subjective. This sense of ownership of the department’s performance was embedded at multiple levels of the department and meant that the PMS remained a “special” and important part of organisational performance. In sum, the *cultural extension* projected by the PMS actors, and reciprocated with *psychological identification* by participants (audiences) allowed the department to move beyond discussion of direction and measures to collecting data and for some people waiting (not so patiently) to be able to further analyse performance using the PMS. Collectively they discussed ways to address any barriers that arose.

#### **9.2.6 Summary of the Implications of This Example for Ongoing PMS Use**

This success gave impetus for doing PMS “better” (Arnaboldi & Palermo, 2011). As one interviewee put it:

“I think the day was a success. Next year we need to improve how we communicate what we did with the material that didn’t go into the accountability documents.”

This quote indicates that this participant was already planning for next year. Not because it was expected or a routine (as the interviewee above made clear), but because he saw opportunities for further improvement or ways to overcome barriers to ongoing PMS use.

This research suggests the AWD (among other things) catalysed energy to continue dealing with PMS barriers. It gave special significance to the PMS and hence the willingness of employees to address the barriers to its use, drawing on their discretionary effort to continue developing the PMS (such as the Annual Report posters). This research also suggests that although the PMS is promoted as a tool for decision making, the focus for improvement of the PMS was still on using it to communicate the challenges of multiple definitions of performance (“the material that did not go into the documents”). In this sense, the role of the PMS in supporting ritual-like performance was prioritised over its role in supporting machine-like performance.

### **9.3 Example 2: A Clash of Scripts**

The following example shifts the focus from a specific, “in person” live performance, to one done mostly through papers, writing and recording. The point of using a paper-based example is to ensure the notion of *flesh and blood* is not over-simplified. As has been discussed in Chapters 7 and 8, in-person *flesh and blood* automatically includes emotions, even if people attempt to control them. However, emotion can be inserted into any performance and indeed may need to be, if ritual-like effects are to occur. Making emotion visible in order to analyse it in written exchanges is the challenge for research. Nevertheless, the example below reveals some interesting insights. While failure to persuade will be the most common outcome of performances in fragmented societies (Alexander, 2006, p. 34), it is still worth considering an example of a failed PMS information-gathering performance, followed by an attempt to overcome this barrier the following year, in order to compare and contrast within the same performance example. In particular, what I want to draw attention to is the importance of the *creation* of a performance, and the attendant performative skill (such as introducing emotion and creativity) needed for a performance’s construction, if it is to have ritual-like effects.

#### **9.3.1 Context: Mise-en-scene**

Many public servants refer to reports, investigations, letters and other obligations they are required to complete in legislation by the section or paragraph number of their authorising mandate. To take one example, section 32A reports are required under the *Public Finance Act 1989* when departments transfer funding to third-party providers that are outside the

public service (NZ Treasury, 2014). Other examples include: section 131 letters, and B.29 reports. International examples include the United Kingdom's green or white papers (<http://www.parliament.uk/site-information/glossary/white-paper/>).

### **9.3.2 The Actor's Performance**

In this performance, the department provided a written questionnaire to a select group of audiences for feedback about its performance. This questionnaire was the *actor*. It was delivered in the form of a consultant filling out the form while the respondent spoke. One question within the questionnaire asked respondents to score the relevance and usefulness of the department's section 47 papers.<sup>47</sup> One respondent scored the papers at 1, the lowest possible score, and wrote in the comment box, "I don't even know what a section 47 paper is". The following year, the same department ensured that the consultant conducting the survey went to the interview with copies of the papers. According to one interviewee, the department received 4 out of 5 from that same respondent. This was because the respondent was not only asked about the papers more generically than calling them "section 47 papers", but also because the respondent was shown copies of section 47 papers.

This example reinforces the importance of audiences connecting their *background representations* and *scripts* to the performance. They also respond to the *props* and other material objects that actors use in their performances. That is, audiences "need objects that can serve as iconic representations to help them dramatise and make vivid the invisible motives and morals they [the actors] are trying to represent" (Alexander, 2006, p. 35).

In this case, the department employed an independent consultant to ensure the department's own *cathexis*, or emotional energy, did not influence the survey. Despite this attempt to remove emotion from the survey, according to one interviewee, the consultant reported that as soon as the respondent had seen the paper, the respondent (audience member) had smiled and recounted the positive use that had been made of a particular section 47 paper. This audience member had not merely read the presented paper to

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<sup>47</sup> This section number has been altered to preserve the anonymity of the case study department.

assign it a cognitive rating (1 to 5) for relevance and usefulness. Rather, the respondent had recollected a positive encounter with the use of the subject matter and in that sense had given their *psychological identification* to that paper. As a result, during the survey, the same respondent had assigned a new cognitive *and* emotional experience to the section 47 paper, and hence the rating changed from the previous year's 1 to 4.

In this example, I am highlighting that it is not only the introduction of people that will trigger the *flesh and blood* or *psychological identification*. Instead, I am arguing that the higher rating was in response to seeing the paper and connecting it with a previous (positive) performance that involved the paper. In this sense, I argue that the emotional response, which cemented the performance, came because in the second year the department was creative enough to challenge the mimetic pressure to deliver their stakeholder feedback survey in the standard way. That is, a survey form devoid of context and other meaning.

To highlight that this example is not idiosyncratic, I will also note other survey respondents' comments. These other respondents seemed less persuaded of the *prescriptive validity* of the section 47 papers, but they requested opportunities to be persuaded further, rather than disregarding the performance altogether. In particular, they actively sought the *flesh-and-blood* component of understanding the section 47 papers. That is, 6 of the 12 key recommendations from the survey related to enhancing the opportunities for in-person communication, where, using Alexander's terminology, there would be opportunity for *flesh-and-blood* discussions of the department's work. Comments included:

- "Think about communications in the world we live in. Move away from formal reporting to using a wider range of communication skills."
- "We [the audience] could coordinate more [with the department] on how to sell the value proposition [of section 47 papers]."
- The department "are visible and are good at relationships with the sector .. They regularly attend [sector events], ... but I think there is an opportunity for them to present their major reports."

### 9.3.3 Generalising This Example to Other Performances

While this example was specific to one case study department, interviewees in other entities reported similar experiences. For example, they noted the need to ensure that the audience was in “the right frame of mind” (#E4) for the survey. Speaking about his department’s stakeholder satisfaction survey, one interviewee commented that the minister’s ratings were often directly related to something that had happened the week before the survey – usually with the department, but sometimes more generally across Parliament. The interviewee was amazed at other departments he knew about that surveyed the minister only yearly. He was glad his own department did it quarterly because this helped balance any particularly bad incident with the other good work the department did.

The description of a minister’s mercurial ratings as part of data collection for the PMS suggests only partial success in ensuring *psychological identification* from this stakeholder. The minister’s cognitive assessments of the department were reportedly driven by specific incidents. That is, using Alexander’s (2006) terminology the survey ratings were driven by each individual performance. However, a ritual-like performance would be able to encourage the audience to “participate in the [performance], experiencing an enthusiasm and an intellectual and emotional satisfaction which produce collective support [over time]” (Alexander, 2011, p. 37). All interviewees recognised the importance of this involvement of audiences. For example, one interviewee noted that PMS need:

“political support ... You need to keep [the department] safe and accountable. If you expect excellence from others we expect it from ourselves. If we do that, then around here we get supported.”

