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RATIONAL PLANNING AND POLITICIANS' ATTITUDES TO SPENDING AND REFORM:

REPLICATION AND EXTENSION OF A SURVEY EXPERIMENT

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ABSTRACT (max 100 words)

The rational planning cycle of formulating strategic goals and using performance information to assess implementation is assumed to assist decision-making by politicians. Empirical evidence for this assumption is, however, scarce. Our study replicates Nielsen and Baekgaard's (2015) experiment on the relation between performance information and politicians' attitudes to spending and reform and extends this experiment by investigating the role of strategic goals. Based on a randomized survey experiment with 1.484 Flemish city councilors and an analysis of 225 municipal strategic plans, we found that information on low and high performance as well as strategic goals directly impact decision-making by politicians.

KEYWORDS

Rational planning, strategic planning, performance measurement, decision-making, survey experiment

INTRODUCTION

As a result of the New Public Management (NPM) paradigm, rational planning practices have become almost normative instruments for strategy formulation and implementation in public organizations (Andrews et al. 2009b, Bryson, Berry, and Yang 2010). Central to the rational planning approach is the usage of (a) strategic planning to define strategic goals based on environmental scanning and (b) performance measurement to implement strategic goals by utilizing performance information that can be evaluated periodically (Boyne 2001, Poister, Pasha, and Edwards 2013). The popularity of strategic planning and performance measurement, as two central rational planning practices, seems to indicate that several benefits are assumed to accompany their adoption (Bryson, Berry, and Yang 2010, Poister, Pitts, and Edwards 2010). One often-cited benefit is the counterweight that strategic planning and performance measurement can offer to intuitive and gut-feeling decision-making in public organizations (Walker and Boyne 2006, Boyne 2001). Specifically, strategic planning and performance measurement are expected to ensure that 'decisions between alternative strategies [are] taken logically on the basis of comprehensive information, rather than intuitively on the basis of incomplete or inaccurate data' (Boyne 2001, 76).

Despite the popularity and assumed impact of strategic planning and performance measurement on decision-making, empirical evidence on the relation between strategic planning, performance measurement and decision-making in public organizations is scarce (Poister, Pitts, and Edwards 2010, Bryson, Berry, and Yang 2010, George and Desmidt 2014). The limited amount of empirical evidence can be attributed to four characteristics of public management research on the subject. First, studies have predominantly focused on organizational performance as dependent variable (e.g. Poister, Pasha, and Edwards 2013, Andrews et al. 2009a), as opposed to the decision-making output of rational planning in public organizations (George and Desmidt 2014). Decision-making output, however, is considered a direct result of rational planning processes and, as such, precedes outcomes such as performance (George and Desmidt 2014, Pollitt and Bouckaert 2004). Second, data have mostly been gathered through non-randomized, cross-sectional surveys (e.g.

Poister and Streib 2005, Elbanna, Andrews, and Pollanen 2015), which do not allow the kind of observation necessary to identify relationships with decision-making (Jakobsen and Jensen 2014, Margetts 2011). Third, the typical unit of analysis has been the organizational level (e.g. Walker and Boyne 2006, Elbanna, Andrews, and Pollanen 2015), whereas decision-making often manifests at the individual level (Margetts 2011). Fourth, survey respondents have mostly been managers and other administrative staff (e.g. Poister and Streib 2005, Poister, Pasha, and Edwards 2013), although decision-making in public organizations is strongly politicized (Askim 2009, Nielsen and Baekgaard 2015).

One study that addresses these four observations and offers insights into the relationship between rational planning and decision-making, is Nielsen and Baekgaard (2015). Nielsen and Baekgaard (2015) employ a randomized survey experiment with 844 Danish city councilors in order to identify whether performance information impacts politicians' attitudes to spending and reform. The study finds that, in the case of Danish city councilors, performance information can indeed affect politicians' attitudes to spending and reform and that this impact can be explained from a blame avoidance perspective (Nielsen and Baekgaard 2015). Nevertheless, despite the valuable findings of Nielsen and Baekgaard (2015), two issues remain unresolved. First, the limited external validity of experiments (Aguinis and Bradley 2014) requires replication in a set of different contingencies in order to maximize the generalizability of study findings. Second, while Nielsen and Baekgaard (2015) offer evidence on the impact of performance information (i.e. rational planning's approach to strategy implementation) on politicians' decision-making processes, the role of strategic goals as a framework that guides decision-making (i.e. rational planning's approach to strategy formulation) remains unclear. Conflictingly, rational planning proposes a sequentiality and interconnectedness between strategy formulation and strategy implementation (Andrews et al. 2009b), where the defined strategic goals offer a framework that guides the usage of performance information during decision-making (Poister, Pasha, and Edwards 2013, Poister 2005).

