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Title	Local Government Management and Performance: A Review of Evidence
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Citation	The 2013 Association for Public Policy and Management (APPAM) Fall Research Conference: "Collaboration Among Government, Market, and Society: Forging Partnerships and Encouraging Competition", Shanghai, China, 26-27 May 2013
Issued Date	2013
URL	http://hdl.handle.net/10722/187915
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Local Government Management and Performance: A Review of Evidence

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introduction

- Local governments = public service delivery
- Public face of the state = street-level bureaucrats
- Many theories of public management tested in local government
- Much evidence on management and performance from local government settings
  - Productivity of local government
  - Efficiency - size
  - Determinants of improvement following NPM

contributions

1. A comprehensive assessment of what is currently known about the effects of management on the performance of local governments by integrating the theories and evidence from the empirical research that have been published during the past forty years in the leading public administration journals

2. A critical assessment of the methods and findings of the extant studies will help to identify a research agenda that builds on the strengths of the current evidence base while addressing areas that require further attention

DV: Performance, a contested concept?

- Dimensions:
  - Efficiency, Effectiveness, Equity, Responsiveness = √
  - Accountability, human rights, probity = x
- Stakeholders
  - Internal (managers)
  - External (citizens, users, businesses)
- Data sources
  - Perceptual (survey)
  - Archival (administrative records)
- Good or bad performance is: "in the eye of the beholder" (Andrews et al. 2006, 29)

theories

- Economic (economies of size) versus Political (responsiveness to the citizenry)
  - Public choice and NPM extension of competitive market structures
  - Generic theories of organization
- Three broad perspectives
  - Economic – scale economies of 1950/60s and competitive market structures
  - Contingency – *fit*: INLOGOV 1960/70s
  - Resource-based views – capacity 1970s onwards and USA

local government management approaches

Theory	Key concepts	O'Toole and Meier	Anticipated relationship with performance	Included in the meta-analysis
Economic theory	Organization size	M1, M3/M4	+	✓
	Contracting out	M3/M4	- or +	
	Competition	M3/M4	- or +	
	Collaboration	M3/M4	+	
	Coproduction	M3/M4	+	
Contingency theory	Administrative	M1	-	
	intensity	M1	-	
	Centralization	M1	+	
	Integration			
	Strategy content	M3/M4	+	✓
	Planning	M1	+	✓
Resource-based theories	Management systems	M1	+	
	Staff quality	M1	+	✓
	Personnel stability	M1	+	✓
	Leadership	M1	+	
	HRM practices	M1	+	
	Representative bureaucracy	M3/M4	+	✓
	Networking	M3/M4	+	✓

Methods

- SSCI Web of Science search 1970-2012
- 490 studies of which 86 met search criteria
  - DV = performance, IV = management, organization, empirical
- But ... not many studies published correlation coefficients so use coefficients from regression: 999 tests
- Support score method implemented

Support score

- The percentage of statistical tests that support the hypothesis that management positively or negatively influences performance
- Results have to be:
    1. In predicted direction 2. statistically significant
- Support score calculated in two ways
    1. Equally by study, regardless of whether it contains 1 or 300 tests.
    2. Each study can be weighted (multiplied) by the number of tests in that study, with equal weight attached to each test rather than to each study
- Support for hypotheses
    – Strong if both support scores > 50%
    – Moderate if one support score is > 50%
    – Not supported when both scores fall < 50%