This “support” was the involvement of the audience (*psychological identification*) in the performance. Often the focus for research resulting from a quote like this is the need for “political” or high-level support within the PMS environment (Munir, Baird & Perera, 2013). Use of Alexander’s framework also makes it clear that this interviewee knew which *background representation* and *script* would activate that “support”. In this case, this interviewee knew that the right background representations to motivate support were that of expecting (and probably achieving) excellence. Another interviewee raised the same point,

from a different audience's perspective. He noted the challenge to communicate what good performance is. He stated:

“They [referring to the public as audience] don't really understand what we do – they never see it. ... You can't see how much better regulation is because of the work we do. But we can [in the accountability documents] give them case studies and ways of understanding that should they ever need to rely on this regulation, it will work fairly ... But we can help them understand ... not the stuff about how many widgets we processed, but how much better the regulation is now.”

This indicates the significance of Alexander's (2011, p. 29) comment that:

in symbolising actors' and audiences' worlds, these narratives and codes simultaneously condense and elaborate and they employ a wide range of rhetorical devices, from metaphor to synecdoche to configure social and emotional life in compelling and coherent ways.

In contrast, when audiences read or heard performance information with no more than cognitive understanding of the information supplied, they disregarded the performance and the cognitive information contained in the performance. This suggests attempts to overcome barriers to ongoing PMS use depend on emotions, symbols, and rhetorical devices as much as on the objectivity of measurement.

#### **9.4 Summary**

This chapter has described the flow of the emotional energy that actors put into *background representations* and *scripts*. Given that many interviewees reported trying to control their own emotions, it is interesting that many interviewees and other people (as described above) deliberately inject emotion and creativity into the attempts to persuade audiences of the *descriptive and prescriptive validity* of the PMS. It is also interesting that audiences wanted opportunities for *flesh-and-blood* involvement in performances. These examples reinforce that creatively infusing performances with emotions can be a successful technique to encourage audiences to support the PMS in terms of putting data

into the systems, providing additional data when required, and then using that information to strategically and operationally amend goals, activities or measures. Stimulating *psychological identification* meant that not only was emotion important; symbols, beliefs and the attachment of those beliefs to objects also have performative effect. Making PMS a special activity (ritual-like), rather than routine, in part makes that deliberate activation of creation and emotion acceptable and its stimulation can be re-enacted throughout the year, even though the special location is no longer involved. PMS can become routine, but this study suggests there is a greater likelihood of organisations continuing to overcome barriers to ongoing PMS use when their connection with the PMS is a part of meaningful ritual-like performances rather than when the PMS's rational benefits are promoted in a way that only appeals to the cognitive parts of the brain. The next chapter summarises the implications of these findings for PMS research.

## 10. CONCLUSIONS AND IMPLICATIONS

### 10.1 Introduction

This study set out to better understand why some organisations attempt to overcome barriers to ongoing PMS use and others do not. Based on identified gaps in the literature (Chapter 2) around notions of performance, combined with gaps in the consideration of affective elements of PMS, the study gathered empirical data which was analysed using Alexander's theory (Chapters 5–9). The findings of the analysis reveal previously overlooked practical and epistemological concerns that may improve this understanding. I argue that exploring these concerns provides new insights into ongoing PMS use and extends the PMS-use literature. Below I discuss each of the following aspects of these concerns separately before considering notions of performance and affect collectively:

#### *Notions of performance*

1. The influence of multiple, equally valid views of performance.
2. The importance of performative skill.

#### *Affective elements*

3. The need for the PMS to convey and respond to creativity and emotion.
4. The need for actors and audiences to be able to *hear* performance stories.

#### *Bringing both performance and affect together to consider interactive effects between them*

5. Insights into habits, meaning-making, and ritual-like effect in PMS use.
6. Insights into the 'numbers' within rituals of performance.

### 10.2 Notions of Performance

#### ***10.2.1 Multiple, Equally Valid Views of Performance***

A trend emerging in public sector PMS literature is the recognition of simultaneous and equally valid multiple, subjective definitions of performance (Walker et al., 2013, p. 224).

This study has extended that discussion by using Alexander's (2006) theory to systematically analyse the recognition and response of *actors*, *audiences* and *social powers* to that subjectivity. This analysis applied Alexander's framework to give more structure to the existing discussion of "subjective" performance by Politt (1986), Brignall and Modell (2000), Modell (2005, 2009, 2001), Broadbent and Laughlin (2009), Jeppesen (2012) and ter Bogt and Scapens (2012). It also highlights what is *at stake* when people acknowledge multiple subjective realities. What is *at stake* is the ontological insecurity that results from the need to constantly select and prioritise among the equally valid foundations for determining performance (and reality).

According to Power (1997, 2000), the societal response to this ontological insecurity is the increasing desire to verify ontological states. Hence the "explosion" of auditing the accuracy of ever-expanding areas of government so as to ensure reality has trumped rhetoric. The problem with this solution, as Power (1997) points out, is that it has become pathological because the audit tool is not designed to verify such a wide range of activities. Extending this idea, I argue that verifications of *interpretative categories* (as discussed in Chapters 5 and 6) are impossible, because there are many equally valid bases for assessing a "true and fair" representation (FRC, 2011, p. 1). The futility of this situation is what Power (1997) alludes to when he calls auditing processes "rituals of verification". Participation in these verification activities provides "comfort", but they "frustrate official intentions and ... lead to dysfunctional behaviour" (Power, 2000, p. 115). Thus the use of the audit process is an attempt to address the ontological insecurity created by the subjectivity of performance judgements (and the subjectivity of reality in general). Power (1997) uses the word "ritual" to mean that the action is comforting, but in the end it is hollow because the aim is futile. In this futile environment, all that is left is the symbolic order – a way of making things appear verified and hence real, when they are in fact based on verification proofs of rhetoric. Power (1997) argues that dysfunctional behaviour then comes to dominate.

In contrast to Power's (1997) pessimism, the interviewees in this study showed awareness of these futile efforts to verify *interpretative categories* and instead discussed alternative responses to this ontological insecurity. The interviewees were not trying to create ontological security by verifying PMS measures. When disagreements did occur with auditors, the disagreements were characterised as a communicative challenge rather than a need to change their performance, as Power (1997) might have expected. Indeed one

participant noted the need to work with the auditor” (#E1) to assist the auditor to understand the basis upon which the department judged performance rather than altering the department’s performance to conform to the auditor’s judgement. There were of course exceptions where interviewees acknowledged that, even using their interpretation of performance, something had not been “fabulous” (#A3), and that the external audit was one way of debating how to improve it (#C4). In this sense, interviewees recognised that performance was not a fixed *ontological state* but an *interpretive category*.

