PERFORMANCE MEASUREMENT MYTHS IN THE PUBLIC SECTOR: A RESEARCH NOTE

Sven Modell*

INTRODUCTION

Public sector reforms tend to emerge and gradually fade only to be replaced by new reforms in wave-like patterns (Brunsson, 1989a). A remarkably resilient feature of many ‘new public management’ reforms initiated over the past two decades, however, is the pre-occupation with organizational performance measurement (PM) despite the many facets and permutations of such reforms observed in international, comparative studies (Hood, 1995; and Olson et al., 1998). Reliance on quantitative, primarily accounting-based indicators seems to have become increasingly salient as a control technology. Whilst many accounting scholars have long taken a rather critical view of the possibilities of improving public sector management through one-sided reliance on financial PM, proposing a more multidimensional approach (e.g., Mayston, 1985; and Pollitt, 1986), more pronounced, normative advocacy of readily ‘packaged’ solutions to the latter end has only recently surfaced (Chow et al., 1998; Forgione, 1997; Kaplan, 2001; and Kaplan and Norton, 2001). However, the basic idea of tightly coupling performance indicators to strategic objectives inherent in such approaches goes back a good while (Drucker, 1954 and 1976) and has long appealed to public sector reformers (see e.g., Covaleski and Dirsmith, 1981; Dirsmith and Jablonsky, 1979; and Holmblad Brunsson, 2002). Given this long-standing debate, it would seem opportune to investigate how ‘new’ PM solutions such as those outlined above may become more firmly embedded in organizations at a conceptual level.

In the present paper, we interpret changes such as those outlined above in terms of emerging and declining organizational myths. It is argued that, in parts of the public sector, we may now observe an emerging myth in the guise of a ‘strategic’, multidimensional approach to PM, with the potential to replace a previously established yet challenged myth built around the primacy of accounting. Drawing on existing empirical evidence, the purpose of

* The author is from Stockholm University, Sweden.

Address for correspondence: Sven Modell, Stockholm University, School of Business, S-106 91 Stockholm, Sweden.
e-mail: sven.modell@fek.su.se

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the paper is to discuss how such competing PM myths might impinge on organizational action and suggest some directions for future research. After outlining the more general role of myths in organizations and tracing the origins of competing PM myths, we address the issue of how these might come to permeate public sector organizations. Based on these conjectures we outline some research implications associated with examining changes in PM as transitions between competing myths in the concluding discussion.

THE ROLE OF MYTHS IN ORGANIZATIONS

The notion of formalized, organizational practices as myths draws attention to the symbolic aspects of management and is often invoked as a counterweight to rational choice models of organizational behaviour. Organizational myths may be described as more or less institutionalised, or taken-for-granted images of organizations and thus serve an important role as sense-making devices, around which organizational members may rally and create some shared identity (Jönsson and Lundin, 1977). Not surprisingly then the conception of formalized organizational practices as rationalized myths has been a popular one among institutional theorists portraying the adoption of such practices as a quest for legitimacy rather than an expression of efforts to accomplish substantive changes in organizational action (Meyer and Rowan, 1977; and Scott, 1987). However, the perspective adopted in the present paper differs somewhat from the relatively static view of institutionalised practices (or myths) as an accomplished state found in much institutional research (cf. Barley and Tolbert, 1997; and Tolbert and Zucker, 1996). As we are concerned with how changes in PM gradually come to be implicated in the social fabric of organizations or fail to achieve the status of widely accepted myths, we adopt a more dynamic perspective focusing on the mechanisms embedded in such processes. Further, we accept that myths are not necessarily de-coupled from action (Hedberg and Jönsson, 1989).

Jönsson and Lundin (1977) stressed the importance of perceived organizational crises as a trigger of shifts between old and new myths. Forceful questioning of prevailing myths is only likely to gain more widespread acceptance when their deficiencies are brought into the open. As long as support for established myths is strong among organizational members, they tend to have a stabilizing effect. It is only when the shortcomings of a prevailing myth are made clear, its advocates are replaced or subverted and new, alternative myths become available that organizations are likely to experience more noticeable change.

