

**CHALLENGES IN THE IMPLEMENTATION  
OF PERFORMANCE MANAGEMENT.  
CASE STUDY OF THE RUSSIAN PUBLIC SERVICES,  
KRASNOYARSK CITY**

**Anastasiya Kichigina**

**Faculty of Social Sciences and Humanities,  
London Metropolitan University**

**Submitted in partial fulfilment of the requirements for the degree of  
Doctor of Philosophy**

**January, 2017**

## **DECLARATION**

I certify that the work I have presented for examination for the PhD degree by London Metropolitan University is solely my own work, other than where I have clearly indicated that it is the work of others.

## ACKNOWLEDGEMENTS

I was awarded a fee waiver Vice-Chancellor scholarship by the London Metropolitan University for three years of my research course which commenced in January 2012. I would like to express my sincere gratitude to the London Metropolitan University and particularly to ex Vice Chancellor Professor Malcolm Gillies and the Academic Leader of Research and Graduate Studies Dr Wendy Stokes for making the PhD study possible. I was thrilled to learn of my selection for this honour and I am deeply appreciative of your support.

Dr Diana Silvia Stirbu, my Principal Supervisor, provided feedback and advice on all aspects the research design and the thesis. I sincerely thank Diana for offering her time and energy to me. Her guidance helped me in all the time of research and writing of this thesis.

I am also thankful to Pat Gray, the Head of School of Social Professions and Associate Dean for Partnerships for discussions, feedback and advice on the different chapters and providing understanding of the doctoral research process. Diana and Pat's supervision enhanced my research journey and I thank them for this.

I would like to thank my line manager Professor David Leon for their insightful comments, feedback and encouragement. I could not have imagined having a better line manager and mentor.

I am forever indebted to my friend Kevin Kiernan for his enthusiasm, guidance, proof reading and unrelenting support throughout this process. I have never met anyone who believes in me more. Thank you Kevin for being a substitute for my family.

## ABSTRACT

Many public sector organisations worldwide have implemented performance management systems to improve performance. Performance management was initially designed by the private sector in Western countries and then adopted by the public sector. Now, performance management has become a global reform also implemented in the public sector of countries in transition such as Russia. A system of performance management has been designed and introduced by the federal government of the Russian Federation in 2007 as a part of the Administrative reform agenda.

Success in implementing the performance management in the public sector organisations has varied. The thesis explores the experience of implementing a system of performance management in the local governance of the Russian Federation for the period of time 2013-2014. It addresses a series of questions prompted by the process of implementation. First, the thesis explores the actual process of performance management implementation in the context of the Russian local government. Second, it provided the insights on the attitudes and perceptions of the local authority managers regarding the performance management purpose and implementation. Third, it explores the major challenges encountered during the process of the implementation.

Drawing upon theoretical assumptions of the policy transfer theory, institutional theory and the integrated approach to performance management system, this thesis proposes a richer understanding of the Russian local government performance management implementation in practice as it is looking at the same phenomenon from different angles.

The thesis employs a single method qualitative case study approach. Data is collected mainly through semi-structured interviews, with support of documentary research and participant observations. Study particularly looks at the local governance of the Russian public sector by using Krasnoyarsk City Administration as a case study.

The study gives effect to the basic principles and values of public administration in relation to the implementation of performance management system. The study contributes to the current theories and debate on the mainstreaming and institutionalizing of public service delivery to determine organisational performance by governmental institutions. Particularly, this contributes to the existing body of knowledge regarding challenges

encountered during the implementation of Performance Management System in the public sector organisations. It adds to understanding of the public managers' experience of implementing a performance management system in local government and it contributes to the research in this field conducted in transition countries.

## TABLE OF CONTENTS

ACKNOWLEDGEMENTS .....	3
ABSTRACT .....	4
1. INTRODUCTION.....	13
1.1. Aim and objectives .....	15
1.2. Research questions.....	16
1.3. Research theory and methods .....	17
1.4. Outline of the study.....	18
2. NEW PUBLIC MANAGEMENT AS AN INTERNATIONAL PHENOMENON ....	20
2.1. New Public Management concept .....	20
2.2. New Public Management criticism.....	24
2.3. New Public Management in the context of the policy transfer.....	28
2.4. Transferring of New Public Management Ideas: lessons drawing .....	36
3. THEORETICAL PERSPECTIVES ON PERFORMANCE MANAGEMENT .....	40
3.1. Conceptual framework.....	40
3.2. Performance management within management theory.....	43
3.2.1. Organisational theory .....	44
3.2.2. Contingency theory .....	45
3.2.3. Systems theory .....	46
3.2.4. Agency theory .....	46
3.2.5. Social learning theory .....	48
3.2.6. Goal setting theory .....	48
3.3. Performance management implementation: why ‘perfect implementation’ is unattainable in practice? .....	50
3.4. Factors of success in performance management implementation .....	61
3.4.1. Change management factors .....	62
3.4.2. Alignment of strategic plan with management systems.....	62
3.4.3. Organisational culture and leadership.....	64
3.4.4. Training and creating a learning organisation.....	65
3.4.5. Rewarding good performance .....	66
3.4.6. Flexibility and simplicity .....	66
3.4.7. Involvement of all staff and communication .....	67
3.4.9. Monitoring, reviewing and evaluation .....	67
3.4.10. Key stakeholders engagement.....	68
3.5. Performance management implementation: barriers and challenges .....	69

4. THEORETICAL FRAMEWORK OF THE STUDY .....	79
4.1. Institutional theory .....	79
4.2. Performance management as an integrated system: strategic, operational and individual levels .....	81
4.3. Five Factor Performance Management Model .....	86
5. CASE STUDY: FROM REFORMS TO PERFORMANCE MANAGEMENT .....	89
5.1. Introducing performance management system in Russia .....	89
5.2. Public administration reforms implementation in the Russian Federation.....	91
5.3. The Civil Service Reform .....	93
5.4. The Budget reform.....	94
5.5. The Administrative reform .....	95
5.6. Reforms in progress, what are the chances of success?.....	99
6. RESEARCH METHODOLOGY .....	104
6.1. Research philosophy and epistemology.....	104
6.1.2. Positivist approach .....	105
6.1.3. Relativist approach.....	107
6.1.4. Research strategy .....	109
6.2. Single case study research methodology .....	110
6.3. Research Design .....	113
6.3.1. Analytical Strategy.....	115
6.3.2. Sampling strategy.....	117
6.3.3. Validity and Reliability .....	120
6.4. Data Collection Methods .....	123
6.4.1. Semi-structured interviews.....	124
6.4.2. Documentary research.....	127
6.4.3. Observation .....	128
6.5. Access to Data and Ethics.....	129
6.5.1. Privacy.....	129
6.5.2. Confidentiality and Anonymity.....	130
6.5.3. The storage and transfer of data .....	130
7. KRASNOYARSK CITY ADMINISTRATION BACKGROUND.....	132
7.1. Governance framework in the Russian Federation.....	132
7.2. Krasnoyarsk krai background.....	137
7.3. Krasnoyarsk policy implementation: regional and local levels .....	138
7.4. Performance management implementation framework.....	140

8. FINDINGS OF THE STUDY .....	143
8.1. Challenges at the strategic level.....	144
8.1.1. Functions versus services .....	146
8.1.2. The lack of engagement in the planning process .....	149
8.1.3. Hierarchical culture barriers.....	152
8.1.4. Lack of teamwork .....	155
8.2. Challenges at the operational level .....	156
8.2.1. Perception of the PM concept by managers .....	157
8.2.2. From PM as a tool for improvement to PM as a tool for control and punishment .....	161
8.2.3. Difficulties in providing reports.....	163
8.2.4. Budgetary span of control .....	166
8.2.5. The lack of vertical and horizontal integration .....	170
8.2.6. Human recourses incapacity .....	174
8.3. Challenges at the individual level.....	177
8.3.1. Performance management implementation is not linked to individual performance.....	179
8.3.2. Fear of discussing performance results with the public .....	183
8.3.3. Lack of confidence in PM implementation .....	185
8.3.4. Summary of findings.....	187
9. DISCUSSION .....	190
9.1. Readiness for introducing a performance management system.....	192
9.2. Effects of hierarchical culture .....	194
9.3. Lack of understanding of performance management concept .....	195
9.4. Perception of performance management as an instrument of control .....	197
9.5. From functions to process and performance management .....	197
9.6. Challenge of legal traditions .....	199
9.7. Stakeholders engagement and evaluation of strategic plans.....	199
9.8. Difficulties in communication and integration .....	200
10. CONCLUSION .....	203
10.1. What have we learnt?.....	205
10.1.2. Centralisation versus implementation .....	205
10.1.3. The lack of transparency .....	206
10.1.4. Ineffective legislation.....	206
10.1.5. Attitude of local managers to PM implementation .....	207



10.1.6. Communication issues .....	208
10.2. Limitations of the study .....	209
10.3. Significance of the study .....	210
10.4. Methodological contribution.....	212
10.5. Lines of further inquiry.....	213
Bibliography .....	215
Appendix 1. Categories and subcategories developed in a coding process .....	235
Appendix 2. Semi-structured Interview Guide Questionnaire .....	236
Appendix 3. Performance indicators reported by regional governments of the Russian Federation .....	239
Appendix 4. Performance Indicators reported by local governments in the Russian Federation .....	277
Appendix 5. Abstracts from Federal Law #131-FZ On General Principles Underlying Organisation of Local Self-Governments in the Russian Federation.....	282

## LIST OF TABLES

Table 1. Performance management levels, corresponding theories and themes .....	43
Table 2. Implementation types and control .....	53
Table 3. Coordination alternatives per implementation type.....	54
Table 4. Critical factors influencing the successful PM implementation .....	75
Table 5. Differences between quantitative and qualitative research .....	114
Table 6. Participants of the study.....	119
Table 7. Participants of the study by level of management .....	119
Table 8. Interview guide questions and their basis in the research questions and....	124
Table 9. Core categories of challenges in the implementation of performance management in Krasnoyarsk City Administration.....	144
Table 10. Core conceptual categories and subcategories at the strategic level of performance management implementation in the Krasnoyarsk City Administration	145
Table 11. Categories portraying challenges concerning the mission, strategy, and goals of the organisation at the strategic level of PM implementation .....	148
Table 12. Categories portraying challenges concerning the mission, strategy and goals of the organisation at the strategic level of PM implementation .....	150
Table 13. Categories portraying challenges concerning hierarchical culture barriers at the strategic level of PM implementation .....	153
Table 14. Categories portraying challenges related to the lack of teamwork at the strategic level of PM implementation .....	155
Table 15. Core conceptual categories and subcategories at the operational level of performance management implementation in the Krasnoyarsk City Administration	157
Table 16. Categories portraying challenges related to perception of the PM system by managers at the operational level of PM implementation .....	158
Table 17. Categories portraying challenges related to perception of PM system as a mechanism of control at the operational level of PM implementation.....	162
Table 18. Categories portraying challenges related to difficulties in reporting system at the operational level of implementation PM.....	163
Table 19. Categories portraying challenges related to budgeting at the operational level of PM implementation .....	168
Table 20. Categories portraying challenges related to organisational integration at the operational level of PM implementation .....	171
Table 21. Categories portraying challenges related to human resource incapacity at the operational level of PM implementation .....	174
Table 22. Core conceptual categories and subcategories at the individual level of PM implementation in the Krasnoyarsk City Administration .....	178

Table 23. Categories portraying challenges related to the individual performance at the individual level of PM implementation ..... 180

Table 24. Categories portraying challenges related to discussion of performance results with media and the public at the individual level of the PM implementation 183

Table 25. Categories portraying challenges related to the employees' lack of confidence in PM implementation at the individual level of PM implementation... 185

## **LIST OF FIGURES**

Figure 1. Integrated Performance Management Model .....	83
Figure 2. Governance framework in the Russian Federation .....	133
Figure 3. The structure of government of Krasnoyarsk Krai.....	135
Figure 4. Federal and regional regulations for local budget distribution.....	136
Figure 5. Performance management framework in the Russian Federation.....	141

## **LIST OF ABBREVIATIONS**

- DROND – Doklad o Rezultatakh i Osnovnykh Napravleniyakh Deyatelnosti (rus. Report on Performance and Future Actions)
- NPM – New Public Management
- PM – Performance Management
- PMS - Performance Management System
- Rosstat – Federalnaya Sluzhba Statistiki (rus. Federal Bureau of Statistics)

## 1. INTRODUCTION

The study of public sector organisations in the past four decades has been a fertile ground of research and challenging due to the wave of reforms that has swept across developed, transitional and developing countries. The state and public sector have been under pressure to be more market-oriented and private sector-oriented, initially in developed countries and later in some transitional and developing countries.

The large and growing literature on public sector management reforms in Western countries (e.g., Australia, Canada, New Zealand and the United Kingdom) has emphasized that changes in the economic, social, political, technological and administrative environments combined to prompt and drive radical changes in public administration and management systems (Zifcak, 1994; Greer, 1994; Mascarenhas, 1993; Lane, 1997; Kettl, 1997). The central objective of change was improvement in the ways in which government is managed and services delivered, with emphasis on efficiency, economy and effectiveness (Metcalf and Richards, 1990).

The reform wave that has emerged as a worldwide phenomenon is now widely acknowledged as the “new public management” (NPM) (Aucoin, 2008; Barzelay, 2001; Eagle, 2005; Hood, 1995). Initially, NPM was largely seen as a developed country, particularly Anglo-Saxon, phenomenon. The 1990s saw, however, applications of variants of NPM techniques and practices in some developing and transitional economies.

NPM drawn mainly from the private sector, is increasingly seen as a global phenomenon. NPM reforms shift the emphasis from traditional public administration to public management. Key elements include various forms of decentralizing management within public services, increasing use of markets and competition in the provision of public services (e.g., contracting out and other market-type mechanisms), and increasing emphasis on performance management.

A performance management system (PMS) is seen as an efficient vehicle to successfully deliver on the strategic objectives and goals of public organisations. Performance management is an essentially western development originating in the United States, and much of the research into its use and operation was conducted in a domestic setting (Locke and Latham, 1984; Armstrong and Baron, 1998, 2005). While there are various studies on

performance management, the studies looking into country contextual factor impact on the implementation of PMS are scarce.

Writers have suggested that it is cultural differences which make it difficult to standardise aspects of performance management practice (Pucik, 1985; Vance et al. 1992) and a number of studies have sought to examine the impact of country context on aspects of the process (Hofstede, 2001; Fletcher and Perry, 2001; Mendonca and Kanungo, 1996). The way in which PMS are implemented and used can differ widely depending on their application and country's context. Shih *et al* (2005) suggest that contextual influences operate at the organisational, national and international levels and national culture is an important contextual variable that influences the implementation of performance management. Divergent performance management practices are attributed to the context of the country (Suutari and Tahvanainen, 2002).

There is a lot of debate around the effectiveness and efficiency of performance management practice in the public sector that rests upon successful implementation of the PMS. This study contributes to the debate on whether or not we can transfer the PMS as a policy to different social and political contexts. The study looks particularly at the transfer and implementation of performance management to the Russian Federation's context.

Performance management practices need to be evaluated not just from an economic perspective, but also from social and managerial perspective, within an overall organisational context. The social, technical, cross-national cultural aspects of public management reforms make the study of PMS implementation such a fascinating topic for academic research and such a challenge to the practitioners. A lack of attention has been paid to the social processes whereby such systems are implemented (Ittner et al., 1998; Brignal and Model, 2000), or how they come to be used in different international contexts.

Countries which have started to implement PMS are urged to adopt the 'PM model' with vigilance, because by far and large its effectiveness depends, among other things, on the context of the institutional change in each particular country. Most importantly, there is a real need for these countries to learn from the other countries which have already a positive experience in implementation.

The countries that have emerged from the break-up of the former Soviet Union have been emerging from different public administrative traditions (Verheijen, 2008) and vastly different administrative histories than most of the western countries that have adopted performance management. Despite those differences, many of the same ideas that have been applied in advanced post-industrial democracies have been advocated as the solutions for the needs of these countries. To some extent, the argument of reformers has been that these political systems need significant reform even more than those that have had more successful and democratic histories of governing.

A system of performance management at the regional and local levels was introduced by central government to Russia in 2007 as a part of the “Administrative reform” agenda. Since then a number of revisions has been made and it is currently still in the process of implementation. This process reveals significant obstacles to effective functioning of PMS at the local level.

Observing the results of the process of implementation reveals inherent problems of the system of performance management in the Russian Federation. The system has been widely criticized by academics, civil servants and public administrators (Dobrolubova, 2008; Kalgin, 2012; Romanov, 2008). The implementation of PMS in Russia illustrates some of the difficulties. This study sets out to explore the experience of local governance in dealing with the PMS implementation, to describe problems associated with it and to identify various challenges.

### **1.1. Aim and objectives**

The key focus of this study is to investigate challenges encountered during the implementation of PMS in the Russian Federation. This study aims to explore the process of implementation of PMS in the Russian local governance. The study particularly looks at the changes brought by the central government were introduced as a part of the Administrative reform.

As the introduction of an overall performance management infrastructure usually proceeds in stages (with different elements moving at different speed), this study allows us to highlight where the main bottlenecks in the introduction of performance management are

likely to be and, in that context, what lessons can be drawn by other states that are at an earlier stage of introducing performance management systems.

## **1.2. Research questions**

The following research questions were formulated:

1. What is the actual process of performance management implementation in the context of the Russian local government?
2. What are the attitudes and perceptions of the local managerial staff regarding the performance management purpose and implementation?
3. What are the major challenges encountered so far at a local level?

This study specific objectives are twofold. First, gaining an in-depth understanding of the theory and different approaches to the PM implementation through the review of relevant literature. To achieve this, the study aims to examine how NPM ideas and performance management are used to increase the quality and efficiency in modern public sector governance and to investigate the principles of successful implementation of performance management systems.

Second, gaining an understanding of performance management implementation process in the Russian Federation. To achieve this, the study aims:

- To examine the 'fit' of performance management system implementation in in Russian local government and to explore the reform processes in the last two decades in Russia (overall strategic planning, institutional level strategic planning and the introduction of performance management to local government).
- To discuss recent public management reform processes, legal changes in Russia and consider to what extent these forces provide the context for the performance management implementation.
- To identify the main challenges that were encountered during the first implementation phase from 2007 till 2013.



### **1.3. Research theory and methods**

The researcher used a single method qualitative case study approach. An explanatory case study method is used whereby data is collected mainly through the semi-structured interviews, with support of documentary research and participant observations. This was primarily to enable the researcher to gain an in-depth understanding of challenges encountered during the PMS implementation. The study particularly looks at the local governance of the Russian public sector by using Krasnoyarsk City Administration as a case study.

An institutional theory (Brignal and Modell, 2000; Munir et al., 2011), integrated approach to performance management system (Brudan, 2009, 2010) and Five Factor Performance Management Model (Mwita, 2000) are used to explain the phenomenon.

An institutional theory is chosen to explain the institutionalisation process of the PMS practices, Brudan's (2009, 2010) approach to performance management as an integrated system, is used to explain and analyse the internal processes of organisational change at different levels of organisation. An integrated performance management system approach embodies elements from across levels, with subsystems at strategic, operational and individual level. The Five Factor Performance Management Model (Mwita, 2000) is chosen because it links the PMS design with issues of policy, strategy, operations, assessments and information systems. These five factors are named as mission statement, strategies and plans, action programmes, performance recognition and management information system. The five factors in this model are used to compile the semi-structured interview questionnaire and communicate the findings.

The institutional theory provides assistance for the study in terms of explaining "how" PMS practices become institutionalised in the organisation, while the Brudan's (2010) integrated system and Mwita's (2000) model provide a lens into the "where" and "what" has changed in the organisation. A chosen theoretical framework can provide a richer understanding of the performance management implementation in practice as it is looking at the same phenomenon from different angles.

Seven departments of local government in Krasnoyarsk city were visited to conduct the research and collect the data for the period of 2013-2014. A total of 65 local authority's

managers participated in the interviews, including 6 senior managers at the level of the head of departments (the deputy heads of department or the heads of unit), 11 middle management staff, and 48 junior managers (chief specialists).

#### **1.4. Outline of the study**

This study is organised in ten chapters including an introduction (Chapter 1) and conclusion (Chapter 10). The second chapter explains NPM as an international phenomenon which affects many countries. It outlines its benefits and limitations and highlights the association of NPM with the public sector performance and market-type mechanism in implementing public sector policies, strategies, programmes and projects. In addition, chapter two highlights the importance of NPM policy transferring between countries, central, regional and local authorities. Due to the importance of the country context, the experience of different countries in transferring NPM ideas is reviewed in determining the notion of public sector reforms.

Chapter three presents theoretical conceptual dimensions of performance management. It explores the theoretical approach to the policy implementation in bottom-up and top-down contexts. It highlights the main question for implementers of performance management: what implementation strategy is appropriate in specific organisational contexts? By reviewing the implementation theory, this chapter highlights the importance of specific contexts which influence successful policy implementation and provide the explanation on why “perfect implementation” is unattainable in practice. It explores potential factors of success in performance management implementation and outlines possible barriers and challenges that may occur.

The fourth chapter explores various theoretical approaches to the study of performance management implementation and provides the theoretical lens to explore the process of performance management implementation in Russian local government. The focus is on emphasising the theoretical links between institutional theory, integrated performance management system, and Five Factor Performance Management Model, that are used to enhance the understanding of the level of change that local public sector organisations in Russia have gone through. A chosen integrated approach helps to understand and align strategic, operational and individual levels and creates a complete, holistic picture of performance that outlines the relationship between organisational levels.

Chapter five outlines the background of public sector reforms in the Russian public sector. This chapter describes performance management implementation in the context of the Russian Federation by giving the content of the public administration reforms.

Chapter six details the methodology employed by the study. It outlines various possible philosophical and epistemological approaches, before providing a discussion of the chosen relativist approach and single case study methodology. The use of mixed-methods (documentary research, semi-structured interviews with implementers of performance management in local government, and observation) was chosen so that data collection could capture the complexities of the dynamic and contemporary nature of the subject matter. Details are provided on data analysis and interpretation, including a discussion of research validity and reliability.

Chapter seven describes the framework of regional and local governance in the Russian Federation, the structure of government in Krasnoyarsk krai (region) and functions of the local government (the Krasnoyarsk City Administration). In addition to that, the legislative base of the local government is presented together with the policy implementation and performance management framework.

By using the integrated performance management theoretical approach as a framework to illustrate the study findings, the eighth chapter summarises findings at the strategic, operational and individual levels of Krasnoyarsk City Administration.

Chapter nine links the results of the research to wider theoretical discussions. This chapter concludes with an analysis that bridges the theoretical and institutional concerns explored throughout the study and provides answers to the core research questions identified in this research.

Chapter ten provides conclusion of the study, including significance and limitation of the study.

## **2. NEW PUBLIC MANAGEMENT AS AN INTERNATIONAL PHENOMENON**

This chapter explores NPM and its discussions, the concept of NPM and policy transfer issues. In this chapter NPM and policy transferring processes are viewed in the context of the past two decades, given both the emergence of the pressures that led to NPM in the first instance, as a new management-focused approach to public administration, and the emergence of the different pressures that now contribute to governance as an approach with important implications for public administration, and especially for impartiality, performance and accountability.

A tension between NPM and good governance, including good public administration, has long been assumed by authors who regard the structures and practices advocated and brought about by NPM as departing from the principles and norms of good governance that underpinned traditional public administration (Savoie 1994). The concern has not abated (Savoie 2008). As this dynamic has played out over the past four decades, however, there emerged an even more significant challenge not only to the traditional structures, practices and values of the professional, non-partisan public service but also to those reforms introduced by NPM that have gained wide, if not universal, acceptance as positive development in public administration.

This phenomenon is an international one, affecting most, if not all, countries. The NPM concept outlined below is virtually the same everywhere. The responses vary somewhat because of political leadership and the institutional differences between systems and countries.

### **2.1. New Public Management concept**

The paradigm of NPM answers the question: how to implement policies, strategies, programmes and projects, using the market-type mechanisms, so that the institutions of the state could achieve the desired results. Pollitt (1990), Hood (1991), Hoggett (1991), Osborne and Gaebler (1992) et al. coined the term new public management as “some generic label seemed to be needed for a general, though certainly not universal shift in public management styles” (Hood, 1995, p.94).

The precise definition of NPM tends to be associated with competition, performance management and incentives, open recruitment into middle and upper grades of the civil service, and more movement into and out of the service. NPM generally includes an emphasis on the centrality of the citizen/consumer to the whole process of public-service provision, as well as on the accountability of public-sector bodies (and even individual officials) for the results of their work. In this respect, NPM seems particularly relevant to those wishing to change the culture of the bureaucracy from that of a “state service” towards that of a “public service”. Proponents of NPM tend to favour the separation of policy-making from service provision, with the latter taken over by semi-autonomous agencies. Such agencies often operate in markets or quasi-markets, competing for resources with other public or private service providers. The separation of policy-making from service delivery is meant to free policy-makers from the burdens of existing service provision, while creating opportunities to provide performance incentives to actual service providers by putting agencies onto a contractual footing (OECD, 2006; p.124).

NPM is guided by the principle that the economic market should be used as a model for political and administrative relationships (Kaboolian, 1998). However, there is no clear consensus in the precise definition of NPM, with different scholars and practitioners focusing on different aspects. Perera (2007) asserts that though NPM has caused an enormous amount of upheaval, it is not a theory that is easily definable. She further explains that NPM embodies several different concepts, loosely intertwined, which have been instrumental in making public sector reforms.

Eagle (2005) traced the roots of the NPM to the long line of administrative reforms which included the concept that was aimed at improving the quality of service and making service delivery more customer and client focused. Pollitt (2003) defining NPM suggests that NPM looks at public administration in all its forms and shapes and the necessary reforms needed to make it work in consonance with current trends.

Asiabaka (2003) has explained NPM as a call for a change in the procedural oriented attitude of public administrators such that there would be a regard for results and not procedures. He therefore views NPM as a wakeup call about the inefficiencies of public administrators and suggests that public administrators need to evaluate the provision of goods and services and consider whether they are being done efficiently and economically. In the same direction, Rosenbloom et al (2009) emphasize that the defining element of

NPM lies in the fact that the provision of goods and services by public administrators should be guided by a customer/client relationship. They explain that even when government provides service and regulation on a monopoly basis or without charging fees, treating the public and clients like customers can enhance public administration's service ethic and efficiency.

Since the early 1980s, NPM has taken several different forms in various jurisdictions. Adopting private-sector management practices was seen by some as a part, even if a minor part, of the broader neo-conservative/neo-liberal political economy movement that demanded wholesale privatization of government enterprises and public services, extensive deregulation of private enterprises, and significant reductions in public spending – 'rolling back the state', as it was put at the outset (Hood 1991). By some accounts, almost everything that changed over the past four decades is attributed to NPM. In virtually every jurisdiction, nonetheless, NPM, as public management reform, was at least originally about achieving greater economy and efficiency in the management of public resources in government operations and in the delivery of public services (Pollitt 1990). The focus, in short, was on 'management'. Achieving greater economy in the use of public resources was at the forefront of concerns, given the fiscal and budgetary situations facing all governments in the 1970s, and managerial efficiency was not far behind, given assumptions about the impoverished quality of management in public services everywhere.

According to Aucoin (2008), NPM is oriented towards outcomes and efficiency through better management of public budget. It is considered to be achieved by applying competition, as it is known in the private sector, to organisations of public sector, emphasizing economic and leadership principles. New public management means to make savings in public expenditure, improving the quality of public services, making the operations of government more efficient and increasing the chances that the policies which are chosen and implemented would be effective. Bureaucratization and professionalism as a mode of coordination of public services was in need of replacement by more flexible performance oriented forms of modern organisation: government had to be reinvented; this led to the NPM (Aucoin, 2008).

According to Sarker (2006), Gualmini (2008), Samaratunge et al. (2008) NPM is the 'correct' or 'standard' international model for public administration reform; a measuring

stick against which countries can be assessed. Indeed, reform itself, and its ‘success’ or ‘failure’, can be constituted as simply to what extent – and at what speed – countries have adopted this agenda. In public management there has often been represented a development of a worldwide NPM agenda converging around four key elements (Osborne and Gaebler 1992; Scott 2001; Gualmini 2008; Samaratunge et al. 2008; Pillay 2008):

- A consensus on measures to be included in public management reform;
- A coherent policy paradigm;
- Divergence in the implementation of this reform agenda is explained by variations in the strength and success of policy leadership rather than an inability to reach agreement on what the package should be;
- As the NPM agenda is advanced in an increasing number of contexts, it has, or will come to be, consolidated as the stable dominant policy paradigm in the area of public management.

