

BOOK REVIEWS

Jostein Askim

Local Government by Numbers. Who Makes Use of Performance Information, When, and for What Purpose?

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Performance-based management is currently one of the hottest topics in public management – although performance measurement has been around for decades. There seems to be no stopping governments being interested in performance-based management - collecting information about performance, analyzing it and communicating about the results. Most local- and state governments and the Federal government in the U.S. have adopted “managing for results”-reforms, and European governments and other governments around the world have also become enthusiastic about performance-based management. This new Ph.D. thesis from Norway provides new and fresh insights into a topical debate that is dominated by major research efforts by scholars around the world. Prominent scholars such as Patricia Ingraham in the U.S., Christopher Pollitt and Geert Bouckaert in Europe, and John Halligan in Australia have conducted major research projects on performance-based management already as well as scholars in the UK, the Netherlands and other places.

The author, Jostein Askim, argues for a more “optimistic view” of performance-based management than what is common in the academic literature so far. The empirical material for the Ph.D. thesis comes from Norwegian experiences with performance-based management at the local (municipal) level. He has specific focus on performance information and addresses three questions: who makes use of performance information, when, and for what purposes? Norway has experimented with a systematic use of performance measurement through a joint project between the Norwegian local government association, the Norwegian government and most of the local governments in Norway. Local governments in Norway have teamed up in benchmarking networks,

led by “network guides” that have helped them discuss, digest and evaluate how they use performance information.

Askim (sometimes together with colleagues) has conducted a survey of how Norwegian public managers use performance-based management systems in practice. He has interviewed over 55 people involved in performance-based management. And he has done a in-depth case study of one of the most committed local governments (Larvik) on how they use performance-based management. The research methods appear solid and well-grounded in the canons of good research strategies. The Ph.D. thesis comprises of an introduction and 5 articles. Several of the articles have already been published or accepted for publication in major public administration and management journals.

His results are remarkable. Among Askim’s major results are that a) the public managers in Norway use performance information in order to facilitate organizational learning, b) the public managers are engaged actively in the process, and c) performance-based management can benefit the democratic process. In doing so, Askim’s results are interesting in relation to some the results in other research projects from the US, the UK and Europe where public managers are reluctant towards performance-based management because it is a control tool, public managers shy away from engaging in performance-based management processes, and where excessive use of “local government by numbers” is viewed as a threat to democracy. It may be argued that he pushes his empirical data to the limit in order to support his optimistic view on performance management. As an example, he does not pay attention to the strategic use of performance information among local governments.

On the basis of this, Askim discusses if Norway is abnormal or a “special case” in the end of the thesis. How can it be that performance-based management is thriving in Norway when it is scorned, debated and under-used in other countries? He speculates about how Norwegians are generally better educated, more up to speed with e-government and so on. Askim may have a point about an alternative performance-based management practice, but one that is perhaps broader than what he indicates pointing to Norwegian peculiarities: The research so far has been dominated to a large extent by an Anglo-American perspective. Given what we already know about these countries, we know that they have been preoccupied with New Public Management and have endorsed “the performing public sector”. It is therefore nice to find a research project on performance-based management outside the NPM prototype-countries. There are some results from the Netherlands and from Belgium available, but Askim’s research seems to point to the possibility that there is another “take” on performance-based management that have been overlooked in the empirical research so far. Results that resonates with Askim’s results for Norway may be found in other countries such as Denmark, Sweden, and Finland; the other Nordic countries, but because research of the lack of empirical research on performance-based management in these countries, we do not know it. Askim’s results may therefore not necessarily be a case of Norwegian exceptionalism, but the start of a new research efforts that may demonstrate that there

are alternatives to the Anglo-American way of using performance-based management by public managers in a democracy.

In conclusion, Askim has provided fresh insights into an already thriving discussion on performance information and “local government by numbers” He is well acquainted with the literature on public sector performance, and the multitude of research methods (surveys, interviews, statistical tests) are well up to standard. Askim’s results points to an alternative interpretation of performance-based management practice, where performance information helps public managers and democracy rather than obstructing them, are based on solid empirical investigations conducted in Norway, but relevant for researchers and practioners everywhere.

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Robert Agranoff

Managing within Networks. Adding Value to Public Organizations

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In discussing this book with a colleague, we reached quite different conclusions. He (an engineer by profession) considered Agranoff’s classification of networks into four types as interesting but was critical of his other contributions. Yet from my standpoint in public management and political science, I consider his analysis of the real power of networks vis-à-vis their matricial agencies to be valuable. His findings on whether or not there are differences between agency and network management are also useful. Agranoff has come up with convincing answers in both parts of his book, revealing the importance of networks, their workings and results.