An additional condition for new myths to take firmer hold, gradually replacing old ones, and thus exert a stronger influence on organizational action is that the range of possible choices is narrowed considerably through some framing process. A number of competing myths frequently co-exist and generate ambiguity as to what solution will best remedy a perceived
crisis (Jönsson and Lundin, 1977). Ambiguity generally stifles more forceful, directed action manifested by, for example, considerable implementation problems associated with new organizational practices (Baier et al., 1986; Brunsson, 1985; and March, 1987). Some mechanism for reducing, or ‘absorbing’ ambiguity is thus required for new myths to assume a more pertinent role in organizations (Hedberg and Jönsson, 1989).

The dynamic interplay between emerging and declining myths embodies important elements of learning and unlearning. Jönsson and Lundin (1977) outlined a model taking as its starting point the negative information, filtered through perceptions, that leads individuals to question the prevailing myth and form conjectures, or ‘ghost myths’, as projected solutions to the perceived problem. Such emerging individual interpretations gradually come to be shared by some larger collective and dominant coalitions, advocating a particular myth to resolve an imminent crisis, are formed at the group level. The new myth is then reinforced at the individual level through collective deliberations at the group level such that it gradually comes to have a more pertinent effect on action (provided that the ambiguity associated with exploring competing myths is reduced). However, some unlearning at the individual and group levels is also necessary if new myths are to approximate institutionalised action (Hedberg and Jönsson, 1989). Unless unlearning processes are powerful enough, the old myth is likely to survive relatively unscathed (see also Hedberg, 1981). Further, even where new myths are seemingly successfully established, individual and group conceptions may still be partly conditioned by elements of the old myth and some residues of the latter are likely to remain in the form of organizational artefacts (Jönsson and Lundin, 1977). We may thus expect to find widespread evidence of incomplete institutionalisation of myths (cf. Tolbert and Zucker, 1996).

Crossan et al. (1999) recently extended the discussion of continuous feedback and feedback processes such as those outlined above, but made a clearer distinction between the group and organizational levels of analysis. Institutionalisation, in their model, is primarily an organization-level phenomenon driven by the integration of multiple individual and group conceptions but with the potential to feed back to the latter levels and thus influence action. This distinction would seem especially important with respect to public sector PM, since different groups within organizations (e.g., professionals versus administrators) often harbour widely diverging views of what constitutes socially legitimate aspects of performance (Brignall and Modell, 2000; and Llewellyn, 1996). A critical issue is to what extent emerging PM myths will come to represent a shared conception of reality across such groups. Following Crossan et al. (1999) some level of consensus would seem imperative for such myths to translate into institutionalised action. Hence an assessment of transitions between PM myths should pay due heed to learning across groups of key organizational actors.
The development of PM for controlling public sector organizations in the 1980s and 90s was typically characterized by growing concerns with fiscal probity and accountability, often epitomized by the three Es: economy, efficiency and effectiveness. In response to growing economic constraints and accusations of inefficiency, accounting gradually became increasingly salient as a legitimating device (Hopwood, 1984; and Lapsley, 1996). Whilst this occasionally coincided with the introduction of ‘new’ control technologies stressing the importance of PM, such as management by objectives, obstacles to measuring outcomes often rendered the notion of effectiveness elusive and contributed to narrowing PM to financial and other efficiency-based measures (Carter, 1991; Carter and Greer, 1993; and Lapsley, 1996).

Opinions seem to diverge, however, as to how deeply this financially orientated control ethos came to permeate public sector organizations. With reference to the UK’s National Health Service (NHS), Lapsley (1994) argued that repeated failures to persuade clinicians to take budgetary responsibility to heart led to the de-coupling of the myth that financial controls were extended to all spheres of hospital activity from much of the action taken at the operating level. Similar findings have been reported from other countries and parts of the public sector (e.g., ter Bogt and van Helden, 2000; Cochrane, 1993; Doolin, 1999; Edwards et al., 2000; Llewellyn, 1998; and Pettersen, 1995). In contrast to such evidence, however, there are indications that operating-level employees may react more favourably to financial PM and control, if the implementation of such mechanisms is supported by more powerful learning processes (cf. Abernethy and Stoelwinder, 1990; and Purdy 1993). For example, Modell (2000) showed that the combination of growing emphasis on financial PM with appropriate socialization mechanisms, such as training and team-based reward systems, may foster more widespread learning across various professional groups and acceptance of financial control at the operating level.