Instead of creating comfort through rituals of verification, the participants in this study were trying to create comfort by being *authentic*; that is, by doing what they thought was morally right and working with the performance measures and performance stories to show this. They achieved comfort in these ontologically insecure situations by “gut” feel (#A1), and “data” (#A1), and checking with respected colleagues (#A1, 2, 3, 4; #B2, 3; #C2, 3; #C4). This meant they decided their definition of the best performance (e.g. “a great piece of work” [#B2]) and created ways to communicate that performance. During the course of the communication (the performance) they negotiated claims to validate interpretations of performance, trying to shape *background representations*, *scripts* and the *mise-en-scene*, while acknowledging that audiences also have a role in shaping those judgements.

Consequently, while the perspective of the auditor was seen as valid for these interviewees, it was not the only definition of “a marvellous project” (#B3). In this way, some audiences’ interpretations mattered more to the interviewees than others but several audiences were still recognised as valid by those interviewees. Interviewees focused, therefore, on how to adapt their communications (in other words, *performances*) to all of those audiences. The focus of interviewees was on creating productive performances that resulted in the meaning of the performance (the *interpretative category*) being co-produced with the audiences. As an alternative to Power’s (1997) conceptualisation, I term these rituals of performance. Rituals of performance are the creative, ritual-like enactments that seek to achieve rather than “frustrate” (Power, 2000, p. 115) official intentions and rely on creative negotiations (performances) to do so. This supplements Power’s (2003) concept of rituals of verification with the alternative perspective of rituals of performance to show that both can operate simultaneously. However, even if they co-exist, environments that encourage and enable rituals of performances are more likely to be the organisations that attempt to overcome barriers to ongoing PMS use, rather than try to subvert activity to conform to audit expectations or abandon the PMS altogether.

Identifying rituals of performance that respond to ontological insecurity and attempt to provide it without frustrating official intentions responds to the warning of Arnaboldi and Palermo (2011, p. 14), who expose the consequences of “neglect[ing] the developing and heterogeneous nature of the entities”. Hence the focus on multiple, equally valid definitions of subjective performance in this research extends that heterogeneity of definitions of performance from within departments to include their audiences. The implication is a rethink of the supposed futility of rituals (Power, 1997; see also Gambling, 1987). These rituals of performance, which intentionally aim to achieve official intentions by attempting to overcome barriers to ongoing PMS use, highlight the significance of examining ritual-like effects for their meaning-making properties. This is a point I will return to throughout this conclusion.

### **10.2.2 The Importance of Performative Skill**

If performance has a subjective basis of interpretation and, therefore, PMS are in a constant state of becoming, then PMS pass through situations where the factors that affect their ongoing use (such as capability or senior-level support) are changing. There will always be barriers and challenges that make ongoing PMS use difficult. The practical implication of recognising this is the importance of the ability of actors engaged in PMS use and promotion to persuade audiences of the performance’s validity. This involves more than technical PMS skill or legitimation efforts (Chang, 2009; Samkin & Schneider, 2010). It means the success of a performance is not only related to the use of PMS information in specific programme-related decisions or the justification of an organisation’s survival. This study reveals that, despite a belief in the objectivity of performance information, its reception depends on the performative skills of those involved (in performing it) to convince others there is *no reasonable alternative* to ongoing PMS use. This finding contributes to the literature that identifies technical, behavioural and organisational PMS barriers by suggesting that the ability to “perform” is also a necessary skill in overcoming barriers to ongoing PMS use (for an overview of commonly identified barriers, see Franco-Santos et al., 2012).

By focusing on performances instead of practices, this study has drawn specific attention to the audiences for those practices, in this case, the inevitable use of publicly available information to judge public sector performance. In this context, as noted, there will be multiple, equally valid definitions of performance. Fundamental to knowing and judging

performance is how actors make sense of these audiences' different expectations and their performative skill in convincing audiences that there is *no reasonable alternative*. This is a different task to “speaking truth to power” (Wildavsky, 1979) or negotiating political orders (Rahaman & Lawrence, 2000), although it combines both sets of skills. A successful performance, from the perspective of Alexander’s (2006) theory, will mean that audiences feel that the department is doing the right performance, before they judge how well they are doing it.

My empirical findings do not contradict studies that identify the importance of cognitive engagement in attempts to overcome barriers to ongoing PMS use. For example, Groen et al. (2012) note that CE involvement in PMS implementation sends a signal to an employee that compliance is instrumentally rational (as described in Chapter 8). However, my study reveals that regardless of instrumental rationality, the performative skill of the actors also matters in overcoming PMS barriers. The actors’ ability to create and display authenticity and good intentions will be necessary to ground the process of *cultural extension*, regardless of whether the CE is leading the accounting change or not (as discussed in Chapter 7). The implication of this is that the actors must be able to communicate the validity of their authentic intentions to others so that both actors and audiences attempt to overcome barriers to ongoing PMS use. Actors have to be able to convey to audiences the *flesh and blood* of PMS and show “skin in the game” (#B4), rather than the cognitive advantages of PMS use. This reveals the importance of *flesh and blood* and, specifically for this research, it highlights the significance of affective elements in the study of PMS use. This is the subject of the next section.

### **10.3. Affective Elements**

#### ***10.3.1 The Need for the PMS to Enable Creativity and Emotion***

The empirical data in this study shows that *flesh and blood* – or emotion-laden and creative – performances were more successful at encouraging ongoing PMS use than communication based primarily on cognitive self-interest or rationality (as explored in Chapters 7–9). This makes visible the gap between people’s experiences of PMS use and the research that explores barriers to its use. For example, it helps to explain some of the limitations of existing PMS literature. One of them is the lament that there are not enough

studies of employee participation in PMS development and use. This finding reinforces Pentland and Feldman's (2008) observation that changing systems will not necessarily change people and extends de Bruijn and van Helden's (2006, p. 405) plea for employee involvement in both PMS development and PMS research. As outlined next, it does this by showing some reasons why top-down studies dominate the literature, and also by highlighting the importance not only of employee involvement in PMS, but also the involvement of all receivers of the performance information inside and outside the department.

I will consider first the recognised dominance of top-down approaches to PMS development and research (Groen et al., 2012, p. 120). The absence of a focus on creativity and emotion in PMS research can help explain the dominance of top-down studies of PMS implementation. At the heart of a top-down approach is the assumption of a machine-like definition of performance. The concept of a machine-like performance equates top-down instructions with the recalibration of a machine to a new task. Machine-like notions of performance assume that the right calibrations or incentives will make employees change habits (Pentland & Feldman, 2008). Yet, extending Pentland and Feldman's (2008) research to PMS use, the findings of my study suggest that change can only be achieved if employees become audiences that agree there is *no reasonable alternative*. For this agreement to be long-lasting, creativity and emotion are as important as cognitive agreement on the benefits of PMS. This idea has not been a focus of previous study. There are studies that show that resistance to PMS results when cognitive engagement suggests another course of action is in the individual/organisation's best interest or when professional identity is at odds with PMS values. For example Skaerbeak and Thorbjornsen (2007) highlight the reconfigurations of Danish soldier's identities between warrior and manager. However, the findings of my study suggest that there will always be conflicting and shifting values, whether related to institutional logics, professional identities or other variables. The question is how people respond to those conflicts and what motivates them to try to reconcile them in order to achieve ongoing use of the PMS.