illustration of findings
strategy content

| Study | Sample | Country | Purpose | Management | | Performance | | No. tests | + | - | ns |
				Strategy	Measure	Dimension	Measure				
Folz & Hazlett (1991)	89	USA	SP	Technical innovation	Archival	Eft	Archival	1	100	0	0
Folz (2004)	556	USA	SP	Technical innovation	Archival	Eft	Archival	1	100	0	0
Andrews et al. (2005)	150	UK	MP	Defending, prospecting, reacting	Perceptual	In, US	Archival	9	67	0	33
Andrews, Boyne & Walker (2006)	119	UK	MP	Defending, prospecting, reacting, change market, change service, seek revenues	Perceptual	In	Both	3	67	0	33
Meier et al. (2007)	3041	USA	SP	Defending, prospecting, reacting	Perceptual	Eft, Eq, Q	Archival	27	22	15	63
Andrews et al. (2008)	51	UK	MP	Defending, prospecting, reacting	Perceptual	Eft	Archival	6	67	33	0
Andrews et al. (2009)	47	UK	MP	Defending, prospecting, reacting	Perceptual	Eft	Both	3	100	0	0
Meier et al. (2010)	3041	USA	SP	Defending, prospecting, reacting	Perceptual	Eft	Archival	6	33	17	50
Walker, Andrews et al. (2010)	101	UK	MP	Defending, prospecting, reacting	Perceptual	In	Both	12	50	0	50
Walker et al. (2011)	136	UK	MP	Management innovation	Perceptual	In	Both	4	0	0	100
Andrews et al. (2012)	178	UK	MP	Defending, prospecting, reacting	Perceptual	In	Both	6	87	0	17
Owens & Kukla-Acevedo (2012)	2490	USA	SP	Prospecting	Perceptual	Eft	Archival	3	100	0	0

						Number of studies	12				
						Number of tests	75				
						Unweighted			66	7	28
						Weighted			47	11	43

Key
Purpose: MP = multi-purpose, SP = single purpose.
Performance dimension: CE = Cost Effectiveness, Eft = Effectiveness, Efy = Efficiency, Eq = Equity, In = Index Q = Quality, Qua = Quantity, US = User Satisfaction.

main findings

	No. of		Positive		Negative	
	Studies	Tests	U	W	U	W
Organizational size	**20**	**58**	34	26	10	3
Strategy content	**12**	**75**	*66*	*47*	7	11
Planning	**14**	**138**	<u>62</u>	<u>56</u>	2	3
Staff quality	**14**	**81**	<u>**73**</u>	<u>**77**</u>	3	5
Personnel stability	**14**	**86**	<u>**53**</u>	<u>**52**</u>	16	15
Rep' bureaucracy	**14**	**129**	*61*	*43*	13	9
Managerial networking	**15**	**133**	*60*	*37*	7	20

sub-analysis

- Single versus multiple forms of government
  - Single = 53/43% (55 studies, 644 tests) (USA)
  - Multiple purpose = 43/31% (31, 355) (UK)
- Organizational echelons
  - Representative bureaucracy: 18/20% upper level and 67/60% front-line (8, 49)
  - Personnel stability: 54/56% upper level, 59/48% front-line (8, 34)
- Archival versus perceptual performance
  - Perceptions right: 49/43% (38, 457)
  - Archival: 49/49% (54, 457)

sub-analysis II: dimensions of performance:

Management	Efficiency			Effectiveness			Equity			Index		
	S	**T**	**+**	**S**	**T**	**+**	**S**	**T**	**+**	**S**	**T**	**+**
Size	7	20	50 (40)	5	16	4 (6)			X	5	10	20 (10)
Strategy			X	7	32	75 (50)			X	5	22	60 (59)
Planning			X	5	56	80 (82)			X	8	23	53 (52)
Staff quality			X	13	46	73 (78)	6	27	90 (93)			X
Stability			X	12	57	47 (44)	4	19	50 (84)			X
Representative Bureaucracy			X	10	83	48 (42)	7	15	71 (60)			X
Networking			X	14	58	73 (60)	4	58	29 (31)			X

Key:

Weighted support scores in parenthesis

S = number of studies, T = number of tests, + = positive support score

X = no test

summary of findings

- Main findings
  - Strong positive performance effects from staff quality, personnel stability, and planning
  - Moderate support for the benefits of networking, representative bureaucracy and strategy content
  - Weak in relation to organizational size
- Sub-analysis
  - Single versus multipurpose: little difference
  - Levels in the hierarchy matter
  - Management approach has varying performance impact

discussion

- Dataset dominated by studies from:
  - UK: contingency theory (content and planning)
  - USA: resource-based capacity views
- Full range of concept underlying theories that explain management and performance have not been tested
- Topics with limited:
  - administrative intensity, collaboration/partnership, competition and leadership
- or no attention
  - inter-organizational relations, decentralization of decision-making and bureaucratic autonomy

limitations

- SSCI search
- PA based search: political science, urban studies, policy field journals …
- Limited attention to research design
  - Measurement
  - Model specification
  - Single versus multiple informants
- A plea for help:
  - Publish correlation coefficients – can undertake more traditional approaches to meta analysis