Our study addresses these issues and hereby makes a threefold contribution to public management research. First, we replicate the experiment of Nielsen and Baekgaard (2015) using a sample of 1.484 Flemish city councilors from 225 Flemish municipalities. We thus test whether Nielsen and Baekgaard's (2015) findings on the relationship between performance information and politicians' attitudes to spending and reform hold in the context of Flemish city councilors. Second, we extend the experiment by including the presence of formal strategic goals as a moderating variable in the relation between performance information and politicians' attitudes to spending and reform. By including strategic goals in the equation, we address the call for empirical evidence on the assumed interplay between strategic goals derived from strategic planning processes, performance information regarding these strategic goals and decision-making output in public organizations (Poister 2010, Bryson 2010). Third, we offer insights into the predictors of decision-making attitudes by politicians (i.e. city councilors), who are an often neglected unit of analysis in research on rational planning (Askim 2009, Nielsen and Baekgaard 2015). To achieve these contributions, we employ both a randomized survey experiment and a document analysis of strategic plans. As such, our research design counterbalances issues arising from using one cross-sectional, non-randomized survey to measure both independent and dependent variables (i.e. common method bias) and allows us to focus on individual-level attitudes while also incorporating organizational-level variables (Margetts 2011, Jakobsen and Jensen 2014).

In what follows, we first define our hypotheses. Next, the methods are presented, followed by the statistical results. The findings suggest that performance information showing low performance positively impacts politicians' attitudes to spending whereas performance information showing high performance negatively impacts politicians' attitudes to reform. Both results are in line with the findings of Nielsen and Baekgaard (2015). Contrary to our expectations, we do not find evidence that strategic goals increase the impact of information showing either low or high performance. We do find that strategic goals have a direct positive impact on politicians attitudes to spending. We discuss these findings and their implications.

PERFORMANCE INFORMATION AND DECISION-MAKING BY POLITICIANS

Nielsen and Baekgaard (2015) formulate a set of hypotheses on the relation between performance information and decision-making by politicians. They operationalize political decision-making as politicians' attitudes towards spending and reform. Both spending and reform are important because they are 'two of the primary concerns of performance-based budgeting' (Nielsen and Baekgaard 2015, 546). Responsible politicians who seek to efficiently and effectively assign public resources could penalize weak performers by allocating less resources to their activities or by encouraging reforms that limit managerial autonomy (Carpenter and Krause 2012, Nielsen and Baekgaard 2015). Nielsen and Baekgaard (2015) employ a blame avoidance perspective to hypothesize politicians' reactions to performance information. The blame avoidance perspective argues that politicians' decision-making can be predicted based on politicians' tendency to avoid blame for negative events and the resulting 'bad press' because this might damage a potential re-election (Soroka 2006). Conversely, politicians might actively try to attribute positive events to their own efforts in order to convince the public of their competence (Carpenter and Krause 2012, Hood 2011, Moynihan 2012).

First, applied to the relation between performance information and politicians' attitudes to spending, blame avoidance theory implies that information on low performance cannot go unaddressed (Hood 2011, Moynihan 2012). Politicians will be expected to actively address low performance and the 'obvious way for elected politicians to improve performance – or at least to appear to be doing so' is to increase funding (Nielsen and Baekgaard 2015, 550). However, whereas low performance requires action because of the public scrutiny it might evoke, high performance of public services frequently goes unnoticed (Hood 2011, Lau 1982). Because of the limited public coverage of high performance as opposed to low performance, there is no political rationale to increase funding for high performing public services. Thus, 'credit claiming will be of much less importance than blame avoidance' because of the asymmetric public coverage of low versus high performance (Nielsen and Baekgaard 2015, 551). Finally, information on average performance seems to neither fit with politicians' tendency to avoid blame nor with politicians' tendency to claim credit.

Blame avoidance theory does not expect politicians to assign significantly less or significantly more budget when confronted with information on average performance (Nielsen and Baekgaard 2015). This results in the following three hypotheses:

H1: Performance information showing low performance has a positive impact on politicians' attitudes to spending.

H2: Performance information showing high performance has no impact on politicians' attitudes to spending.

H3: Performance information showing average performance has no impact on politicians' attitudes to spending.

In the original study, support is found for the first hypothesis, whereas, in contrast to the theoretical expectations, a positive and a negative effect are estimated for hypothesis 2 and 3.

Second, the relation between performance information and politicians' attitudes to reform can also be hypothesized from a blame avoidance perspective. Typically, the main rationale underlying reforms in public organizations is the expectation of politicians that these reforms will improve performance (Boyne et al. 2005, Ashworth, Boyne, and Delbridge 2009). Reforms can become instruments of politicians to both address current negative events, and the resulting blame, as well as prevent future blame-inciting negative events (Hood 2011). Nevertheless, reform can, in itself, become a source of extensive blame when the expected reform outcomes are not achieved or when crucial stakeholders vigorously and publicly criticize the content of the reform (Nielsen and Baekgaard 2015, Walker and Boyne 2006). Thus, '[u]ndertaking reform is therefore a risky endeavor that requires a balancing of the blame risks involved in the pursuit or nonpursuit of reform' (Nielsen and Baekgaard 2015, 552).