Osborne and Gaebler (1992); Boston et al. (1996); Hood (1998a); Goldfinch (1998); Dunleavy et al. (2006) suggest that NPM has as an overarching theme the adoption of putative market and private sector business practices into the management of the public sector. It can be provided in the following examples:

- A focus on ‘efficiency’ and ‘doing more with less’;
- A move from a focus on process and input reporting to ‘outputs’, outcomes or results, and the reporting of such;
- Decentralized structures with smaller, multiple and often single purpose agencies and putatively flexible and innovative staff, replacing highly centralized bureaucracies. Related to this were a number of policy/operations and funder/provider splits;
- Motivation of public servants based on financial incentives rather than professional ethos or duty, with contracts, particularly written ones, being a key part of this process;
- Adoption of a ‘managerialism’ where management is seen as a generic, ‘rational’ and ‘scientific’, but also innovative and creative, discipline with similar demands and practices across both public and private sectors;
- Greater autonomy to agency managers including decision making power on human resources and IT and other operational matters;

- Internal and external market or quasi-market mechanisms to imitate market competition, including the widespread use of competitive mechanisms, written contracts, ‘contracting-out’ and ultimately privatization;
- A ‘customer focus’, sometime defined primarily in market terms, for the provision of public services;
- Adoption of corporate-type accrual accounting systems, and fiscal transparency mechanisms;
- Professional, union and operational group influence severely curtailed, with such groups often characterized as ‘rent seeking’ interests to be excluded from decision making;
- Politicians taking a back-seat with respect to ‘operations’, setting the broad parameters of ‘policy’ or ‘strategy’ and leaving day-to-day business to professional managers.

## **2.2. New Public Management criticism**

Despite the great optimism about the potentials of new public management itself, few boundaries seem to be envisaged for the exercise of this set of dynamic and purportedly generic skills. This means that also the ideas of NPM face tradeoffs, contradictions and dilemmas.

However, while management practice and discourse have been transformed, the perennial questions of public administration remain (Maassen, 2002). Pollit (2000), Groot (2008) suggest that NPM has the following limitations and contradictions:

- Increase political control of the bureaucracy / free managers to manage;
- Promote flexibility and innovation / increase citizen trust and governmental legitimacy;
- Give priority to making savings / prioritize improving the performance of the public sector;
- “Responsibilize” government / reduce the range of tasks government is involved with;
- Motivate staff and promote cultural change / weaken tenure and downsize;
- Reduce burden of internal scrutiny and paperwork / sharpen managerial accountability;
- Decentralize management authority / improve program coordination;
- Increase effectiveness / sharpen managerial accountability;
- Increase quality / cut costs.



Some researchers believe that NPM has outlived its usefulness, and although its effects are still working in countries new to NPM, this wave has now largely stalled or been reversed in some key leading countries (Groot, 2008). It still remains unclear how and to what extent specific (clusters of) NPM reforms actually changed public sector decision making, activities and performance. The special emphasis on outputs may divert decision makers' attention away from the final impact their conduct has on society. The audience was skeptical about the role of NPM in the performance improvements which their organisations reached by 90s. (Polidano, 1999). Slightly more than one-third recognized that improved performance may have been related to NPM measures, but only to a certain extent.

Critics like Dunleavy et al. (2006) proclaim that NPM is "dead" and argue that the cutting edge of change has moved on to digital era governance focusing on reintegrating concerns into government control, holistic (or joined-up) government and digitalization (exploiting the Web and digital storage and communication within government). Dunleavy et al. also recognize NPM as a two-level phenomenon.

On the one hand, a strongly developed and coherent theory of managerial change based on the central concepts importing into the public sector from business practices and public choice. The chief integrating themes that NPM has focused on were identified:

- Disaggregation - achieving wider, flatter hierarchies internally; and re-specifying information and managerial systems to facilitate this different pattern of control. In the public sector this theme implied a strong flexibility of previous government-wide practices in personnel, IT, procurement, and other functions, plus the construction of management information systems needed to sustain different practices.
- Competition - Introducing purchaser/provider separation into public structures so as to allow multiple different forms of provision to be developed and to create competition among potential providers.
- Incentivization - shifting away from involving managers and staffs and rewarding performance in terms of a diffuse public service or professional ethos, and moving instead toward a greater emphasis on specific performance incentives. In the public

sector this shift implied a movement “down grid and down group,” in Douglas’s cultural theory terms (Dunleavy et al., 2006, p.469). The “down grid, down group” basically means that people in a group are not dependent on each other and have resources that come from many sources. According to Dunleavy et al., (2006) incentivization manifested itself in performance-based pay, re-specifying property rights: measures that potentially can exacerbate the very problems that the failure in the social market brought along.

On the one hand, arguments for a NPM convergence persist. Gualmini (2008, p. 75) provides a survey of various NPM-type reforms in Europe and the United States, concluding ‘no doubt NPM represented a global trend that affected public sector decision making worldwide, and produced policy changes’. Pollitt (2001), Goldfinch and Wallis (2010) have outlined different levels of convergence.

A first type of convergence might be on ideas. Paradigms models and theories of public management might well become shared across countries, albeit at different levels of abstraction. However, even in the unlikely event of agreement on basic models and understandings of what might be appropriate, this does not necessarily translate to similar policies and techniques being agreed upon or adopted, particularly where convergence on ideas is at a highly abstract level. Indeed, the same models and theories can sometimes be drawn on to justify policy design; and to critique the same design.

A second convergence might be on policy rhetoric – or what is sometimes called ‘talk’ or discourse (Pollitt, 2001). Phrases, buzzwords and clichés can take on a life of their own – often one that is somewhat content-less and divorced from theoretical underpinnings. Some might be phrases that all can agree to support, without necessarily agreeing on what they mean. NPM is notably replete with buzzwords, often thrown around with abandon and sometimes adopted with little regard to actual meaning, theoretical background or practice. Indeed, the current buzzword or fad often legitimizes a host of different practices, or even hides the fact that substantive change has not occurred (Pollitt, 2001; Goldfinch, 2006). Reform itself can be characterized as a process of adopting the different fashionable and changing rhetorics, or perhaps a ritual or semantic game (Goldfinch, 2006; Noordegraaf, 2000).

A third type of convergence might be on legislation, policy design and organisational structures – or what might be called policy decisions (Pollitt, 2001). This is separate from other layers of convergence, and sometimes policy design, organisational structures and legislation can simply be copied or lifted (Rose, 1991) without necessarily strong links (or at least awareness of links) to theoretical ideas, or even to talk. Policy structures can be transferred in coercive ways, through colonial and other legacies and tied aid (Dolowitz and Marsh, 1996). One could have similar structures too, carrying out similar functions across countries, but called different things, justified by different theories, and legitimized by different rhetorics. Another level of convergence may be on implementation and policy practice. Again, even if all other levels of convergence are ticked off – ideas, talk, policy decisions, and so on – how these mechanisms are implemented in the field, interpreted by street level bureaucrats, and shaped by institutional constraints and feedback, can mean structures that seem similar at a distance may vary widely in practice (Hood, 1998b; Goldfinch, 2006). Many decisions, even ones enshrined in legislation, never leave the page, and the failure and outright abandonment of policies is surprisingly common (Gauld and Goldfinch, 2006; Boin et al. 2008)

Reed (2002) suggests that there is a gap between public expectations and actual outcomes, and the core of governing is a sophisticated form of political management that aims to close the gap. He also argues that NPM is a discourse of strategic change and related organisational reforms that attempt to “redefine the reality” for all its stakeholders. It is aimed at closing the “reality gap” between expectations and results by simply denying its presence and meaning. Basically, NPM promotes strict adherence to the rules and plans and doesn’t allow any discrepancies between the planned outcome and the real one. Any public reform diverges from the “prescribed” form and, hence, should be considered a failure if it doesn’t turn out like its paper-based version. The opponents use such denial to their advantage, which is to disregard all the successful implementations within the NPM stream of reforms and come to the immediate conclusion that the approach is simply not viable.

Criticism of NPM without a doubt shows that this theory has certain limitations, but it does not mean that there are no possibilities to exploit it for reform purposes. At the same time, regulatory reforms need to be analysed in the broader context of NPM and governance reforms which have been spreading across both developed and developing systems of government in the last two decades. One reason for close attention to systems

of governance is that in post-communist countries, the state is likely to retain greater responsibilities for economic and social regulation than is now the case in developed economies. In this event, 'Western' models of regulation will not be easily emulated or transferred because of the resistant political and administrative cultures that must receive them.

### **2.3. New Public Management in the context of the policy transfer**

The subject of transferring policy ideas, institutions, models and programmes between national, regional and local authorities has received a significant amount of attention in politics and policy sciences over recent years under various names (Bennett, 1991; de Jong et al, 2002; de Jong, 2004; Dolowitz, 1999; Dolowitz and Marsh, 1996; Evans, 2004; Evans and Davies, 1999; Greener, 2002; H ritier et al, 2001; Holm-Hansen, 2005; Humphreys, 2006; Jacoby, 2000; James and Lodge, 2003; Knill, 2001; Ladi, 2005; Radaelli, 2004; Rogers, 1995; Rose, 1991, 1993 and 2005; Stone, 1999, 2004; Wolman, 1992).

Various definitions of the policy transfer and its related concepts exist. Dolowitz and Marsh (1996, p.344) for example define policy transfer as 'a process in which knowledge about policies, administrative arrangements, institutions etc. in one time and/or place is used in the development of policies, administrative arrangements and institutions in another time and/or place'. Policy transfer can involve a number of processes and can focus around a number of possible objects of transfer including policies, institutions, ideologies or justifications, attitudes and ideas, and negative lessons. Transfer can take place across time, within countries and across countries. There are different degrees of transfer: ranging from pure copying of policy, legislation or techniques through to emulation, synthesis and hybridisation or, in its most simple form, inspiration and ideas (Dolowitz and Marsh, 1996).

Humphreys (2006) describes policy transfer as the adoption of knowledge regarding policies, administrative processes, organisations and theories that has been transferred from another political system (whether in the past or in the present) in order to be developed in a different system according to its own set of circumstances. Dolowitz and Marsh (2000) argue that as an alternative approach to offering public choice, policy transfer has been regarded as a process whereby governments take into account the

experiences with certain policies in other contexts and then adopt those elements they view as best practice or at least better practice than their current system. It is a form of prospective policy evaluation by analogy, and is one commonly utilized means of assessing the likely effect of a policy, before it is put into place and practice, that deserves closer examination (Mossberger and Wolman, 2001). According to Page (2000, p. 12), “policy transfer is about the transposition of policies and/or practices already in operation in one jurisdiction to another”; it focuses on how practices can and may cross jurisdictions. Policy transfer focuses on the exchange of ideas or movement of ideas, policies and policy instruments between different political systems across the world (Bulmer, et al., 2007).

The context of the policy transfer is extremely important in determining the notion of public sector reforms in the light of the NPM approach and policies that fit specific administrative change setting. Many countries, in line with the contemporary political and business environment, have demonstrated their “government’s willingness to learn and adapt from other contexts in their quest for enhanced public service performance”, Siddiquee (2007, p. 84). They reposition themselves to the changed context in order to achieve national developmental goals. Siddiquee (2007) refers to the movement in which NPM has become increasingly more widespread globally and adopted as a strategy for developing service quality generally and improving public governance. In addition, dominant political ideologies and the management climate in the public sector influence almost all operations, services and activities and act as a simplifying mechanism to justify administrative strategies and reform goals (Haas, 1989). During such reforms, management structures and practices have increased in size and complexity (Boyd, 2009).

Indeed, policy transfer or change cannot be ignored in any discussion of the NPM approach and administrative reform in a country setting such as that of Russian Federation. Administrative reform is pervasive and has been applied in a variety of global contexts and in various forms (Kettl, 2005).

According to Common (2001, p.74) policy transfer is regarded as an increasingly integral part of the policy process, although it remains largely absent from standard accounts of policy formulation needs. The author explains policy transfer as “the conscious adoption of a public policy from another jurisdiction. Although ideas and policies may be different, for transfer to occur they must be adopted and implemented. Once an adopted idea or model becomes institutionalised then diffusion cannot be explained by the demand of

organisational routines and by being promoted to self-interested actors..., policy transfer becomes an observable process once organisations and actors pick up the policy idea or model” (Common, 2001, p. 74).

Thus, those entrusted with the task of policy-making have explored policy solutions from other countries and contexts and engaged in policy transfer and all that goes with it, such as policy learning and emulation (Common, 2001).

According to Humphreys (2006) there are three types of drivers and/or pressures that encourage countries and public sector management to undertake policy transfer. The first is those pressures driven by globalisation, international regulation and competition, technological change, and hegemonic ideological pressures that are actually driving regulatory change in the wider global politics and economy. It has been noted that globalisation and technological development have enabled policy ideas to be disseminated more easily throughout the world (Stone, 2000). There also exists pressure to achieve socio-cultural aims in continuing processes of national divergence. Thirdly, pressures also emerge from competition in the global economy; for example, the USA has developed a range of “competitive” policies in response to these pressures as other world economies develop (Stone, 2000).

Some authors mentioned the emergence of certain contemporary drivers, such as the “growth in regionalism among nation-states and the development of regional identities” in the last decade or so of the 20th century, which have stimulated more active dialogue on comparative policy. Many OECD governments claim to pursue programmes of ‘evidence-based’ policy. Finally, international agencies like the IMF, OECD, the World Bank and the WTO (World Trade Organisation) actively facilitate policy transfer to support developing world countries (Banks et al., 2005, p.65).

Policy transfer has also been observed to be prompted by what ideas might be in vogue at the time, just as much as in other environments and industries Banks et al. (2005) argue that bad policies are sometimes transferred. This might build from public pressure to introduce and adopt certain reforms quickly and an “off the-shelf” policy from elsewhere. “In a similar vein, they add, “there may be many reasons why apparently successful policies in one national context are not transferred. It may simply be that they would be ‘inappropriate’ in another context (i.e. not best practice), or because alternative coalitions

of interest groups block such transfers, as in the public choice model, or through sheer historical accident”. However, it may also be that the outcome from policy is either hard to evaluate or else simply poorly evaluated.

In addition to that, some authors suggest that policy transfer may be driven by the changed context of public governance both locally and globally. It also may be driven by political, economic change and globalisation, which posed serious challenges for countries, so that the need to improve governance and innovation may feel “in view of internal economic realities and developments elsewhere” (Humphreys, 2006, p. 310; Siddiquee, 2007, p.67).

The NPM, which gained huge currency more or less at the same time, have a major influence on reform efforts. Russian Federation, as with other countries, has undergone significant transformations in its public services as a result of innovations introduced in the recent decades (Maslov, 2012).

Policy transfer is the process where policies and practice of one political system are transferred to another political system (Dolowitz, 2003, p.101). Dolowitz argues that policy transfer is cheap and easy to use because sometimes information and ideas are found at conferences, working trips and travels. The next popular stream of the policy transfer is experts and consultants hired by international organisations. Therefore, if public administration has local or global pressure, policy transfer would be the instrument used instead of adaptation of ideas and institutions. In addition, policy transfer is a result of globalisation and development of communication means and technologies. This result has been widely used by international organisations (e.g. World Bank, EU, and International Monetary Fund) offering similar policies to the developing countries (Dolowitz et al., 2000, p.7). The policy transfer concept includes both: explanation of the policy outputs and outcomes as well as explanation of reasons why policy transfer is accepted and utilised by actors.

One justification for evaluating NPM reforms in developed economies is that the NPM model, or versions of it, have been widely imitated in developing countries, by the process we label “policy transfer”, principally through the mediating channels of the international and bilateral aid agencies (Common, 1998). Minogue (2004) suggests that regulatory reforms are an integral part of the NPM model, specifically in being closely tied to market-oriented institutional changes such as privatisation and contracting. In the first place, it is

not at all clear that the NPM reform model has been effective even in developed economies, and a critical literature places substantial costs as well as credits in the balance sheet.

Consideration of the appropriateness of managerial and regulatory reform of the developed countries models to developing countries must incorporate a critical evaluation of the weaknesses in, and failures of these models. In addition, NPM entails a transformative conception of the state; while it is clear that the state in developing countries is much in need of renewal and reinvigoration, there is very little agreement on what kind of state this should be. Should we be trying to reduce the scope of that state, or should we be trying to build up its capabilities, powers and resources in order that it may achieve the developmental objectives required by its own citizens? Finally, the most obvious issue is that of cultural difference. Not only are low and middle economies distinctively different in economic, social and political terms from rich economies, but there is a considerable variation between national cultures within these broad categories. Taylor (2001) has pointed out that in transferring an NPM model to developing economies, we are making a double transfer, from developed to developing state, then across the public-private boundary. Both types of transfer are culturally problematic, and Taylor stresses the sociological naivety of those who promote NPM managerial practices that ignore or conflict with the social and political dynamics of public service organisations and systems in developing countries, an argument strongly expressed also by a leading practitioner of NPM in developed economies (Schick, 1998).

Moreover, Siddiquee (2007, p.87) suggests that recent reforms and innovations, are very similar to those introduced elsewhere under the new paradigm of public governance. He notes, however, a general reluctance to acknowledge policy learning, transfers and reforms that have been implemented. The author considers that reformers often make no reference to similar reforms elsewhere, although examination of the nature of reforms indicates that they have been borrowed from the experiences of reforms and innovations introduced in various contexts, although no particular model was followed faithfully.

Furthermore, it is important to highlight that the structure of bureaucracy, operational processes and methods led to reforms in various countries. However, that influenced on market values such as quality and productivity, efficiency, discipline, innovation, integrity and accountability, performance and excellence in service provision and customer-



orientation. All these issues put pressure on public services to transfer policies and embark on public reform.

Bulmer et al. (2007) explore three policy transfer types:

1. Policy diffusion: this is concerned with the adoption of innovation from one political system to another.
2. The expansion involved in policy convergence that occurs internationally.
3. Policies that draw on the lessons of others, resulting in decisions by policy-makers to explore foreign innovations but adopt them in a form that would suit what is happening or is anticipated to occur domestically.

Most studies of the policy transfer have focused on highly developed countries (e.g. Bennett, 1991 and 1997; Dolowitz and Marsh, 1996 and 2000; Majone, 1991; Robertson, 1991; Rose, 1993 and 2005; Stone, 1999; Wolman, 1992; Wolman and Page, 2002). Rose (1993) makes explicit reference to the new democracies of Central and Eastern Europe, citing these as examples of nations seeking to catch up politically and economically by drawing lessons from highly developed countries (Randma-Liiv, 2005).

Various common messages regarding the success factors of the policy transfer process can be synthesized from the literature on policy transfer and closely related concepts. A number of these messages (mainly derived from de Jong et al, 2002), are briefly summarised below and form a general analytical framework for examining the policy transfer processes in two case studies:

1. Inspiration from several examples is better than from just one. Looking across several examples can help to identify the useful and constructive elements of each of them and allow the various policy actors to enter into a process of negotiation regarding appropriate policy options.
2. Making a literal copy of one example is unlikely to succeed. Such an approach is not generally conducive to generating locally suitable solutions or implementation mechanisms.
3. Strong domestic champions and change agents (or ‘policy entrepreneurs’) are often necessary to achieve policy change. Their creativity and agility in dealing

with other (sometimes more powerful) policy actors can make a big difference to policy outcomes.

4. Transferring policies from legally and culturally kindred nations should in principle be easier to achieve than from countries that are very different. However, even similar countries have subtly different preferences, circumstances and institutional arrangements, which are often not well anticipated.
5. Policy ideas, solutions, models, programmes or instruments invariably have to be incorporated in the existing institutional structure of the recipient constituency. Adopting generic ideas or instruments provides leeway for making refinements that are appropriate to the formal and informal institutional environment.
6. Ideas, interests, institutions, individuals are all crucial to policy change but so too is timing.
7. Windows of opportunity for policy change are only open at certain times. The opportunity for changes in policy or institutional arrangements can increase in periods of crisis or emergency.

Page (2000) also suggests that the range of projects in the policy transfer process depends on four related issues:

1. The way in which the policy operates in the country from which the strategy is to be adopted.
2. The establishing of such a policy as being worth emulating.
3. The way in which the adopted policy will be applied in its new setting.
4. The actual operation of the adopted policy in its new setting.

The author also illustrates the following policy transfer variables: “who”, “what”, “when”, “why” and “how” policy transfer takes place. The first variable “Who” carries out the transfer and contributes to the organisation required to identify policy ideas and whether to export or import them.

Public managers have long been involved in strategies for conducting policy transfer and affecting policy outcomes. However, implementing a single policy instrument can have

very different outcomes depending on the organisation into which it is introduced (Lynn, 1996; Hicklin and Godwin, 2009).

Hicklin and Godwin (2009) describe the interests of communities affected by policy, which can often focus on aspects which have an impact on the design and implementation of policy instruments. Some authors suggest that policy design and adoption will represent a combination of information (i.e. which policy instrument will solve various problems) and values (i.e. which policy instrument will lead to the achievement of the goals desired by those involved in the process).

Variable “What” is focused on a policy as a set of notions, organisations and processes, and the extent to which a policy might differ between the country of origin and how it is to be adopted in the new setting. This will have a bearing on the label the importer gives to the policy (Page, 2000).

Variable “When” is answering the question when is the policy transfer likely to take place? More recently, the adoption of trends, such as NPM has been observed over many years, rather than occurring at a particular point in time (Lawton 1999; Wright 1994).

The next variable “Why” is answering the question: Do countries borrow policy or policies from one other? Developing countries especially are often obliged to adopt practices which have been deemed to be good practice in other settings as a condition of receiving a loan or a grant (Hopkins et al., 1997).

Finally, variable “How” creates a set of policies or practices that come to be adopted in a new setting.

In a similar framework for exploring policy transfer, Dolowitz and Marsh (2000) mentioned seven questions which need to be addressed in studies of the policy transfer:

- Why do organisations engage in policy transfer?
- Who are the main figures involved in the transfer process?
- What is being transferred?
- Where are lessons drawn from?
- What are the various degrees of the policy transfer?

- What restrictions or enablers are involved in the policy transfer process?
- How is the success or failure of the policy related to its process?

Moreover, policy transfer requires awareness of and information about programmes in effect elsewhere, an assessment of the existing policies or programmes, and their application to a new setting, as argued by Mossberger and Wolman (2001).

#### **2.4. Transferring of New Public Management Ideas: lessons drawing**

Increasingly globalised economic activity offers wider learning opportunities for those seeking the adoption of policies in other contexts (Duncan and Greenaway, 2002).

According to Page (2000), lessons drawing relates to an understanding of the conditions under which policies or practices operate in exporter jurisdictions and whether and how the conditions which might make them work in a similar way can be created in importer jurisdictions. The lessons drawing perspective requires knowledge of how policies work and knowledge of the wider social, political, economic, administrative, and cultural conditions that affect how they work in the exporter jurisdiction and how they are likely to work in the importer jurisdiction and sustain cross-national policy differences. The emphasis in this perspective is on understanding how practices and policies move from one country to another (Dolowitz and Marsh).

Rose (1993) suggests that there are four broad stages involved in drawing lessons:

- 1) Looking for the source of a lesson.
- 2) Producing a model illustrating how a policy or practice works in its own setting.
- 3) Establishing what can best be taken from a practice in its original setting in order to produce an effective outcome in its new location.
- 4) Anticipating the way in which the policy or practice will operate in its new location and making any modifications deemed necessary and suitable.

Page (2000) supports this suggestion and describes how such a consideration requires information about the factors that contribute to the working of the policy or practice in its original setting; knowledge of the likely impact of the new settings on the operation of the policy or practice being adopted; and knowledge of what could be changed to enable the new program to operate effectively in its new environment. In its evaluation of public

administration reform programmes, the UNDP (2003) suggests that the increasing concern for public administration in developing countries is based on three main arguments, as follows.

Firstly, NPM implementation is related to a number of countries (the UK, New Zealand, Australia, the United States and Canada). These countries from the 1980s began implementing wide-ranging reform programmes that provided both the model and the experience that could be applied in the other countries, including countries in transition economy. NPM seeks to roll back the role of the state by applying private sector management principles to government organisations. The enthusiastic dissemination of this model to countries in transition was seen by some as a new attempt to colonise development administration with a standardised, Western approach to Public Administration Reform. Nevertheless, the language of NPM, and the principles of client and customer focus, decentralisation, the separation of policy making from implementation, and the use of private partners for service delivery continue to inform current thinking about public administration reform.

Secondly, we have to consider structural adjustment reforms. In the mid-1980s, efforts at reforming public administration in developing countries, supported by the international financial institutions, focused on reducing the overall costs of government, mainly through the privatisation of state-owned enterprises and reduction of the wage bill to bring government spending down to sustainable levels and free resources for other uses more beneficial to the economy overall. However, most of the public sector reforms supported through the Structural Adjustment Programme have met with considerable resistance (not least because in many countries the public sector is the principal source of formal employment), and their implementation has rarely been successful.

Thirdly, transition from central planning to market economy and from single party systems to multi-party democracies has to be taken into consideration. In the 1990s, a large number of economies, especially in Central and Eastern Europe (but also in countries in South East Asia), began this transition. This implied a reorientation of the system of public administration” (UNDP, 2003; pp.2-3).

Regarding the lesson of New Zealand, Barzelay (2001, p.165) points out that changes in public management policies, provided a basis for improved performance planning,

including requirements that ministers and chief executives of government departments together formulate annual performance objectives for chief executives. The revamped budgetary process also provided several tools to support improved performance planning. These tools included describing organisational activity in terms of “outputs” and adopting accrual accounting methods so that budgetary charges would reflect the rate of consumption of fixed assets.

The experience of the Nordic countries (Denmark, Norway and Sweden) gives significant evidence for the competing drivers of change that determine the direction of public management reform. Even though effects varied from one country to another, they show a pattern of expanding social equity within both the civil service and society.

The transition of such social services to a market economy in the 1980s and 1990s in Western countries was caused by the accumulated distrust and dissatisfaction by people and politicians of previous paternalist models of social policy (Schiavo-Campo, 1994). In social services, expert knowledge began to play a crucial role in the evaluation and increase in quality and the effectiveness and efficiency of performance (Weimer and Vining, 1992, p. 12).

As the experiences of the UK and United States demonstrate, performance management increased the privileges of professional autonomy, the more accountable social worker targeting scarce resources in the most efficient and effective way. Also, it tried to increase service users’ alternatives and raise the standards of social workers’ qualifications and practice (Dominelli, 2004, p. 14–15); it promoted the turn in social services from a paternalist to a partnership model.

Marginalized individuals, families, groups, or communities have not accumulated additional resources as a result of quality management. Neither clients nor social workers were automatically empowered in this new mode of management. The full workload was not reduced and it limited the creative activity and innovations of social workers. There was little evolution of working methods with clients, some who may be extremely difficult, delicate, or risky. Neither new market commercialism nor managerialism was free of disadvantages due to the substantial limitation of access, adequacy, flexibility, equality, and justice (Beresford and Croft, 2001).

One can trace the features of NPM not only in the context of the U.K., the USA, and all over Europe, but also in many post-communist countries, though the context here is different (Nagel and Rukavishnikov, 1994). Here, social support is rationalised under the influence of a deep economic crisis, scarcity of budget funds, and a weak and unsatisfactorily determined professional ethos (Aslund, 1999). It causes an increase in risks related to the deeper exclusion and deprivation of marginalized groups and a limitation of social services capacities.

To conclude, NPM introduced a focus on public-service management that led to demands for improving management performance that in turn would lead to demands for enhanced accountability of the leadership of the public service. Insofar as measures were taken to pursue each of these three dimensions of NPM, the resulting changes, whatever their merits in achieving the intended effects of NPM, exposed the leadership of the public service to the vagaries of the political process not only inside the executive government arena but also in the public forums of Parliament, public consultations and the media.

At the same time, these vagaries of the political process have intensified on separate tracks resulting in what the new political governance (NPG). The forces that underpin NPG are not merely transient. But the effects of NPG can be tempered by institutional changes to the public service as an institution of executive government that is meant to be non-partisan, act impartially, provide quality public service to ministers and citizens, and be accountable for its management and administrative performance (Aucoin, 2008). Among the most crucial of these changes are that: (1) its leadership become part of the public service, by being staffed independently, (2) the management performance of its senior executives be independently governed within the executive arena of government at the level of each department; and, (3) the personal management performance of senior executives become subject to public scrutiny in parliamentary committees.

### **3. THEORETICAL PERSPECTIVES ON PERFORMANCE MANAGEMENT**

A balanced discussion of performance management implementation is rare in the academic literature. In most instances, a case is made for the use of performance management and measurement by highlighting only its positive and functional aspects (Broadnax et al., 2001; Halachmi, 2011). The development of theory and models for the successful implementation of performance management can result only after a deliberate effort to uncover and study the circumstances when performance management cannot be of much help (or even be dysfunctional) to organisational performance. As illustrated by Townley et al. (2003), an initial enthusiasm by managers for the performance management initiatives can easily be replaced with skepticism and cynicism that will undermine subsequent attempts to enhance organisational performance.