Whilst we may thus expect to find some variation in the extent to which the myth outlined by Lapsley (1994) permeates public sector organizations, he speculated that the implementation of more pronounced market-based modes of governance might provide a more forceful impetus for change in this respect. Some variation on the existing myth, built around the primacy of accounting and financial PM but more tightly coupled to action in the sense that the results hoped for by reformers also become manifest in practice would thus evolve. However, research findings do not provide unequivocal support for this. Although there is some testimony to the contrary (e.g., Jacobs, 1998), financial and efficiency-based performance information associated with competitive contracting does not seem to have assumed a paramount role but has often encountered considerable resistance from various professional groups (see Brignall and Modell, 2000; and Broadbent
et al., 2001). In addition, the demise of competitive contracting in organizational fields previously leading the way towards such solutions (e.g., the UK’s NHS) has been accompanied by calls for broadening the assessment of performance to better account for non-financial aspects (e.g., quality, staff competence) with the potential to promote alternative images of the organization to a wider range of constituencies (Jones, 1999a and 1999b; and Lindkvist, 1996). A number of scholars have recently advanced similar, more general claims that PM needs to be broadened to reflect aspects of greater relevance to public sector organizations, paradoxically enough with explicit reference to models for this purpose derived from the private sector (Ballantine et al., 1998; Kloot, 1997; and Kloot and Martin, 2000).

In parts of the public sector, the myth that organizational change may be accomplished by more forceful implementation of financial and efficiency-based PM and control, emerging as a result of the emphasis on financial accountability over the past decades, thus appears to have confronted considerable obstacles and may be under increasing attack. However, whilst the legitimacy of this myth might be in decline there are also claims that many public sector organizations suffer from excessive proliferation of performance indicators. Although some scholars claim that ‘the public sector provides a leading edge on issues of performance measurement’ (Lapsley and Mitchell, 1996, p. 5), critics argue that public sector organizations ‘have measured too many things and the wrong things’ (Atkinson et al., 1997, p. 26) and need to ‘sharpen their focus when identifying the long-term issues of mission, objectives, and strategies’ (Chow et al., 1998, p. 278). This suggests that there are at least two potential bases for challenging the current state of public sector PM practices for prospective contestants. They may claim that one-sided reliance on financial and other types of efficiency-based PM has largely failed to improve the provision of public services. Alternatively, the PM practices of public sector organizations may be considered too broad and unfocused to provide strategic direction for action. Whilst seemingly inconsistent, these two positions are not mutually exclusive but may co-exist in organizations and generate ambiguity as to how PM should be improved (as explicated in the following section). The latter one, which may be described as yet another PM myth, implies that there are few alternatives available in terms of ‘better’ approaches for broadening the assessment of performance within the public sector. The situation might thus be ripe with potential for new, competing ‘ghost myths’ to emerge and influence public sector PM practices.

One such ‘ghost myth’, promising to deliver a more ‘strategic’, goal-directed yet multidimensional approach to PM, would now seem to be readily available in the form of the Balanced Scorecard (Kaplan and Norton, 1992). Whilst originally developed in the private sector, there are indications that this model is beginning to diffuse to public sector organizations (Aidemark, 2001; Ax and Bjornenak, 2000; and McKendrick and Hastings, 2002). Attempts to demonstrate the usefulness of the Balanced Scorecard in
a public sector context are also embedded in a rhetoric suggesting that it may be judged an apt response to perceived PM ‘crises’, such as those outlined above. The Balanced Scorecard has been promoted as a safeguard against adverse effects on quality stemming from a heavy emphasis on financial control (Forgione, 1997). Public sector organizations are also said to be ‘under siege’ (Chow et al., 1998, p. 264) and need to adopt PM systems better responding to multiple stakeholder demands than the plethora of unrelated indicators often in place. The integration between financial and non-financial performance information and systematic derivation of measures from strategic objectives inherent in the Balanced Scorecard have thus been taken to imply that it may, after some minor modifications, constitute a potent PM tool for public sector as well as other not-for-profit organizations (Chow et al., 1998; Kaplan, 2001; and Kaplan and Norton, 2001). We now turn to assess how the adoption of the Balanced Scorecard, or similar goal-directed, multidimensional PM models may affect change by discussing, in greater detail, the interplay between new and old PM myths.