Consequently, politicians confronted with performance information signaling high performance might be less inclined to initiate reforms because of the risks associated with such initiatives (Hood 2011). As the status quo already illustrates high performance, the potential benefits of the reform do not outweigh the potential risk of receiving strong and vocal criticism (Carpenter

and Krause 2012, Nielsen and Baekgaard 2015). However, as indicated earlier, blame avoidance particularly argues that performance information showing low performance requires prompt political action (Hood 2011, Moynihan 2012). As such, '[r]esponding with reform can be an effective way of signaling that something is being done about the problem' (Nielsen and Baekgaard 2015, 553). Information on low performance can also be employed to inject credibility into the necessity of the reform, which in turn minimizes the risk of strong and vocal criticism (Carpenter and Krause 2012). Finally, information on average performance seems to not spark negative nor positive attitudes to reforms because of the limited blame or potential praise resulting from average performance (Nielsen and Baekgaard 2015). This results in the following three hypotheses:

H4: Performance information showing high performance has a negative impact on politicians' attitudes to reform.

H5: Performance information showing low performance has a positive impact on politicians' attitudes to reform.

H6: Performance information showing average performance has no impact on politicians' attitudes to reform.

For this set of hypotheses, the original study finds evidence supporting hypothesis 4 and 6, while no significant impact of performance information is identified among politicians from low performing municipalities.

MODERATING INFLUENCE OF STRATEGIC GOALS

In extension to the randomized survey experiment of Nielsen and Baekgaard (2015), we include the presence of strategic goals related to the performance indicator as a moderator in the relation between performance information and politicians' attitudes to spending and reform. Policymakers define strategic goals during strategic planning and employ performance information to monitor and evaluate the realization of these goals (Andrews et al. 2009b, Poister, Pasha, and Edwards 2013). This rational planning cycle of formulating strategic goals and then periodically evaluating them based on performance information has been central to reforms such as Best Value in the UK, the Government

Performance and Results Act in the US and the Policy and Management Cycle in Flanders (Boyne et al. 2002, Poister and Streib 2005, George and Desmidt 2014). As such, we argue that defining strategic goals and using performance information are, in practice, often interconnected and can be expected to interact during decision-making.

This assumed interconnectivity of strategic goals and performance information is supported by recent literature on performance management in public organizations (e.g. Moynihan 2008, Walker, Damanpour, and Devece 2010). Poister, Pasha, and Edwards (2013, 1) define performance management in public organizations as 'engaging in strategic planning to establish a direction and major goals, setting more specific objectives and perhaps targets at multiple levels in the organization, and then using performance measurement to help focus on achieving them'. Moynihan (2008, 5) defines performance management as 'a system that generates performance information through strategic planning and performance measurement routines and that connects this information to decision venues'. In addition, both Poister (2010) and Bryson (2010) indicate that the link between strategic goals and performance information is of critical importance to public organizations and merits further inquiry by public management scholars.

The remaining question is how this interconnectivity can be operationalized into hypotheses on the relation between strategic goals, performance information, and politicians' attitudes to spending and reform. Similar to the previous section, we draw on a blame avoidance perspective to define hypotheses. One of the main arguments of blame avoidance theory is that the impact of performance information is contingent on the amount of potential blame for negative events or potential glory for positive events (Carpenter and Krause 2012, Hood 2011, Moynihan 2012). This can be directly linked to strategic goals. Rational planning systems typically require politicians and administrators to formalize policy choices in strategic goals, which are part of a public strategic plan (Boyne et al. 2002, George and Desmidt 2014). The strategic goals are then the subject of an accountability system in which services are expected to periodically report on the progress towards these goals to specific stakeholders (Boyne et al. 2002). Hence, politicians are likely to be criticized

when strategic goals are not achieved or be praised when strategic goals are being successfully implemented. Because of the accountability tied to the achievement of strategic goals, we expect that such goals will 'provide overall direction for major decisions throughout the organization on an ongoing basis' (Poister 2005, 1053). Hence, we argue that the impact of performance information on politicians' attitudes to spending and reform will be stronger when the policy area for which information is provided is also a strategic goal of the organization. In other words, politicians should be more sensitive towards performance information when this information addresses the strategic goals that these politicians set out to achieve. This results in the following three hypotheses:

H7: The positive relation between information showing low performance and politicians' attitudes to spending is stronger when the policy area on which performance information is provided is a strategic goal of the public organization.

H8: The positive relation between information showing low performance and politicians' attitudes to reform is stronger when the policy area on which performance information is provided is a strategic goal of the public organization.

H9: The negative relation between information showing high performance and politicians' attitudes to reform is stronger when the policy area on which performance information is provided is a strategic goal of the public organization.

METHODS

Units of analysis

The purpose of our research is to replicate and extend the study of Nielsen and Baekgaard (2015). We aim for a setting where the conditions for studying the impact of performance information on politicians' attitudes to spending and reform resemble those of the Danish, and which simultaneously allows us to study the interplay between strategic goals and performance information. Because the original study of Nielsen and Baekgaard (2015) focuses on the policy area of municipal education, we adopted a similar approach. As a result, data were collected among the city councilors of the 225

Flemish municipalities that offer municipal education (73% of all Flemish municipalities). Apart from the advantage of replicating the setting of Nielsen and Baekgaard (2015), two other advantages are tied to our chosen empirical setting. First, an often-cited criticism of survey experiments is the lack of a realistic context and a representative sample (Aguinis and Bradley 2014, Margetts 2011). Both comments are addressed by our empirical setting because we survey actual city councilors, offer them information on a policy area they are familiar with, and identify their attitudes to reform and spending on this policy area, which is closely linked to the actual decisions expected of them. Second, Flemish municipalities are a homogenous context, which implies that contextual decision-making variables such as the legal and economic environment are held constant.