Firstly, this chapter explores the conceptual dimension of performance management with the classical theories of management. Secondly, it investigates the potential factors of success and limitations of performance management which may occur in the implementation process. Rather than offering a normative or instrumental model or theory about the correct use and implementation of performance management, the chapter suggests that prudent application of performance management systems by learned practitioners may reduce the possible dysfunctional consequences. Starting with a brief examination of the policy implementation process in general, the chapter presents certain issues and potential challenges that organisations may face in the performance management implementation.

#### **3.1. Conceptual framework**

The term “performance” can be used at various levels in managerial context (personal performance, individual performance, team performance, organisational performance). Lebas (1995) characterizes performance as future oriented, customised to reflect particularities of each organisation/individual and based on a causal model linking inputs and outputs. A “performing” business is one that will achieve the objectives set by the managing coalition, not necessarily one that has achieved the objective. Thus, performance is about both capability and the future (Lebas, 1995).



For Wholey (1996), measurement is necessary as performance is not an objective reality, out there somewhere, waiting to be measured and evaluated, but a socially constructed reality that exists in people's minds, if it exists anywhere at all. It has diverse interpretations and it may include: inputs, outputs, outcomes, impacts and relate to economy, efficiency, effectiveness, cost-effectiveness, or equity. Both Lebas (1995) and Wholey (1996) consider performance as being subjective and interpretative and ultimately linked to cost related headings.

The pressure for PM implementation increases performance and evaluation activities at all governmental levels. Research on public sector performance management implementation, however, points to problems in the design and management of these systems and questions their effectiveness as policy tools for increasing governmental performance. Successful implementation of PM involves the integration between performance management at the strategic, operational and individual levels (Philpott and Sheppard, 1992; Armstrong and Murlis, 1994; Mansor and Tayib, 2013).

The performance management concept has developed over the past four decades as a strategic, integrated process which incorporates goal-setting, performance appraisal and development into a unified and coherent framework with specific aim of aligning individual performance goals with the organisation's wider objectives (Dessler, 2005; Williams, 2002).

Performance is defined as the achievement of the goals and targets set by the organisation (de Waal, 2007, p.5). Performance management is defined as the process in which steering of the organisation takes place through the systematic definition of mission, strategy and objectives of the organisation, making this measurable through critical success factors and key performance indicators in order to be able to take corrective and preventive actions to keep the organisation on track to great performance (de Waal, 2007, p.5). It is underpinned by the notion that sustained organisational success will be achieved through a strategic and integrated approach to improving the performance and developing the capabilities of individuals and wider teams (Armstrong and Baron, 2005).

Performance management has the following aims and purposes: helping to achieve sustainable improvements in organisational performance, acting as a lever for change in

developing a more performance-oriented culture, creating continuous improvement, increasing motivation and commitments of employees, enabling individuals to develop their abilities and achieve their full potential to their own benefit and that of the organisation as a whole, supporting planning of organisational activities and others (Armstrong and Baron, 2005; Bierbusse and Siesfeld, 1997; Bouckaert and Halachmi, 1994; Kearny and Berman, 1999; de Waal, 2007).

The underlying conceptual foundations for performance management lie in motivation theory and, in particular, goal-setting theory and expectancy theory. Goal-setting theory (Locke and Latham, 1984) suggests that not only does the assignment of specific goals result in enhanced performance but that, assuming goal acceptance, increasing the challenge or difficulty of goals leads to increased motivation and increases in performance (Mitchell *et al*, 2000). Expectancy theory hypothesises that individuals change their behaviour according to their anticipated satisfaction in achieving certain goals (Vroom, 1964). Both these theories have important implications for the design of performance management processes which are explored later in this chapter.

Clark (1998) suggests that both goal-setting and expectancy theory are founded on the premise that human beings think in a rational, calculative and individualistic way. Indeed, he argues that performance management is based on an extremely rationalistic, directive view of the organisation, which assumes not only that strategy can be clearly articulated but also that the outcomes of HR processes can be framed in a way that makes clear their links to the organisation's strategic objectives. He further argues that the approach assumes causal links between different parts of the process that can be readily identified and enable underperformance in one or more aspects of the process to be managed to ensure optimum functioning of the wider PMS. However, such assumptions not only ignore the debate about the nature of strategy and its formulation (Mintzberg, 1994), but also fail to recognise the context in which a PMS operates. The social processes and power systems within which organisations operate together with the broader organisational and country-cultural context are important mediating factors in the operation and success of any system (Clark, 1998).

Although there is no universal model of performance management, a review of literature and practice suggests there are a number of elements which might typically be found in a PMS. These elements are often depicted as a performance management cycle (IDS, 2003). In general,

performance management models place objective-setting and formal appraisal systems at the centre of the cycle, and the literature suggests that these two areas might be particularly affected by the cultural context (Milliman *et al*, 1998; Fletcher and Perry, 2001; Lindholm *et al*, 1999). A typical cycle may be depicted: Objective-setting, Performance review and Performing and developing.

The traditional PMS inhibits the improvement of critical dimensions such as service quality, flexibility and delivery of service (Chan, 2003). Service quality may be described as the process of minimising the performance gap between actual delivery and customer expectation. In order to improve the service quality, managers have to adopt “customer-oriented” techniques because service providers directly address user needs. In this regard, the performance management model appears to be the most ideal. In a pragmatic approach, some scholars attempt to define service quality by identifying gaps between provider and consumer in their respective perceptions of service quality (Ballantine and Modell, 1998) or the performance measures they use (Fitzgerald and Moon, 1996). Consequently, performance management can be used to improve the quality of service being offered to citizens, meet the changing needs of the citizens.

### 3.2. Performance management within management theory

Performance management research is multidisciplinary, being informed by a varied group of complementary disciplines and corresponding theories (Brudan, 2010; Holloway, 2009). Strategic Management, Operations Management, Human Resources Management, Organisational Behaviour, Information Systems, Marketing, Management Accounting and Control all contribute to the field of performance management. Brudan (2010, p. 118) has grouped levels and theories in two different views, supported by corresponding themes (see Table 1).

**Table 1. Performance management levels, corresponding theories and themes**

<b>Level</b>	<b>View</b>	<b>Theory</b>	<b>Theme</b>
Strategic performance management	Macro	Organisational theory Contingency theory	Systemic approach to organisational management
Operational performance management	Macro	Systems theory Goal setting theory	
Individual performance management	Micro	Goal setting theory Agency theory Social learning theory	Behavioural and methodologically individualistic

According to the author, the macro view level from the table above corresponds to the systemic approach of organisational management. This is supported by organisational theory (Jones, 1995), contingency theory (Fiedler, 1964; Donaldson, 2001) and systems theory (von Bertalanffy, 1973) as interrelated theories covering the structural aspects. Systems theory, includes a series of variations such as General Systems Theory (Von Bertalanffy, 1956), Dialectical Systems Theory (Mulej, 1976), Critical Systems Thinking (Flood and Jackson, 1995), or Viable Systems Theory (Beer, 1984 and 1985). Goal setting theory (Locke, 2004), also supports the organisational performance aspect.

Second, there is a micro view, whose corresponding theme is behavioural and methodologically individualistic. One theory informing this micro view is principal-agent theory or agency theory (Eisenhardt, 1989; Laffont and Martimort, 2002). Underlining the learning aspects of performance management is social learning theory (Bandura, 1977, Ormrod, 1999).

### **3.2.1. Organisational theory**

Organisational theory studies organisations as a whole, the way they adapt, the strategies and structures that guide them. Eisenhardt (1985) considers organisational theory to be rational, information based, efficiency oriented, concerned with determinants of control strategy and distinguish between two types of performance evaluation control: behaviour based and outcome based.

Organisation theory is concerned with the relationship between organisations and their environment, the effects of those relationships on organisational functioning, and how organisations affect the distribution of privilege in society. A central concept is organisational design (sometimes termed “organisational form”). Organisational design is important, because the ability of societies to respond to various problems depends on the availability of organisations with different capabilities. Organisation theorists are thus interested in the range of organisational designs; their governance, capabilities (e.g., the ability to innovate, learn, and adapt), processes (e.g., decision making), and consequences (and for whom); and how new organisational designs arise and become established.

The organisational theory compares ability to measure behaviour and outcomes; uses control as a measurement and evaluation process; reward is implicit; can reduce divergent preferences through social control; uses information as a purchasable commodity.

### **3.2.2. Contingency theory**

The contingency theory of organisations has its essence in the paradigm that organisational effectiveness results from fitting characteristics of the organisation (structure) to different contingencies such as environment, organisational size and strategy. Overall, various versions of organisational theory emphasize the importance of task characteristics, especially task programmability, to the choice of control strategy. The existence of "people" or social control is as an alternative to control through performance evaluation. In contrast to the classical scholars, most theorists today believe that there is no one best way to organize. What is important is that there be a fit between the organisation's structure, its size, its technology, and the requirements of its environment. This perspective is known as contingency theory (Fiedler, 1964) that contends that the optimal organisation / leadership style is contingent upon various internal and external constraints.

The main premise in structural contingency theory is that there is no one best organisational structure; rather, the appropriate organisational structure depends on the contingencies facing the organisation (Blau, 1970; Burns and Stalker, 1961; Chandler, 1962; Child, 1973; Galbraith, 1973; Rumelt, 1974; Thompson, 1967; Woodward, 1965). The theory posits that organisations will be effective if managers fit characteristics of the organisation, such as its structure, with contingencies in their environment (Donaldson, 2001). Early work (Burns and Stalker, 1961; Woodward, 1965; Lawrence and Lorsch, 1967) supported the theory, and later theoretical developments helped explain those results (Thompson, 1967; Galbraith, 1977).

Contingency theory was a move away from the universalist theories (Tosi and Slocum, 1984), which advocated that there was only one way to organize, meaning that the highest level of organisational performance could only be obtained from the maximum level of an organisational structural variable, such as formalization or specialization (Taylor, 1947; Brech, 1957). Contingency theory posits that organisational success does not mean adopting the maximum level, but adopting the appropriate level of structural variables that depend on some level of the contingency variable (Donaldson, 2001).

### **3.2.3. Systems theory**

A subset of organisational theory is considered to be systems theory, which includes a series of variations such as von Bertalanffy (1956)'s General Systems Theory, Mulej's Dialectical Systems Theory, Flood and Jackson (1995)'s Critical Systems Thinking, or Beer's (1984, 1985) Viable Systems Theory.

Systems theory opposes reductionism and promotes holism. Rather than reducing an entity (e.g. the human body) to the properties of its parts or elements (e.g. organs or cells), systems theory focuses on the arrangement of and relations between the parts which connect them into a whole. It emphasizes interdependences, interconnectedness and openness as opposed to independence, isolation and closeness. This enables the discovery of emergence, as new attributes of interacting entities that are generated by their analysis as a whole that would not become evident if the parts would be analysed independently.

Systems theory acknowledges complexity as an attribute of reality and focuses on synergy and the combination of analysis and synthesis. Systems theory considers organisations as systems with relative boundaries which make exchanges with the environment and must adapt to environmental changes in order to survive. They are open systems which interact directly with the environment through inputs and outputs.

Systems theory is characterized by five principles - personal mastery, shared vision, mental models, team learning and employee identification. These principles are employee oriented, meaning each is determined and shaped by employee performance, motivation and behaviour.

### **3.2.4. Agency theory**

Agency theory (Eisenhardt, 1985) explains how to best organize relationships in which one party (the principal) determines the work, which another party (the agent) undertakes. agency problem is to determine the optimal contract for the agent's service. The principal-agent relationships should reflect efficient organisation of information and risk-bearing costs.

The human assumptions to be considered are self interest, bounded rationality and risk aversion, while at organisational level the assumptions to be analysed are goal conflict among participants and the information asymmetry. This links the agency theory to organisational theory, studying whole organisations, how they adapt, and the strategies and structures that guide them. Eisenhardt (1985) further considers both agency and organisational theory to be rational, information based, efficiency oriented, concerned with determinants of control strategy and distinguishing between two types of performance evaluation control: behaviour based and outcome based.

According to agency theory, an agent or agency is hired by one or more person(s), called the principal(s), under a contract and is compensated by the principal to achieve desired outcomes for the principal. Because the agent is acting on behalf of the principal, the principal gives away some decision-making authority to the agent.

Agency relationships occur in a wide variety of situations and contexts that involve the delegation of authority - for example, customers and service providers, citizens and elected representatives, employers and employees, and stockholders and company managers (Kiser, 1999).

Agency theory addresses the relationship where in a contract 'one or more persons (the principal(s)) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent' (Jensen and Meckling, 1976, p.308). This happens because of the separation of ownership and control, when the owner of the company or the board of directors (the 'principles') have to employ managers ('agents') to run the business and need to monitor their performance to ensure they act in the owner's interest. Alchian and Demsetz (1972) argue that monitoring the performance of individual work effort is always a cost of any firm and that organisational inefficiencies are created when the flow of information on individual performance is decreased or blocked. This can happen if there are large teams, unsupervised professionals who act autonomously.

### **3.2.5. Social learning theory**

Social learning theory stresses the importance of perceived self-efficacy in determining behaviour. In Bandura's theoretical framework, the decision to engage and persist in a behaviour is mediated by both efficacy expectations and outcome expectations associated with the behaviour (Bandura, 1977).

The extension of social learning theory to the organisational level of analysis demonstrating linkages between individual behaviour and organisational performance. Two mediators of behaviour in social learning theory (efficacy and outcome expectations) are paralleled at the organisational level. Each organisation has its own distinct behaviours, characteristics, and cultures, including efficacy and outcome expectations, which influence individual expectations and behaviour. Management's use of social learning theory at the organisational level creates a cultural management opportunity of communication and demonstration aimed at groups of employees and the entire organisation that is not contingent on interpersonal skills or one-to-one management. To effect widespread change in perceptions and behaviour in the organisation and improve organisational performance, management should use a broad communication style evidenced by management interpretations of events and actions and by conspicuous symbolic acts (Harrison and McIntosh, 1992).

### **3.2.6. Goal setting theory**

Goal setting theory is related mostly to individual level of performance management (Locke and Latham, 2002). While goal setting theory is generally analysed at individual level, its principles are considered relevant at organisational level, being effective for any task where people have control over their performance (Locke, 2004). In organisational context, personal empirical observations highlight that the goals of individuals, teams and the entity as a whole can be in conflict. Goal conflict can motivate incompatible actions and this has the potential to impact performance. Thus, alignment between individual goals and group goals is important for maximising performance (Brudan, 2010).

The theory of goal setting rests on the belief that life is a process of goal-oriented action (Locke and Latham, 1990, 2002). Goals can be defined as a result that individuals try to accomplish (Locke, Shaw, Saari, and Latham, 1981). In organisations, people are



motivated to direct their attention toward and achieve goals. Goals have both an internal and an external aspect for individuals. Internally, goals are desired ends of achievement; externally, goals refer employees to an object or to a condition being sought, such as a performance level, a sale to a customer, or a promotion (Locke, 1996; Locke and Latham, 2006). The positive relationship between goal setting and task performance is one of the most replicable findings in the management and organisation literature (Locke, Shaw, Saari, and Latham, 1981).

According to goal setting theory, the highest levels of performance are usually reached when goals are both difficult and specific. The more difficult a goal assigned to someone, the greater the resulting performance level. When a specific, difficult goal is set for employees, then goal attainment provides those employees with an objective, unambiguous basis for evaluating the effectiveness of their performance (Locke and Latham, 2006).

Performance has been shown to be higher when goals are higher, when people are committed to reaching the goal, and when people possess the required ability and knowledge to achieve that goal (Locke, 1968; Locke and Latham, 2006). To improve performance, help ensure that individuals are committed to their goals (Locke, Latham, and Erez, 1988). When assigning easy or vague goals to employees, commitment to accomplishing those goals is not usually a problem. However, for difficult goals, getting employees to commit to goal attainment can be problematic. Higher performance levels usually result when people are committed to reaching specific, difficult goals, compared with when people are not committed to goal attainment. Higher levels of commitment can be reached when an individual believes that reaching the goal is both important and attainable, or at least believes that progress toward reaching the goal is possible.

Goal setting has been shown to result in higher levels of performance when goals are either assigned to individuals or when individuals are allowed to set goals for themselves (Hollenbeck and Brief, 1987). When goals are assigned to individuals by an authority figure, then performance expectations emerge that can focus employee performance on reaching the assigned goal. When individuals set goals for themselves, equally high performance increases have also been found, provided that the purpose or rationale for having a goal was carefully explained by managers or supervisors.

Goal setting results in the highest performance levels when people are given feedback about how well they are performing (Locke, 1967). For some tasks, performance levels are self-evident, such as when an employee has been assigned to mow a lawn. However, for other tasks, employees might not be able to determine on their own how well they are performing, so it is helpful to periodically inform people about their progress toward their goals.

### **3.3. Performance management implementation: why ‘perfect implementation’ is unattainable in practice?**

The implementation process starts with someone having an idea about a performance management system as a method that can be used to meet a need or solve a problem. The idea may originate in the organisation where the need arose or come from the person providing the new method or someone else who has both noticed the problem and is familiar with the method. Then the idea is presented and a decision is taken, normally on a high level within the organisation. The next step is the planning, preparation and implementation of the activities needed to achieve the sought-after change. Once the new method has been integrated from both a practical and organisational point of view, it is then evaluated and any necessary local adjustments are made. Finally, the method is considered institutionalised, i.e. it is taken for granted regardless of reorganisations, personnel turnover, political and economic changes (Fixsen et al, 2005).

The end-result of an implementation process is determined by the interaction between those who want to introduce the new method, the intended users of the method, the new method itself and the prevailing conditions during the implementation period. Various research studies have indicated several different factors that seem to play a role in whether the implementation of a new method is successful or not in the long term. Different factors probably interact with each other, but how this happens has yet to be elucidated (Grimshaw, 2004). Putting energy into all the aspects of implementation is seldom possible, due to a lack of resources. New methods that we are planning to implement often don't fulfill the most fundamental requirements – that there is an explicit need and that the proposed method is the right one in the context.

Implementation theory, which arose mainly during the 1970s, is substantial. There are different views about what implementation is or what it should be inside this theory.

According to DeLeon and DeLeon (2006), and Fitz (1994), three generations of implementation research can be distinguished.

The first generation of implementation research is almost invariably associated with the authors Pressman and Wildavsky (1973) and their study of the Oakland project. These and other authors examine case studies in which they decompose the problems in the implementation processes. Ultimately, the researchers did not succeed in developing a generic theory, but their analysis remains limited to drawing lessons learned about actual policy implementation in the light of original goals (which are translated and deformed through execution).

The second generation is associated with the late '70s, early '80s, academics mainly thought about implementation from the top-down perspective (see e.g. Sabatier and Mazmanian, 1979; Hoogerwerf, 2003). The leading question is: how can one ensure that centrally developed plans can be implemented in practice as intended by its makers? One of the clearest illustrations of the dominant top-down model of implementation is that produced by Gunn (1978) who argued that, for effective policy implementation, the following ten criteria would have to be met.

Gunn (1978) presented an ideal type of top-down implementation, it includes:

1. Circumstances external to the implementing agency do not impose crippling constraint.
2. Adequate time and sufficient resources are made available to the program.
3. Not only are there no constraints in terms of overall resources but also that, at each stage in the implementation process, the required combination of resources are actually available.
4. Policy implemented is based upon a valid theory of cause and effect.
5. The relationship between cause and effect is direct and that there are few, if any, intervening links.
6. There is a single implementing agency which need not depend upon other agencies for success or, if other agencies must be involved, that the dependency relationships are minimal in number and importance.
7. There is complete understanding of, and agreement upon, the objectives to be achieved; and that these conditions persist throughout the implementation process.

8. In moving towards agreed objectives it is possible to specify, in complete detail and perfect sequence, the tasks to be performed by each participant.
9. There is perfect communication among, and co-ordination of, the various elements or agencies involved in the program.
10. Those in authority can demand and obtain perfect obedience.

As an ideal type Gunn's list of criteria are valuable in understanding why good governance might not be implemented fully or indeed at all. For example, the fourth criterion (a valid theory of cause and effect) is open to much debate regarding the likely effect of 'good governance' on a range of stakeholder groups and whether those groups perceive the 'effect' as a desirable or beneficial one.

The third generation appeared in the early 80s, simultaneously with this top-down approach, a strong focus on bottom-up processes arises (see e.g. Lipsky, 1980). So-called street level bureaucrats are seen as key to implementation; they are decisive for the successful or failed execution of policy. From this perspective, implementation cannot be separated from policy making; implementation is part of policy making, because the performer helps shape policy. Others, e.g. Yanow (1989) further encouraged this approach: policy especially is 'made', where it is executed. In order to implement good governance policy and practices, it is necessary to adapt policy to suit the particular circumstances of the organisation (money, staff expertise, requirements of commercial partners, legal context etc.). While often 'street level bureaucrats are seen as conservatives resisting change on the basis of self-interest, a more sympathetic view is that they are simply pragmatists – doing their best to achieve implementation in accordance with constraining local circumstances. What they lack is not commitment but rather capacity.

The existing literature on implementation brings forward two basic dimensions, which are important to distinguish implementation types:

1. The extent to which implementation is a top-down (vertical) or bottom-up (horizontal) phenomenon;
2. The extent to which implementation emanates from a 'design' or blueprint of a steering actor (schedule), or from an arena with several actors (interactions).

**Table 2. Implementation types and control**

		Type of Control	
		Control via Schedule/Design	Control via Arena/Actors
Primate of control	Vertical	<b>Control model:</b>  Control by hierarchy	<b>Decentralization Model:</b>  Control by frameworks, conditions
	Horizontal	<b>Participation Model:</b> Co-operation, focused on plan making	<b>Interaction Model:</b> Evolution of policy and execution

(Source: based on Hoogerwerf, 2003; Smith, 1973; Sabatier and Mazmanian, 1979; Pressman and Wildasky, 1973; Hill and Hupe, 2002; DeLeon and DeLeon, 2002; Majone and Wildavsky, 1979).

DeLeon and DeLeon (2002) conclude, when they overlook the implementation theory up to now, that no single implementation strategy can be formulated. There is no ‘one size fits all’ strategy possible, the context is decisive for the success of a chosen implementation strategy. Thus, in some cases a bottom-up approach is suitable, but in other cases a top-down approach is appropriate.

Policy implementation is about the relationship (s) and coordination of policy in a specific context. This context is to elaborate on the degree of ambiguity and conflict by definition multi-level (different layers within the government and society are involved in policy), distributed (the various actors are spread and different), path dependent (previous decisions framing the possibilities for the future) and politicized.

The stakeholders that want to implement performance management face the following question: What implementation strategy is appropriate in specific organisational contexts? Implementation strategy answers the question: how implementation is formed by one of the actors involved in implementation, aimed at realizing and optimizing policy impact.

In essence, an implementation strategy within each type of relationship is about the creation of some form of coordinated action. The way coordination (and thus the implementation strategy) is designed, can vary and depends partly on the relationship and the context in which policy should take place. There are several possible coordination mechanisms, both directly and indirectly more (freely derived from Mintzberg, 1983):

- Approximation: for small projects involving close contact between the actors involved.
- Direct supervision.
- Standardization of work, through rules, procedures.
- Standardization of results, focusing on output / outcomes / performance.
- Standardization of knowledge and skills through professional development of workers in the field or be the implementers of policy.

The next table provides information about the coordination mechanisms at the different implementation strategies.

**Table 3. Coordination alternatives per implementation type**

		Type of Control	
		Control via Shedule/Design	Control via Arena/Actors
Primate control	of Vertical	Supervision; Standardization through rules	Standardization of results
	Horizontal	Intensive cooperation in planning phase; Creation of commitment	Standardization of skills; Mutual, but non-participatory adaption

Source: based on Mintzberg, 1983.

A management technique dysfunction can be defined as a characteristic or condition associated with the implementation and maintenance that diminishes or reduces the capacity of that technique to achieve its intended objective or purpose (Blau, p.8). The critical analysis of management techniques implementation is not new, many discussions

on why management techniques do not work in public organisations focus rather on the political environment of an agency. A case in point is Aaron Wildavsky's description of why budgetary reforms will not work well at the federal level (Wildavsky, 1964). According to Wildavsky, attempt to transfer Planned Program Budgeting from the Department of Defense to other federal agencies was principally a failure, in large part because this program was based on economic rather than political rationality. Another early critic of management techniques is Wallase Sayre, who described how the rationalization of public personnel administration has led to the "triumph of technique over purpose" (Sayre, 1979, p32).

Political rationality is often described as a hindrance to the objective application of a technique, techniques often falter in the public sector not only for political reasons but also because of inherent technical flaws in the management tools themselves. Kearney and Berman (1999, p. 104) outline five management technique dysfunctions to be addressed during the implementation process. These dysfunctions are not mutually exclusive, most are highly interdependent.

1) *Process Burdens*

This technique dysfunction can be defined as the procedural and control requirements associated with the implementation and maintenance of a technique (the paper work requirements, forms, training sessions and data collection process) that take employees away from their actual responsibilities. Because management technique applications require so many non-routine procedures, they can become extremely burdensome to employees expected to carry them out. At times, process burdens are so pervasive that they can outweigh any real gains derived from the techniques themselves. Moreover, process burdens tend to be monotonous and time consuming. As process burdens increase, employees begin to question the utility of a technique. Process burdens dampen the initial enthusiasm for a technique and may lead to a technique's not taken seriously. If this happens, the technique's failure to produce expected results can become a self-fulfilling prophecy for those who perceive the technique as creating too many burdens in the first place.

2) *Control conditions*

In the first place, management techniques may work only under rigorous and closely supervised control conditions. If control conditions are not met, the

technique may not live up to expectations and potentials. Rigorous diagnostic analysis prior to implementation of a management technique is frequently downplayed in the public sector, because political pressures often emphasize the adoption of a technique immediately, to make it appear as though productivity improvements are being made, even if the technique has few real effects. Too often, once a management technique is installed, monitoring and controls tend to diminish over time, assuming that controls were even set in place. Thus, succeeding generations of the technique, if control conditions become lax, show a reduction in the original impact and efficacy; the technique loses its “technique vigor” (Kearney and Berman, 1999, p. 107). After a time, employees treat the technique as just another burdensome routine, which has no bearing on their real work.

Management techniques cannot simply be trust upon an agency and be expected to produce their intended results. Given pressure to increase efficiency and effectiveness, public managers are often unwilling to accept the process burdens, monitoring requirements, control conditions, and diagnostic research necessary for a technique to produce its intended impact. Just because particular technique increases effectiveness in one organisation in one country does not mean that it will produce similar results in the other organisations or agencies.

### 3) *Internal Incapacity*

Internal incapacity can be described as the outcome of superimposing a management technique on an organisation that lacks the in-house capacity to implement and monitor the technique beyond its initial phases. Too often management techniques are recommended and adopted by public organisation that lack implementation capacity. Internal incapacity is observable in a number of technique applications, but it is probably most noticeable in small municipal governments.

### 4) *Credibility Anxiety*

Because technique application so often generates process burdens and control problems and cannot address internal incapacity, it also precipitates credibility anxiety. This particular dysfunction is psychological and should be avoided at all costs. Once technique credibility is lost, it is very difficult to recover.



Understanding this dysfunction, therefore, is of considerable importance to public managers.

Credibility anxiety involves the neuroses and uncertainty that surround the changes and expectations associated with the implementation of a new management technique. Often, the individuals responsible for the actual output of an organisation are suspicious of changes that affect their routines and habitual ways of doing their routine repetitive activities. Indeed, many public employees perceive management as just adding to the process burdens, without providing worthwhile payoffs. When employees perceive a particular technique as not working well, this observation tends to reinforce the idea that techniques in general do not work well. Thus, the failure of one technique may produce a ripple effect for the credibility of other implementation efforts that may come later. Management techniques have a limited reservoir of credibility. If employees do not take a technique seriously, it often fails to develop the credibility and resilience that encourage employees to accept the process burdens and controls necessary for it to work. Without credibility, many technique applications are doomed to failure or, at best, only marginal bearing and organisational effectiveness.

The fact that many management techniques may be piled on top of one other in a public organisation, even though they do not work well, probably contributes to credibility anxiety. New public management systems are expected to produce dramatic and quick results. When results do not materialise, after a short time, top-level appointed and elected officials often deem a technique application failure. The common response is then to try a different technique to see if its work. As this repetitive cycle continues, no single technique usually has enough time to develop credibility.