Managing within Networks. Adding Value to Public Organizations helps consolidate a second generation of studies on Public Management Networks (PMN). Written by Robert Agranoff and published by Georgetown University Press, it approaches its subject from two perspectives and examines the assumptions made by the theory of public agency networks. It is also a valuable reference work for libraries dealing with matters of governance and for public and private sector managers. Its ten chapters reveal the role played by PMN from three theoretical backgrounds – governance, network management and organizational management. Four analytical categories are employed for this purpose. Issues are also raised as to the public value created in the four categories and how they affect the boundaries of the state.

Managing within Networks analyses the real world of PMN in Indiana, Iowa, Kentucky, Nebraska and Ohio, to reveal what networks do and how they do it from the perspectives of those taking part in fourteen of them. A powerful arsenal of qualitative methodology embedded in grounded theory follows qualitative but positivist systematic case data analysis. Of particular note are the tables and graphics that interweave research questions and case study contributions, forging dynamic links between cases and theory. This avoids a shortcoming found in many other studies, namely the use of case study information in a merely anecdotal, descriptive fashion. Instead, it uses case findings to compare some of the assumptions made by first-generation studies on PMN, focusing on the determination of propositional frameworks. Agranoff's book questions prevailing thought in the light of the activities carried out by the analysed networks.

The work basically falls into two parts. The first comprises chapters one to five, covering differences between networks. Agranoff identifies four different types of network based on their purposes, examining such areas as: transport; economic and rural development; communications systems and data management; water conservation; wastewater management; watershed conservation; and services for the mentally handicapped. Grounded theory makes it possible to explain the four kinds of network that emerge from the data: (1) informational (partners exchange policy and programme information); (2) developmental (these also build member capabilities); (3) outreach (these orchestrate inter-agency strategies: they formulate, propose, and, to some degree, simulate strategies, and stop just short of formal policy and programme decisions); (4) action networks (these make the types of inter-agency policy/programme adjustments ascribed to networks in the literature: formally adopt collaborative courses of action, and/or deliver services. They make the final policy decisions and adjustments, and take action on them).

The remaining five chapters note the extent to which these differences affect the management of: public networks (in areas such as kinds of management; knowledge management; performance; value added; accounting for costs). Agranoff indicates that 'network processes are more collective than authority based in regard to organizing, decision making, and programming, but in terms of the human resource dynamics of communication, leadership, group structure, and mechanisms reaching collaborative agreements, they are more similar to those of single organizations' (p.168). This leads one to ask what the origin of these similarities is and whether the literature has adequately covered the differences between network management and traditional management structures and leadership.

Agranoff states that present agencies are not so different when it comes to management of networks because current PMN matrix organizations are far from being mere bureaucratic machines. On the contrary, their need to seek alternative ways of carrying out their missions have turned them into what might be termed "conductive agencies" (p. 197) rather than bureaucracies. In addition, network management does not reflect flat structures with power equally split between partners. Here, management is more akin to a "collaborarchy" (p.83–84), and in many ways,

network structure resembles that of increasingly open, knowledge-seeking bureaucratic and non-profit organizations. Furthermore, although networks are employed to bridge organizational gaps and asymmetries, the process of structuring and operating does not automatically happen. Slack resources and participation must be transformed into energy through network structures and process. Managers in networks do this by drawing on experience in their organizations. 'It is the cross-agency domain of the problems they work on, rather than the way they work on problems, that distinguishes networks' (p.231).

Second, have the boundaries of government changed as a result of networks? Agranoff shows that technical work and knowledge development lie at the core of most networks. Given networks' limited scope for decision-making, there is a natural tendency to please partners, reach consensus and build trust - 'It appears that too much emphasis may have been placed on the ability of networks to control government' (p.218). This statement arises from the fact that PMN proved not to be the primary entities that implement any course of action agreed on, because the action appears to remain in the realm of agencies. Furthermore, public managers are exposed to a myriad of lateral connections that are now part of their job, and network involvement is somewhere down the list in comparison to the frequency of their work in inter-governmental grants/regulations, government contracts with NGOs, lateral relations with other agencies of the same government and co-ordination with other governments.