Data collection

Data for our independent and dependent variables were gathered via a randomized survey experiment involving the city councilors of 225 Flemish municipalities. In order to conduct a true experiment, we had to address three requirements: 'the establishment of a control group and treatment group(s), random assignment of subjects to these groups, and controlled application of a treatment to at least one group' (Walker et al. 2013, 1215). First, the contact information of the city councilors was gathered through the municipal website. This resulted in a population of 5.462 city councilors. Second, these city councilors were randomly assigned to either a control group or a treatment group. Third, an electronic survey was sent to the city councilors in both the control and treatment group. The surveys sent to the two groups were identical, apart from our experimental intervention: the treatment group received information on the actual performance of their municipality (either low, average or high), whereas the control group did not receive this information. Hence, our randomized survey experiment addresses the three defined requirements of a true experiment (Walker et al. 2013). In total, 1.484 councilors cooperated, which results in a response rate of 27%.

Data for our moderating variable were gathered via a document analysis of the municipal strategic plans of the previously identified 225 Flemish municipalities. As a result of legislative

requirements, Flemish municipalities had to formulate a strategic plan by January 2014. Central to that plan is the definition of a set of strategic goals which the municipal policy makers are committed to achieve during their 2014-2019 policy cycle. Moreover, the strategic plans were systematically collected by a central Flemish agency and can be publicly consulted.

Independent variables

Nielsen and Baekgaard (2015) operationalize performance information through the average grade of pupils in the final public school exam within a municipality. Based on this grade, the municipality can either be in the best (i.e. high performance), middle (i.e. average performance) or worst (i.e. low performance) third among all Danish municipalities. The reason why Nielsen and Baekgaard (2015) employ such information is threefold. First, public schooling 'is considered one of the major municipal tasks in Danish municipalities' (Nielsen and Baekgaard 2015, 556). Second, the average grade of pupils is readily available information, which implies that true information on performance can be assigned to the treatment group. Third, such information on the quality of public schooling is especially prone to media attention in Denmark, which is important from a blame avoidance perspective (Nielsen and Baekgaard 2015).

In the Flemish context, information on the average grade of pupils in the final public school exam within a municipality is not readily available. Moreover, public schooling is not only delivered by municipalities, but also by the Flemish government and the Flemish provinces. As such, we could not use the same performance information as Nielsen and Baekgaard (2015) in our survey experiment. In order to address this issue, we decided to focus on information concerning educational capacity in primary education within the municipality. We define educational capacity in primary education within a municipality as the extent to which pupils who live in the municipality can also attend a primary school in the municipality and thus do not have to commute to attend primary education. Performance information on educational capacity in primary education within Flemish municipalities addresses the same three criteria put forth by Nielsen and Baekgaard (2015). First, educational capacity in primary schools has been identified as one of the core responsibilities of

Flemish municipalities. Second, true performance information on educational capacity in primary education in Flemish municipalities is available from the Flemish Ministry of Education. Third, information on educational capacity in primary education is frequently scrutinized by the Flemish media. Importantly, the respondents in our dataset generally consider educational capacity a relevant performance indicator. Only 24 per cent of the respondents disagree to some extent with the statement that 'Educational capacity is an important indicator of how well our municipality performs in the area of municipal schooling' while 54 per cent of the respondents, somewhat agree, agree, or totally agree with the statement. [1]

Except from using a different indicator of performance, the assignment of performance information followed the exact same approach as Nielsen and Baekgaard (2015). Based on the information gathered from the Flemish Ministry of Education on educational capacity in primary education, the 225 Flemish municipalities were assigned to three groups: the best, middle or worst third. Next, in the survey for the control group we only mentioned a general information cue on the importance of educational capacity in municipalities, whereas in the survey for the treatment group we mentioned both the general information cue as well as true information on the performance of their municipality (best – middle – worst third) concerning educational capacity in primary education.

Dependent variables

Because this study is a replication and extension of an existing experiment, our dependent variables were measured using the same approach as Nielsen and Baekgaard (2015). Additionally, the flow of our survey is identical to that of Nielsen and Baekgaard (2015), which implies that the dependent variables were measured in the survey after the treatment and after a set of questions on performance information usage. First, attitudes to spending were measured as follows:

> Attitudes to spending were measured using a five-point scale battery in which the respondents were asked to indicate if they would prefer much less, less, the same,

[1]This question was placed after the treatment and the descriptive statistics reported are therefore only based on respondents in the control group. The performance level has no impact on the perception of educational capacity as an indicator of performance among these respondents.

> more, or much more spending on a number of different policy areas governed by the municipalities, while bearing in mind that increases in one area would affect spending opportunities in other areas […], the item about attitudes to spending on public schools was the only one of interest in the battery and placed as number 4 of 11 in the battery (Nielsen and Baekgaard 2015, 557).