CONJECTURES ON PERFORMANCE MEASUREMENT CHANGE

To realize a goal-directed approach to PM, Balanced Scorecard propagators often emphasise the need for building broadly based consensus regarding the vision and strategic objectives among organizational actors at an early stage whilst subsequent phases in ‘ideal’ implementation processes are portrayed as an unbroken chain of steps for ensuring top-down alignment of more specific indicators, targets and ultimately employee behaviour with such objectives (Chow et al., 1998; and Kaplan and Norton, 1996). Even though consensus-building may involve considerable information sharing, which in turn forms a prerequisite for organizational learning (Huber, 1991), it is not self-evident that tightly coupled implementation modes, characterised by close alignment of strategic objectives, performance indicators and targets (cf. Johnsen, 1999), facilitate the translation of new PM myths into institutionalised action. Indeed, some authors question the very assumption that consensus-building, other than in a relatively forced and superficial sense, is feasible in public sector organizations given the deeply entrenched conflicts between external as well as internal stakeholder interests often prevailing in this field (Brignall and Modell, 2000). Such conflicts typically exacerbate ambiguity and compromise implementation (Baier et al., 1986). Consistent with our prior discussion of the dynamic interplay between competing myths, we frame the issue of how different PM myths may come to affect organizational action by addressing two inter-related questions. First, how will the juxtaposition of PM myths affect the level of ambiguity in organizations? Second, what implementation outcomes in terms of the coupling of PM myths to organizational action are likely to follow from such ambiguity?
Starting with the issue of whether challenges to the myth that financially orientated PM practices might improve public service provision combined with attempts to implement goal-directed, multidimensional PM models in a top-down manner, such as that prescribed by Balanced Scorecard propagators, will enhance or reduce ambiguity leads us to question their simplistic treatment of the role of organizational conflicts in broadening PM. Several studies show that implementation of PM characterised by a top-down approach effectively leads to a considerable narrowing of the performance aspects primarily considered to those pursued by government and senior management, such as financial results and efficiency (Ballantine et al., 1998; Lawton et al., 2000; and McKevitt and Lawton, 1996). These studies do not answer the question of whether a combination of tightly coupled implementation modes and greater emphasis on consensus-building might have led to different outcomes. Yet, as explicated below, we would caution against a naïve belief in the possibilities of consensus-building for implementing novel PM practices due to the highly politicised nature of decision-making in the public sector (cf. Hofstede, 1981).

Senior managers in public sector organizations seem to have a propensity to ally themselves with politically elected bodies: a tendency being reinforced by dependence on the public purse (Brignall and Modell, 2000). This breeds some doubt as to whether deeply penetrating change in PM practices is feasible, even though the financially orientated PM myth is increasingly challenged by other actors. If senior management does not genuinely share the conception that financial PM is detrimental to the provision of public services, or opt to ignore such perils due to their allegiance to politically elected bodies, they are unlikely to invest much effort or prestige in convincing other organizational members that PM practices need to be broadened. Consensus-building through involvement of operating-level staff may, in such circumstances, be reduced to quasi-participation (cf. Sharifi and Bovaird, 1995), which effectively hampers information sharing and learning across different groups of organizational actors. Top management commitment has repeatedly been emphasised as a complement to, or pre-requisite for consensus-building and successful implementation of the Balanced Scorecard, or similar models (e.g., Cavalluzzo and Ittner, in press; Kaplan, 2001; Kaplan and Norton, 1996; and Poister and Streib, 1995). However, empirical studies in the public sector suggest that this is a difficult feat to accomplish. Kloot (2002) found that the dependence on politically appointed funding bodies led the management of an Australian university to narrow the focus of PM for promotion decisions, despite the existence of multiple targets and performance indicators representing other stakeholder interests and limited engagement of professional staff to those already believing in (and benefiting from) these promotion criteria. Similarly, in a study in the Swedish university sector, Modell (in press) found that the government’s response to increasing pressures for developing a broader range
of performance indicators and strengthen their coupling to politically estab-
lished goals was to de-couple its own, relatively narrow and financially
orientated development of indicators from the task of compiling a larger
number of non-financial measures, which was devolved to an autonomous
government agency. This, in turn, eased the pressures on universities
to comply with the goal-directed, multidimensional PM rhetoric invoked
by stakeholders criticising the current ‘overemphasis’ on financial and
efficiency-based control.