Employing Alexander's (2006) theory of performance has made visible the importance of emotional responses and creativity to performance. Consequently this has helped to explain why interviewees thought the attempt to reconcile conflicted audiences' responses was more significant than the PMS itself. Interviewees did mention

measurement, formal systems implementation, and/or reporting through accountability documents (#A1, 3, 4, 5; #B2, 5; #C3, 4). However, their discussion of documents, for example, could be likened to the usefulness of incidental props. In contrast to those specific parts of the performance, Alexander's theory has brought to the surface the centrality of the entire performance, which depends on making performance information *flesh and blood* through creatively infusing it with moral meaning and emotion. What surfaces in this analysis is that PMS depends on the ability of government departments to persuade audiences of the organisation's *descriptive and prescriptive validity* and this is done as much through infusing creativity and emotion into the development and communication as through cognitive descriptions of performance metrics.

There have been previous PMS studies that have encouraged research into employee participation in PMS (de Bruijn & van Helden, 2006; Groen et al., 2012; Li & Tang, 2009; Wouters & Wilderom, 2008). However, even these studies tend to attribute the desire to continue using the PMS to the participation itself. The findings of my research suggest that it is not the participation itself but the unfolding performance that mattered, extending both de Bruijn and van Helden (2006) and Groen et al.'s (2012) findings. Excerpts from these two studies (discussed next) are instructive in showing this.

In the first excerpt, de Bruijn and van Helden (2006, p. 405) make a plea for "dialogue-driven" constructions of PMS, claiming PMS will be successful when engagement is high. They argue that employees are more engaged (and hence use PMS) when "these systems are developed and used in an interactive way between managers and professionals" (p. 405). As a result people need to agree on the definition of performance and hence the performance measures to be used. Implicit in this idea is that managers acting alone do not come up with broad enough measures to comprehensively cover the employees' understandings of performance. This perspective suggests there is not a single technical definition of performance, nor a right set of measures, but that definitions and measures of performance need to be negotiated and agreed by all parties affected by them. This perspective, without being explicit, relies on the possibility that performance is an *interpretative category* rather than an *ontological state*. The process results in "confiden[ce] ... that [employees] will be treated fairly", not a technically good PMS (p. 407). de Bruijn and van Helden (2006, p. 407) describe this occurring as actors "negotiate about the performance indicators and their desired impact" and this also leads to employees being enthusiastic. They note that if employees are not involved in PMS

development, then they are “not very enthusiastic about the system” (p. 417). Based on the analysis presented in Chapters 7–9, I argue that participation only results in enthusiasm when the “negotiations” that de Bruijn and van Helden (2006) discuss result in *cultural extension* and *psychological identification*. That is, enthusiasm is achieved when the emotional, creative and cognitive understandings of actors and audiences agree with the *interpretative category* chosen. In other words, when *flesh and blood* is injected into the PMS.

The second excerpt is from Groen et al. (2012). While the authors do not examine PMS in the public sector, their study of employee engagement in PMS in the private sector is still instructive. In their (2012, p. 134) explanation of why staff engagement in PMS construction was valuable, they note that in the process of staff engagement “they [staff] had come around” to the aims of PMS (measuring performance) and this “helped them [staff] to understand what performance measures are and how to use them”. This statement exactly aligns with the concepts of *cultural extension* and *psychological identification*. First, employees had to come around (*cultural extension*). Second, they came around to accepting the *descriptive validity* of PMS (what performance measures are) and the *prescriptive validity* of the actor’s performance (how to use them – in the way envisioned by the actors in the Groen et al. article). Moreover, Groen et al. (2012, p. 134) note that staff were “excited about the large number of improvement ideas” that the PMS process generated. This last addition underlines the significance of the creativity that the PMS process unleashed. In contrast to the success of the performance with the staff, Groen et al. (2012) noted that a manager that was not involved in the process rejected the PMS results. He was unable to hear aspects that were counter to his pre-existing self-perception. While Groen et al. (2012, p. 143) attribute the manager’s rejection to his lack of participation, the findings of my study suggest that it is not participation that leads to people “com[ing] around”. Instead, the ritual-like effect of emotional comfort and integrated identity (coming around) is only possible if the performance is successful in its *cultural extension* and *psychological identification*. That is, “coming around” is only possible when actors have convinced audiences that the PM *system* and the information it produces are morally appropriate as well as accurate for understanding and communicating performance.

In both these excerpts it can be seen that it is not merely the participation itself that results in acceptance of the PMS. Rather the participants (*audiences*) ended up believing in the

*authenticity* of the performance and eventually this transformed into *psychological identification* because they came to accept its moral validity. Hence, the audiences were willing to continue overcoming barriers to ongoing PMS use. The implication of this is that for organisations to attempt to overcome barriers to ongoing PMS use, *audiences* must identify with both the PMS and the resulting performance information. It is in circumstances where this kind of ritual-like comfort and agreement has been achieved that organisations will attempt to overcome barriers. This builds on research into hybrid identities (doctors and managers - Kurunmaki, 2004) and troubled identities (warriors and managers – Skaerbaek & Thorbjornsen, 2007) to show that the interviewees in this study were not torn between a professional identity and a managerial one. Rather, they achieved comfort when they thought their organisation's identity was built around performance and performing. This was achieved when their emotions told them their creativity was directed toward “benefits for citizens” (#C1).

Creativity and emotion have been seen as a challenge to the objectivity of accounting (Boedker & Chua, 2013; Jeppesen, 2012; Power, 2000). This study suggests that there is an opportunity to focus on the (re)construction of performance as a creative “process of becoming” (Butler, 1998, p. 29). This new focus would extend studies of the measurement of a process grounded in static, task-completion (machine-like) goals. The empirical data in this study makes visible the role of PMS in unifying actors' and audiences' emotional as well as cognitive understandings in defining that process of becoming. Hence this expands on Boedker and Chua's (2013) research by suggesting that emotion and creativity are not by-products of “entrancing” employees to chase performance targets, but rather a necessary condition for organisations to keep attempting to overcome barriers to ongoing PMS use. This suggests actions that generate emotional and moral commitment as well as creativity (i.e. those that are ritual-like) will have productive and performative effects, rather than becoming hollow gestures or machine-like routines that can “frustrate” official aims (Power, 2000).

This insight has implications for practice. It suggests that *flesh and blood*, including elements such as emotion and creativity must be a part of a PMS if people are expected to continue persevering through barriers to its ongoing use. This does not necessarily mean holding all-staff away days such as that discussed in Chapter 9, but it does mean that attempts to include emotions, creativity and other less “rational” (Ezzamel et al., 1999) components of a PMS will be critical to its ongoing use.