##### 5) *False result Expectations*

False result expectations can be described as the dramatic results anticipated by policy makers and citizens from the application of management techniques in public agencies. Such expectations exert pressure on those responsible for implementing new management tools. On the one hand, this pressure may encourage the people responsible for implementation to ignore important control and monitoring requirements in order to achieve short-term application results. On the other hand, false result expectations can also create too much work for

managers implementing a technique. Thus, false result expectations can eventually lead to high organisational turnover and burnout.

Elected officials must respond to a variety of political and environmental demands. They cannot devote all their efforts to technique implementation. As a consequence, there is generally a large gap between anticipated results and the time required or allotted to produce them. Management technique implementation takes time, sometimes years, and the unwillingness or inability to provide a career administrator with the flexibility and time necessary to properly install a technique can eventually lead to the technique's abolition or disuse.

All too often, public officials have unrealistic expectations about the time it will take to implement a technique properly. This is not too solely a problem of elected officials; career managers, too, may encourage the use of a particular technique, only to become bogged down to the process burdens, control factors, and credibility problems. Implementation is slowed down, the overall efficiency of the technique in improving organisational performance is reduced. Management techniques simply are not panaceas, even though they are often perceived as such by public managers who advocate them. Perfect implementation cannot be achieved (Kearney and Berman, 199, p. 113).

'Perfect implementation' is an analytical concept or idea, which cannot be achieved on practice (Gunn, 1978). No prescriptive model was offered and, indeed, several of the logical preconditions of perfect implementation - such as 'perfect obedience' or 'perfect control' - were identified as being morally and politically quite unacceptable as well as unattainable in a pluralist democracy (Hogwood and Gunn, 1984; Hood, 1976; Pressman and Wildavsky, 1973; King, 1976).

What are the preconditions which would have to be satisfied if perfect implementation were to be achieved and why are they unlikely to be achieved in practice?

*1) Obstacles to implementation are outside of the control of administrators*

Some circumstances external to the implementing agency do not impose crippling constraints. These obstacles are outside the control of administrators because they are external to the policy and the implementing agency. Such obstacles may be physical or political. They are obvious and there is little that administrators can do to overcome them

except in their capacity as advisers, by insuring that such possibilities are borne in mind during the policy-making stage.

2) *Adequate time and sufficient resources are made available to the programme*

This condition explains that too much is expected too soon in the implementation process, especially when attitudes or behaviour are involved. The problem with resources can arise when special funds are made available, but has to be spent within unrealistic short time, faster than the programme can effectively absorb them. The fear of having to return the 'unspent portion of funding at the end of financial year often leads public agencies into a flurry of expenditure, sometimes on relatively trivial items. Attempts to persuade finance officers to allow the carry-over of unspent funds to the next financial year are usually in vain, so that administrators are again quite limited in what they can do overcome these constraints upon effective implementation.

3) *Required combination of resources is available*

The appropriate combination of resources must actually be available. It means that in practice a combination of different resources needed such as money, land, manpower, equipment etc. has to come together to deliver programme or project. Blockage in the supply of some sources may be serious problem for the implementation. Particularly severe disruptions threaten when scarce resources are in the nature of a relatively fixed stock rather than a flow. The main responsibility for such problems in implementation properly lies with administrative staff, including programme designers and managers, since they now have available to them a battery of techniques (often with attendant technology) such as network planning and control, manpower forecasting, and inventory control, which should help them to anticipate potential bottlenecks and take appropriate action in terms of generating or redistributing resources within the programme.

4) *The policy to be implemented is based upon a valid theory of cause and effect*

The policy may be based upon an inadequate understanding of a problem to be solved, its causes and cure, or of an opportunity, its nature, and what is needed to exploit it. One of the problems in the implementation can be tackled by better analysis at the issue definition and options analysis stages of the policy-making process. The difficulties of such analysis should not be underestimated. In addition, managers must remember that the 'moment of choice' is not the end of the policy-making process and they must be prepared constantly to test underlying theory against problems of practice observed at later stages in the process.

5) *Relationship between cause and effect is direct and there are few intervening links*

Pressman and Wildavsky (1973) argue that policies which depend upon a long sequence of cause and effect relationships have a particular tendency to break down, the more links in the chain, the greater the risk that some of them will prove to be poorly conceived or badly executed.

6) *Dependency relationships are minimal*

This condition requires that there is a single implementing agency which need not depend on other agencies for success, or if other agencies must be involved, that the dependency relationships are minimal in number and importance. Where, as is often the case in practice, implementation requires not only a complex series of events and linkages but also agreement at each event among a large number of participants, then a probability of a successful or even predictable outcome must be further reduced.

7) *Understanding of, and agreement on, objectives*

This requirement indicates that there should be complete understanding of, and agreement on, the objectives to be achieved, and that these conditions should persist throughout the implementation process.

The theory of implementation practice (in our case study the theory of performance management model) is replete with references to objectives which should be clearly defined, specific, and preferably quantified, understood, and agreed throughout the organisation, mutually compatible and supportive, and provide a blueprint against which actual programmes can be monitored. However, most research studies suggest that, in real life, the objectives of organisations or programmes are often difficult to identify or couched in vague and evasive terms. Even 'official objectives, where they exist, may not be compatible with one another, and the possibility of conflict or confusion is increased when professional or other groups proliferate their own 'unofficial' goals within a programme. Official objectives are often poorly understood, perhaps because communication downwards and outwards from headquarters are inadequate. Even if objectives have initially been understood and agreed, it does not follow that this state of affairs will persist throughout the lifetime of the programme, since goals are susceptible succession, multiplication, expansion, and displacement.

8) *Tasks are fully specified in correct sequence*

The difficulties of achieving this condition of perfect implementation are obvious. This condition requires that in moving towards agreed objectives it is possible to specify, in complete detail and perfect sequence, the tasks to be performed by each participant.

9) *Perfect communication and coordination*

This condition requires perfect communication among and co-ordination of the various elements or agencies involved in the programme. Communication has an important contribution to make the co-ordination and to implementation generally. However, perfect communication is an unattainable a condition.

*10) That those in authority can demand and obtain perfect compliance*

This condition of perfect implementation is that those 'in authority' are also those 'in power' and that they are able to secure total compliance.

According to Armstrong (2009), implementation of a performance management system is influenced by institutional factors such as an organisation's structures, processes, and resources that enable an organisation to perform its tasks; and behavioural factors such as organisational culture and employees' behaviour. Radnor and McGuire (2004) recommended that if public organisations are truly going to use performance management in an interactive way, then they need to embrace on a behavioural rather than just operational level.

Institutional and behavioural factors are also important in the systems approach to performance management. Mwita (2000) stated that a systems-based performance management should include three interrelated variables: processes (behaviours), outputs (results), and outcomes (impact). Bromwich (1990) anticipated this view by arguing that performance means both behaviours and results because behaviours emanate from the performer. Conceivably, behaviours, results and impact are inseparable and interdependent variables. They are all important in performance management schemes.

### **3.4. Factors of success in performance management implementation**

All over the world, local governments are under pressure to modernize, transform and become accountable to their communities. One way they are achieving this is by introducing performance management systems. However, implementing of these systems requires change and the success of this changes depends on different factors. This subchapter discusses a number of factors which influences on successful performance management implementation.

### **3.4.1. Change management factors**

According to Rao et al (1996) the only constant business in life is change. This change could be large or small, rapid or slow, planned or unplanned, controlled or not controlled from implementation of a new system. Change in an organisation can be introduced by internal forces like new strategy, new technology, employee attitude and behaviours and external forces like technological environment, the economic environment, the political and legal environment, social conditions, and competitive environment.

Developing and implementing the new PMS is major organisational intervention and change strategy. It requires adjustments in other management activities and practices. The impact of these changes can provoke resistance against implementation of the system. Management and staff commitment are crucial to dealing effectively with this resistance and facilitating the change process. It is also critical to the development, implementation and overall success of the PMS that it is treated as a key change program that requires dedicated resourcing and senior management support (Armstrong and Baron, 1998).

Van Tonder (2004) argues that organisations need to identify and analyse their 'self-concepts', or the views they have of themselves. They should also analyse how other stakeholders see them (Bacal, 2007; Rogan, 2002). Other features of successful change in organisations include having clear change architectures (Bunker and Alban, 1996; Carnall, 2007; Jacobs, 1994), the buy-in and acceptance of stakeholders (Keet, 2005), clear overviews of the goals and directions of the change processes and the roles people will play (Hale, 2004). It is also essential to be open to hearing frustrations, engaging in dialogue and managing expectations (Ainsworth, Smith and Miller, 2002). Leaders must create a sense of urgency in their organisations, build teams that can guide the change processes, continually communicate the need for change and then empower people to carry out the required change efforts (Allio, 2005; Amanto, 2009; Bennis, 2006; Stensgaard, 2007). Poor leadership during the change process can mean that organisations become dysfunctional (Stacey, 2003).

### **3.4.2. Alignment of strategic plan with management systems**

A strategic plan (SP) is a statement of overall aims and objectives and a business plan is the map of how to get there, how to achieve those aims and objectives and a performance

management system links the organisation and individual by developing a purposeful result oriented direction, which sets organisational objectives and individual objectives (Commonwealth Secretariat, 1996; Johnson and Scholes, 1997).

According to Thompson and Strickland (1995) strategic implementation involves converting the SP into actions and good results. Successful strategy implementation is whether actual performance matches the targets cited in the SP. Shortfalls in performance is signal of weak strategy, weak implementation or both.

Implementing the strategy requires knowing what organisational conditions are needed i.e., managers have to create conducive work conditions and environment to facilitate performance and make the SP practical. The process involves creating linkage between strategy and organisation's skills, competencies, policy, internal support systems, the reward structure and organisational culture. Thus, the tighter the linkage, the more powerful strategy execution and more likely targeted performance can be achieved. Moreover, implementing a strategy is a job for the whole management team and all employees are participants (Thompson and Strickland, 1995).

Dessler (1998) pointed out that implementation of strategic plan requires several things, among them strategic 'fit' between the strategy and the organisational functional activities (horizontal integration), leveraging the firm's core competencies and top management commitment are required to implement the plan are the basic factors. Dessler says the quality of leadership will ultimately determine whether the strategy succeeds or fails.

Furthermore, implementation of strategy demands matching the organisation's structure to strategy that involves reengineering work process to reduce fragmentation and bottlenecks across work units, the creation of process teams, cross functional work groups, use of computers to facilitate fast access to information (Thompson and Strickland, 1995). Establishing policies and procedures, installing support systems that enable staff to carry out their strategic roles successfully, tying rewards and incentives to the achievement of performance objectives, creating a strategy -supportive work environment and organisational culture and commitment of leadership to drive the implementation forward are critical factors.

### 3.4.3. Organisational culture and leadership

Fundamentally, performance management systems are manifestations of and powerful mechanisms for supporting the organisation's work culture. Therefore, any discussion of performance management system would be incomplete before exploring the meaning/context of culture, and its impacts on performance management system enabling one to suggest the type of culture that supports identification and development of an appropriate culture to an organisation.

Culture management involves influencing behaviour, attitudes and beliefs through process (Blunt and Jones, 1992). Changing attitudes are up to individuals as long as they accept that their attitude needs to be changed. The challenge for managers is that people will not change their attitudes simply because they are told to do so. They can only be helped through a counseling approach to understand that certain changes to their behaviour could be beneficial not only to the organisation but also to themselves (Armstrong 1996).

Schein (cited in Kreitner and Kinicki, 2002) defines culture as: A pattern of basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

He further expounds culture as social glue that binds members of an organisation together through shared values, symbolic devices, and social ideals. Hofstede (1991) on the other hand points out four terms related to culture –symbols, heroes, rituals, and values- as manifestations for culture.

Wade and Ricardo (2001) affirm that business strategy must drive culture because culture -which is earned through learning- forms a firm's behavioural boundary that could affect the degree of strategy implementation that calls for properly identifying the cultural characteristics and staff behaviour that would facilitate the achievement of the strategy. But the culture of the organisation could equally help to shape its strategy. For example a company with an open, enterprising and flexible culture is more likely to adopt this approach when developing its business strategies. Regarding leadership and performance several studies support that effective change in an organisation's culture comes from able,



strong and committed leaders. The PMS needs to be driven by the strategy and senior management of an organisation without which the system will be ineffective. In this way senior management must do more than simply articulate the need for effective performance appraisal, they must be role models of effective performance management behaviour which is the critical element in their providing leadership with respect to the performance management system (Carter et al, 2001).

Managers as individuals do have their own culture. But as they climb the ladder they are obliged to think organisation wide and sacrifice the culture they learned in favor of the organisation. Then it is here that they will be required to have managerial style that fits the requirement of the organisation. In addition, managers use strong culture to tight employee through a set of managerially sanctioned values. They set the direction and establish a culture, which helps them to maintain it. (Legg, 1989, cited in Armstrong 1996).

From the above discussions it can be concluded that managers should understand the culture of the organisation, identify the required culture that support the new system and be committed to play a significant role by practicing the required behaviour themselves, develop it in their staff and install or reinforce the value system of the organisation.

#### **3.4.4. Training and creating a learning organisation**

Implementation training is vital to introduce the new PMS. Moreover, to keep the system dynamic PMS needs learning and growth. (PBM-SIG, 2001). A learning organisation is "an organisation that will truly excel in the future and that discovers how to tap people's commitment and capacity to learn at all levels in an organisation". It is continually expanding its capacity to create its future (Senge 1990). Similarly Pedler et al. (1991) also defines it as "an organisation that facilitates the learning of its members and continuously transform itself." Enos (2000) in his book "Performance Improvement: Making It Happen" describes interventions such as strategy, restructuring, performance management system, training and development available for improving performance, which, he says should continuously be learned by those who participate in the interventions.

Performance management aims to enhance what Mumford (1994) calls deliberate learning from experience, which means learning from the problems, challenges and success inherent in peoples day to day activities (Armstrong 1996). Enos, confirms to what Senge

says that an organisation that will truly excel in the future will be the organisation that discovers how to tap people's commitment and capacity to learn at all levels of the organisation.

From two case studies conducted, Enos concluded that if the leaders of organisation/team believe that learning and developing their people is crucial to performance success, they could find ways to do it so that productivity will be improved and sustainability of the organisation will be confirmed.

### **3.4.5. Rewarding good performance**

Applying benefit packages serves to avoid turnover, to build loyalty and commitment, to build sustainable competitive advantages (Dessler, 1998). Like any other employees public servants require recognition of their achievements to maintain their motivation and innovation. Most motivational theorists stress intrinsic motivation (i.e., the job itself) rather than extrinsic motivation (i.e., money and other benefits). Since work groups are part of the larger organisational system, employee's behaviour will be influenced by how the organisation evaluates performance and what behaviours are rewarded. However, so as to establish a reward system, that is credible and sustainable, one must avoid any risk or serious challenge to the performance methodology, which may be subject to resistance (Robbins, 1996).

### **3.4.6. Flexibility and simplicity**

A performance management system should operate flexibly to meet different circumstances of the organisation, and have to be accepted by all staff as a natural component of good management and work practice, transparent and operate fairly and equitably (Armstrong and Baron, 2002). The system has to be also flexible enough to include core competencies which are the common attributes, type, level and quality of skills and behaviours that employees are expected to demonstrate so that the organisation can meet its objectives (Commonwealth Secretariat, 1996).

Moreover, for a system to be easily implemented and to produce the intended result it has to be clear, simple (as much as possible), and requires the necessary skills for effective and efficient implementing a new system.

#### **3.4.7. Involvement of all staff and communication**

To alleviate misconceptions and to ensure that the benefits and implementation of PMS are well understood, organisations should communicate contentiously until all employees are aware of and become part of the implementation process (Dressler, 2004). Implementing of the new system, like performance management, introduces change in governmental institutions and this is a case for organisational change. In order to implement PMS successfully, this organisational change should be managed properly by educating employee and communicating about the change and by participation and involvement of staff in the process. According to Blunt and Jones (1992), many organizational change efforts fail because their effects on the human sub-system are not properly managed. But management should make the change as easy as possible for employees, offer incentives and influence to support and cooperate in the change process to carryout the strategy and meets performance targets (Kotter and Schlesinger (1979). As an inclusive element the PMS should involve all staff to ensure ownership of the system and enhance commitment of individuals to facilitate the implementation process. Moreover, commitment of staff will enhance organisational capacity by minimizing inefficient and ineffective processes

#### **3.4.8. Shared understanding of vision, mission, objectives and staff commitment**

Implementers are required to ensure that there is a shared understanding of vision, mission, values, and strategic objectives or the organisation. In addition the PMS should obtain the necessary commitment from all staff, which will determine the degree of its success (De Bruijn, 2002). Vision and mission statements provide unanimity of purpose to organisations and imbue the employees with a sense of belonging and identity.

#### **3.4.9. Monitoring, reviewing and evaluation**

Performance management system is not a onetime activity but it needs continuous review to ensure its effectiveness and actions should be taken as required to improve the system. Experience in various commonwealth countries has shown that they may require major updating after five years (De Bruijn, 2002 ).

Monitoring of performance should be undertaken by using a set of statistics focusing on appraisal outcomes and comparing them across job levels, ministries and by fact such as gender and age to ensure equitable use of the system. It is important that there is one focal point of responsibility for the overall system, ideally a central agency that can oversee the system monitor and review implementation and lead further developments. Agency will generally require system audits to ensure that the defined components are mentioned and that performance pay implications are monitored across departments (Commonwealth Secretariat, 1996).

#### **3.4.10. Key stakeholders engagement**

Successful performance management implementation depends on the level of the key stakeholders' engagement (Bouckaert and Halachmi, 1994; Lebas, 1995; de Waal, 2007). Public sector organisations can no longer choose if they want to engage with stakeholders or not; the only decision they need to take is when and how successfully to engage. Stakeholder engagement is premised on the notion that 'those groups who can affect or are affected by the achievements of an organisation's purpose' should be given the opportunity to comment and input into the development of decisions that affect them. In today's society, if they are not actively sought out, sooner or later they may demand to be consulted. Situations arise when organisations do not actively engage but are forced to do so by the demands of society as a result of a crisis situation. In response, organisations employ crisis management techniques, and are often forced into a defensive dialogue with stakeholders, leading to a significant and long lasting loss of reputation. This type of interaction is often antagonistic and damaging of trust (Freeman, 1984). The process for engagement should be systematic, logical and practical.

Meaningful engagement occurs when organisations, aware of the changes in the wider society and how they relate to organisation performance, choose to establish relations with stakeholders as a means to manage the impact of those changes, such as those created as

a result of global economic downturn. Organisations can either seek to mitigate risk through the use of stakeholder management, or exploit these new trends to identify and establish new opportunities through the use of meaningful stakeholder engagement; the latter is characterised by a willingness to be open to change.

### **3.5. Performance management implementation: barriers and challenges**

The need for efficient and effective performance management systems has increased for the last two decades, and the successful implementation and use of these systems has become of paramount importance to public sector organisations. According to de Waal (2013, p. 326), the term “successful” denotes that the performance management is used on a daily basis for controlling and managing the organisation in such a way that it can become more successful. Literature review shows that failure rate of performance management implementation projects is said to be around 70 percent, as a result of which many organisations tend to reject this very useful management technique (de Waal et al, 2011; de Waal and Counet, 2009; Halachmi, 2011). Therefore, it is significant that public sector organisations implementing performance management identify implementation barriers and take adequate measures against these, preventing inefficient long implementation lead-times, and even cancelled and terminated PM systems.

Much of the existing literature is based on practitioner reflections and there have been few research studies of barriers of the performance management implementation in the public sector (Bevanda et al, 2011; Birona et al, 2011; Bierbusse, and Siesfeld, 1997; Groen et al, 2012; Halachmi, 2011; Kaplan and Norton 1992; 1993, 1996; Simpson et al, 2012; Waal, de et al, 2009; 2011). Drawing from this literature, and categorising them using Pettigrew et al.’s (1989) organisational context, development process and measurement content are the main reasons for success and failure. Contextual issues include the need for a highly developed information system; time and expense required; lack of leadership and resistance to change (Bierbusse, and Siesfeld, 1997; de Waal, 2013). Processual issues described in literature by not actionable vision and strategy (Kaplan and Norton, 1996) and difficulties in evaluating the relative importance of PM and the problems of identifying true drivers; strategy which was not linked to resource allocation (Kaplan and Norton, 1996; Meekings, 1995); goals were negotiated rather than based on stakeholder requirements (Schneiderman, 1999). State of the art improvement methods were not used

(Schneiderman, 1999). Striving for perfection undermined success (McCunn, 1998; Schneiderman, 1999). Content issues: Strategy was not linked to department, team and individual goals (Kaplan and Norton, 1996). Large number of measures diluted the overall impact (Bierbusse and Siesfeld, 1997). Metrics were too poorly defined (Schneiderman, 1999). The need to quantify results in areas that are more qualitative in nature (Bierbusse and Siesfeld, 1997).

Armstrong and Baron (1998) argue, that performance is affected by a number of factors, all of which should be taken into account when managing, measuring, modifying and rewarding performance. They comprise:

- Personal factors (the individual's skill, confidence, motivation and commitment);
- Leadership factors (the quality of encouragement, guidance and support provided by the managers and team leaders)
- Team factors (the quality of support provided by colleagues);
- System factors (the system of work and facilities (instruments of labour) provided by the organisation;
- Contextual (situational) factors (internal and external environmental pressures and changes).

According to the recent study conducted by de Waal et al (2011), a number of barriers encountered during the implementation and use of PM. Barriers were collected from the literature and put into a survey for 30 well-recognized experts in performance management from eight different countries (de Waal 2013, p. 326). Based on the experts' opinion, the ranking of the barriers created on the frequency, impact and solvability of the listed barriers. A high barrier ranking indicates that the barrier can create major difficulties for the organisation. Among all barriers discovered and described, some of them are very interesting to highlight for our study:

1. *The organisation does not have a performance management culture*

This barrier is related to organisational culture, if the organisation does not have a culture that focuses at all times on achieving results and continuous improvement, the PM system will not be used (sufficiently) by organisation members for achieving better performance.

2. *Lack of management commitment.* When management commitment and leadership buy-in for the implementation and use of the PM system is lacking, other organisation members will give less or no priority to working with the new system. Every member of the management team must propagate the importance of the system, especially the non-financial improvement character of the new system. If this is not the case, it will again be seen as a new financial control tool and call up further employee resistance.
3. *Low priority on implementation by the management.* Because of routine work pressures and time constraints forced the management to solve these short-term organisational problems which slow the process of successful PMS implementation.
4. *The organisation does not recognise (to the fullest) the benefits from PM implementation.* If, after the implementation of an PM system, organisation members do not see improvements in their results that can be traced back to the use of the new system, organisation members do not see the benefits of PM system, so there will be a strong inclination “to give up” on the system.
5. *The PM system is given low priority or its use is abandoned after a management change.* If the former management that supported PM system, is replaced by new management that does not feel the same necessity for the system, PM system use will decrease, or the system will be abandoned completely, as organisation members notice that management does not pay much attention to PM.
6. *Organisation members are not adopting the right management style.* If management intends to use PM for setting scores and penalizing people for poor results, instead of using it for coaching and continuous improvement, organisation members will take a dislike to the PM system, which is their view supplies the information used the information used to panelise them. This will result in manipulation of the data in the PM system, and even sabotage.
7. *There is resistance from organisation members towards PM.* Implementing a PM system, which makes employee performance much more transparent, can cause organisation members to resist the new system because they feel threatened by it.
8. *There is too much focus on the results of the implementation,* while the change process of the organisation is ignored. To make PM a success, not only is

implementing good information communication technology and reporting structures important, but also establishing and fostering performance-driven behaviour. This requires change of attitude in organisation members. If management does not pay sufficient attention to this change process, there is a high risk of the organisation having a good PM system that is not used or that is used in a wrong way by organisation members.

9. *The organisation does not have a clear and comprehensive strategy.* If the mission, strategy, and objectives of the organisation are unclear and are difficult to understand for organisation members, PM implementation activities will probably be irrelevant to the organisation. This will result in decrease use of PM system.
10. *Too many outcomes and performance indicators have been defined.* In such case organisation members are unable to keep track of all of them. There is information overload and insufficient time to work adequately on each indicator and outcome.
11. *Management does not spend sufficient time on the implementation of the PM system.* The implementation of PM system requires a considerable amount of time, as does learning to use the new system. During the entire implementation and learning period, management commitment and support is essential, otherwise PM might be seen as ‘the flavour of the month’ by organisation members. If that is the case, the new PM system will not receive sufficient employee commitment and support, and will not become institutionalised in the organisation.
12. *PM is not used for the daily management of the organisation.* If performance information from the PM system is not used in the day-to-day management of the organisation for reviewing, analysing, and discussing the performance results – corrective actions are not taken (enough, or in time) and consequently the targets of the organisation are not achieved.
13. *The PM system and the reward system are insufficiently linked.* If there is no or insufficient linkage between the PM system and the evaluation and reward system, organisation members will not be evaluated on and rewarded for working with the new performance indicators. This leads to organisation members working on other issues than PM, while regarding the PM system as not very relevant.



14. *The key performance indicators (KPI) are not linked to departmental, team, and individual responsibilities.* If KPIs are not linked to specific responsibility areas, organisation members are not or do not feel responsible for the results on these indicators. This makes PM system unsuitable for steering purposes and, therefore, organisation members will not use it.
15. *There is a lack of knowledge and skills about the PM system.* If organisation members lack the understanding and the skills required to work with PM system – for instance, because they have been insufficiently trained in working with the system – the PM system either will not be used, or will not be used properly.
16. *Organisation measures the wrong KPIs.* Because KPIs are insufficiently relevant, they are either not used, or are used in the wrong way by organisation members.
17. *Organisation members do not have a positive attitude towards PM.* For a successful implementation of PM, organisation members need think positively of the new PM system. A positive attitude is obtained when people understand and accept the need for such system.
18. *The PM system is not regularly updated and maintained after implementation.* If a PM system is not kept up to date with changing circumstances – that is, with relevant KPIs that measure and track the current organisational strategy and responsibility areas of organisation members – it loses its relevance for organisation members because it does not give them the right performance information to act on. This will eventually result in abandonment of the system.
19. *There are insufficient resources and capacity available for the implementation.* Introducing PM requires a considerable amount of attention and effort from the organisation and its members. Often, organisations that want to start the implementation of a PM system have the lack of sufficient resources (budget) and capacity (people), resulting in delay, or even postponement of the implementation.
20. *More effort and time required in implementation than expected.* Organisations faced problems i.e., low effort and small budget while implementing PMS.
21. *Unstable phase of the organisation.* Sometime organisations are in unstable mode and are busy in resolving major issues like acquisitions, mergers, reorganisations,

downsizing, and financial problems which enforced them to not go for PMS implementation.

22. *Unclear goal for PMS implementation.* Management did not consider the PMS as strategic management tool and taken as sceptic and hostile view towards it which results in defiance of PMS.
23. *PMS and information-communication technology (ICT).* Management faced numerous problems and required much effort if the ICT did not support the PM by collecting, processing and reporting the data of key performance indicators automatically.
24. *Goals for lower levels.* Sometimes organisations faced problems for defining objectives, KPIs, critical success factors for the lower level management which caused bad translation of the strategy and no alignment with organisational strategy throughout the organisation.

As proved in the literature, the performance management system cannot be implemented lightly and should not be underestimated. It takes continuous attention, dedication and in particular stamina from management to keep focusing on performance management in order to keep it 'alive' in the organisation (Bourne, 2005). If improvement activities in the area of performance management are not accompanied by the fostering of performance driven behaviour, which includes managers being a role model by regularly addressing performance management, organisations will have a tough time fulfilling their potential.

Franco and Bourne (2003) developed categories of critical factors influencing the successful PM implementation that presented in the Table 4 below.

**Table 4. Critical factors influencing the successful PM implementation**

	Category of Barriers/Challenges	Definition
1.	Culture	Corporate culture (performance, discussion and analysis, measurement driven, improvement)
2.	Management leadership/ Commitment	Leadership for managing through measures and management team commitment to the m (time devoted to it, desire for it)
3.	Compensation link of measures to compensation	Compensation link of measures to compensation
4.	Education and understanding	People's education and training for understanding of the measures and PMS system
5.	Communication and reporting	Open and clear communication with timeliness and easy To understand reporting system
6.	Review and update	Continuously review and update the PMS
7.	Data processes and IT	Easy process of collection, analysis and interpretation of data (understand trends). Supports IT systems
8.	Framework	PMS framework has clear structure and specific to the organisation
9.	Environment Industry	Environment industry and business competitiveness, overall performance, long-terms short-term focus and government regulations

Source: Franco and Bourne (2003).

Franco and Bourne (2003) state that a PMS cannot be fully understood using a narrow analysis perspective that only focuses on the single process of designing and/or implementing the system. They propose a “contextualist approach”, in which the development of a PMS involves the identification of the contextual factors that influence or are being influenced by the system.