The discussion above suggests that there may be ample scope for public
sector management to pursue its own, often financially orientated PM
agenda whilst paying relatively symbolic attention to emerging PM myths
built around some goal-directed, multidimensional model (see also Lawrence
and Sharma, 2001). This increases the likelihood of the latter type of PM
being de-coupled from operating-level decision-making, whilst residues of
the ‘old’, financially orientated PM myth are still salient as the learning and
unlearning processes necessary for the transition between competing myths
to materialize are not energized. One important barrier to learning and
unlearning may be that ambiguity is heightened as senior managers are
disinclined to unequivocally support either PM myth and adopt an essen-
tially ‘hypocritical’ approach (cf. Brunsson, 1989b), officially sanctioning
goal-directed, multidimensional PM whilst more covertly committing them-
selves to a competing rationale. However, such hypocritical behaviour,
reinforcing de-coupling, is susceptible to detection and criticism (Powell,
1988) and should not be conceived of as a stable state. Professional service
employees, who may find a more multidimensional approach to PM compat-
ible with their own, broader conceptions of what constitutes socially legit-
imate performance (cf. Llewellyn, 1996; and Pettersen, 2001), might utilize
the opportunity offered by involvement in consensus-building activities to
exert pressure on managers to commit themselves more strongly to a parti-
cular course of action and thus redefine implementation outcomes. For
example, Covaleski and Dirsmith (1981) found that professional staff in
two hospitals rejected uniform management by objectives, initially imple-
mented in a top-down manner, but modified it by developing more broadly
based PM practices suiting their own operating environment and being more
tightly coupled to action. However, in the process, PM practices became
more loosely coupled to clearly specified organization-wide goals.

A similar, illuminating example specifically concerning implementation of
the Balanced Scorecard in a public health care organization, was recently
provided by Aidemark (2001). The adoption of the Balanced Scorecard in
response to growing concerns with the inadequacy of the prevailing financial
control practices was here found to result in inversion of the theoretical
model by actors occupying dual professional-administrative functions into a
vehicle for horizontal communication between clinics rather than top-down
control. This seemed to alleviate tensions between senior management and

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professional interests. Ambiguity as to what constituted legitimate performance aspects was reduced and some transition away from the overemphasis on financial PM was observed. Interestingly, however, the profession-dominated redefinition of the meaning of the Balanced Scorecard implied that the goal-directed theoretical model, prescribing the establishment of clear causal linkages between multiple objectives and performance measures, was obscured and the number of indicators multiplied.

The studies by Covaleski and Dirsmith (1981) and Aidemark (2001) may be invoked to support Johnsen’s (1999 and 2001) contention that implementation success, in terms of the coupling of PM to organizational action, is enhanced when the top-down alignment of goals and performance indicators is relaxed and local experimenting is stimulated in organizational settings characterized by strong conflict potential. However, these studies also show that this may involve considerable ‘corruption’ (Lozeau et al., 2002) of the theoretical models serving as ‘ghost myths’. It is this corruption, or social reconstruction that seems to have the potential to absorb ambiguity and stimulate learning and unlearning such that transitions between PM myths are facilitated. The Balanced Scorecard has been criticised for building on a flawed conceptual model, based on spurious and elusive inferences regarding the nature of cause-effect relationships (Norreklit, 2000). However, it may be precisely because of this lack of conceptual rigour and clarity that the technique seems so readily susceptible to modification and reconstruction (cf. Hedberg and Jönsson, 1989). Paradoxically, Aidemark’s (2001) study suggests that the flexible nature of the Balanced Scorecard may in fact amplify the ‘problem’ of excessive proliferation of public sector performance indicators, which many of its propagators have warned against. Whilst this seems less problematic as long as goal-directed, multidimensional PM is only introduced as a remedy to the perceived inadequacy of financial control, it raises the issue of what might happen when it is embedded in a rhetoric pivoting around the myth that public sector organizations suffer from excessive proliferation of performance indicators. Given the propensity of public sector organizations to compile more information than is required for decision-making (Feldman and March, 1981), we may expect such organizations to come under simultaneous criticism for placing too much emphasis on financial PM and overloading performance reporting. Much performance information may be compiled for seemingly symbolic use, whilst the real concern of senior management is still directed towards financial PM (cf. Ballantine et al., 1998; and Carter and Greer, 1993).