Second, the dependent variable attitudes to reform did require two small contextual changes. Specifically, we measured politicians' attitudes to reform by using a single-item question that discussed a specific scenario. The scenario is mentioned below and the contextual change is indicated between brackets:

> Imagine a situation in which, according to forecasts, 4−8% of the budget for two [municipal] schools can be saved each year if all educational services are placed in one of the schools, while the other is closed. [Educational capacity] is not expected to be affected by the school merger. To what extent do you agree or disagree that the two schools ought to be merged in this case (Nielsen and Baekgaard 2015, 557)?

Respondents could indicate their answers on a scale from 0 to 10 (0 = totally disagree, 10 = totally agree).

Moderating variable

Because Flemish city councilors have to formally approve the strategic goals of their municipality as well as evaluate progress towards their achievement, we expect city councilors to be aware of these goals. Hence, it does not make sense to experimentally manipulate the presence of strategic goals. The goal of our analysis was thus to create a moderating variable that measures whether municipal education is one of the strategic goals of the municipality's strategic plan. We explicitly focused on strategic goals that consisted of expanding municipal education because this is one of the instruments municipalities can use to address issues of educational capacity in their jurisdiction. If such a strategic goal was present, we assigned a 1 to the municipality, if not, we assigned a 0. In

total, 92 municipalities had such a goal in their strategic plan. Table 1 contains descriptive statistics on the independent, dependent, and moderating variables used in our analysis.

[Table 1 about here]

ANALYSIS

Balance and manipulation checks

Our analysis is conducted as a series of regressions. For each dependent variable we conduct four analyses: one for all respondents regardless of the performance of their municipality and one for each of the three performance categories. One concern is whether treatment and control groups balance with regard to their respondent composition. As can be seen from Table 2, there are only few and minor significant differences between control and treatment groups. To account for these differences, we reran all analyses using the predictors in Table 2 as controls. These robustness checks do not alter our findings substantially and for the sake of simplicity, we present the results from the replication analysis without controls.[2]

[Table 2 about here]

Two conditions must be met for the performance information treatment to have an impact on politicians' attitudes. First, the treatment should get through to the respondents. Second, the information presented in the treatment should not be common knowledge among respondents in the control group prior to the experiment. We test whether these conditions are met by means of a simple manipulation check. In the manipulation check, after the experimental treatment, we ask the respondents to indicate whether they agree or disagree with the following statement: 'My municipality is generally doing well in terms of providing primary education of a high quality'. If indeed the conditions are fulfilled, we would expect performance to have a positive impact on their level of agreement with this question – but only among those respondents who received the treatment. The analysis in Table 3 shows exactly this pattern.

[Table 3 about here]

[2] The robustness checks are presented in the online appendix.

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The Replication: Performance Information and Attitudes to Spending and Reform

The impact of performance information on attitudes to spending (H1-H3) is examined by means of ordered logistic regressions while random effects are used to study the impact on attitudes to reform (H4-H6). Both analyses use clustered robust standard errors to account for clustering at the municipal level. Throughout the analysis, we will compare the findings of our replication to the theoretical hypotheses as well as to the original findings in Nielsen and Baekgaard (2015). In order to facilitate this comparison, we have added an overview of all findings in Table 4.

[Table 4 about here]

To keep the analysis as simple as possible, the impact of the performance information treatment is studied within each performance group. The findings for the analysis focusing on attitudes to spending are reported in Table 5.

[Table 5 about here]

From a theoretical perspective, our expectations about the impact of performance information are strongest for the group of politicians from low performing municipalities. In accordance with our expectations (H1), we find that these respondents are more inclined to support higher spending if they have received the performance information treatment.

Moving to hypothesis 2 and 3, our theoretical expectations are somewhat weaker. We identify a positive impact of performance information for politicians from average performing municipalities. This finding is unexpected from a theoretical point of view and is also in outright opposition to the negative effect identified by Nielsen and Baekgaard (2015). Finally, in accordance with our theoretical expectations we find no effect of the treatment among politicians from high performing municipalities. Again, this finding differs from the positive impact identified in Nielsen and Baekgaard (2015). In sum, our analysis only partly supports our theoretical expectations (H1 and H3) and also only partly shows a pattern consistent with the pattern of Nielsen and Baekgaard (2015). It is worth noting that the strongest theoretical expectation from a blame avoidance

perspective is for politicians from low performing municipalities and that this finding is consistently supported in both Nielsen and Baekgaard (2015) and our analysis.

[Table 6 about here]

Focusing on the impact of performance information on attitudes to reform, the strongest theoretical expectation relates to politicians from high performing municipalities. Less willingness to undertake reform is expected for those who have received the high performance information treatment. The negative and statistically significant coefficient in Table 6 for these respondents supports this expectation and is also consistent with the findings of Nielsen and Baekgaard (2015). For politicians from low performing municipalities a positive impact of the performance information treatment was expected. What we find is – consistent with Nielsen and Baekgaard (2015) – a zero impact. Finally, we estimate a negative effect of the treatment among respondents from average performing municipalities. This finding is fundamentally different from both our theoretical expectations and the findings of Nielsen and Baekgaard (2015).