In addition to that, challenges of expatriate performance management also have to be considered in performance management implementation. International public sector managers seem to be paying little attention to the understanding of the successful implementation of new managerial practices such as performance management.

International trainings and management development for new expatriate assignments are essential (Black and Gregersen, 1999). Effective training of expatriate employees is needed for the success of cross-cultural transferring programmes (Fiedler et. all, 1971). The literature review provides the view that more sensitivity needs to be paid to the intense training needs for the benefit of the public sector, expatriates, and service users. It also provides a better understanding to the merits of the unique experiences of expatriate managers in international assignments adjusting to the cross-cultural conditions on global tours and confronting the challenges affecting their career goals. In order to succeed in performance management implementation, international managers need to effectively train expatriates in international capabilities, including fluency in foreign languages and in the ability to adapt to different cultures. Those international assignments can lower the probability of expatriate failure through training programmes (Galagan and Wulf, 1996; Hogan and Goodson, 1990).

Many opportunities and challenges of the globalizations process are creating the need for expatriates to place managers and skilled public managers in international locations. However, the task of expatriate employment is complicated by profound differences between countries, national peculiarities of the public sector, labour market, cultural differences, legal and economic systems (Galagan and Wulf, 1996). In the international environment, in the context of the policy transfer, the quality of expatriate employees and performance management seems to be significant issue.

Shih *et al* (2005) suggest that contextual influences operate at the organisational, national and international levels and national culture is an important contextual variable that influences the implementation of performance management. Divergent practices are attributed to the culture of the nation in which head office is situated (Suutari and Tahvanainen, 2002). For example, Japanese companies in general possess a culture that emphasizes collectivism and a desire to maintain harmony (Morishima, 1995), which leads to joint decision-making in appraisal rating, one-way feedback interview and compensation decided on tenure (Shih *et al*, 2005). Much of the literature on performance management of international staff, and particularly expatriate staff, is derived from western companies (Suutari and Tahvanainen, 2002; Fenwick, 2004; Dowling *et al*, 1999) although studies of international performance in organisations from developing countries are beginning to emerge (Shen, 2004). Performance management practices frequently represent a mix of home and local systems and concepts, which in turn are affected by

various host-contextual factors such as country culture, economic, political and legal systems and organisation-specific factors such as strategy, structure and culture and country of origin (Entrekin and Chung, 2001; Shen, 2004; Mendonca and Kanungo, 1996).

Multi-level governmental systems also suffer from added complexities to the implementation of institutional reforms and PM systems as a part of the reformation agenda. On the one hand, there is generally a strong interest on the part of federal or central authorities to achieve certain uniformity in the qualitative standards of public services, as well as to ensure a relatively similar level of economic and social development throughout the territory economic standards. The quality of public administration is a means of achieving the first, and an important factor influencing the second. On the other hand, multi-level governance systems face additional constraints in taking measures to enforce standards or to implement PM. The organization of the state administration and the principles of human resource management are in many instances in multi-level systems either shared between the central level and the sub-national levels of government or are an exclusive competence of the sub-national authorities, contrary to the situation in unitary states, where rules as well as reforms are usually centrally designed and defined (Halligan and Adamas, 2006; World Bank, 2006).

The approaches to managing the implementation of an administrative reform agenda are determined in part by the formal allocation of responsibility between central and sub-national authorities. The experience in multi-level systems in Brazil, Australia, Austria, Germany and Spain shows that it is rarely if ever possible to rely on rule definition alone (World Bank, 2006). If central authorities want sub-national authorities to follow centrally defined reform programmes or objectives, intervention will generally need to go beyond legislation. A first option is using legislation or programmatic approaches, which can be especially effective in those systems in which competencies in institutional matters are vested mainly in the central level, or in which there is a tradition of centrally driven reforms, such as in Germany. This approach was also used in Brazil in the area of budget management reform (fiscal reform legislation), though it was accompanied by change management tools, in particular by the use of training programmes, to ensure the precise implementation of legislation throughout the system. However, this presumes a relatively high level of capacity throughout the system, in addition to a strong discipline in the multi-level governance system as well as a sense of common purpose. If either of these

conditions is absent, the use of legislation and methodological guidance alone is likely to lead at best to uneven implementation and at worst to failure of implementation.

Studies to date suggest that standardised performance management processes are typically adopted in expatriate performance management, relying on, for example, standardized forms (Shih *et al*, 2005). Also, that levels of formality are greater in the (usually) larger organisations dealing with expatriate performance management, more formal practices being required in matrix organisations with dual reporting relationships (Suutari and Tahvanainen, 2002). Tahvanainen (2000) argues, however, that regardless of the effectiveness or availability of performance management tools, expatriate success depends largely on the manager and expatriate in question: how well they both understand, internalise and accept performance management and how skilful they are in its implementation. To this end, appropriate training should be available for all expatriates, including their managers.

To conclude, this chapter covers performance management is a ubiquitous term in today's research and business environment. It is embedded in the body of knowledge of various disciplines and it is used at all organisational levels.

The underlying conceptual foundations for performance management lie in organisational theory, contingency theory, systems theory and goal-setting theory and expectancy theory. All these theories have important implications for the design of performance management processes. The successful performance management implementation depends on many factors that described in this chapter.

However, due to the constructivist evolution of performance management theory and practice and its multidisciplinary nature, there is a high degree of fragmentation in this field. While performance management continues to evolve as a discipline, it is important that in parallel with proposing new ideas to the academic and practitioners' community, researchers reanalyse past assumptions and the soundness of the existing body of knowledge.

## **4. THEORETICAL FRAMEWORK OF THE STUDY**

In order to inform the findings in this case study on challenges of the new public management implementation, within which PM system implementation is a part (Eccles 1991; Ferreira and Otlely 2009; Kaplan 1984; Modell 2007), institutional theory is chosen as a framework (Brignal and Modell, 2000; Munir etc, 2011). Taken together, the institutional theory, Brudan's (2010) integrated performance management system and Mwita's (2000) Five Factor Performance Management Model are used to enhance the understanding of the level of change that public sector organisation in Russia has gone through. Chosen theoretical framework can provide a richer understanding of performance management implementation in practice as it is looking at the same phenomenon from different angles.

### **4.1. Institutional theory**

Institutional theory is chosen as a theoretical framework because the study is specifically looking at the process of institutionalisation at an organisational level. The institutional perspective provides theoretical concepts that explain the institutionalisation of PM in the public sector institutions. Institutional theory provides insights that may explain why PM becomes a common technique in the public sector organisations. Institutional theory predicts that successful adoption of an innovation proceeds from emergence through diffusion to stabilization in isomorphic (similar or equivalent) form across the organisational field.

The progress in institutional research on PM can partly be traced to the prominent role of PM in the wake of New Public Management ideas which can be considered as a transition to enhanced emphasis on outcome-based accountability of governance and control (Christensen and Yoshimi, 2001; Hood, 1995; Olson et al., 1998; Politt and Bouckaert, 2000). Despite the fact, that a variety of theoretical perspectives have employed for the research of the implementation of PM systems in the public sector, one of the more dominant streams of the study in this field has been that informed by institutional theories, particularly new (or neo-) institutional sociology (NIS) (Modell, 2005 and 2009; van Hendel et al., 2006). According to March and Olsen (2006), the „new institutionalism“ forms are the bases of a new epistemological perspective that helps understanding social and political phenomena.

The roots of NIS has evolved from emphasis on diffusion and isomorphic behaviour to explain the intricate interplay between institutionalized structures and agency infused with interests and power (DiMaggio, 1988; DiMaggio and Powell, 1983; Lawrence and Suddaby, 2006; Oliver, 1991; Scott, 2008). NIS offers an explanation for the institutionalisation of new managerial tool, such as performance management system, that may be rational from a social perspective. According to Scott (2004), the institutional theory attends to the deeper aspects of social structure. It considers the processes by which structures, including schemas, rules, norms, and routines, become established as authoritative guidelines for social behaviour. It inquiries into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse. Although the ostensible subject is stability and order in social life, students of institutions must perforce attend not just to consensus and conformity but to conflict and change in social structures.

One of the main components of NIS is the quest for legitimacy. Organisations desire legitimacy in order to ensure continued survival (Suchman, 1995). Legitimacy can be secured by adopting structures and processes prevalent throughout the organisation's field – through process of isomorphism. (Deephouse, 1996; Suchman, 1995). Isomorphism is defined as being similar to other organisations in its environment (Deephouse, 1996). It could be classified into competitive and institutional isomorphism (DiMaggio and Powell, 1991).

Competitive isomorphism refers to pressures related to efficiency. It means an organisation may adopt accounting practices that promote the cheapest or most efficient way to do things. As a result of the competition, organisations might find themselves adopting similar practices, which could promote greatest efficiency. However, institutional isomorphism does not concern efficiency. Due to the forces imposed by related parties, such as the main shareholder or pressures to imitate others that are in the same industry or powers exerted by professional bodies such as accounting bodies, organisations might find themselves adopting similar practices. The isomorphism promotes homogeneity among organisations within the same institutional environment. Such isomorphic forces exist in the institutional environment within which the GLCs exist. There are three forms of institutional isomorphism described by DiMaggio and Powell (1991). The first is coercive isomorphism resulting from both formal and informal



pressures exerted on organisations by other organisations upon which they are dependent and by cultural expectations in the society within which the organisations function. Government or industry regulators, for example, can force organisations into adopting certain procedures. The second is mimetic isomorphism, which results when an organisation follows other organisations due to uncertainty. The third is normative isomorphism, which results from the influence of the professions on organisations and their elements.

NIS also touches the issue of loose coupling. Loose coupling is a term that refers to a situation where the organisational members separate their organisational activities from the formal structures. In other words the formal rules and procedures are not being followed in the daily activities. Instead the organisational members adopt somewhat informal rules to suit the need of the business activities. NIS suggests that the formal structures used to obtain external support from constituents may not be related to the actual performance due to the loose coupling situation. In some cases, organisations may opt for suboptimal performance to maintain the status quo (Powell, 1991). The formal structures that came together with the PMS may not be linked to the actual performance of the organisation. Thus if loose coupling exists in the organisation, it is difficult to justify how the PMS could be a better accountability system. The PMS could only have been ceremonially adopted.

#### **4.2. Performance management as an integrated system: strategic, operational and individual levels**

If institutional theory is best used to explain the institutionalisation process of the PMS practices, Brudan's (2010) approach to performance management as an integrated system, however, is used to explain and analyse the internal processes of organisational change at different levels of organisation.

Traditionally, performance management in an organisational context has been divided into three levels: strategic, operational and individual performance management (Brudan, 2010). Strategic Performance Management is the highest level to assess organisational performance and success, being mainly focused on strategy and outcomes. The key processes related to performance management are strategy formulation and implementation, both subsets of strategic management (Brudan, 2010).

An integrated view to performance management is preferred as it will enable better outcomes for organisations and it will act as a catalyst for the establishment of a stand-alone discipline that in turn will accelerate advances in academic research (Brudan, 2009).

At **strategic level**, performance management deals with the achievement of the overall organisational objectives. Practitioners refer to it as corporate, business, organisational or enterprise performance management, this being the highest and most complete level of usage of performance management principles in organisations. At this level questions that the PM implementation aims to answer are the following: Is the strategy being implemented in order to achieve the organisational objectives? Is the organisation delivering the expected results?

Strategic management is a key driver of performance management at this level, as the key processes related to performance management systems are strategy formulation and implementation. de Waal (2007) presents a method which increases the chance of successful implementation and use of a performance management system at strategic level. The method is called the strategic performance management development cycle, which consists of three stages: design a strategic management model; design a strategic reporting model; and design a performance-driven behavioural model.

Performance management at **operational level** is linked to operational management, as its focus is on the achievement of operational objectives. Although aligned with corporate strategy, the focus here is more functional/tactical. Operational level of implementation answers the questions: Is each department and project meeting the targets? How are operational activities supporting the organisational strategy? Are activities and projects efficient enough or is optimisation necessary?

The evolution of operational performance management is linked to the evolution of accounting and management in history. This is due to the fact that operational performance was evaluated in terms of efficiency and effectiveness. The easiest way to do this is by using financial indicators, provided by the accounting function in organisations.

Over time, as internal and external operating environments became more complex, organisations started to look at nonfinancial indicators of performance. This made the

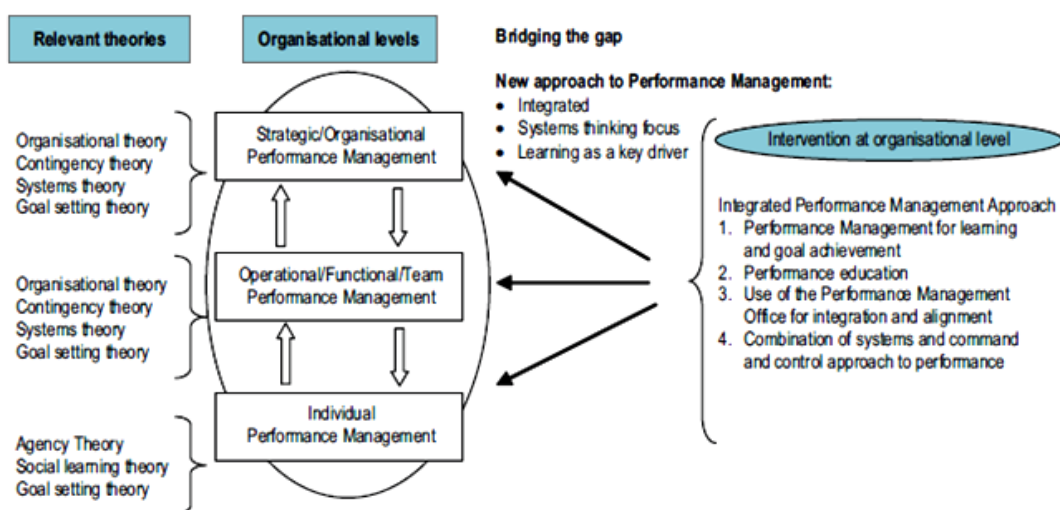
connection with operations management and other aspects of the general management discipline.

The traditional level at which performance management is used in organisations is the **individual level**, looking at the performance of individuals in an organisational context. It is perhaps the level with the longest evolution in history, as it mirrors the level of organisational maturity (Brudan, 2009).

At individual level, performance management is represented by an integrated and planned system for continuously improving the performance of all employees. It involves defining work goals and standards, reviewing performance against these standards, actively managing all levels of performance, and maximising learning and development. At this level the main questions are the following: How are individuals performing? How can individuals improve their own performance?

Communication and integration between the three levels of organisational performance play significant role in the implementation process. Brudan argues that management does not see performance management as an integrated discipline used at various organisational levels, but as a subcomponent of strategic, operational and HR management respectively. An integrated approach, linking together all levels of performance management becomes a necessity for both research and practice to facilitate the understanding and usage of performance management systems (Brudan, 2010).

**Figure 1. Integrated Performance Management Model**



Source: Brudan, 2010

By linking the three levels of performance management and the theories informing them, as it is shown in Figure 1, an integrated view of performance management emerges as a framework for both research and practice. The Integrated Performance Management Framework helps to understand the levers of an organisation and the need for their integration and balance (Brudan, 2009, 2010; Verweire and Van Den Berghe, 2004).

Brudan (2010) has proposed the research model that can be used to explore integrated performance management approaches in organisations. This proposed integrated view to performance management and has the potential to assist individuals and organisations to better understand and align organisational, operational and individual levels and create a complete, holistic picture of performance that outlines the relationship between organisational and individual performance.

Best practices in PM implementation involve an integrated performance management system as different organisational levels compete for managers' attention and organisational resources (Verweire and Van Den Berghe, 2004). Performance management is viewed as a means of getting better results from an organisation, teams and individuals within an agreed framework of planned goals, objectives and standards (Armstrong and Murlis, 1994).

The people at the different levels have the common aim of increasing the performance of the organisation (or department), but they differ in how to tackle this overall goal. The integrated view to performance management has the potential to assist individuals and organisations to better understand and align the different levels and create a complete, holistic picture of performance that outlines the relationship between organisational and individual performance (Mansor and Tayib, 2013).

Grouping organisational performance management levels in an integrated model has implication not only for the theory, but also in practice. The "Office of Strategy Management" is promoted in literature as a central point of coordination of the strategic control processes in organisations (Kaplan and Norton, 2001). However, if operational and individual performance processes are not brought under the control of such an entity, an integrated approach is difficult to realise. A Performance Management Office, similar to

the Project Management Office may be a more robust approach to integrating and aligning performance in organisations.

Integrated Performance Management is being used with increasing frequency in the performance management literature but, as is the case with many widespread management concepts. This can partly be ascribed to the fact that performance management processes manifest themselves in many different ways. It also ascribes that contributions to performance management come from many different angles: strategy, finance, management accounting and control, operations management, and human resource management.

In the public administration context, the integration issue in performance management has also been highlighted. Performance management will only deliver sustained success if it is integrated (Fryer et al, 2009; Benh, 2005). The current literature defines integrated as strategically aligned (Verweire and Van Den Berghe, 2004). This means that all (performance management) processes and activities should be linked to the organisation's strategy. Integrated Performance Management systems should focus attention on those critical activities that, if done well, will lead to competitive advantage and long-term growth. Thus, strategy is a central element for every performance management system. This might seem obvious, but practice shows that this is not always the case. In many organisations, the formulation and implementation of strategy are two separate activities. However, achieving integration between the long-term strategy and operational performance, integration between performance management at the strategic, operational and individual levels are crucial. Therefore, strategy has to be made operational.

Integrated Performance Management is not only about focus, but also about alignment. It is only beneficial if the different components of performance management are aligned. Many consultants see alignment as a straightforward process. First, decide on clear strategic priorities; second, translate these priorities into appropriate measures; third, incorporate and integrate them into current management processes, such as strategic planning, compensation and reward.

Practice shows that implementing these basic rules in the public sector is more difficult and often requires a totally different attitude from management and employees (Verweire and Van Den Berghe, 2004). That is why many performance management projects become change affecting the entire organisation.

To sum up, strategic, operational, and individual performance management can be effectively integrated in a systems perspective, where organisational performance improvement is the key driver (Brudan, 2010). Systems-thinking promotes a holistic approach to managing organisational performance. A systems view focuses on integrating all components of the organisation and mapping the relationship between them.

### **4.3. Five Factor Performance Management Model**

Five Factor Performance Management Model is chosen because it is particularly proposed for the government performance management, based on the systematic approach. It is a management process composed of the five factors, namely, mission statement, strategies and plans, action programmes, performance recognition and management information system, emphasizing that the results and approaches for achieving the results are equally important.

According to Mwita (2000, p. 31) the Five Factor Performance Management Model, firstly, provides an important integrating framework, both academically and practically, to focus on optimisation of customer service level. Secondly, it links the PM systems design with issues of policy, strategy, operations, assessments and information systems. Thirdly, the PM model reflects and correlates the aims of an organisation and the plans that have been developed to achieve those aims.

The Five Factor Performance Management Model suggested by Mwita (2000) stems by a clear understanding by every member of the organisation's mission and values, and what it wants to achieve. According to Mwita, this model is a systems-based approach to cultivating the achievement culture in any economic entity by linking primary objectives to the secondary ones (Mwita, 2000).

The five factor of this model are the following:

1. Mission Statement: purpose of existence, community expectations and values;
2. Strategies and plans: corporate objectives, training, development and retention policies;
3. Action Planning: operational objectives, key tasks and responsibilities, resource allocation – mapping, performance target setting, agreement and performance contracting;

4. Performance recognition, measurement of performance, rewards and sanctions, training needs assessment;
5. Management Information System: feedback or feed forward loops, performance information-set, timely availability for planning, decision making and control, suggestion box (Mwita, 2000; p. 28).

The 'Five factor performance model' explains that performance management starts from the explicit knowledge of the mission and objectives of the overall organisation. The mission statement will consequently help to come up with the corporate strategies and objectives leading to the establishment of the departmental objectives. In addition, the human resource planning process is also important here as it will enable us to know about the different human resource strategies that must be devised so as to achieve the corporate objectives. The corporate objectives can then be cascaded down to individual objectives in different departments. This will imply that the individual objectives will be closely related with the organisational objectives. In performance management, it is very important to have mutual agreement between the management and the individual employees on the different standards of performance which are both quantitative and qualitative. After the implementation of the action plans, performance of employees is reviewed or appraised based on the standards of performance that were agreed.

Mission statement emphasizes on obtaining the strategic objectives of the organization and promoting the mission and values of the organization through improving the performance, and reflecting that the existence of the organization is in line with the public expectations; the performance management must have a strategic plan and an action plan to promote the implementation of the objectives; the cognitive performance is a personal performance, which can be improved through appropriate recognition and rewards, as well as by improving the communication, learning and working arrangements and other means. He believed that the government performance management should emphasize on individual performance and organisational performance, and keep pace with the organisational mission objectives and the methods and strategies, while the planning, decision-making and control procedures should be established on the basis of performance information. The key to success of the performance management mode depends on the atmosphere formed by the leaders to encourage the employees to make achievements with right motives and the information system based on the performance.

The performance review is a platform whereby the immediate supervisor will give feedback on the performance measures, the actual performance, the weaknesses of the employees and what will be done to improve performance. On the other hand, the employees will get the opportunity to share his views on his performance, the problems that they encountered and what they will do in future to improve performance. Feedback is a very important aspect of the performance management framework. The performance appraisal can be used to design training programmes that will allow the employee to improve his performance.

To conclude, the chapter describes the theoretical framework to the integrated approach of performance management system. Integrated approach in the chapter considered as a potential to assist individuals and organisations to better understand and align strategic, operational and individual levels and creates a complete, holistic picture of performance that outlines the relationship between organisational and individual performance.

In short, the institutional theory provides assistance for the study in terms of explaining “how” PMS practices become institutionalised in the organisation, while the Brudan’s (2010) system and Mwita’s (2000) model provide a lens into the “where” and “what” has changed in the organisation. These theories are complementary to each other in understanding the case findings.



## **5. CASE STUDY: FROM REFORMS TO PERFORMANCE MANAGEMENT**

This chapter describes performance management implementation as an element of NPM ideas in the context of the Russian Federation by giving the analysis of public administration reforms. In this chapter NPM is examined as a phenomenon by looking primarily at the case of Russia. The challenges to the implementation of PM in the Russian context are considered.

Firstly, we are going to provide a brief review of the state development of performance management system, as well as analyse what are the main drivers for the introduction of performance management system in Russia. Secondly, we are going to break down the review of reform processing in three elements: overall strategic planning; institutional level of strategic planning and operational performance management; introduction of performance management at the individual level of civil servants and local managers.

### **5.1. Introducing performance management system in Russia**

Performance management is often seen as a theme that holds relevance mainly for advanced public management systems. It is also seen as a concept that is at odds with continental European traditions of public administration, in which Human Resource Management and general management practices are perceived as being driven by formal rules and procedures, and career advancement is still more a matter of seniority than meeting performance targets. Whereas reforms initiated (successfully) in previously seen as 'traditional' public administration systems like Austria (and other states) in continental Europe provide arguments to the contrary (OECD, 2005), the notion that performance based public management processes are something for countries at the western and northern edges of Europe continues to prevail.

Discussions on performance approaches to public sector management in Central and Eastern Europe have been even rarer than those in continental Europe in general. Whereas at the early stages of the transition process, during the implementation of NPM ideas, there appeared to be real opportunities for a radical change in approach to public sector management, in reality this area of reform was rather neglected, leading to the state largely withering away in the first half of the 1990s (Verheijen in Peters and Pierre, 2003;

Verheijen, 2004; World Bank, 2005), as coined in the UNDP ‘Shrinking State’ report in 1997 (UNDP, 1997).

Public sector reforms in the CIS and South-eastern Europe mostly made their appearance on reform agenda at the turn of the century, and there is little to tell about ‘reforms’ until 1999, as states in both regions struggled with ethnic conflict, establishing basic institutional structures in new states, and the fall out of economic disintegration in former Yugoslavia and the former Soviet-Union.

According to Verheijen and Dobrolyubova (2006), focus on reviewing performance management approaches in these countries still very ‘young’ and in some places even rudimentary public management systems, which in all likelihood lack the basic institutional framework and capacity to build credible performance management systems.

The case of Russia stands out where innovations in public management, based on a performance logic, have been taken beyond partial experiments. In this state (the same in Latvia and Lithuania), a start has been made with the development of comprehensive performance management systems, based on a hierarchy of objectives, and oriented towards building systems that are delivery oriented.

After the first years of transition characterized by belief in the principles of economic development, the Russian government recognized the need for strategic planning and performing public administration already in mid-1990s. At that point, the country still had not recovered from a deep economic recession (with GDP falling lower than 60% of the level of 1990 at some point), public administration was still dominated by the former *nomenclature* – mostly the cadre from former communist party organisations, and the distrust in the government policies among the public was growing (Verheijen and Dobrolyubova, 2006).

Civil service legislation as well as legislation related to government planning (both issued in 1995) did not help much to reverse the situation: the access to the civil service – free to all citizens in accordance to the Constitution – remained constrained by lack of competitive practices; civil service pay and promotion depended more on connections and seniority rather than on merit. Moreover, by late 1990s – early 2000s, the prestige of the civil service declined – partially because of increasing public-private sector remuneration gap. While

most of requirements to strategic planning and policy analysis were formally adhered to, government socio-economic development programmes contained only long lists of priorities with less attention to policy implementation issues and – hence – could not provide adequate basis for formulating second generation reform programmes. In this context, inefficient governance system more and more constrained sustainable socio-economic development of Russia and had a negative impact on the country's international competitiveness.

The need for strengthening governance and public administration was recognized by the late 1990s. At this time the opportunity to engage in governance reforms with the future President Putin preparing for the election campaign and placing “building the state” as a core stone of his political agenda in 2000. Competitive and professional civil service and functional public administration accountable for the results were the key principles proclaimed in the Long-term Program for Social and Economic Development of the Russian Federation for the first decade of the 21st century which served as a basis for the Presidential elections.

The promise was made by Vladimir Putin. Reform were design and implementation started, however, proved to be of a much greater challenge with various parts of the agenda allocated as functions to various central government entities often competing with each other; the multi-level governance system of Russia comprising – at that time - 89 subjects of the Federation presented a further challenge to the reform.

## **5.2. Public administration reforms implementation in the Russian Federation**

There have been several attempts to implement a public administration reform in Russia since the break-up of the Soviet Union. In 1992 the first attempt of working out the legal basis for civil service was undertaken in the course of drafting the Constitution of the Russian Federation. Later, in 1995 a Federal law “On the basic principles of the Civil Service in the Russian Federation” was put into force. The promulgation of this law was a big step towards creating in Russia the Civil Service based on merit. To broaden the provisions of the Federal law a number of the important regulations concerning different issues of public administration system were also adopted.

However, it soon became evident that the Federal law and existing regulations suffered from grave disadvantages and were not sufficient. Therefore in 1997-1998, the leading Russian experts tried to elaborate a new Concept of Administrative reform. Some provisions of the Concept were included in president Eltsyn's annual address to the Parliament in 1998, but unfortunately at that time the reform did not get any further. In 2000 president Putin made a renewed call for a public administration reform. This new reform was divided into three main parts: the Civil Service reform, the Administrative reform, the Municipal government reform. The budgetary reform was also launched to underpin the public administration reform.

The impetus for reforms, namely for the modernization of social service management, has been a part of the larger national process of transformation from a system of social welfare. These reforms have been directed towards the truncation of social obligations by the federal government by delegating responsibility to the regional/municipal level, with central control over these processes remaining. In many respects, reform is conducted top-down, by formulating new rules of the game and new strategic priorities. However, regional administrators have had to allocate new resources and adapt to elaborate models of modernization of social services, regional regulations, and standards. As a result, this process was launched at different times and at different speeds in the regions and local government, taking on various forms and priorities. However, this is not to say that social services in Russia are struggling for an unstable balance between an unfettered market and state domination.

In the early 2000s, the Russian authorities, in an effort to achieve higher administrative efficiency, launched a series of reforms, including administrative, public service and budget reforms. This modernization package was very similar to the NPM ideas, although it should be noted no one in Russia calls it "new public management". Russia, though with a delay of two decades, followed this world trend to use corporate-style processes instead of formal bureaucratic procedures. This meant switching from funding public bodies to funding public services, emphasizing that public services could be provided by both public and private organisations. The new terminology was introduced to the public administration agenda creating confusion for administrators and citizens. These terms are – the customer, service quality, performance management system, efficiency and value for money. Frederickson et al. (1999), Naschold et al. (1996), Coombes (1998) have labeled changes of last twenty years as the new public management era and the era of changes.