### **10.3.2 The Ability to Hear Performance Stories That Impact on Identity in PMS Data**

The use of Alexander's theory (2006) in this study has made visible the impact of departmental performance information on actors' and audiences' self-perceptions and identities. Revelations about identity impact on actors' and audiences' abilities to hear performance stories. As Doolin and Lowe (2002) note, "to reveal is to critique", and therefore the transparency of performance information from New Zealand government departments affects society as well as organisations. PMS information reinforces the organisation's identity when the performance measures highlight what both *actors* and *audiences* think is good performance – good not only because it is efficient and effective, but also because it is moral and right. This identity is reinforced for the self and the organisation when the PMS confirms the self-proclaimed identity. For example, as noted in Chapter 7, the interviewees in one department were "proud" (#C4) that a Performance Improvement Framework review found them to be making a difference to citizens. This aligned with their self-identity and confirmed their moral project of being a "good" entity. This feeling motivated them to attempt to overcome barriers to ongoing PMS use. This moves beyond the hybridised identity between professionals and managers as described by Kurunmaki (2004). It is an integration of the "spirit of service" (as described in Chapter 5) with ways to communicate the value of societal change through PMS use. In this sense rather than seeing themselves as doctors and managers, or warriors and managers, the interviewees in this study aligned their identity with performance, however defined. This idea furthers Christensen and Skaerbaek's (2007, p. 127) concern at the reconfiguration of framing and overflow when accounting innovations move "beyond the 'innovative' stage of development" activity. It also builds on Skaerbaek and Thorbjornsen's (2007) exploration of the consequences of PMS for individual (as well as professional) identity.

While PMS information that reinforced self-identity was well received, in contrast PMS information that did not confirm the organisation's self-identity had a wounding effect. This is particularly pertinent in the public sector because the measures of performance for a government department are about the conditions of the society the department is trying to influence as well the organisation itself. In this sense, the performance is not only about self (in this case the self is the department), it is also about society. As Broadbent et al. (2010, p. 507) highlight, governments "develop ... societal systems of regulation" that "steer" society in a desired direction. In this sense, the performance of a government department is related to its ability to steer both the entities within its monitoring mandate

(other government departments, or delivery arms such as schools and hospitals) and the citizenry of the jurisdiction. Hence, assessing the performance of central government departments entails a role – and implications – for society and democracy (cf. Christensen & Skaerbaek, 2007), which makes performance management especially complex and challenging.

Due to the government's steering role, departmental PMS information tells performance stories about areas of society such as poverty, the environment, or health expectations. The ability for actors and audiences to *hear* these stories is impeded if the stories do not align with society's *background representations*. For example, if society thinks New Zealand is "God's own country" (Buckland, 1977), then PMS information that reveals our deteriorating water quality, rising child poverty or ethnicity-dependent health outcomes will be difficult to hear – wounding to the relevant government departments and to society's sense of self. This extends the work of Broadbent et al. (2010) by identifying the link between the steering role of departments and the use of PMS information for steering citizens. That is, it acknowledges that PMS produce information that will be interpreted in the context of judgements of society as well as the departments. As a result, PMS use in the public sector is not only about information for decision making but also about society's reception of that information to understand itself.

At the entity level, in contrast to rationally based arguments, such as a CE's expressed intention for audiences to use the PMS (Franco-Santos et al., 2012), many actors and audiences in this study were motivated to attempt to overcome barriers to *ongoing* PMS use in order to preserve the moral authenticity of their choices. In addition, when wounded, they set out to heal. This was what motivated them to keep trying to overcome PMS barriers. The practical implication is that PMS processes must include these ritualistic, moral reasons that support the organisation's *and* society's ability to hear performance stories. Hearing the stories will be critical if the organisation is to participate in rituals of performance rather than rituals of verification. This is what will motivate attempts to overcome PMS barriers rather than "frustrate" (Power, 2000, p. 115) official aims and intentions.

This study has begun the process of unpacking government departments as a "black box" (Skaerbaek & Tryggestad, 2010, p. 122). Much research considers government departments as coercive forces that demand new systems (such as PMS). In this study,

these departments are the ones that provide advice on, and give effect to, the sorts of government systems that result in the coercive power usually being seen as a black box. Consequently, these departments steer the ways in which other entities will be involved with the State, the funding arrangements of the sector, the relationships between entities and citizens, and the interactions these entities have with executive, legislative and judiciary branches of government in a particular sector.

In unpacking the black box of coercion, I surface how external audiences, along with departments, create performance expectations that are not narrowly conceived as the production of a good or service (Hyndman & Anderson, 1997). Rather, in this context, production can only be understood in terms of its relationship with societal changes that government services might bring about. Therefore I suggest that herein lies one of the “public characteristics” of performance that Pollitt (1986) wanted explored. Interviewees in this study felt that judgements of their (organisational) performance were as much about societal changes as they were about the efficiency of output delivery. Hence, the struggles these public servants engaged in to unify fragmented audiences through making performance *flesh and blood* reflect the public character of PMS in the public sector. Performance needs to convey and create emotional affect if actors (and audiences) are to “get through boundaries” (#CA1) to ongoing PMS use, given that these feelings are influencing performance judgements. This provides more empirical details about how people feel about their PMS than other New Zealand-based research, such as Samkin and Schneider (2010) and Gill (2010), as well as more generally showing that PMS research must consider emotions and creativity if it is to understand some of the “inconsistent” research on PMS use (Bourne et al., 2010, p.1).

#### **10.4 Bringing Performance and Affect Together to Consider Interactive Effects**

##### ***10.4.1 The Relationship between Habits, Meaning-Making and Ritual-like Effect in PMS Use***

Previous studies of PMS have tended to focus on the technical, behavioural and institutional barriers to PMS (Franco-Santos et al., 2012). A key finding of this study is that the dominant approaches (ostensive and institutional) to PMS research need to be supplemented in ways that recognise the performative nature of PMS. A PMS is a prime

example of a system that creates what it names (Butler, 1993). Hence, I argue that the concept of a “performative turn” (Fisher, 2014, p. 198) highlights the implications of ongoing PMS use. I do this by contributing to the work of four sets of scholars.

First, this study has given empirical weight to Boedker’s (2010) calls to use more performative approaches in accounting research and it extends the focus of performative studies of PMS to include intentionality and emotion. Second, it equally gives empirical weight to Modell et al.’s (2007) discussion of how institutional structures can interact with intentional decision-making within pre-chosen path-dependencies and Pentland, Feldman, Becker and Liu’s (2012, p. 1484) elaboration of “dynamic routines”. This means it contributes empirical data that reveals how practitioners manage the tensions between institutional incentives and opportunities for agency. Third, it extends the work of ter Bogt and Scapens (2012), who focus on emotional distress of individuals related to PMS, to include organisations and citizens that interact with departmental PMS information. It also introduces the concept of *wounding* to consider how this impacts on departments’ attempts to overcome barriers to ongoing PMS use. Finally, by extending the focus to the collective *wounding* potential of PMS information, this study also furthers the aim of Christensen and Skaerbaek (2007) to explore the relationship between PMS and democracy by showing how these public servants incorporate the views of the public into PMS and departmental performance.