This book is particularly useful as a guide for network participants in tackling processes, providing them with tools and classification schemes for this purpose. It carefully weighs up the pros and cons of the options. This excellent book provides additional scholarly and practical innovative knowledge for evaluating the capabilities and limitations of one's own network. Agranoff's research is first class and covers both the theory and practice of PMN management. His case studies exhibit depth and provide deep analysis and great explanatory power. His work ably revisits the literature on networks. In addition, the empirical chapters and the lessons he draws for public management add knowledge and cover new ground. Agranoff debunks certain suppositions regarding PMN and puts things in perspective: 'we should not be impressed by the idea of collaboration *per se*, but only if it produces better organizational performance or lower costs than its alternatives' (p.31). The work will appeal to anyone interested in: how public managers operate PMN; the processes replacing standard approaches; how the role of the public manager changes; how expertise is mobilized; how knowledge management supports network management; how networks accomplish their purposes; how networks add value to public undertakings and how PMN change the role of government. Agranoff's book brilliantly sheds light on all these questions and more.

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Organization Theory and the Public Sector

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Organization theory has always played a key role in public administration research, and later in public management research. Why is this important to mention? Recently, there have been calls for a renewed link between organization theory and public management. The call seems to be questioning whether public management has used inspiration from organization theory in the decades gone by. With the publication of a new book on *Organization Theory and the Public Sector*, there is reassurance that organization theory has been with us all along. And that organization theory still has a vital role to play in public management research. The book is written by a team of experienced Norwegian professors: Tom Christensen from the University of Oslo, Per Læg Reid from the University of Bergen, Paul G. Roness from the University of Bergen and Kjell Arne Røvik from the University of Tromsø. The authors are regular contributors to journals, including Public Management Review. The new book is a translation of an already existing textbook that was published in Norwegian in 2004. The professors write from a tradition that has tried to unite knowledge from political science with organization theory in sociology, and which is now best known as “organizational institutionalism” or “sociological institutionalism”. The seminal works in this tradition was written by the American scholar James G. March and the Norwegian scholar Johan P. Olsen back in the 1970s, and one can even go further back to March’s earlier work and Selznick in the 1950’s. The approach combines interest in democracy and political processes with insights from organizational theory and institutional theory. As many readers will recall, the famous distinction between a “logic of consequentiality” and a “logic of appropriateness” was formulated by March and Olsen in their joint work in the 1980s in various articles and books. The authors of *Organization Theory and the Public Sector* are all influenced by March and Olsen’s work, and it comes as no surprise to learn that they dedicate the book to Johan P. Olsen. The distinction mentioned above serves as a point of the departure for the book’s theoretical lenses. The book presents organization theory from three perspectives: an instrumental perspective, a cultural perspective, and a myth perspective (chapters 2, 3, and 4 respectively). The instrumental perspective is associated with the logic of consequentiality while the cultural- and the myth perspectives are associated with the logic of appropriateness in sociological institutionalism. After having presented the theoretical framework, the remainder of the book’s chapters discuss theme and subjects that are of topical interest in the public management community: Goals and values (chapter 5), leadership and steering (chapter 6), reform and change (chapter 7), effects and implication (chapter 8), and understanding and design (chapter 9). Chapter 7, for example, provides a good, general overview of the most important features of public management reform processes. It could serve as a brilliant introduction to that theme in

any public management class. The authors are cautious in advocating a particular route to organizational success, as might be expected. This is after all a textbook for students, more than a book for public managers looking for quick and handy solutions to the immediate problems they are struggling with. The last chapter does have a section presenting thoughts “towards a prescriptive organization theory for the public sector”, but although acknowledging a need for design through political science, and acknowledging improvements in evidence-based management, the authors state that they can at best “indicate a direction of development” rather than issuing “precise statements”. Practical public managers will have to wait a while yet it seems, before more operational advices are given from the professors. The main purpose of the book is not giving advice to the practical world, but serving as a text book for students of public management concerning organization theory. The authors have a point that the majority of textbooks on organization theory are not written with a specific public management audience in mind. *Organization Theory and the Public Sector* does a commendable job in bridging that gap in the literature. The authors present a thorough discussion of a variety of key themes within organization theory that relate specifically to particular public management challenges. There are a couple of items, which might divide the readers’ opinion of the book. References are not given in the text itself, but a choice of references is presented in the end of each chapter. This will annoy some readers, while others will find delight in being served hand-picked references on a silver plate. Another point is the omission of a substantial treatment of economic organization theory (transaction cost theory, principal-agent theory and so on). This is understandable to some extent, given the authors’ background in sociological (and historical) institutionalism, but it also means that teachers and students will have to look for additional material to cover economic organization theory in a comprehensive organizational theory class.

The book is well informed on recent public management reform initiatives and discussions, and readers are likely to find interesting and thought-provoking points about the continuing development of New Public Management and other related reform measures.

Organization Theory and the Public Sector is a thorough and well-written textbook that explains sociological and political perspectives on public sector organizations in a clear, pedagogical, and consistent manner, and it will be indispensable for public management students and scholars with an interest in organization theory.

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