### **5.3. The Civil Service Reform**

Following the election of 2000, a renewed effort was made to jump-start reform through four pieces of legislation:

- The Conception of the State Service System Reform of the Russian Federation (Conception)
- About the System of State Service of the Russian Federation (System)
- About the Civil Service of the Russian Federation (Civil Service)
- State Service Reform in the Russian Federation: 2003 – 2005 (Federal Program).

In 2001 the Concept of Public Service Reform in the Russian Federation was prepared by the Center of Strategic Research and approved by the President. The authors of the Concept proposed several significantly new approaches to public service regulation and human resources management in the government bodies. The ideas of the concept were incorporated to the Federal Program “Public Service Reform in the Russian Federation (2003-2005)” which was launched in 2002.

The System is especially important because it established three main categories of public servants (federal public service, military service, and law enforcement service) and two levels of employees (federal public service and regional public service). A central feature of the legislation is a requirement to measure the performance of public servants through the use of certification tests and qualification examinations. The law also established the principle of competitive promotions and the application of employment contracts. The law created a system of transfers from one type of state service to another and determines the relationship between public, diplomatic, and military ranks, as well as special ranks within the federal state service. Perhaps the most important, the legislation established the administrative preconditions to implement all of these reforms at both the federal and regional levels. (Following closely on the heels of this law, three additional pieces of legislation regarding public service, law enforcement, and military service will be introduced in the near future.)

The Federal Program created the enabling elements to implement the reform. These elements include financial requirements, action plans, and pilot projects. It is important to note that in the case of pilot projects, the Russian government explicitly adopted a method

that has gained much currency around the world when introducing reforms in public service systems.

Some of the new features of the civil service include the following:

- Merit-based compensation for the majority of public service positions
- Procedures for resolving conflicts of interest that requires at least 20 percent of the members of conflict resolution committees to be independent experts
- System of qualification examinations requiring the participation of independent experts
- System of classifying pay according to job responsibilities
- Pay for performance
- Professional education and training as part of career development (financing for such educational programmes was included in federal budget of Russia beginning in 2006).

These pieces of legislation, taken together, bring Russia's public service closer to the Western model *on paper* (Barabashev et al, 2007; Maslov, 2012). Much of the implementation work falls to a relatively new public service agency that still lacks gravitas.

The reform resulted in adopting new civil service legislation unifying the principles applicable to civil, military, and enforcement services, further promoted competitive recruitment to the civil service, and introduced options for term performance contracts with some categories of public officials. However, little change has been made to the structure of civil servants pay that consists of a very low base pay and numerous increments focused primarily on seniority and some other unclear criteria, such as 'increment for specifically complex and urgent tasks' normally distributed evenly among all civil servants and thus providing no performance incentives.

#### **5.4. The Budget reform**

Budget and budgeting process reforms were launched in 2004 and aimed at increasing efficiency and effectiveness of public spending through introducing performance budget reports at the ministerial (and later on also at the government) level linking public expenditures with performance outcomes, introducing medium-term budgeting, simplifying budget classification, separating budget of accepted commitments from the

development budget. These were important steps forward from input budgeting to bringing in performance issues to political deliberations and strengthening strategic planning capacity in the line ministries now responsible for determining their key priorities in the mediumterm perspective. To-date, the outcomes of the reform are mixed with quality of performance reports (now prepared by all executive bodies reporting directly to the Government or the President) found generally insufficient with the main lesson learnt being the need for much more substantial capacity building effort (specially targeted at the staff of financial departments) to complete the reform agenda. The President, however, is determined to roll-out the practice also to subnational (regional) level of public administration.

### **5.5. The Administrative reform**

Administrative reform was officially launched in 2003 by the Presidential Decree “On measures to the implementation the administrative reform in 2003-2004”. Later that year the Government commission on administrative reform was established. Two main management ideas underlay the administrative reform at that stage:

1. It is necessary to conduct functional reviews to put governmental functions in good order: i.e. to identify core governmental functions, to eliminate duplication and merge similar functions of different government bodies, to identify redundant functions and functions that are not carried out in practice, to identify functions that should be transferred from one government body to another;
2. It is necessary to clearly divide three types of functions: “setting-the-rules functions”, “enforcing-the-rules functions” and “implementing-the-rules functions”. It is assumed that a situation when a government body sets the rules for itself, implements these rules and controls how these rules are being implemented leads to uncontrollable administrative discretion and thus to corruption and ineffectiveness.

In accordance with these basic assumptions a review of federal government bodies’ functions was conducted in 2003-2004. As a result 5634 functions were reviewed: 1468 of them were found to be redundant, 263 – duplicative, 868 – subject to reformulation. In March 2004 the Presidential Decree “On the System and Structure of Federal Executive Authorities” was issued. The number of different types of government bodies reduced

from 6 to 3: namely Ministries, Services and Agencies. Clear differentiation of roles between these three types of government bodies was prescribed by the Decree.

- **Ministries** are responsible for exercising the functions related to the elaboration of the state policy and legal regulation, i.e. “setting-the-rules functions”. Federal ministries are headed by ministers of the Russian Federation (federal ministers) comprised in the Government of the Russian Federation. Ministries conduct policy analysis, elaborate blueprints, draft the legislation, monitor and evaluate its implementation. Ministries under their jurisdiction also effect coordination and control of the activities of the federal services and federal agencies.

It is especially emphasized in the Decree that Ministries are not entitled to exercise the control and supervisory functions, enforcement functions, as well as the functions for the management of state property.

- **Services** are responsible for exercising the functions related to control and supervision within the established terms of reference, as well as special functions related to national defense, national security, guarding and protection of the state border of the Russian Federation, crime control, and public security, i.e. “enforcing-the-rules functions”. Federal services are managed by heads (directors) of federal services. Services are not usually entitled to effect legal regulation within the established terms of reference and federal supervisory services, are not also entitled to management of the state property and provision of paid services.

- **Agencies** are responsible for exercising the functions related to the provision of public services, the management of state property, keeping records, registers and cadasters as well as enforcement functions, except for the control and supervisory functions, i.e. “implementing-the-rules functions”. Federal agencies are managed by heads (directors) of federal agencies. Agencies are not entitled to effect legal regulation within the established terms of reference and the control and supervisory functions.

According to the Decree “On the System and Structure of Federal Executive Authorities”, each year a Minister is supposed to approve an annual plan and the performance indicators for the federal Services and federal Agencies under his supervision. After that the Ministry has to submit:



- to the Government of the Russian Federation - draft regulations on a federal service, federal agency, proposals on the maximum staffing and payroll requirements for a federal service, federal agency;
- to the Ministry of Finance of the Russian Federation - proposals on making up the federal budget and financing of the federal services and federal agencies.

A Ministry is entitled to prepare draft regulatory legal acts related to the terms of reference of federal services and federal agencies as well as to issue instructions to federal services and federal agencies and monitor their execution. It has to be mentioned that during the fiscal year federal services and federal agencies can work rather independently within the bounds of legislative framework: Ministries are not entitled to countermand a decision of a federal agency or a federal service unless it runs counter to the federal legislation.

Thus, the implementation of performance management techniques took place after the shock therapy of the late 1990s in the context of crisis in economical and political life and competition for power between private oligarchs, regional leaders, and centralized power. These increased risks of exclusion and deprivation of disadvantaged groups, narrowing the field of public services. With the rapid decrease in the standard of living during market reforms, the number of welfare customer groups increased. Due to the ineffectiveness of the universalistic approach, the emphasis in solving welfare problems was shifted to providing means-tested schemes. That has led to the disqualification of a number of welfare customer groups, and recently to compensating them via monetary means. This shift to a market welfare system and using a “means-tested” method for the distribution of welfare, including social support, characterizes the process of social policy liberalization in contemporary Russia (Romanov, 2008, p. 11).

However, these new practices have often encountered the existing practices of performance and evaluation of quality and effectiveness of public services, as well as staff motivation and management methods. According to Romanov (2008, p. 13), there is a great diversity of understanding about quality and effectiveness among social services employees, managers, and clients, and a great need to elaborate the instrumental tools that will work under these new circumstances.

The effectiveness of the performance of public services is guaranteed by the specialists, who have professional education relevant to the requirements and nature of the job,

experience in field of public services (Article 25 of the Social Service Federal Law). The workforce of public services has a range of different skills and qualifications, but the majority of employees in the Russian public services did not obtain a relevant qualification at the start of the reformation process (Konov, 2003).

According to the Administrative Reform Concept (2005), the aims were to introduce performance management as a focal point for improving public service delivery and decreasing administrative barriers in the country. Approaches to budget and administrative reform have been innovative, and based on performance principles (HSE, 2004; World Bank, 2006). This has led to a reform program that has improving performance in service delivery as its strategic goal, but without providing the means to managers to cultivate a performance culture among individual officials. Given that labour is the principal input in most public services, personnel management must be at the heart of any administrative reform, and the Concept's emphasis on questions of performance management and performance-related pay reflects this fact. The challenges involved, however, are enormous. Devising effective performance targets for public organisations or individuals can be extremely difficult, especially when agents are charged with performing multiple tasks, some of which may be easier to quantify or monitor than others (Verheijen and Dobrolyubova, 2007).

The social welfare sector in Russia covers a variety of agencies, providing direct care and support to service users. The delivery of public services places wide-ranging demands on both administrators and employees in the sector, many of whom do not possess formal qualifications in social work. Overall, the local governments provides the highest number of services. However, services are not delivered uniformly, with a small ratio of nongovernmental agencies providing a varying amount and specialisation of services (Konov, 2003).

The tendency to implement NPM in the Russian public sector is a process tightly connected with basic changes to the whole economy. Smaller enterprises were acquiring higher legal and economical independence. The introduction of a free-market economy in Russia evoked the tendency to introduce market principles into all realms of the economic and social life. Similarly to those processes in Eastern Europe, not only real business units but also nonprofit organisations tried to implement these principles into their management and governance (Maly, 2000).

Functional review, new differentiation of government bodies and other administrative reforms conducted in the beginning of 2004 could be regarded as significant steps towards increasing public sector quality in Russia. Nevertheless it is evident that these reforms, however important they could be, are not sufficient.

Functional review allows identifying duplicative and redundant functions and lays foundation for restructuring governmental activities. But eliminating duplicative and redundant functions is not enough: even relevant and well-ordered functions can be implemented ineffectively. That is why it is necessary to review not only the definitions of functions contained in Ministries' (Services', Agencies') charters but also the implementation procedures.

### **5.6. Reforms in progress, what are the chances of success?**

Implementation of these reforms was accompanied by a process of delineation of powers between the national and sub-national government as well as local governance reform (still in progress). As the reforms progressed, it became more and more apparent that an integrated approach to resolving the issues of public administration development was to be created based on performance management framework. Indeed, achieving performance targets linked to strategic objectives set out in the Presidential Addresses to the Parliament and the Medium-Term Socio-Economic Development Program calls for the provision of adequate resources to meet these targets (thus linking results with funding) while managing the process of achieving these targets calls for performance management at the departmental and regional level, as well as at the individual level. Looking at the same issue from another angle, building a merit-based professional civil service calls for modern evaluation procedures (rather than rudimentary and time-consuming checks of knowledge and formal qualifications that make little impact on actual performance and distract attention of HR units) that again need to be based on some performance measures so as to be transparent and acceptable to the public officials.

The challenge, however, is to implement such integrated approaches in the context of competing central agencies with insufficient clarity of division of responsibilities and powers among these. For instance, the Ministry of Finance is formally responsible for budget reform, while it is the Ministry for Economic Development and Trade which is

responsible for government consolidated budget report (jointly with the Ministry for Regional Development providing inputs on regional performance targets), all of them falling under a specially established Government Commission for Raising Efficacy of Public Spending led by a Deputy Prime Minister. The practice demonstrates that currently such integration is easier to find at the regional (and also municipal) level where – due to smaller administrative apparatus and significant reporting burden imposed by the federal authorities – such optimization seems to be the only way for addressing numerous parallel reforms designed by the federal authorities. In addition, clearer political will of a regional leader (if such will is in place) makes it easier to implement the new public administration approaches across the board. In fact, these were the subjects of the Federation and municipalities who pioneered strategic planning in the new economic conditions (with St. Petersburg City Strategic Plan being the first one prepared with broad public participation and approved by the City Governor in 1997 followed by strategic plans prepared by other regions and municipalities) and established an Association of Regions and Cities – Strategists - rare example of active horizontal interregional network in Russia (Verheijen and Dobrolyubova, 2006).

At the regional level, the progress has been uneven with the regions genuinely interested in implementing the reform (usually those with committed political leaders and also those running small budget deficit and therefore motivated to improve the efficiency if not effectiveness of their administrations such as Republic of Chuvashya, Arkhangelsk and Saratov oblasts, Krasnoyarsky krai) moving significantly faster as compared to those that have no buy in to the reform process or that have no capacity to implement these reforms. Indeed, the diversification of regions in terms of socio-economic development, budget revenues, and governance capacity in Russia is enormous with lagging regions being extremely poor and capital/oil and gas regions being extremely rich. To add to the list of challenges, part of the country is in post-conflict (or even civil conflict) situation and is simply not ready even for quite basic public management reforms. The problem therefore is how to get the reforms implemented across the country without adding to further developmental disparities.

According to Konov (2003), Kalgin (2012), Maslov (2012), the preceding scheme of the public administration reforms implementation looks rather logical and consistent; however in practice the situation is much more complicated. There are a number of factors that affect negatively the reform process in Russia:

1. **Public management reform is a top-down process.** Most reform ideas are worked out in a few federal executive bodies and think tanks closely connected with these bodies. There is no tradition of and established mechanisms for effective communication with citizens, street level bureaucrats, and regional executive bodies. The bottom-up communication is so undeveloped that there were hardly any ideas of the reform that came from civil society institutions or from low levels of administrative hierarchy.
2. **The level of transparency is very low.** There is no freedom of information act in Russia. The draft legislation on freedom of information was prepared at least three years ago, last year it was approved by the Russian government, but it has not been issued as a legal act yet. E-government technologies are still poorly developed and mass media do not pay much attention to civil service and administrative reforms. As a result, it is rather difficult for citizens to get information about new legislation being elaborated. The tradition of secrecy and lack of transparency is so significant that often agencies and services do not know about reform projects prepared by ministry supervising them.
3. **There is no special body overseeing and coordinating the reform.** In reality, the main centre of control is the Administration of President of the Russian Federation. This executive body takes part in elaborating new legislation, communicates with international donors and coordinates the reform process. The Presidential Administration is able to permit or to prohibit any initiative in the field of public administration; moreover, it is almost impossible to issue new legislation without approval of the Presidential Administration. The problem is that the Administration of President does not have any official mandate to lead the public administration reform. The Ministry of Economic Development and Trade (MEDT) can be called another “attractor” of public management reform. In most cases it has to follow formal and informal instructions of the Presidential Administration, but most management ideas of the Russian Public Management reform were proposed by this executive body. The MEDT works in very close conjunction with several Russian think tanks, in particular with Centre of Strategic Research now headed by former first deputy head of MEDT, and with Institute of Public Administration of State University – Higher School of Economics. MEDT

and his counterparts push hard the ideas of performance budgeting, administrative regulations and public services standards, freedom of information legislation, public procurement regulation etc.

4. **Lack of qualified experts.** When public management reforms were launched in Russia in the mid-90s there were only few scholars who specialized in Public Administration and knew international experience in this field. At that stage concepts of administrative reforms and draft legislation were being elaborated by working groups consisting of lawyers, philosophers, economists, psychologists, public servants etc. united mainly on the basis of personal relationships.

It is obvious that the process of reformation and performance management implementation is still underway. However, at the institutional level public services lack of common understanding of what are service standards, as well as performance management rules and procedures, while concepts of quality and effectiveness are vague; they are developed spontaneously by the “street-level bureaucracy” under the pressure of external and internal factors. The main barriers in formulating the standards of social services are connected with underdeveloped definitions and old management policies (Romanov, 2008).

The key characteristics of NPM such as new financial management procedures, new performance management procedures, customer oriented service etc. were apparent in public services. At the same time, the most characteristic for the process in the Russian public sector in general, and in social services sector in particular, is the persistent monopoly position of organisations providing public services and the few opportunities to create a competitive environment.

However, these new rationalised standards and techniques have often encountered the existing practices of performance and evaluation of quality and effectiveness of social services, as well as staff motivation and management methods. According to Romanov (2008, p. 13), there is a great diversity of understanding about quality, performance and effectiveness among local public sector managers and a great need to elaborate the instrumental tools that will work under these new circumstances. Therefore, it is important not only to study the context of public services’ modernisation, to evaluate the degree of compatibility of new and existing practices, and to analyse the direct and side-effects of

these new adopted practices, but also to explore how to improve and facilitate these processes in local governance. In this context, our study about the challenges in the implementation of performance management system as a part of NPM ideas in the Krasnoyarsk city contributes to the understanding the basic principles and values of public administration in relation to improving of public service delivery in Russia.

## **6. RESEARCH METHODOLOGY**

The previous chapters have provided overviews of the contexts in which PMS is implemented in the Russian Federation, describing policy transfer issues and recent reforms in the Russian public sector. The concept of performance management is provided by presenting it as an integrated model with strategic, operational and individual levels (Brudan, 2010).

This chapter presents the research philosophy and methodology used in the study. It starts by outlining various possible philosophical and epistemological approaches, before providing a discussion of the chosen relativist approach and the single case study method. In line with the selected philosophy, the chapter continues to discuss the abductive approach taken in the research. The strategy in turn dictates the research methodology, which is discussed next, including details on the sampling frame and data collection. At the end of the chapter details are given on data analysis and interpretation, including a discussion of research validity and reliability.

### **6.1. Research philosophy and epistemology**

The central problem of epistemology is to decide how we can acquire knowledge, which Plato and others following him have defined as justified true belief. This definition of knowledge creates three substantive issues: the nature of belief, the basis of truth and the problem of justification. This definition of knowledge is widely accepted, and for now we will discuss its implications in its own terms by addressing such questions as what is the source of our belief, how we determine what is true and how we justify our belief? These weighty issues each have their own branch of philosophical enquiry.

The epistemological position explains how the knowledge creation process of research occurs in practice. The ontological position is associated with and underlies the epistemological stance describing the view taken of reality and the role of knowledge regarding that reality. A variety of ontological and epistemological stances has been taken in existing research in the fields of performance management.

There are two contrasting philosophical approaches to research in the social sciences: positivism and relativism, the positivist approach being closely associated with



quantitative research methods while relativistic approaches are associated with qualitative ones (Robson, 2003).

Public administration, as a field of the study, was highly influenced by positivism as a way of thinking and producing knowledge. As a field of the study, it was established by the end of the 19th century. Positivism came from the 17th century Enlightenment and emerged in the United States during the Progressive Era when Woodrow Wilson wrote the first essay on the study of public administration (Adams, 1992; Spicer, 1995). Adams (1992) argued that the foundation of public administration as a field of study was strongly influenced by the instrumental rationality in management. Spicer (1995) argued that many, if not most, early writers in the field of public administration were influenced by rationalism by emphasizing “the powers of reason to order human affairs” (p.27). Rationality infused some concepts in public administration such as efficiency, expertise, the business model, specialization, and professionalism, which could all be handled through the science of administration.

### **6.1.2. Positivist approach**

A positivist approach to research explains the nature of the world as existing regardless of people’s perceptions of it, and that experiences can be described in terms of objective facts that are essentially value-free; hypotheses can be tested against these facts, and causal relationships can be demonstrated between events. This perspective takes no account of the fact that social science is involved with the understanding of human phenomena or cognisance of the nature of human perceptions.

Positivism originates in the study of natural sciences using scientific methods to develop theory through hypothesis formulation and testing. This involves developing covering laws of cause and effect between parameters of the subject of the research, the laws then being used to explain the natural world, or in this case, the social world (Hume, 1888, p. 87). According to this approach, facts are emphasised, rather than values and meanings, the laws being assumed to give a definitive explanation. Positivism is described as a mechanistic worldview of closed systems operating like machines, where changes to inputs lead to predictable changes to outputs (Bhaskar, 1978 p. 63-90). Scientific research of Ritter and Gemunden (2004), who investigated relationships between quantitative

measures of innovation performance and strategy using structural equation modelling, can be example of the positivistic research. The research attempted to gain empirical proof of a hypothesised model of covering laws, with a focus on statistical generalisation to a large quantitative sample.

Taylor argued that scientific management consists of certain broad general principles that lead to the one best method of achieving any task (Taylor, 1998). This domination of the science of administration through a positivist approach and instrumental rationality continued to influence the theory and practice in the field. This influence could be seen on public administration practice through the Taft Commission (Uveges and Keller, 1998), the New York Bureau of Municipal Research (Stivers, 2000), and later the Brownlow Report (Lynn, 1996). The influence also could be seen in theory of public administration through the work of L. White (1926), W. F. Willoughby (1927), Gulick and Urwick (1937), and many other writers in the field. It should be made clear that public administration writers who advocated the use of science to study administration were not necessary positivists, but they were influenced by its approach to produce knowledge in the field.

However, positivism has been criticised for use in the study of social systems as they are not closed or mechanistic. Bhaskar (1978) argues that a closed system is isolated from external influences or any change in the influences, that its internal structure of actors and processes must be constant and finally that performance of the system as a whole must arise as a result of the performance of system components alone. The literature has shown that performance management implementation is inherently an inter-organisational process (Koliba et al., 2011; Moynihan, 2008) and that the networks of relationships involved are actually open systems with only an arbitrary boundary for research purposes (Radin, 2006).

Further, a huge number of factors are involved in performance management implementation as shown in the literature review. Those who have studied the implementation, use and valuation of performance management within interorganisational governance network arrangements have noted the critical challenges that confront network administrators who are responsible for developing and operating performance management systems within these settings (Radin, 2006; Moynihan, 2008; Koliba et al., 2010). In addition, Conlan and Posner (2008, p. 4) observe that as “our need for

understanding complex intergovernmental relationships is growing, our institutional capacity for intergovernmental monitoring and analysis has been weakened.”

Additionally, the discussion of network competence in Ritter and Gemunden (2004) implies that external influences are at work, suggesting that use of the positivistic quantitative methods would be at best blunt and forced for this research. Radin (2006) points out that the actors in the research subject are all human and are therefore not uniform, passive. According to Sayer (1984, p. 177) the ability to generate meaning is not ontologically compatible with a positivistic philosophy. For the above reasons a positivistic position is very limited in its appropriateness for this research and the next section discusses relativist approach.

### **6.1.3. Relativist approach**

The relativist approach views that absolute truths do not exist, but people have different ways of perceiving the world and that there is no external reality independent of the beliefs and perceptions of those experiencing it; the complexity of experience and behaviour must be studied to gain true understanding. The extreme relativist perspective “maintains that there is no external reality independent of human consciousness; there are only different sets of meanings and classifications which people attach to the world” (Robson, 1993, p 22).

Whereas positivism assumes that the human actor is uniform and not implicated in the subject of the research, relativism is built on the recognition of the human actor and their influence, tending to concentrate more on qualitative data. Relativism offers a platform for non-quantitative approaches with qualitative data to generate meanings rather than rules and covering laws and may try and gain analytical rather than statistical generalizability (Yin 2003, pp. 1-18). Mir and Watson (2001) argue that the phenomenon being researched exists only as far as it is interpreted by the researcher, with a lack of ultimate truth.

However, the relativist approach is a subject to criticism for resulting in theories that are not a description of reality, but simply generated by the researcher (Mir and Watson 2001). The open systems involved limit theoretical generalisability of research findings because

of a lack of objective data as the philosophical position may influence research findings (Yin 2003, pp. 1-18).

While there are aspects of both positivism and relativism that limit how appropriate they are for use in this research, the relativist approach is more suitable. Although the relativist point of view accepts realities that are created by the researcher with limited generalisability, it is not the sort of totally objective, blunt realities of a closed mechanistic system that lead to the above drawbacks in conducting research in this recent and developing field from a positivistic stance. Relativism allows some explanation of performance management implementation and its challenges. The relativist approach is also appropriate for the phenomena studied in this research as the public organisations, individuals and relationships involved are not closed mechanistic systems. Later on, the chapter analysis how some of the shortcomings of relativism are mitigated, and the next section continues to develop the methodology by discussing further aspects of the research approach and process.

The stance of this research is best explained in terms of the values and assumptions of phenomenological/interpretive inquiry. Phenomenology is the school of thought that emphasises a focus on people's subjective experiences and interpretations of the world and seeks to understand social reality and how the world appears to others. It insists that “we set aside our prevailing understanding of phenomena and revisit our immediate experience of them in order that new meanings may emerge” (Gray, 2009, p. 22)

In relation to research methodology, this is linked with interpretivism. The interpretive paradigm, according to Gray (2009), holds that the realities of the laws of natural science and those of social sciences are different and should require different approaches. Whereas the “natural sciences are looking for data in order to deduce findings, the social sciences deal with the actions of the individual” and particular viewpoints (ibid, p. 21). He added that researchers’ interest in the social tends to be on examining and identifying aspects that are unique and individual and, therefore, qualitative. He went on to regard how, by contrast, researchers’ interest in the natural world tends to examine phenomena which show measurable regularities (Crotty, 1998 in Gray, 2009).

Interpretive, qualitative research is open and flexible and allows information to elaborate on values and attitudes and accounts for behaviour. It aims to “explore people’s subjective

experiences and the meanings they attach to their experiences and own stories in familiar language. Moreover, it draws attention to contextual issues in wider settings” (ibid: 138). Thus, it has been said that interpretivism looks for meanings which have been derived from cultural and historical social situations (Crotty, 1998 in Gray, 2009).

The broad stance taken by this research, which aims to capture the rich complexity of PM implementation as perceived by actors in a specific social context. An interpretive position is required in order to examine the subjective meanings (the grounding notions of NPM, public management and reform approach in this study) that influence on PM implementation and attitudes of local managers to the implementation process. Therefore, the role of the researcher is to attempt to find meaning in the subjective reality of the research participants (Saunders et al., 2009), while at the same time interpreted through the researcher’s own lens.

To sum up, from the methodological point of view this research is of an interpretive qualitative nature with a relativist approach. According to Strauss and Corbin (1990, p.17), the qualitative research is “a kind of research that produces findings not arrived at by means of statistical procedures or other means of qualification”. Qualitative data can be generated by case study design, the approach has more of a qualitative feel to it as it generates a wealth of data relating to one specific case (Burnham et al, 2004). According to Cresswell (1994), qualitative study is defined as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting. This type of research produces more in-depth, comprehensive information, uses subjective information and participant observation to describe the context, or natural setting, of the variables under consideration. It seeks a wide understanding of the entire situation (Key, 1997). The following sections continue to describe the research process, focusing on matters of methodology, unit of analysis, sampling and data collection.

#### **6.1.4. Research strategy**

In logic, there are two methods of reasoning namely the deductive and the inductive approach. Deductive reasoning works from the “general” theory to the “specific”

hypothesis. Inductive reasoning works from observations towards generalizations and theories.

There are key research strategies which can be found in the social science literature as a whole. Firstly, a deductive strategy (Gill and Johnson 1997, pp. 28-33) advocates theory development before empirical work, which is used to test the theory. A deductive approach fits closely with a positivistic philosophical stance and quantitative data. Deduction may be said to produce more objective, unbiased empirical data because of its positivistic alignment. Secondly, an inductive research approach (Merton, 1957, pp. 99-101) involves theory development after empirical work and is aligned with a phenomenological standpoint, frequently using qualitative data.

Social science research has often shown aspects of both deduction and induction in the research approach, both developing theories from literature that are then empirically tested, as well as refining the theory following empirical work where new data was gathered. Dubois and Gadde (2002) describe this as an iterative research process of systematic combination of existing theories and those discovered through the empirical work. Ayer (1968, p.85) agrees, having named this research process 'abduction'. Abduction, which is taken for this research, aligns well with the chosen relativist philosophy as it both attempts to develop explanations and allows for unexpected findings that arise when researching organisations, individuals, relationships and innovation in open systems. Abduction also offers a truthful and pragmatic description of the overall research process in reality.

The following sections continue to describe the research process, focusing on matters of methodology, case study methodology, sampling frame and data collection.

## **6.2. Single case study research methodology**

A research methodology is a systematic and orderly approach taken towards the collection of data. Case study, historical review, experiment and survey are basic methods in research. There is no definite rule as to which one to select when doing research. It all depends on the nature and scope of the thesis, the sources of the data, the research questions and hypotheses or proposal, and constraints and scope of the research (Jankowicz, 1993; Yin, 2003; Robson, 1994; Bell, 1993).

Jankowicz (1993) argues that the advantage of case study research is that it will enable comprehensive and informative data to be generated. Bell (1993, p.9) states that: "Researchers adopting a qualitative perspective are more concerned to understand individuals' perceptions of the world. They seek insight rather than statistical analysis".