The implication of extending these scholars’ work is to recognise that PMS can, and do, impact on ontological security, identity, and moral decision making within the organisation and outside it. This is more than a focus on making individuals internalise organisational values (Selznick, 1957). It is a negotiated performance not only within the organisation but also externally where value control is not guaranteed. As such, the key to ongoing PMS use is more than creating and implementing a technically robust system. To persuade audiences inside and outside the organisation of the *descriptive and prescriptive validity* of the performance requires constant performances of *cultural extension* and *psychological identification*. Achieving this requires more than cognitive engagement on the part of the audience. Consequently, this study questions the classification of PMS as being only a technical and/or behavioural practice. I suggest that a PMS needs to be constantly enacted to remain part of practice. Therefore, it cannot become habit because the revelatory potential of PMS information for the purposes of maintaining an organisation’s identity means it needs to be constantly re-performed. That is, the potential

revelation of performance failure, or even merely unexpected results, needs to be constantly reviewed and responded to. Hence, ongoing PMS use occurs not only at the technical adjustment level. The definition of performance and the PMS itself, in the government departments examined in this study at least, is being rethought every time public officials develop performance measures and write up the accountability documents that record such performance. It also occurs every time their “performance” is judged in the media, in Parliament, by the public and by those interacting with public services. To manage the ontological insecurity this creates and still strive to achieve official intentions requires rituals of performance.

Consequently, I argue that PMS research must simultaneously consider performances in terms of emotion and creativity if it is to better understand ongoing PMS use. That is, it needs to shift from studying machine-like performance to studying ritual-like performance. When this is done, as it is throughout this study, the traditional foundations of PMS study such as the “numbers” are extended (Christensen, 2004). However, I also argue that this performative, ritual-like approach also sheds light on the impact of the “numbers” on ongoing PMS use. This is the subject of the next section.

#### ***10.4.2 Where Are the “Numbers” in These Rituals of Performance?***

This study has not spent as much time as some research on PMS “numbers” – targets and the quantification of service delivery (see e.g. Mayston, 1985, 1992). At one level this is because it was not a significant feature of the interviews. Despite interviewees’ overall agreement with the idea that goals need to be measured, there was not a significant focus on the need to quantify in order to measure, or any particular concern over the “numbers” themselves among interviewees. These were relegated to necessary elements of the production-based model of performance, but were not the key value of their PMS. A quote from Chapter 7 is informative as to why “numbers” did not feature as prominently as might have been expected in the study of PMS:

“For some people it’s a frightening experience – they are back to being 10 years old at the kitchen table with Dad, trying to do Maths.” (#B4)

This memory reveals several reasons for the lack of discussion of “numbers” in the interviews. First, this memory is based in a fear of powerlessness. This is not, of course,

every child's memory of maths, but in shifting outside the finance department in this study, as van Helden (2005) advocates, it is likely that the people self-selecting non-numeric careers did not necessarily address their fear of maths. Furthermore, the interviewees have not chosen careers that revolve around numbers that represent money. They are not the type of people that Boedker and Chua (2013) studied, for example, who were motivated by numbers such as a \$1 million growth target. The interviewees in this study had not only chosen a career in shaping policies that regulate people's lives, they had also chosen to work in an area where many numbers are often too specific to be meaningful to their policy needs. For example, a service delivery function can find meaning in specific numbers. One instance is the number of people who access a helpline is useful to those providing and evaluating that helpline service. This number is meaningful because it reassures a service delivery agent that they are reaching people, or provides possible service improvement ideas. For a policy analyst or advisor, however, the question is not necessarily whether the helpline service is working, but whether a helpline service is/was the best option when compared with another type of policy intervention, such as regulation or directly funding the community. To consider such high-level policy decisions requires a greater degree of abstraction than service delivery metrics.

This abstracted understanding of society can also create its own fears. Abstracting human suffering (such as poverty, illness, or water quality) into numbers – such as 22% of New Zealand children live below the poverty line (Craig, Reddington, Wicken, Oben, & Simpson, 2013) hides the pain and distress of such conditions. Yet managerialism and the accountancy profession depend on the objectivity of numbers (Jeppesen, 2012). Accounting depends on the ability to hide this pain and suffering in order to understand “central tendencies” and manage “at a distance” (Qu & Cooper, 2011). However, what the negotiation of the *descriptive validity* of the PMS performance in this study suggests is that performance must be in both numbers and people. Furthermore, the emotional affect is most likely to be found in the *flesh and blood* of PMS performance. Hence, the desire to use a PMS will be found in its emotional and creative affect as much as in the numbers the PMS generates. Except for those in the finance units and other places where the maths *does* tell the story, this reminds PMS users of the fragmented nature of their audiences and the difficulties this causes in overcoming barriers to ongoing PMS use.

Revealing both the abstract and the specific nature of numbers imports into organisational PMS research the fear associated with making numbers both objective and judgemental

that Pentland (1993) and Guenin et al. (2014) have already considered within the auditing literature. Rather than fear necessarily leading to PMS gaming (Koning & Heinrich, 2013), this study confirms that Pentland's (1993) and Guenin et al.'s (2014) observations are also valid in the PMS environment. Their studies, like this one, show that fear caused by ontological insecurity motivates comfort-seeking actions. In the case of the three government departments in this study, fear and other emotions motivated rituals of performance that aimed to fulfil rather than frustrate official intentions. This relied on continuing attempts to overcome barriers to ongoing PMS use.

Shifting the focus from machine-like performance to ritual-like performance redefines the notion of performance and highlights the significance of affective elements. In doing so, the notion of ritual-like performance provides new insight into the equivocal or inconclusive answers as to why only some organisations attempt to overcome barriers to ongoing PMS use (de Waal & Kourtit, 2013, p. 448; Liguori & Steccolini, 2012). Hence I have argued that notions of performance and affective elements are a missing aspect in understanding why previous research is equivocal about when/why entities attempt to overcome barriers to PMS use. Alexander's (2006) theory helps to explain the focus of interviewees in this study on communication and affect (rituals of performance) by highlighting the significance of performances (in addition to practices) for the ongoing stabilisation of multiple *interpretative categories*. The constant need to reiterate these ritual-like processes, what Butler (1998, p. 29) calls the constant "process of becoming", will be key to ongoing PMS use. This constant process of becoming suggests that a PMS can never be a one-off accounting change, from one specific time period (T1) to another (T2), as Quattrone and Hopper (2006) note. For the use of a PMS to be ongoing it must be actively maintained or performed, not put in place and then expected to become an automatic routine. To continue to stimulate improved performance, PMS need to remain ritual-like rather than machine-like in nature. This perspective provides additional explanation to the phenomenon that Arnaboldi and Palermo (2011), drawing from Rose and Miller (1992, p. 6), call an impetus to always "do better next time". This constant "process of becoming" (Butler, 1998, p. 29) is not only a desire to do better; it must also be an emotional commitment. As one interviewee put it:

“You can’t get a consultant to come in, make a few changes and bugger off, you actually can’t do it, if it’s done properly – *You have* to keep doing it, so people can feel it.” (#B4)

## 10.5 Concluding Remarks

Pallot (1999) urged us to “reinvent” accounting based on the differences observable in public sector experiences. Based on the findings of this study, I argue that this involves looking in the places where public sector accounting differs most from its private sector counterparts. One obvious distinction is in what counts as performance. Performance in the public sector is not about a production or service model aimed at financial return.