Existing empirical evidence raises some doubts as to whether implementation of more goal-directed, multidimensional PM models, based on a pronounced rhetoric challenging the plethora of uncoordinated systems, will stimulate the process of social reconstruction that seems vital for transitions between PM myths to take place. Even though professional service employees may favour more broadly based, non-financial performance information,
the close integration between such information and financial indicators inherent in ‘uncorrupted’ forms of the Balanced Scorecard may threaten to reveal politically charged implications of professional work (Brignall and Modell, 2000). For example, Lowe and Doolin (1999) found professional service employees to request more broadly based and detailed information than senior management was prepared to provide as a means of resisting closer integration between financial and non-financial performance data. This, in turn, rendered the meaning of performance information increasingly equivocal and hampered implementation. Managerial efforts to align performance information with clearly articulated goals in a top-down manner may exacerbate such problems as this reinforces the threat to the integrity of professional staff (Sanderson, 2001).

Ambiguity-enhancing conflicts may emerge even where multidimensional PM emphasises aspects, which would seem to be of more innate concern to professionals (e.g., quality). For example, in a study in the Norwegian health care sector, Modell (2001) found an attempt to implement a range of quality indicators, some of which were ‘translated’ into efficiency-type measures, to be resisted by physicians with reference to the inability of such measures to capture the unique and complex nature of medical operations. The resulting conflicts seemed to hamper more widespread use of the information espoused by senior management, whilst some spontaneous, local efforts to develop quality indicators more closely tailored to operating requirements were observed. The outcome was some fragmentation and de-coupling, rather than unification of the different systems for quality control. Similarly, Lawrence and Sharma (2002) argued that the adoption of the Balanced Scorecard in a university setting led to the commodification of professional staff, partly through the translation of most quality aspects into efficiency-type measures, and thus alienated professional interests.

The findings reviewed above suggest that the imposition of more goal-directed, multidimensional PM models to alleviate tensions associated with operating a range of uncoordinated PM systems does not necessarily reduce conflict and ambiguity. Instead, the implementation outcome may well be that seemingly incompatible PM myths continue to co-exist whilst affecting distinctively different spheres of organizational life. Goal-directed models, such as the Balanced Scorecard, may prevail in relatively ‘uncorrupted’ form, providing an image of rational management, whilst having a negligible impact on operating-level action. This symbolic buffering function may, in turn, allow professional service employees to continue using a range of seemingly disparate systems primarily including customized non-financial performance information for local decision-making. The myth that public sector organizations suffer from excessive proliferation of performance indicators may thus continue to draw criticism whilst little is in fact done to resolve such ‘problems’. A lack of consensus might cement such situations, as it may be in the self-interest of senior management to avoid destabilizing the
organization by attempting to reduce the ambiguity stemming from operating multiple, unrelated PM systems (Brignall and Modell, 2000; and Modell, 2001). The virtue of ambiguity in this context is that it allows management to conceal conflicting relationships between performance aspects espoused by competing stakeholder interests (Meyer and Gupta, 1994).

CONCLUSIONS

Summing up the argument advanced in this paper, we incline to the position that myths pivoting around the supremacy of goal-directed, multidimensional PM models, such as the Balanced Scorecard, may gradually replace the myth that public service provision may be improved by heavy reliance on financial control and come to affect operating-level action. However, the learning processes associated with translating the former types of models to more specific organizational contexts may imply that the myth in action bears little resemblance to the theoretical model, or ‘ghost myth’ initially fuelling change, especially if efforts aimed at consensus-building shift power to professional service employees. Whilst we have no fundamental objections to the emphasis on broadly based involvement in much of the contemporary PM literature, we question whether such means of consensus-building will invariably lead to top-down alignment of goals, performance indicators and organizational action. Rather, our discussion suggests that such tight couplings might be weakened by ‘corruption’ of goal-directed, multidimensional PM models. Alternatively, seemingly incompatible PM myths may continue to co-exist and heighten ambiguity, especially if implementation is dominated by senior management and/or the allegedly excessive proliferation of indicators or PM systems of concern to professional service employees is invoked as an argument for adopting goal-directed, multidimensional PM models. This is likely to exacerbate implementation of the latter.