This study aims to explain the process of implementation of the PMS in Russian local governance. The study specifically looks at the changes brought by the central government which were introduced as a part of administrative reform and new public management ideas. An explanatory case study method is used whereby data is collected through semi-structured interviews with local managers, document reviews and observations. This study tries to identify the main challenges and barriers that local governance faces in the implementation stage of PMS.

Case study research has an important role in this thesis. It is the most appropriate methodological strategy for this research, as it lies in the middle of the philosophical spectrum discussed above and is congruent with the relativist stance. Case studies of specific programmes, projects, and initiatives are commonly used to document and analyse the implementation process in public administration and governance (Mosher, 1956; Caldwell, 1968; Yin, 1981; Bell, 1993; Robson, 1994). This research method also can be used to document and analyse the outcomes of implementation. Case studies are pertinent when research addresses either a descriptive question – “What is happening or has happened?”, or an explanatory question – “How or why did something happen?” (Yin, 2003, p.5).

According to Yin (2003, p.6), the research questions that deal with “what” and “how” could best be answered through the case study. Furthermore, the case study method in this research allows an in-depth understanding of the ways in which the performance management is used on a day to day basis in Krasnoyarsk city administration. This type of study provides a rich description of the present situation as well as the historical aspects like the administrative and organisational context. The data from semi-structured interviews is analysed using a repetitive process of coding to develop categories leading to theory development that explains the participant’s experience of the implementation process. The study contributes to the theory of performance management implementation in public administration. It adds to our understanding of the implementer’s experience of

implementing a PMS in local governance and it contributes to the research in this field conducted in post-communist countries. This type of enquiry also allows interesting processual issues to emerge.

The understanding of the issues related to the process of institutional change is much deeper than the one obtained through the use of other methods such as survey and experiments. Case studies do not just seek to obtain simple, universal relationships between concrete variables but instead allow the researcher to theorise individually about different phenomena.

Further justification for selection of a case study strategy comes from their widespread use in the existing literature in the field of this research (eg. Lebas, 1995; Radnor and McGuire, 2004; de Waal, 2013). Eisenhardt (1989) states that the case study is appropriate for investigating contemporary phenomena within their context in the real world, when the boundary between that context and the phenomena is not clear. In both cases, he describes the case study as beneficial to gaining a holistic understanding of real life social phenomena that are complex, such as organisational and managerial processes, making the case study appropriate for this research.

In order to understand the process of institutional change related to performance management implementation in Russian local governance in the case organisation, the study has adopted an explanatory case study method. Explanatory case study examines the data closely both at a surface and deep level in order to explain the phenomena in the data. It consists of both an explanation of the findings together with the theory (Yin, 2003). Several theories are used to explain the phenomenon.

According to Yin (2003) and Robson (1994) for research projects that are of explanatory nature and that focus on the "what", "why" and "how" questions, the case study approach would be ideal. This research represents a single case study design. As in other qualitative research, a case study is a way of exploring the phenomenon in its context. A single case study may not be generalisable, but if it confirms the findings of previous studies, then it is a step towards generalisation (Merriam, 1988).

As Burnham argues, "case study design... has more of a qualitative feel", and, what is also important, "the data cannot be used to generalise about the population as a whole as the



case study is unique” (Burnham, 2004, p.53). In case of this research the one public administration organisation has chosen for a case study. The findings of the study cannot represent the whole process of performance management implementations in the Russian local governance, however, it gives an opportunity to look at the case in depth and reveal interesting facts which may be used for a further search on a bigger scale.

A case study is referred to “one of the most widely used strategies in political research” and it means “to undertake an investigation with significance beyond its own boundaries” (Hague, 2010, p.43). This research uses the definition of a case study as an “attractive way of using a variety of research methods to produce a rounded portrait of an identified subject” (Davies, 2007, p.34) in order to emphasise that the case study approach connects all the designs mentioned above. The essence of a case study is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what results (Schramm, 1971).

Different studies on the adoption of the new performance management focus on the output of the implementation, that is, whether the implementation has been a successful one or a failure (for example Abdul Majid and Sulaiman, 2008; Brewer, 1998; Cobb, Helliard and Innes, 1995; Davis and Albright, 2004; Koh, 2003; Malmi, 1997). Most of these types of research adopt the case study research design. Research into understanding the processes through which performance management system was implemented at local governance level still lacking, especially within the Russian context.

### **6.3. Research Design**

Research design can be organised as qualitative or quantitative. The qualitative researcher may use historical numerical data to support a particular finding, for example. Similarly, qualitative data can provide rich information about the social processes in specific settings. Various methodologists (e.g. Neuman, 1994, p.317) have tabulated the differences between qualitative and quantitative research as shown in the table below.

**Table 5. Differences between quantitative and qualitative research**

	Quantitative research	Qualitative research
Objective	Objective is to test hypotheses that the researcher generates.	Objective is to discover and encapsulate meanings once the researcher becomes immersed in the data.
Concepts	Concepts are in the form of distinct variables	Concepts tend to be in the form of themes, motifs, generalizations, and taxonomies. However, the objective is still to generate concepts.
Measures	Measures are systematically created before data collection and are standardized as far as possible; e.g. measures of job satisfaction	Measures are more specific and may be specific to the individual setting or researcher; e.g. a specific scheme of values.
Data	Data are in the form of numbers from precise measurement.	Data are in the form of words from documents, observations, and transcripts. However, quantification is still used in qualitative research.
Theory	Theory is largely causal and is deductive.	Theory can be causal or non-causal and is often inductive.
Procedures	Procedures are standard, and replication is assumed.	Research procedures are particular, and replication is difficult.
Analysis	Analysis proceeds by using statistics, tables, or charts and discussing how they relate to hypotheses.	Analysis proceeds by extracting themes or generalisations from evidence and organizing data to present a coherent, consistent picture. These generalisations can then be used to generate hypotheses.

From the methodological point of view, this study is of qualitative nature. A qualitative approach was chosen, because the study of PM implementation requires direct contact with the actors concerned in order to establish and understand the reasons underpinning change and the reforms. Qualitative approach allowed to explore a process of understanding an implementation process of PM system in Russian local government, based on building a complex picture, formed with words, reporting detailed views of implementers and conducted in a natural setting. The qualitative approach generates a wealth of data relating to one specific case. This study produces more in-depth, comprehensive information, uses subjective information and participant observation to describe the context, or natural setting, as well as the interactions of the different governmental levels in this context. It seeks a wide understanding of the entire situation.

The research is involved doing a case study on the Administration of Krasnoyarsk city, Russia. A local authority was chosen and agreed with regional government as a case study for this research. Administration of Krasnoyarsk city is a typical local authority in Russia. The case study approach is taken to capitalise on the fact that it would provide rich and deep insights into the issues being investigated. A case study in local government organisation such as Krasnoyarsk city administration was chosen because a local authority is a key sector in the Russian public services and is one of the few that is actively experimenting on implementing a performance management system and performance measurement. Local authority is one of the main organisations that are subjected to mandatory reporting of their performance from year to year based on a list of indicators as set by the central government.

### **6.3.1. Analytical Strategy**

Yin (2003, pp. 109-140) describes reliance on theoretical propositions as a preferred analytical strategy, so analysis related the empirical data back to the research questions. To start with, a case description was generated for a case study to gain some overall clarity and cohesion with all the data gathered. Pattern matching (Yin, 2003) is used to determine challenges Administration of Krasnoyarsk city faces during the performance management implementation.

Interview transcripts were analysed using methods of open and axial coding to generate topologies, categorize and classify recurring events, actions, problems, suggestions. Then a “core category” was selected for further investigation (Blaikie, 2000, p. 239). On the other hand, questions for which the saturation point was reached were identified (Eisenhardt, 1989). During this stage the problem of performance management implementation challenges was selected as the “core category” for further research and the scope of the study was narrowed to different barriers.

Empirical data segments were coded by extensive listening to the sound files, the segments then being annotated with one or sometimes more of a number of codes (categories). Categories were developed from the literature underlying the research questions and questions used in the semi-structured interview guide, to assist in pattern matching the data with the conceptual model. The example of a list of the categories used at the end of the analysis can be found below:

1. Unstable foundation for implementation of PM
2. The lack of engagement in the planning process
3. Hierarchical culture barriers
4. Lack of teamwork
5. Understanding of PM concept as an instrument of control rather than the tool for services improvement
6. PM as a mechanism of punishment
7. PM created difficulties in reporting
8. Budget span of control
9. PM is not linked to individual performance
10. Fear of open discussion of the PM results
11. Lack of confidence in the PM implementation

The list mainly includes descriptive categories to identify challenges during the performance management implementation. This iterative coding process from a start point of the conceptual model was recommended by Miles and Huberman (1984 pp54-65) and reflects the relativist philosophy of research and abductive approach. Abductive approach is one distinctive type of qualitative research developed by Blaikie (2000), which refers to the process of constructing theories or typologies that are grounded in everyday activities and in the language and meanings of social actors. This research approach is associated

with relativism and is used to generate social scientific accounts from social actors' accounts. All codes were combined, split or segments were re-coded or coded multiple times. As such, coding the data was an iterative process of sense making. Interview data was considered together with the documentary data and observation noted.

At the first stage of coding “core barrier categories” were selected at the strategic, operational and individual levels of case study organisation. During this stage a category of barriers which was found from the data analysis of the semi-structured interviews, documentary research and participant observation of the staff meetings were selected as the “core category”. Secondly, for further research and the scope of the study all categories were narrowed to different challenges as “subcategories”. The list of categories and subcategories can be found in Appendix 1.

The coded data for each semi-structured interview and respondent role in the organisation was entered into matrices to gain an overview of the cases by categorising the codes at a high level according to the research questions, with a succinct descriptive phrase. Role order matrices were used, though the categories used also meant that parts of the matrix were ordered by effects. Matrices are advocated in the literature as a summarising table display as they aid the researcher in drawing conclusions from the data (Miles and Huberman, 1984, pp. 79-118). The matrices were used to compare and contrast the data from the different respondents within the case and then develop a summary description of the overall data for the case study. Matrices of various lengths were produced and those which were ultimately used were found to contain the best amount of data in terms of a trade-off between being concise to aid analysis, but also to contain sufficient detail. Quotes from the semi-structured interview data were used to illustrate the data in the main body of the text, ensuring that they were representative of the mainstream of the data gathered and shown in the matrices.

### **6.3.2. Sampling strategy**

The research deals with performance management practices in the social services of Krasnoyarsk city Administration focusing on the Department for Social Policy which coordinates activity of six selected units (branches): Social Care, Health Care, Youth Policy, Education and Learning, Sport and Leisure, and Culture. Each service branch

includes the number of the local authority managers who work for the Administration of Krasnoyarsk city, which provides public services for citizens.

The Department for Social Policy and all the branches have implemented a performance management system and are in progress. Thus, the study focuses on identifying the challenges encountered in the implementation process of the system in particular organisation.

The study extends the efforts to investigate performance management implementation in local governance from a neo-institutional sociology perspective by examining the responses of senior management and staff specialists to recent reforms in Russian public sector. While ample attention over the past four decades has been paid to the responses of operating-level employees and managers occupying dual professional and administrative roles to recent public sector reforms (e.g. Purdy, 1993; Pettersen, 1995; Jones and Dewing, 1997; Llewellyn, 1997; Jacobs, 1998; Llewellyn, 1998; Modell, 2000), more in-depth investigations of the less extensively explored issues of how and why senior management influences PM in public sector organisations may provide important complementary insights. Some prior studies indicate that the development of novel PM practices and other formalised control mechanisms in response to public sector reforms tend to be dominated by senior management and staff specialists (Laughlin et al., 1994; Lawton et al., 2000). In their capacity as systems designers, local authority managers may thus function as translators of change through their interactions with the organisation's institutional environment (Czarniawska and Joerges, 1996).

The sample of the study includes 65 local managers of the selected departments and branches. All respondents have worked for public services in Krasnoyarsk city for at least one year. Key personnel from the Department for Social Policy and each service under Departmental Policy were interviewed.

**Table 6. Participants of the study**

<b>Name of the Department/Branch</b>	<b>Total Number of employees</b>	<b>Number of interviewees</b>
Social Policy	14	7
Social Care	19	9
Health Care	23	11
Education and Learning	25	11
Youth Policy	11	5
Sport	22	10
Culture	22	12
<b>Total</b>	<b>136</b>	<b>65</b>

A total of 65 people participated, including the head of Department for Social Policy, the Heads of Social Services, deputy chiefs, chief specialists, local line managers and other managers of city administration.

**Table 7. Participants of the study by level of management**

<b>Name of the Department</b>	<b>Total number of interviewees</b>	<b>Senior Management (Head of Departments level)</b>	<b>Middle management (Head of Unit or Deputy Head of Department)</b>	<b>Junior management (Chief Specialists in the Department)</b>
Social Policy	7	1	2	4
Social Care	9	1	1	7
Health Care	11	1	2	8
Education and Learning	11	1	3	7
Youth Policy	5	1	1	3
Sport	10	1	1	8
Culture	12	0	1	11
<b>Total</b>	<b>65</b>	<b>6</b>	<b>11</b>	<b>48</b>

The achieved sample of the local authority managers from public administration service organisations comprises a majority of respondents who described themselves as either

“board” or “senior management”, middle managers and junior managers. Bearing in mind that the methodology would avail equal chances of being selected among the stakeholders respondents were selected from each stratum randomly. The responses collected from the sample will furnish sufficient information on all parameters for analysis to test the reliability of the final result. The method of data collection compounded with the opportunity of availing equal chance of being selected has helped the research to acquire the required information from all levels.

All the management of the departments which participate in performance management, social services delivery in Krasnoyarsk city and decision making in social policy were interviewed. For the staff a simple sampling strategy was used to identify those staff in these departments or units that were to be interviewed. It was not necessary to interview all the staff since the simple sampling strategy would be sufficient to represent the data required for this study.

Consideration was made that those selected to be interviewed would represent a fair distribution of employees in Krasnoyarsk local government. By not interviewing all the staff would enhance the anonymity of the staff cooperating in this research. If some staff were interviewed and some were not, then it would be difficult for management to identify who actually cooperated in this research. To further protect the identity of the respondents, each respondent was allocated a code number.

### **6.3.3. Validity and Reliability**

According to Le Compe and Goetz (1982, p.32) validity in research is concerned with the accuracy and truthfulness of scientific findings. A valid study should demonstrate what actually exists and a valid instrument or measure should actually measure what it is supposed to measure.

Campbell and Stanley (1966) have defined two major forms of validity that encompass the many types. They refer to "internal" and "external" validity, terms which are today used in most research literature. Denzin (1970) used the distinction between internal and external validity and applied it to qualitative research. Internal validity is the term used to refer to the extent to which research findings are a true reflection or representation of



reality rather than being the effects of extraneous variables. External validity addresses the degree or extent to which such representations or reflections of reality are legitimately applicable across groups. External validity concerns whether findings of the current study are applicable to a broader context or reality than the one studied. As described in the selection of case study methodology, Yin (2003, pp. 1-18) states that analytical, not statistical generalisability is appropriate.

Reliability is concerned with the consistency, stability and repeatability of the informant's accounts as well as the investigators' ability to collect and record information accurately (Sellitz et al., 1976, p. 182). It refers to the ability of a research method to yield consistently the same results over repeated testing periods. In other words, it requires that a researcher using the same or comparable methods obtained the same or comparable results every time he uses the methods on the same or comparable subjects. It further requires that the researcher has developed consistent responses or habits in using the method and scoring or rating its results and that factors related to subjects and testing procedures have been managed to reduce measurement error.

There are different methods of data collection in this research to explore one subject to add validity and reliability to this qualitative research. "Using two or three different methods to explore the same subject" is called "triangulation approach" (Davies, 2007, p.34). Patton (2001, p.247) argues that "triangulation strengthens a study by combining methods". The implementation of the triangulation approach is seen by the author as using different methods mentioned above to present the bias of the questions and to take into consideration all interested sides. Triangulation in this study refers to the use of different data sources and methods to analysis in the study of a single phenomenon.

In addition, validity in this research is achieved by development of an early familiarity with the culture of participating in the research organisation before the first data collection for the purposes of adequate understanding of an organisation and to establish a relationship of trust between the parties (Guba, 1981). This achieved via preliminary visits to the Krasnoyarsk city administration and public events related to performance management implementation, such as Krasnoyarsk city Forum, Public Debates, focus groups and seminars.

Random sampling of individuals who participated in the semi-structured interviews was used as a part of the key criteria addressed of internal validity. Although qualitative research involves the use of purposive sampling, a random approach may negate charges of researcher bias in the selection of participants. As Preece (1994) notes, random sampling helps to ensure that any “unknown influences” are distributed evenly within the sample. Furthermore, it may be that a random method is particularly appropriate to the nature of the investigation. The work may, for example, take the form of a “collective case study” of the type described by Stake (1994, p.237), in that multiple voices, exhibiting characteristics of similarity, dissimilarity, redundancy and variety, are sought in order to gain greater knowledge of a wider group, such as a more general population, rather than simply the individual informants who are contributing data.

The researcher attempted to increase the validity of responses in the following setting (Crabtree and Miller, 1992):

- by making sure that informants are very clear on the nature of the research eg. why the researcher is there, what he is studying, how he will collect data and what he will do with it
- by first building a trust-relationship with the subjects and staying in that setting for a long period of time
- by interviewing the same informant on several occasions and making observations more than once and over time
- by comparing the results obtained with other evidence
- by confirming findings and analysis with informant
- by keeping accurate and detailed field notes to note the variations in responses over the course of time.

Construct validity is concerned with whether the research uses good or appropriate operational measures for the concepts studied empirically, a challenge in qualitative research where measures are developed and there is an element of the subjectivity of the researcher involved in analysis. To ensure construct validity, Yin (2003 pp33-39) states that the research must have specified specific phenomena to study and have selected measures of the phenomena that do actually reflect the phenomena. In this research, the concepts and questions used in the semi-structured interviews were based on concepts identified from existing research in the literature review. Yin (2003.) recommends further tactics to ensure construct validity, which are used in this research. This includes using

multiple sources of evidence, namely semi-structured interviews backed up with documentary and observations. Yin (2003) also proposes having a respondent or other researcher review the data and findings. This occurred in this research through the feedback from PhD supervisors and other researchers on the broader research project of which the current PhD research is a part.

In order to address the reliability issue, the processes within the study is described in detail, thereby enabling a future researcher to repeat the work, if not necessarily to gain the same results. Thus, the research design may be viewed as a “prototype model”. Such in-depth coverage also allows the reader to assess the extent to which proper research practices have been followed. So as to enable readers of the research report to develop a thorough understanding of the methods and their effectiveness, the text of the theses includes sections devoted to the research design and its implementation, describing what was planned and executed on a strategic level; the operational detail of data gathering, addressing the minutiae of what was done in the field; reflective appraisal of the project, evaluating the effectiveness of the process of inquiry undertaken.

#### **6.4. Data Collection Methods**

Qualitative methods of data collection focus on all relevant data whether immediately quantifiable in a standardized scale or not. As defined by Hakim (2000), qualitative research provides the “individuals” own accounts of their attitudes, motivations and behaviour. It offers richly descriptive reports of individuals’ perceptions, attitudes, beliefs, views and feelings, the meanings and interpretations given to events and things, as well as their behaviour; displays how these are put together, more or less coherently and consciously, into frameworks which make sense of their experiences; and illuminates the motivations which connect attitudes and behaviour, the discontinuities, or even contradictions between attitudes and behaviour, or how conflicting attitudes and motivations are resolved in particular choices made.” Qualitative data is particularly useful when it comes to defining feelings and attitudes. Based on these statements qualitative data collection for this research is selected.

A case study was undertaken as means of accomplishing the stated objectives of this research. To satisfy the requirements for the research's validity and reliability, this research employed the use of multiple sources of evidence when collecting data. Marshall and

Rossmann (1989) suggest that a researcher using the case study approach can use different sources of evidence: documentation, archival records, interviews, direct observations, participant-observation and physical artefacts. This research was used semi-structured interviews with Krasnoyarsk local government managers as the central method, with some supplementary use of documentation and direct observations.

#### 6.4.1. Semi-structured interviews

Semi-structured interviews were used as the main method as they have the potential to catch the qualitative, explanatory data dictated from the ‘what’ and ‘how’ nature of the research questions, being flexible in gathering data from the real individual actors (managers from Krasnoyarsk city local government). By contrast the widely used survey alternative would only have been appropriate for a conclusive, descriptive study, as the closed questions typically involved do not allow for gathering of explanatory data of the type proposed by the research questions. Interviews may have varying degrees of structure in the questions asked of respondents. Semi-structured interviews (Bryman, 2004, pp. 109-129) were used as they provide a balance between structure to satisfy the line of enquiry dictated by the research questions and allowing for explanation. Bryman (2004) describes key aspects that are desirable in semi-structured interviewing. These include using an interview guide with flexibility in questioning. The series of questions used in the interviews was developed based on the information from the literature review and from initial interviews with key personnel at the administration of Krasnoyarsk city. The questions were designed to gather the required data related to the aims, objectives and research questions.

**Table 8. Interview guide questions and their basis in the research questions and literature**

Question in Interview Guide (Appendix 2)	Example of Literature Basis	Comments
1.1.	Berg (2001), Douglas (1985)	Introductory question
1.2.	Berg (2001), Douglas (1985)	Introductory question
1.3.	Umashev and Willet (2008)	Introductory question

2.1.	Pollitt (2006)	Understanding of the performance management concept
2.2.	Pollitt (2006)	Understanding of the performance management concept
2.3.	Radnor and McGuire (2004), Mintzberg and Lampel (1999), Halachmi (2005), Lebas (1995)	Understanding of the performance management concept
2.2.1.-2.2.3.	Halachmi (2005), Lebas (1995)	Exploratory questions
3.1.	Halachmi (2005), Umashev and Willett (2008), Pollitt (2006)	Strategic level
3.2.	Halachmi (2005), Umashev and Willett (2008)	Strategic level
3.3.	Umashev and Willett (2008)	Strategic level
3.4.	Pollitt (2006)	Strategic level
3.4.1.-3.4.4.	Pollitt (2006)	Strategic level
4.1.	Radnor and McGuire (2004), Mintzberg and Lampel (1999), Halachmi (2005), Lebas (1995)	Operational level
4.2.	Radnor and McGuire (2004), Mintzberg and Lampel (1999), Halachmi (2005), Lebas (1995), Umashev and Willett (2008)	Operational level
4.3.	Radnor and McGuire (2004), Mintzberg and Lampel (1999), Halachmi (2005), Lebas (1995), Umashev and Willett (2008)	Operational level
5.1.	Radnor and McGuire (2004), Mintzberg and Lampel (1999), Halachmi (2005), Lebas (1995), Umashev and Willett (2008), Mwita (2000)	Individual level
5.2.	Radnor and McGuire (2004), Mintzberg and Lampel (1999), Halachmi (2005), Lebas (1995), Umashev and Willett (2008), Mwita (2000)	Individual level
5.3.	Mwita (2000), Halachmi (2005), Lebas (1995)	Individual level
5.4.	Pollitt (2006)	Individual level
6.1.-6.9.	Halachmi (2005), Umashev and Willet (2008)	Outcomes of the Performance Management Implementation

An interview guide for this research was developed, piloted, refined and updated throughout the course of the empirical work as part of the research process. Feedback and experiences from the pilot tests resulted in some of the questions being modified and changed.

Actual questions used descend from the research questions and are annotated in the guide shown in Appendix 2 according to a root in the existing literature upon which they were based. Questions were designed according to Bryman (2004), for example not to be

leading the respondent into a particular answer. They also contain prompts in case the interviewer sensed the need to delve deeper into some aspect of the responses, or if the respondent needed additional triggers. As such, the interviews were conducted in the style of a guided conversation.

Before the respondent is answering the questions, at the beginning of the interview, the researcher explained the purpose of the study and requested the cooperation of the respondents to give their sincere answers to the questions stressing that all answers were treated with the strictness confidence. In order to ensure consistency of respondents' understanding of the questions asked, the researcher explained and elaborated any terms that the respondents asked and were unsure about. The interviews were carried out face to face and took between 45 minutes – 1 hour to complete in a separate room.

The aim of semi-structured interviews was to consider opinions of key stakeholders – local authority managers. A short checklist of questions was used to ensure that topics central to the research question were covered in the interviews. This involved producing a number of predetermined questions and special sections (Berg, 2001). All questions were allocated to different sections of the interview guideline according to the framework discussed in the theoretical chapter: strategic, operational and individual performance management levels of organisation (Brudan, 2010).

The interviews involved using a semi-structured interviewing technique that consisted of open ended questions. The open-ended questions were necessary to ensure that the exact opinions and views of the respondents were captured (see Appendix 2). Although questions were asked in a consistent manner, the interviewer probed beyond the responses to the prepared, standardized questions. This allowed a greater 'depth and detail of information' to be secured (Emory, 1985, p. 160). The use of open-ended questions allowed individual respondents to express their views using their own terms, in familiar surroundings. Consequently, respondents' views were guided but not limited by the questions. As can be observed from the interview questionnaire protocol, the structure of the questions allowed the respondents to comment on unanticipated issues. In order to avoid subjectivity of interpretation of the interview results and make the materials gathered through the interviews reliable and valid, it was important to take all opinions into a consideration.

#### 6.4.2. Documentary research

Although the major source on which the findings are based is interview transcripts, documentation was used to verify or elaborate the interview data. Documentary evidence was gathered where possible to substantiate the accounts of semi-structured interview respondents by triangulation. Documentation obtained from the organisation mainly related to the official documents, reports and legislation with performance indicators and reports. Publicly available material was also obtained from various sources, such as official website and departmental archive. These included the organisation's strategic plan, annual report, operational planning documents, internal newsletters and a training documentation. Special attention was given to long-term programmes and documents related to initiatives and activities that were carried out as actions to embark on a performance management system. This material was used to check and compare the reliability of the statements and views expressed in the interviews.

The list of documents included:

- Constitution of the Russian Federation. Adopted by popular vote on December 12, 1993. Moscow.
- Federal Law No 55-FZ On Ratification of the European Charter on Local Self-Governance dated May 20, 1998.
- Federal Law On Basic Principles of Local Self-Government Organization in the Russian Federation of August 28, 1995. No, 154-FL.2001. Moscow.
- Federal Law On Basic Principles of Local Self-Government Organization in the Russian Federation of October 6, 2003. No, 131-Φ3 -FZ.2003. Moscow.
- Federal Law on Local Government Finance (September 10, 1997). Moscow.
- Presidential Decree on Guarantees of Local Self-government (1993).
- Federal Law on Municipal Service No 25-FZ (December 24, 1997). Moscow

- Federal Law on the Tax System No 943-1-FZ (March 21, 1991). Moscow
- Budget Code No 145-FZ (July 17, 1998). Moscow
- Federal Law on Public Civil Service of the Russian Federation No 79-FZ (June 27, 2004) Moscow
- Presidential Decree on Attestation of Public and Civil Servants of the Russian Federation No 111 (February 1, 2005)
- Presidential Decree No 825 On the Evaluation of Performance of the Executive Authorities of the Russian Federation (June 28, 2007). Moscow
- Presidential Decree No 607 On the Evaluation of Performance of Local Governments in Urban Districts and Municipal Areas (April, 28, 2008). Moscow
- Krasnoyarsk City Administration Annual Reports on Budget Expenditure (2011, 2012, 2013). Krasnoyarsk
- Annual Reports of the Mayor of Krasnoyarsk city on results of activities (2010, 2011, 2012, 2013). Krasnoyarsk
- Annual Citizens' Satisfaction Survey on Quality of Public Services in Krasnoyarsk city (2010, 2011, 2012). Information-analytical collection of Reports "Krasnoyarsk city and citizens". Krasnoyarsk
- Reports on the implementation of the city long-term target programmes.

### **6.4.3. Observation**

Although semi-structured interviews and documentary research were chosen as main methods of the study, the researcher was also engaged with various workshop sessions and meetings involving the departments and branches being studied for observations. The author was also given the opportunity to observe a number of internal and cross-departmental meetings and discussions of implementation process. The observation



method utilised in this case was unstructured and informal (Robson, 1993). It consisted of the researcher taking notes at any time when she felt it was necessary or of importance for instance, during a staff meeting.

According to Mack et al. (2005), data obtained through participant observation serve as a check against participants' subjective reporting of what they believe and do. Participant observation is useful for gaining an understanding of the physical, social, cultural, and economic contexts in which study participants live; the relationships among and between people, contexts, ideas, norms, and events; and people's behaviours and activities – what they do, how frequently, and with whom. Through participant observation, researchers can uncover factors important for a thorough understanding of the research problem. This is the great advantage of the method for our study.