In sum, the findings in both the analysis of effect on attitudes to spending and attitudes to reform are largely in accordance with our expectations derived from a blame avoidance perspective and also correspond fairly well with the findings of Nielsen and Baekgaard (2015). For politicians from average performing municipalities, however, the findings differ substantially from both our theoretical expectations and the findings of Nielsen and Baekgaard (2015).

Extension: The Moderating Impact of Strategic Goals

We ~~analyse~~analyze the moderating impact of strategic goals by doing a stepwise interaction between the performance information treatment and the presence of strategic goals. The findings are presented in Table 7 and 8. Because strategic goals are not experimentally manipulated, we added controls to account for potential spurious effects in the analysis. In line with other studies on rational planning processes (e.g. Elbanna, Andrews, and Pollanen 2015, Boyne et al. 2005), controls include measures of the financial situation of the municipality, the organizational size and deprivation. These

controls do not change the main conclusions and they are therefore not shown in the presentation although they were included in the analysis.

[Table 7 about here]

[Table 8 about here]

The first models in Table 7 and 8 show the unconditional impact of performance information and strategic goals when controls are included. As can be seen, the controls do not make any substantial difference to our performance information estimates. As for the strategic goals, we find a general positive impact on attitudes to spending. If educational capacity is a municipal strategic goal, city councilors display a higher willingness to financially invest in the policy domain of education. On the other hand, we find a much less clear pattern with regard to the impact of strategic goals on reform attitudes, and the safest conclusion seems to be that these concepts are not correlated at all.

Moving to the conditional impact of performance information on strategic goals, the presence of strategic goals is expected to strengthen the impact of performance information. Specifically, performance information is expected to have a stronger positive impact on spending as well as reform among politicians from low performing municipalities if educational capacity is a strategic goal in their strategic plan. Moreover, we expect a stronger negative impact on reform for politicians from high performing municipalities if educational capacity is a strategic goal in their strategic plan. None of these expectations are supported by the data and hypothesis 7, 8 and 9 are therefore rejected. Hence, our main conclusion is that there is no sign that the presence of strategic goals increases the impact of performance information.

DISCUSSION

The study at hand examined the relation between strategic goals, performance information and politicians' attitudes to spending and reform. We thus contributed to the debate on rational planning's effectiveness by investigating the extent to which strategic goals and performance information, two constitutive elements of rational planning, influence decision-making by politicians. Hypotheses were defined by adopting a blame-avoidance perspective. In doing so, we replicated a

previously conducted experiment on the relation between performance information and politicians' attitudes to spending and reform as well as extended this experiment by investigating the moderating role of strategic goals. The findings suggest that information on high and low performance as well as the presence of strategic goals influence political decision-making, without necessarily enforcing each other's impact. These findings have several implications.

The first objective of this study was to replicate the survey experiment of Nielsen and Baekgaard (2015) in order to test the external validity of their findings. Our results confirm the two central outcomes of their study. In the case of both Danish and Flemish city councilors, an experimental information treatment showing low performance has a positive impact on politicians' attitudes to spending while information showing high performance has a negative impact on politicians' attitudes to reform. The results for average performance are less conclusive, which can be attributed to the rather weak theoretical argument underlying this performance group. Our findings support two central assumptions of blame avoidance theory. First, politicians who are confronted with information on low performance can be expected to adapt their budgetary decisions accordingly (Hood 2011, Moynihan 2012). A higher allocation of resources to the low performing policy domain is likely because budget increases signal that politicians are actively trying to tackle the low performance issue (Nielsen and Baekgaard 2015). This finding deviates from the assumption of performance-based budgeting that politicians will penalize low performers by reducing resources. Second, politicians who are confronted with high performance information can be expected to find reform a high-risk, low-reward endeavor (Hood 2011, Carpenter and Krause 2012). In high performing policy domains, politicians are likely to find that the potential benefits of reform do not outweigh the potential blame resulting from failed reform initiatives, and in such cases politicians seem to be less favorable towards reforms (Nielsen and Baekgaard 2015).

The second objective of this study was to identify whether the relation between performance information and politicians' attitudes to spending and reform is stronger when the policy area on which information is provided is a strategic goal of the organization. Typically, rational planning

cycles recommend the formulation of strategic goals and the periodical evaluation of these goals through performance information (Boyne et al. 2002). Hence, we argue that when performance information is related to a strategic goal of the organization, its impact on decision-making will be even stronger. Contrary to our hypotheses, we do not find evidence for this assumed interconnectivity between strategic goals and performance information (Poister 2010). Specifically, the relation between information on low and high performance and politicians' attitudes to spending and reform is not stronger when the policy area on which information is provided is a strategic goal of the organization. It is worth noting, however, that the information treatment is based on a performance indicator published by the Flemish Ministry of Education. Although 'educational capacity' is an important indicator reflecting a policy concern faced by many Flemish municipalities, it might be the case that not all municipal strategic plans include this specific indicator, or even any indicator at all, to measure progress towards strategic goals. Hence, if the strategic goal in itself is not operationalized through an indicator similar to the one we employed, the lack of a significant interaction between the two could be explained by the fact that there is no predefined interconnectivity between the strategic goal and the performance indicator (Poister 2010, Bryson 2010).