Further empirical probing of these issues would seem increasingly relevant as more and more public sector organizations come under pressure to demonstrate compliance with some goal-directed control model, without relapsing to a narrow focus on financial PM. We contend that such research should be extended beyond the technically rational approach still dominating contemporary PM research (Ittner and Larcker, 1998), especially if we are to understand how PM becomes implicated and affects action in public sector organizations. Reflecting on recent developments in public sector PM, Ittner and Larcker argued that:

Perhaps the most fundamental question is whether private sector notions of performance measurement and accountability are applicable in the public sector (1998, p. 233).
Examining changes in PM as transitions between competing myths would seem to present a fruitful approach for addressing such questions in that it allows us to delve into the implications of broader diffusion patterns within and across different organizational fields for learning processes at a more micro-orientated level of analysis. This offers an opportunity to accommodate the increasingly voiced concern among institutional theorists over the lack of process-orientated research spanning the macro and micro levels of analysis (e.g., Barley and Tolbert, 1997; and Burns and Scapens, 2000). A conception of changes in public sector PM as relatively passive and straightforward compliance with some already institutionalised myth is potentially over-simplified. Our discussion rather suggests that researchers may be better positioned to explain the evolution of public sector PM by focusing on how such myths are translated into more or less institutionalised action patterns or fail to permeate organizations through processes infused with power struggles and more or less pro-active agency (cf. DiMaggio, 1988). It is through the interplay between relatively firmly established ‘ghost myths’, often emanating from the institutional macro environment, and individual or collective actions that old myths are gradually challenged, replaced or reconstructed to prevail alongside or amalgamate with the emerging PM myth in action (cf. Hedberg and Jönsson, 1989).

Researchers should also recognize that the notion of ‘applicability’ is inherently inter-subjective and the object of ongoing reinterpretation by actors involved in devising PM practices in specific organizational settings. What are judged to be applicable, or legitimate standards for PM at a specific point in time largely depends on the meanings conferred on these by some dominant coalition of actors. Future research exploring the development of PM myths therefore needs to map out the collectively shared interpretive schemes within and across various groups of influential actors (cf. Modell, 2001; and Pettersen, 2001). Some attention to the transformation of such interpretive schemes over time is also desirable and longitudinal case studies would seem a preferred research strategy. Such research might shed further light on how differences in collective interpretations impinge on conceptions of stability and change (cf. Czarniawska and Joerges, 1996; and Quattrone and Hopper, 2001). For example, it may be worthwhile to explore how different groups of actors interpret received PM models, such as the Balanced Scorecard, and to what extent these are judged compatible with existing PM practices in organizations into which they are imported. If the discrepancies in this respect are small, the process of reinterpretation, or social reconstruction of received models may appear relatively smooth and unproblematic. But if the same, received PM model is presented as a more radical solution by other actors perceptions of the nature of, as well as the need for change are likely to diverge significantly between groups of actors. The more interesting question to ponder in this respect, however, is whether ambiguities associated with such divergences are resolved through some joint
reinterpretation of the ‘ghost myth’ informing PM changes and which story of change becomes the dominant one over time.

Following the conjectures advanced in this paper, a number of overriding research questions may serve as starting points for examining how PM myths, diffusing across a larger population of organizations, are reconstructed by some collective of actors in individual organizations and gradually give rise to more or less institutionalised action patterns at the micro-level of analysis. First, how challenged is the old PM myth in place and to what extent is the perception of ‘crisis’ in prevailing PM practices shared by different collectives of actors? Second, what kind of rhetoric is invoked by propagators of the emerging ‘ghost myth’, advanced as a remedy for the perceived PM crisis? Third, to what extent and within what time frame is support for the ‘ghost myth’ solicited and what is the role and nature of consensus-building efforts in this respect? Fourth, to what extent is senior management committed to competing PM myths and how does this contribute to ambiguity? Fifth, what opportunities are there for other influential actors (e.g., professional service employees) to redefine the emerging PM myth as implementation proceeds? Finally, how does the interplay between different collectives of actors within organizations and the institutional macro environment alluded to by the preceding research questions influence the institutionalisation of organizational action patterns over time? These issues have received little systematic attention in the public sector PM literature, but would seem worthy of more in-depth examination in future field research.

NOTES

1 This view of tight coupling is largely analogous to the popular PM adage that ‘what you measure is what you get’ (Kaplan and Norton, 1992, p. 71). As discussed at length in this paper, however, the adoption of a more interpretive, sociologically informed perspective leads to a much more multifaceted and complex depiction of how received PM models influence organizational action.

2 Whilst some authors (e.g., Sanderson, 2001) seem to regard participative consensus-building as antithetical to tightly coupled implementation modes, the Balanced Scorecard literature propounds that the two are consistent (Johnsen, 2001).

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