As interviewees noted, public servants are not always thanked, especially in the “black-boxed” world of policy and regulation making. However, interviewees expected that they and others could “hold onto [their] heart[s]” and would “have skin in the game” (#B4) when it came to both the performance of their organisational roles and the departmental identity made visible through the PMS. Only in this way would they collectively determine and achieve the potential of PMS and, ultimately, performance. This is different to some previous PMS research that considered the internationalisation of values as a key control of behaviour (Selznick, 1957). Public sector employees are not merely convincing each other of the *goodness* of the PMS within a department. They also have to convince multiple and fragmented audiences. It is the emotional persuasiveness of the whole performance that matters. It matters not only in relation to controlling behaviour, but also in relation to achieving their own and society’s performance expectations.

These performances do not replicate machines that transfer inputs for production. They are more like rituals of performance that give people comfort, meaning and integration (Alexander, 2006). By engaging in the ritual of performance, the interviewees “get through the boundaries” (#CA1) of institutional (and other) barriers to ongoing PMS use. They used their agency to shift *background representations* that institutionally block action. For actors and audiences to continue to use PMS, they need to agree that there is *no reasonable alternative* in order to make a “difference to citizens” (Alexander, 2006).

To return to where this thesis started, recall the children's song that opened it:

"Inchworm"

Two and two are four  
Four and four are eight  
Eight and eight are sixteen  
Sixteen and sixteen are thirty-two

Inch worm, inch worm  
Measuring the marigolds  
You and your arithmetic  
You'll probably go far

Inch worm, inch worm  
Measuring the marigolds  
Seems to me you'd stop and see  
How beautiful they are ...

The extra verse included here alludes to an alternative definition of performance. In many senses it encapsulates the issues *at stake* in performance measurement. Taken literally, the second stanza above refers to the status, financial gain and possibly respect given to the objectification of the marigolds – that is, the arithmetic that will “go far”. This is the perspective that opened this thesis. However, the added third stanza suggests that there are things outside the arithmetic that may be of equal value – their beauty. Metaphorically, the rhyme also alludes to what might be lost if we focus on only one aspect of performance (the arithmetic) – the joy and inspiration that can come from the beauty of the flower. The marigolds are made visible and concrete by counting and measuring their size. But their performance is not only their visibility; it is also their multi-dimensionality. These might be called the *cultural extension and psychological identification* between *actor* and *audience*, flower and viewer, the joy of seeing the beauty. This song suggests there is much that goes unseen when quantitative measurement and calculative, machine-like performance becomes the primary goal.

To apply these considerations to PMS research, I have argued that public servants *do* attempt ongoing use of PMS in contexts that have some, if not many, barriers to ongoing use, such as in the face of multiple goals, limited contractibility, and a lack of capability (or theorising) on subjective performance (Spekle & Verbeeten, 2014). They can also operate to achieve official aims in environments where there might be a lack of interest, vested interests in the old system, a lack of high-level support, or other constraining factors (Groen et al., 2012). PMS research cannot help to understand why some (but not other) organisations attempt to overcome the barriers to ongoing PMS use if it simply suggests conditions under which PMS works better. Many of these barriers cannot be changed; yet, some organisations attempt to overcome the barriers and also attempt to achieve official intentions. I argue that this occurs when feelings and passions related to moral identities are in play – that is, when rituals of performance have been initiated. This extends the work of Boedker and Chua (2013) who described employees being “entranced”. Specifically, I argue that *psychological identification and cultural extension* provide both *actors* and *audiences* with enough collective energy to persevere through barriers to ongoing PMS use. What have been particularly overlooked in existing PMS literature are the influence of emotions such as fear; productive forces such as creativity; and the implications of PMS use for personal and organisational identity. In this context, attempts to overcome barriers to ongoing PMS use may be as much about the ability of a PMS to create emotional responses (such as *cultural extension*) and unify audiences (*psychological identification*) as about institutional pressures (Thornton et al., 2012), decoupling of instrumental and symbolic purposes (Rautiainen, 2010), or networks of power and interest (Qu & Cooper, 2011).

The overall implication of these findings is that more research attention needs to focus on the actors’ conceptualisation of public sector performance. This develops the point established by Pollitt (1986) and others including Pallot (1999), Broadbent et al. (2010), Modell (2005) and Jeppesen (2012). Many interviewees in this study recognised that academic literature and official publications related to the New Zealand government’s PMS had a narrow production or service-delivery understanding of performance (Hyndman & Anderson, 1997). The interviewees in this study found this limiting and difficult to work with, given the changes in society that their departments aimed to bring about. The alternative conceptualisation of *successful* performance implied in the interviewees’ comments was based more on unifying fragmented audiences than the specific output or even impact indicators in their PMS. Their focus on the benefits of communication as the

value of the PMS meant the PMS was useful (or not) for its role in unifying audiences. This was because PMS was seen to be about the value of societal change, not the usefulness of performance measures for altering work productivity. *Flesh and blood* is not merely a concept for stage-like performances, or even other serious performances outside accounting. It is also relevant to understanding barriers to ongoing PMS use.

This means that public sector performance management, from a theoretical perspective, needs to be both machine-like and ritual-like if it is to effect change. In other words, PMS must be ritual-like to be successful in bringing organisational and societal change but PMS must also produce “rational” (Ezzamel et al., 2005), actionable information. Clearly, task completion (machine-like behaviour) is not enough (see e.g. Johnsen, 2005; Modell, 2000; Pollitt, 2006). For government departments to effect change (internally and externally), that is, to be successful in the ongoing use of PMS, they have to align and persuade a fragmented citizenry of both the *descriptive and prescriptive validity* of their aims, interventions and achievements. This raises the following question: Where is the PMS theory that starts from the premise of ambiguity and subjectivity rather than, for example, objective, single goal-orientated systems? Building on the work of Pollitt (1986), Pallot (1999), Brignall and Modell (2000), van Helden (2005), Modell (2005, 2009, 2012), Broadbent and Laughlin (2009), Jeppesen (2012) and ter Bogt and Scapens (2012), this study contributes to opening up this area for further debate. It has achieved this by contributing a new framework that suggests ritual is not a hollow form, but a performative act that helps explain why some organisations attempt to overcome barriers to ongoing PMS use while others do not.

## **Appendix 1: INTERVIEW PROTOCOL – Indicative preliminaries and order of questions**

### **Preliminaries**

Introductions, including consent form and clarification about how the research will be used.

Opportunity for the interviewee to ask about the research project.

### **Key Questions**

Can you start by telling me about your job [as it relates to organisational performance]? How long have you been in that role?

How does your work fit with how the organisation manages its performance?

Please describe how your work fits with what central agencies call the 'organisational performance cycle'? [Clarify what is meant by the organisational performance cycle if necessary.]