Although we do not uncover evidence for the moderating effect of strategic goals, we find that the presence of a strategic goal has a positive direct effect on politicians' attitudes to spending. Specifically, in a model that controls for performance information, financial situation, organizational size and deprivation, and individual characteristics of the city councilors, we find that city councilors are likely to spend more on education if educational capacity is indeed a strategic goal of their municipality's strategic plan. This finding supports the claim that strategic goals can 'provide overall direction for major decisions throughout the organization on an ongoing basis' (Poister 2005, 1053). The finding also counterbalances the criticism that strategic goals defined through strategic planning are often purely administrative with little influence on actual political decision-making (Bryson, Berry, and Yang 2010, Poister, Pitts, and Edwards 2010). We do urge some caution with this finding as

strategic goals are not randomized in our analysis and the above-mentioned finding is thus not based on experimental evidence.

CONCLUSION AND LIMITATIONS

The evidence in this study leads us to conclude that rational planning has rightly been singled out as a process that influences political decision-making in public organizations. In this article, we offer external validity to the two core findings of Nielsen and Baekgaard (2015), namely that information on low and high performance can impact decision-making by politicians and this impact can be explained through blame avoidance theory. We also identify that strategic goals do not necessarily strengthen the impact of performance information, but rather can directly influence political decision-making. Three limitations of our study need to be taken into account. First, because we expect Flemish city councilors to be aware of the strategic goals of their municipality, we cannot randomize this information. Second, we operationalize political decision-making through politicians' attitudes to spending and reform, which are of course not the only set of decisions politicians can make. Third, we focus on municipal education whereas other policy areas might be less salient and therefore less prone to blame-avoiding strategies. Further research could address these limitations. Future experiments could focus on contexts where politicians are not aware of the strategic goals of their organization, and these goals can be randomly assigned. One could also wonder whether information on strategic goals and performance might influence politicians' attitudes to, for instance, managerial autonomy or make-buy-ally decisions. Finally, future studies could focus on other policy areas that are less salient than education to identify the extent to which our findings hold in different policy domains. For now, however, our evidence suggests that both strategic goals and performance information make a difference to decision-making by politicians in public organizations, without necessarily enforcing each other's impact.

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TABLES

Table 1. Descriptive statistics

	Mean	SD	Min	Max	N
Treatment	0.508	0.500	0	1	1475
Strategic goal	0.406	0.491	0	1	1475
Attitudes to spending	3.374	0.871	1	5	1453
Attitudes to reform	5.419	3.178	0	10	1475

Table 2. Balance test of differences between treatment and control groups.

	[All]	[Low performance]	[Average performance]	[High performance]
Gender (female = 1)	0.090	0.143	-0.249	0.283
	(0.429)	(0.503)	(0.271)	(0.113)
Age (years)	0.002	0.000	0.008	0.002
	(0.638)	(0.966)	(0.375)	(0.780)
Level of education	-0.109	-0.098	-0.036	-0.205*
	(0.103)	(0.432)	(0.785)	(0.042)
City council tenure	0.001	-0.004	-0.003	0.005
	(0.872)	(0.760)	(0.824)	(0.622)
Party membership:				
(*N-VA is reference category*)				
CD&V	0.157	0.030	0.374	0.222
	(0.285)	(0.921)	(0.198)	(0.322)
Open Vld	0.185	0.328	0.433	0.149
	(0.264)	(0.279)	(0.177)	(0.579)
sp.a	-0.369*	-0.522	-0.008	-0.279
	(0.044)	(0.313)	(0.980)	(0.310)
Groen	0.471*	-0.348	0.605	0.794*
	(0.043)	(0.450)	(0.105)	(0.047)
Vlaams Belang	-0.642+	-0.767	-1.146	-0.396
	(0.070)	(0.269)	(0.332)	(0.379)
PVDA	-1.340			-1.256
	(0.150)			(0.234)
Andere	0.093	0.121	-0.0518	0.433+
	(0.626)	(0.754)	(0.890)	(0.091)
Municipality level variables:				
Strategic goal	0.161	0.099	0.102	0.136
	(0.137)	(0.688)	(0.562)	(0.379)
Financial situation[1]	0.000	0.000	0.000	-0.000
	(0.948)	(0.419)	(0.369)	(0.369)
Organization size[2]	0.000	0.005*	0.002	0.000
	(0.639)	(0.026)	(0.366)	(0.242)
Deprivation[3]	-0.026	-0.025	-0.183+	-0.101**
	(0.376)	(0.779)	(0.052)	(0.002)
Constant	0.249	-0.243	0.066	1.166+
	(0.404)	(0.840)	(0.824)	(0.602)
Chi^2	27.03*	12.34	14.06	57.74**
N(politicians)	1435	393	457	585
N(municipalities)	221	72	74	75

Random effects logistic regression. Standard errors are clustered at the municipal level. P-values in parentheses. + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed test). [1]Measured by the financial debt per capita in 2013. [2]Measured by the number of fulltime equivalents in 2013. [3]Measured by the unemployment rate in 2013.