How does that cycle affect your work? Please elaborate with regard to the Public Finance Act, Central Agency guidance, questions from your appointed auditor.

How do decisions relating to organisational performance [and performance management initiatives] get made?

During the development of the performance framework for this year, what happened? [Please describe the steps and activities that occurred.] What was your role?

What do you believe *should* have happened? Is this what actually happened? How did you feel about that?

What makes you feel particularly good about working on performance management issues? And what makes you feel particularly bad?

Thinking back to the most recent instance of your department receiving feedback on its performance, what actions were taken? Why were these actions taken? Do you think these actions improved your department's performance? Does this differ from the feedback you receive on your accountability documents, such as the Annual Report?

In general, how do you think the outcomes of (or feedback on) your organisation's performance reports affects:

- The future direction of strategy and practices in the department?
- Your (and other staff members') approach to your/their work?
- Your (and other staff members') attitudes to expectations placed on your/their own performance?
- Your (and other staff members') attitudes to expectations placed on your/their role in the department?

What changes have you seen occur in the organisation as a result of performance management initiatives? Can you please illustrate with an example?

What do you think are the positive and /or negative effects that the organisational performance cycle has on:

- Your department's strategy?
- The day-to-day activities and practices carried out in your department?
- The attitudes and motivations of people working within your department (including yourself)?

How do you know when your *department's* performance is good? Do you think the measures and processes used in the organisational performance cycle capture *your department's* performance accurately?

Do you think the judgements made about your department's performance are fair? What are they based on? Do you think there is a better way to assess your department's performance?

What changes would you like to see made in the way the organisational performance cycle operates [including the way your department reports and the feedback it receives]? What benefits do you think these changes would bring?

Who do you work most closely with in terms of performance? Would you recommend I interview him/her or anyone else in your organisation?

Is there anything else you would like to add about performance management in your organisation?

In terms of organisational performance, are there any topics that you would find useful when I am exploring the results of this research?

## Appendix 2: INTERVIEW SCHEDULE

Case A			Case B		
Interviewee No	Level in entity	Date of interview(s)	Interviewee No	Level in entity	Date of interview(s)
#A1	Chief Executive	28/3/12	#B1	Chief Executive	1/6/12
#A2	Senior Manager	11/4/12 7/12/12	#B2	Senior Manager	7/6/12 13/12/12 30/1/13 15/11/13
#A3	Senior Manager	13/4/12 23/4/12 15/11/13	#B3	Senior Manager	7/6/12
#A4	Senior Manager	17/4/12 23/4/12	#B4	Senior Manager	12/6/12 15/11/13
#A5	Senior Performance expert	24/7/12 28/7/12	#B5	Performance expert	7/6/12 30/1/13

Case C		
Interviewee No	Level in entity	Date of interview(s)
#C1	Chief Executive	1/5/12
#C2	Senior Manager	1/5/12 22/11/13
#C3	Senior Manager	1/5/12 13/11/12
#C4	Senior Performance Expert	1/5/12 24/1/13

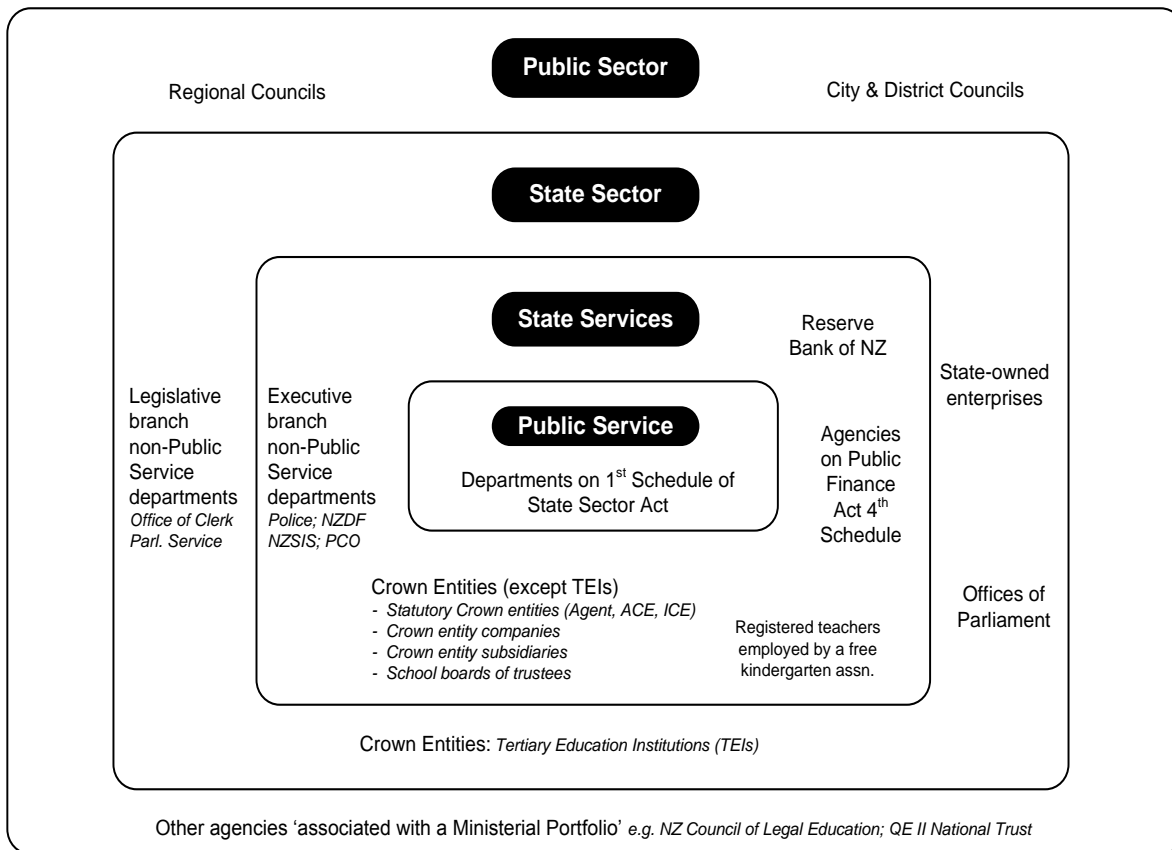
\* All interviewees choose to be interviewed in their office, or in a booked meeting room within their organisation's offices.

Central Agency Representatives:		
Interviewee No	Level in entity	Date of interview(s)
#CA1	Senior Performance expert	27/7/12 18/4/13
#CA2	Senior Performance expert	13/8/12
#CA3	Senior Performance expert	7/12/12 7/4/13 22/11/13

### Events Attended:

Event No	Invitees	Date of event
#E1	AWD	2/11/12
#E2	AWD	29/11/13
#E3	Central Agency training sessions – open to all public servants (three of the many held since 2008).	7/12/12 7/4/13 22/11/13
#E4	Private sector run training session – open invitation	9/8/13

### Appendix 3: ENTITIES WITHIN THE PUBLIC SECTOR



*Taken from the State Services Commission, as presented at training sessions (#E3).*

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