Table 3. Manipulation check: Impact of performance information treatment on perception of municipal performance, split by performance group.

	[All]	[Low Performance]	[Average Performance]	[High Performance]
Performance information	-0.000	-0.304*	-0.082	0.245**
	(0.999)	(0.017)	(0.420)	(0.007)
Constant	5.685**	5.602**	5.793**	5.678**
	(0.000)	(0.000)	(0.000)	(0.000)
Chi^2	0.00	5.66*	0.65	7.29**
N(politicians)	1469	398	467	604
N(municipalities)	221	72	74	75

Random effects regression. Standard errors are clustered at the municipal level. P-values in parentheses. + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed test).

Table 4. Summary of replication findings compared to theory and original findings.

	Attitudes to spending			Attitudes to reform		
	Theory	*Original*	*Replication*	*Theory*	*Original*	*Replication*
Low performance	+	+	+	+	n.s.	n.s.
Average performance	n.s.	-	+	n.s.	n.s.	-
High performance	n.s.	+	n.s.	-	-	-

Non-significant = n.s.

Table 5. Impact of performance information treatment on attitudes to spending, split by performance group.

	[All]	[Low performance]	[Average performance]	[High performance]
Performance information	0.074	0.320+	0.310+	-0.258
	(0.460)	(0.083)	(0.053)	(0.145)
Chi^2	0.55	3.01+	3.73+	2.12
N(politicians)	1461	394	466	601
N(municipalities)	221	72	74	75

Ordered logistic regression. Standard errors are clustered at the municipal level. P-values in parentheses. + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed test).

Table 6. Impact of performance information treatment on attitudes to reform, split by performance group.

	[All]	[Low performance]	[Average performance]	[High performance]
Performance information	-0.323*	-0.043	-0.472+	-0.415+
	(0.044)	(0.901)	(0.098)	(0.070)
Constant	5.602**	5.448**	5.616**	5.713**
	(0.000)	(0.000)	(0.000)	(0.000)
Chi^2	4.05*	0.02	2.74+	3.27+
N(politicians)	1475	403	469	603
N(municipalities)	221	72	74	75

Random effects regression. Standard errors are clustered at the municipal level. P-values in parentheses. + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed test).

Table 7. Interaction between performance information treatment and presence of strategic goal on spending attitudes, split by performance group.

	[All]	[Low performance]	[Average performance]	[High performance]	[All]	[Low performance]	[Average performance]	[High performance]
Performance information	0.112	0.351^{+}	0.355*	-0.238	0.253^{+}	0.315	0.602**	-0.102
	(0.296)	(0.067)	(0.033)	(0.251)	(0.061)	(0.188)	(0.001)	(0.722)
Strategic goal	0.260*	0.260	0.313	0.164	0.443*	0.211	0.634*	0.332
	(0.029)	(0.286)	(0.142)	(0.340)	(0.013)	(0.556)	(0.032)	(0.234)
Performance information ×					-0.352	0.101	-0.649^{+}	-0.303
Strategic goal					(0.113)	(0.811)	(0.059)	(0.437)
Chi^2	59.12**	43.16**	29.53*	72.05**	63.27	43.69**	36.88**	75.65**
N(politicians)	1413	382	452	579	1413	382	452	579
N(municipalities)	221	72	74	75	221	72	74	75

Ordered logistic regression. Standard errors are clustered at the municipal level. P-values in parentheses. + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed test). The controls shown in Table 2 were part of the analysis, but their effects are for presentational purposes not shown in the table.

Table 8. Interaction between performance information treatment and presence of strategic goal on reform attitudes, split by performance group.

	[All]	[Low performance]	[Average performance]	[High performance]	[All]	[Low performance]	[Average performance]	[High performance]
Performance information	-0.339*	-0.050	-0.500^{+}	-0.426^{+}	-0.626**	-0.113	-1.035**	-0.607^{+}
	(0.033)	(0.891)	(0.075)	(0.058)	(0.004)	(0.818)	(0.003)	(0.076)
Strategic goal	0.091	-0.213	-0.219	0.621*	-0.278	-0.299	-0.909^{+}	0.397
	(0.651)	(0.571)	(0.561)	(0.037)	(0.293)	(0.562)	(0.066)	(0.309)
Performance information ×					0.716*	0.173	1.446**	0.399
Strategic goal					(0.018)	(0.811)	(0.006)	(0.359)
Constant	5.483**	6.635**	4.723**	5.151**	5.607**	6.661**	4.888**	5.255**
	(0.000)	(0.000)	(0.002)	(0.000)	(0.000)	(0.000)	(0.001)	(0.000)
Chi^2	75.00**	11.79	16.14+	78.93**	75.43**	11.82	18.90*	76.69**
N(politicians)	1413	382	452	579	1413	382	452	579
N(municipalities)	221	72	74	75	221	72	74	75

Random effects regression. Standard errors are clustered at the municipal level. P-values in parentheses. + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed test). The controls shown in Table 2 were part of the analysis, but their effects are for presentational purposes not shown in this table.