Staff members were aware of the fact that the researcher was conducting study on the implementation of the performance management system, but were not necessarily aware of each instance in which the researcher took observation notes. The main reason for collecting data using the observation method was to enhance the validity and reliability of the study through triangulation. Because much of the staff information was collected in the format of questionnaire with written answers, the researcher wanted to ensure that the written answers corresponded to the behaviour and verbal communications of the staff in their every day environment.

## **6.5. Access to Data and Ethics**

There are a number of ethical standards that have been accepted throughout the UK and abroad. All participants in Krasnoyarsk City Administration were fully informed of the study and what is being asked of them, in order to make a fully informed decision about whether or not to participate in the research. The aspects of privacy, confidentiality and anonymity, the storage and transfer of data are the following.

### **6.5.1. Privacy**

Privacy refers to persons and to their interests in controlling the access that others have to them and to information about them, affects their willingness to participate in research

and to give honest responses (Sieber, 1992; p.45). This understanding of the privacy concerns of potential subjects enables researcher to communicate an awareness of and respect for those concerns, and to protect subjects from invasion of their privacy.

To protect the privacy of subjects, the following measures are ensured that others do not learn the identity of the persons who participated in the research:

- No names are used in transcribing from the audio tape, or in writing up the case study.
- Each person is assigned a letter name with special code.
- All identifying characteristics, such as occupation, the name of Department and others characteristics are changed.
- The audio tapes are reviewed only in the researcher's office.

Furthermore, the collection and use of ID and more generally private information is reduced to a minimum on a "need to use basis" in order to ensure participant safety, an interpretation of results, a treatment of incidental findings and a strict protection of the participant's data.

### **6.5.2. Confidentiality and Anonymity**

Confidentiality is an extension of the concept of privacy. It refers to data (some records about the person, such as notes or tape record of the person) and how data are to be handled in keeping with subjects' interest in controlling the access of others to information about themselves (Boruch et al, 1982).

Confidentiality is handled in a consent agreement between researcher and Administration of Krasnoyarsk city. Anonymity means that the unique identifiers will be never attached to the data or even known to the researcher.

### **6.5.3. The storage and transfer of data**

The storage of data is maintained in terms of storing data securely on computer and ensuring hard copies of transcripts and field notes are stored in a locked cupboard.

All individual research participants that are interviewed and maintain a research diary are given an informed consent form to sign. This details the exact nature of the research, their expected time commitment, data storage etc. A copy of this is given to each individual for their own records.

All data obtained is anonymised with names of participants changed. Electronic forms of the raw data are securely stored on the computer and hard copies are locked in a secure cupboard.

This chapter has investigated a number of possible research philosophies and methodologies, then determining the most appropriate for this research. A relativist research philosophy is adopted as it allows the development of explanations about the phenomena studied, yet recognises that the context of the research is complex and open. An abductive research strategy was chosen in light of the philosophy and iterative nature of the research. These in turn determined that a single case study methodology is appropriate for this research, as it lies in the middle of the philosophical spectrum discussed above and is congruent with the relativist stance.

Semi-structured interviews, documentary research and observations were described. The data collection, techniques and analytic strategy were discussed. Techniques stated included matrices and use of qualitative data coding and analysis. This chapter finished by describing steps taken in the empirical work to try and ensure the validity and reliability of the findings, which are described in the next two chapters.

## **7. KRASNOYARSK CITY ADMINISTRATION BACKGROUND**

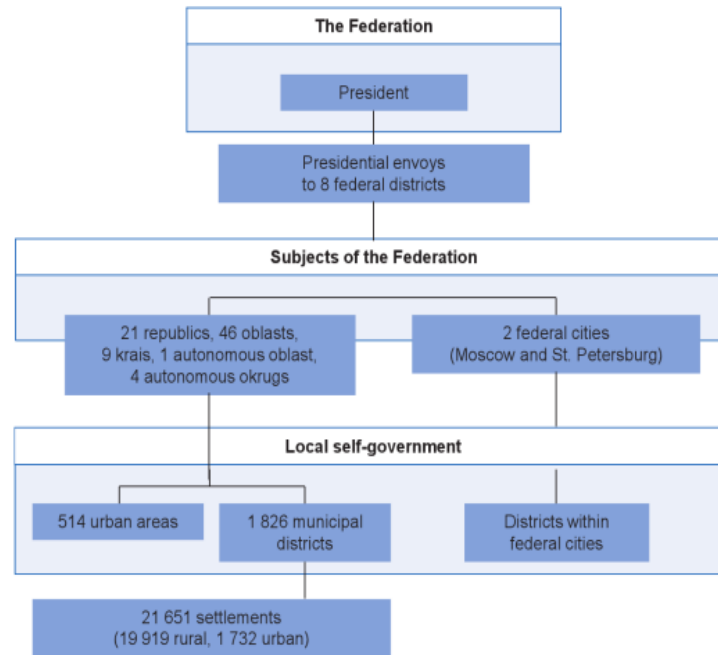
This chapter presents the framework of regional and local governance in the Russian Federation, describes the structure of government in Krasnoyarsk krai (region) and functions of the local government (the Krasnoyarsk City Administration). In addition to that, the legislative base of the local government is presented together with the policy implementation and performance management framework.

### **7.1. Governance framework in the Russian Federation**

Russia is a Federation with 85 regions which are known as ‘subjects’ of the Russian Federation. The structure of the Federation consists of three tiers – municipal (local city administrations), regional and the federal administration itself. The lowest tier the Russian municipal authorities (often referred to as “organs of local self-management”) are situated in a complex territorial governance structure that reflects the Russian Federation’s vast expanse and ethnic diversity. The precise number of subjects has varied over time, owing to mergers and other developments. At the end of 2013, there were 85 constituent units, known as the subjects of the Federation. These are made up of 46 oblasti (provinces), 9 krai (territories), the cities of Moscow, Sevastopol and St. Petersburg (the only 3 cities to enjoy the status of federal subject) and 26 autonomies with ethnic designations (within which there are 22 republics, one autonomous oblast and four autonomous districts).

The chief executives of these 85 federal subjects (governors in most cases but bearing the title of president in the ethnic republics) have since 2004 been nominated by the President of the Russian Federation and then endorsed by the legislative bodies of the relevant subjects. However, a phased return to direct election of the heads of the subjects of the Federation was started in 2013. The administrative sub-units of the subjects of the Federation are self-governing cities, municipalities, districts and settlements (Figure 2).

**Figure 2. Governance framework in the Russian Federation**



Source: Former Ministry of Regional Development of the Russian Federation, 2013

Local governance in the Russian Federation operates in a framework of federal, regional and local legislation. Missions, strategies and objectives for local governments are described in the legislation. In this study the investigation of the implementation of performance management has involved analysing the federal legislation related to local governance in the Russian Federation as well as regional legislation and finally local legislation and plans.

Local governance is considered as an important and essential element of democracy. It is one of the fundamentals of the constitutional system of the Russian Federation (Chapter 8 of the Constitution of the Russian Federation). It is defined in the Russian Federation as independent activity by the local population, on its own responsibility, recognised and guaranteed by the Constitution of the Russian Federation. This involves settling, directly or through agencies of local government, local affairs which proceed from the interests of the population and other historical or local traditions.

The legislative base of local government in Russia contains the following:

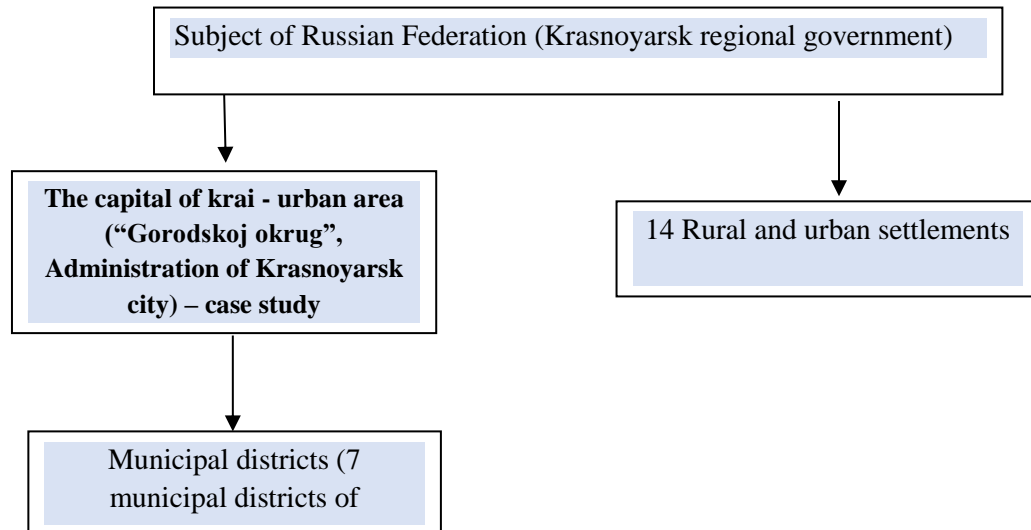
- Constitution of the Russian Federation

- Generally recognised principles and norms of international law, international treaties of the Russian Federation (for example, European Charter of Local Self-Government)
- Federal Law “On the General Principles of the Organisation of Local Government in the Russian Federation”
- Other federal laws
- Decrees of the President of the Russian Federation
- Acts of Government of the Russian Federation, federal ministries, as well as constitutions (charters) and other acts of the regional governments (subjects) of the Russian Federations
- Charters of municipalities, decisions adopted at local referendum and other local laws.

The particular law which affects this case study is Law № 131-FZ on General Principles of the Organisation of Local Self-Government adopted in 2003 and in force since 2006. It established that local self-government should be one of the tiers of sub-federal government across the whole country. Thus, the country was divided, as per Figure 2, into urban areas (*gorodskoj okrugs*) and municipal districts (*raions*). Below this, the second tier of local government are the urban and rural settlements. The boundaries of these municipal entities were established by Regional laws in compliance with the requirements set out in the federal legislation.

This case study concerns the city of Krasnoyarsk (population of 1.175 million in 2011) which is the capital and administrative centre of Krasnoyarsk Krai, one of the 83 subjects of the Russian Federation. It is the second largest subject by territory but also one of its most sparsely populated. The City of Krasnoyarsk’s importance to both the Krai and the whole of Eastern Siberia continues to grow. The region and the city are among the more prosperous places in the Russian Federation and the foundations for further growth are strong.

**Figure 3. The structure of government of Krasnoyarsk Krai**



As regards what each of these tiers of local government perform, this is established in The Law on General Principles of the Organisation of Local Self-Government. This law has established three *lists of functions* of local importance: one for municipal settlements, one for municipal raions, and one for cities (see Appendix 5). At the same time, the Budget Code set up three lists of taxes for each of these types of local government.

These functions typically consist of the organisation of housing and utilities services (electricity, heating, water, gas and fuel supply, street lights, waste collection) and provision of social housing for individuals with low incomes. The local governments are also responsible for basic fire protection, public transportation within the settlements, intra-settlement road construction and maintenance. Responsibilities also include parks and gardens, cemeteries and libraries, providing recreational, cultural and sport events.

To provide these services local administrations chiefly use federal or regional funds. A small part would be from local taxes or other local revenue sources. Moreover, if an area has more than double the average local tax revenue, then the subject may take up to 50 percent of the excess for reallocation among poorer municipalities.

Because local governments generate a small proportion of their budgets, they have limited powers of decision making and budget distribution. Federal and regional regulations stipulate the way local governments fulfil their expenditure responsibilities. In addition, the Budget Code also imposes constraints on a municipality depending on its level of subsidization.

**Figure 4. Federal and regional regulations for local budget distribution**

Local Government's Contribution to the Total budget	Restrictions
0 ≤ 10%	None
> 10% for two consecutive reporting years	Salary of local officials shall not exceed the ceilings established by the regional council.
> 30% for two consecutive reporting years	Local spending is limited to matters explicitly listed as local expenditure responsibilities in federal and regional legislation.
> 70% for two consecutive reporting years	<ul style="list-style-type: none"> <li>- The local government shall sign an agreement with the regional government to increase the efficiency of local spending and enhance collections.</li> <li>- The local government's budget is submitted to the regional government for approval.</li> <li>- The regional government audits end of year local budget execution reports at least every other year.</li> </ul>

The Law № 131-FZ assigns to municipal districts a number of functions which should be performed free of charge to citizens under the Russian Constitution: pre-school, primary, secondary education, supplementary after classes education (financing includes subsidies from regional budget), healthcare in general hospitals, maternity care, ambulance services and environment protection. Municipal districts are also responsible for local issues of an inter-settlement nature: inter-settlement electricity and gas supply, inter-settlement public transportation, construction and maintenance of inter-village roads, waste utilization. In addition, Municipal districts are also responsible for recreation, organisation of cultural and sport events and libraries.



Municipalities are free to add more functions to the federal list of functions only if they have their own resources to support them. If the share of grants (including tax transfers) in total revenues of a local government is greater than 30% they are not entitled to perform any functions, other than those established by federal and regional laws. Currently Russia has 15 main taxes (many of which are just a grouping of smaller taxes based on certain characteristics) that include ten federal taxes (including the special tax regimes for certain types of businesses), three regional taxes, and two local (settlement) taxes. Municipal Districts have only two own taxes while settlements rely on the federal assigned taxes only and have no own taxes at all.

This case study, Public Administration of Krasnoyarsk city, as well as any other city in the Russian Federation, is one of the *gorodskoj okrugs* (cities) and includes functions of both municipal settlements and municipal districts.

This case study focuses on the Social Policy Department and its branches which are senior managerial municipal levels of government in Krasnoyarsk city. The department coordinates and manages activities related to city public services, such as social care, health care, youth services, culture, education and learning, and sports. The Department supervises the activity of 6 branches and 561 different public organisations, such as the centres of social services and social help for family and children, the crisis centres for women, the youth centres, educational and health establishments, sport schools and others.

In addition to that, this Department develops and implements short-term and long-term target programmes, which have a direct influence on the standards of well-being and the quality of life.

## **7.2. Krasnoyarsk krai background**

Krasnoyarsk Krai is one of the Russian Federation's most important regions in terms of natural resource wealth. Altogether, it accounts for around 80% of the country's nickel production and is the largest producer of nickel in the world (16.7% of global supply in 2010). It also holds 75% of Russia's cobalt, 70% of its copper, 16% of its coal and 10% of its gold extraction. More than 95% of the country's known resources of platinum group metals (PGMs) are located within the Krai, which also produces 20% of the country's timber.

Over the years, though, the difference between the Krai's per capita GDP and the national average has been growing – though both have been rising. In 2005, GDP per capita in the Krai was just over 20% above the national average; in 2011, it was roughly 32% higher than the national average. The economic activity of the Krai is dominated by the abundance of natural resources and cheap energy (notably through the Krasnoyarsk Dam on the Yenisei), which enables it to export both unrefined minerals and energy-intensive commodities. The Krai has been able to benefit from the surge in the world prices of commodities since the beginning of the millennium. It is worth noting, however, that the geographic distribution of value added creation in the Russian Federation is highly concentrated in Moscow, and in 2011 the GDP of the Krasnoyarsk Krai only represented 12% of that of Moscow. Even so, the Krai remained the largest economy in the Siberian Federal District in aggregate and by far the most productive in per capita terms. Overall, the Krai must be regarded as among the Russian Federation's more successful regions economically.

### **7.3. Krasnoyarsk policy implementation: regional and local levels**

The Krasnoyarsk krai governor gives the main policy directions and monitors the achievement of policy objectives. The Krai government and its sectoral ministries develop state-supported mechanisms for regional development, finance and implement regional policy measures, performance management and control the effective use of funds. The budget is also overseen by the Krai Ministry of Economics and Regional Development, which is responsible for implementing regional performance management and measurements. The objectives of regional policy in Russia have changed over the past 20 years. During the 1990s, it was opaque, largely ad hoc and focused on: 1) supporting the poorest regions; and 2) responding to political pressure from stronger regions for fiscal privileges and greater autonomy. This changed in the early 2000s as bilateral agreements between the centre and the regions were scrapped and the system of fiscal federalism was reformed. Nonetheless, the transition to a modern, growth-oriented regional policy is incomplete. There is still a tension between the need for sustained federal support to very poor regions and the desire to foster the emergence of growth centres that might aid economic diversification, but might also reinforce inter-regional disparities. In reality, most regions (and most citizens) fall between these two groups. The problem of devising appropriate regional development strategies is most acute in the large number of cities and

towns organised around a single branch or enterprise – the so-called mono-cities. These are cities whose economy is dominated by a single industry. Attempts to restructure them have met with little success. Today, the three most important objectives of regional policy are to: 1) reduce inter-regional disparities in per capita income; 2) promote inter-regional co-operation; and 3) ensure the provision of quality of public services in sparsely populated areas (OECD, 2015).

While fiscal resources and decision-making power are now far more concentrated in Moscow than they were 10-15 years ago, regions play an important role in the implementation of policy. Large investment programmes are mostly implemented in co-operation with federal and regional institutions. The government of Krasnoyarsk Krai thus designs its own territorial development policies, strategies, programmes, governance partnerships, public-private partnerships (PPPs) and special economic zones (SEZ) within the framework established by federal legislation and policy.

The Krasnoyarsk City local government has struggled to adapt to changes in the system of fiscal federalism. Before 1990, the organs of local self-management (which will hereafter be referred to simply as “local governments”) were responsible for tasks which were defined at higher levels of government. Soviet law reformed local governments in 1990, endowing them with tasks of “local importance”. Since then, the rules and responsibilities of local governments were redefined in subsequent laws and reforms. In 1991, the Russian law consolidated the concept of local self-management as a self-standing local level of responsibility, including detailed regulation of elected local councils, which contributed to the decentralisation of governance in Russia. In 1993, the federal constitution gave shared legislative powers over local governments to the federal and regional levels, adding that “organs of local self-management can be endowed, by law, with specific state tasks”. A list of “issues of local significance” for cities, municipal districts (raions) and municipal settlements (urban and rural) was issued in the 1995 Law on “General Principles of the Organisation of Local Self-Government” (Federal Law 154); and a list of taxes to be levied by different types of local governments was defined in the Budget Code (Vetrov and Zaitseva, 2005; World Bank, 2009). The state’s ability to assign “issues of local significance” to municipal districts and urban areas was reinforced through a 2003 reform that refines the list of specific tasks assigned to each level of local government (e.g. settlements and municipal districts). Since 2003, all settlements and

districts of more than 1000 inhabitants have to establish a local authority to carry out delegated tasks.

Local government serves a dual function, being accountable to local voters at the same time as having to implement federal government functions and expenditures. The main actors in local government are the mayor or head of municipality, the city manager or head of the municipal administration, and the local council. Local councils are assigned to exercise “control over the discharge, by organs of local self-government and its position-holders, of their local level responsibilities”, thus monitoring the implementation of delegated tasks from the state (Wollmann and Gritsenko, 2009).

#### **7.4. Performance management implementation framework**

There are two main categories of Performance Management tools in Russian executive agencies. The first category is the goal-setting and planning tools that ensure the unity of policy, the second is executive instruments that enable achievement of goals and objectives. In addition to that, performance management instruments include strategic documents, performance assessment and monitoring instruments and incentivizing tools, which are used to reward individual performance of civil servants. All of these documents are related to a performance management system implementation in the Russian Federation (Zhigalov et al. 2009). The Performance Management Framework is illustrated in the figure 5 below.

**Figure 5. Performance management framework in the Russian Federation**

Federal strategic documents	Goal setting and planning tools	Administrative tools enabling achievement of goals and objectives	Performance Measurement Tools
<ul style="list-style-type: none"> <li>• Concept paper of Socio-Economic Development of the Russian Federation until 2020 (КДР-2020)</li> <li>• The main directions of activity of the Government of the Russian Federation (ОНДП)</li> <li>• Development strategies (regional and sectorial)</li> </ul>	<p>Government programmes:</p> <ul style="list-style-type: none"> <li>• Federal Targeted Programme (ФЦП)</li> <li>• Federal Targeted Investment Programme (ФАИВ)</li> <li>• Long-term targeted programmes (ДЦП)</li> <li>• Departmental targeted programmes (БЦП)</li> </ul> <p>Reports on the results and main activities of administrators of budgetary funds (ДРОНД (DROND) (goal-setting section)</p>	<ul style="list-style-type: none"> <li>• Service quality standards</li> <li>• Service needs assessments</li> <li>• Service costs assessments</li> <li>• Public service delivery agreements (<i>goszadanie</i>)</li> <li>• Register of expenditure commitments (PPO)</li> <li>• Justifications of budget appropriations (ОБАС)</li> </ul>	<ul style="list-style-type: none"> <li>• Annual report of the head of the highest regional executive body on achieved values of performance indicators. Decree 1199 (previously, Decree 825)<sup>1</sup></li> <li>• Annual report of the head of municipal administration on achieved values of performance indicators (Decree 607)<sup>2</sup></li> <li>• Reports on the results and main activities of administrators of budgetary funds (ДРОНД, ДРОНД)</li> </ul>

One issue is that performance indicators used in the spectrum of documents are not harmonized. Some of them are used in several tools, others are unique to a particular programme or strategic document. Performance indicators for regional and local governments are demonstrated in Appendixes 3 and 4.

Though this study focuses on the challenges of performance management implementation in local governance, some of the performance indicators are similar to regional performance. So discussion of this is included as well in the way it impacts on local

<sup>1</sup> Presidential Decree of 28.06.2007 № 825 "On the evaluation of performance of the executive authorities of the Russian Federation".

<sup>2</sup> Presidential Decree of 28.04.2008 № 607 "On the evaluation of performance of local governments in urban districts and municipal areas".

performance. In large part, this stems from the tendency to hold governors and mayors, in particular, responsible for all kinds of outcomes in their regions and cities, from growth and investment to health and mortality indicators. Such pressures tend to lead to “manual management” – the tendency of policy makers to rely on direct, ad hoc interventions rather than stable regulatory and policy frameworks – and also it tends to weaken incentives to take a longer-term view.

Initiatives aimed at introducing performance management implementation into Russian public sector operations may be traced back to 1998 (Blokhin, 2011). This period may be characterized as an institutional shift. The focus of the federal government’s attention has moved away from managing political and economic crises towards managing and supporting steady economic growth and development. The federal government has turned to the questions of efficiency and effectiveness and attempted to use performance management as means of rationalizing the public sector.

According to Blokhin (2011), at the outset, the federal government did not have any grand design of how the public sector should be structured. Reforms were implemented ad hoc to enable the regional and local authority managers to absorb the unprecedented amount of money that flooded from the federal budget. State incomes in the early 2000s grew as prices of oil climbed to record levels. As chronic deficits of public budgets were becoming an issue of the past, it was becoming more and more obvious that public sector agencies were unable to focus on strategic priorities; it was run in the mode of crisis management and had insufficient instruments or capacity to set and pursue clear objectives. Performance management was one of the activities undertaken by the federal government to overcome these challenges. First, they were designed in federal ministries and agencies and then rolled out to regional and local governments.

As the reforms progressed, it became more and more apparent that an integrated approach to performance management would resolve many of issues of public administration development. Indeed, achieving performance targets linked to strategic objectives set out in the Presidential Addresses to the Parliament and the Medium-Term Socio-Economic Development Program calls for the provision of adequate resources to meet these targets (thus linking results with funding). Moreover, managing the process of achieving these targets requires performance management at the regional level and local level, as well as at the individual level.

## 8. FINDINGS OF THE STUDY

The chapter presents the results of the qualitative data collected in the Krasnoyarsk City Administration. The findings address the following three research questions:

1. What is the actual process of performance management implementation in the context of Russian local government?
2. What are the attitudes and perceptions of the local managerial staff regarding the performance management purpose and implementation?
3. What are the major challenges encountered so far at a local level?

This chapter draws findings together to provide an explanation for the implementation of the performance management system. The structure of the chapter is organised in accordance with Brudan's integrated performance management model (2010) to present the findings. This model is used to explain and analyse the internal processes of organisational change at three different levels of the organisation – strategic, operational, and individual – as described in subchapter 4.2 of the study.

Based on the literature review of the barriers and challenges to performance management implementation analysed in Chapter 3, the findings reported here are concerned with the range of the conceptual categories. These categories emerged from the axial coding process that followed the open coding phase of the data analysis. A detailed description of this process was outlined in Chapter 6, which explicates the study methodology.

First, the “core barrier categories” were selected at the strategic, operational, and individual levels of the Krasnoyarsk City Administration. During this stage, a category of barriers found from the results of the semi-structured interviews, documentary research, and participant observation of the staff meetings was selected as the “core category”. Second, for conducting further research and for expanding the scope of the study, all categories were narrowed to different challenges as “subcategories”. Table 9 lists the core categories of the study.

**Table 9. Core categories of challenges in the implementation of performance management in Krasnoyarsk City Administration**

<b>Core categories at strategic level</b>	
1.	Unstable foundation for implementation of PM
2.	The lack of engagement in the planning process
3.	Hierarchical culture barriers
4.	Lack of teamwork
<b>Core categories at operational level</b>	
1.	Understanding of PM concept as an instrument of control rather than a managerial tool for services improvement
2.	PM as a mechanism of “punishment”
3.	PM responsible for creating difficulties in reporting
4.	Budget span of control
<b>Core categories at individual level</b>	
1.	PM not linked to individual performance as a result of the lack of motivation
2.	Fear of open discussion of the PM results
3.	Lack of confidence in the PM implementation

Core conceptual subcategories from the data analysis are included to support the findings. Numbers are attached in tables to show the range of experiences that individuals have about a particular phenomenon.

### **8.1. Challenges at the strategic level**

This subchapter presents findings of performance management implementation at the strategic level in the Krasnoyarsk City Administration. In this respect, it was important to explore the level of understanding and usage of the performance management concept within the organisation. At this strategic level, the following questions were relevant in order to explore performance management implementation:

1. Is the strategy being implemented in order to achieve the Krasnoyarsk local government’s objectives?
2. Is the mission clearly defined?
3. Are key stakeholders of the Krasnoyarsk City Administration engaged in the planning and design of the PM implementation?

Moreover, there were other questions (detailed in the interview guidelines), which would throw further light on the strategic level of the implementation.



The conceptual categories and subcategories for strategic level were identified in the data analysis, as presented in Table 10.

**Table 10. Core conceptual categories and subcategories at the strategic level of performance management implementation in the Krasnoyarsk City Administration**

Core Categories	Sub-categories
<b>Strategic level</b>	
1. Unstable foundation for implementation of PM	1.1. Mission of the organisation is unclear. 1.2. Functions and tasks are not linked to the PM implementation. 1.3. Goals and strategy are unclear.
2. The lack of engagement in planning process	2.1. System planning is not coherent. 2.2. Staff is not encouraged to think about common objectives and target 2.3. The settings of objectives and targets is not linked to the organisation's strategic plan. 2.4 There is a lack of involvement of both the internal and external stakeholders in planning.
3. Hierarchical culture barriers	3.1. Junior and middle management do not participate in strategic planning. 3.2. There is a lack of communication between top, middle and junior management 3.3. There is a lack of communication between senior management and the regional and central levels of the government.
4. Lack of teamwork	4.1. There is a lack of a sense of ownership developed from working together. 4.2. There is ineffective communication within the team.

The data revealed that the foundation for the implementation of PM is unstable. The barriers and challenges to the implementation were caused by the fact that the new PM system had been designed at the federal level without the engagement of the regional and local governmental representatives. Once the new PM system was assigned to the regional and the local level, managers faced challenges.

Although managers have described what the city administration does and what their individual responsibilities are, they are not aware of the long-term targets and outcomes. The mission of the organisation is not defined. Data analysis revealed that the strategy of the Krasnoyarsk City Administration is not clear for the managers. The organisation does not publish clear strategies and values, and does not promote them to every individual staff member. The staff is not aware of how their role contributes to the achievement of the objectives of the whole organisation.

The implementation of PM has unclear goals. It results in a content that does not suit the needs of the public administration at the local level, and its departments and units. The performance indicators framework is allocated to the higher levels of the governmental system, and a lot of information is collected and measured. Therefore, the key performance indicators established for local authorities do not define those factors that the institution needs to monitor locally. It is unclear from performance indicators how successful the public administration is and what its progress is towards its long-term organisational goals.

### **8.1.1. Functions versus services**

The investigation of the mission, strategy, and objectives of the organisation was conducted through semi-structured interviews, documentary studies, and observation.

The mission of the local government in Krasnoyarsk city is not clearly defined in official documents. However, we found the main goals in the official website of the Krasnoyarsk public administration.

“The main goals of the city government are the creating of a favourable environment; protecting health; providing greater access to education and culture; implementation of social protection and personal security; and the maintenance of social and national reconciliation” (available at [www.admkrsk.ru](http://www.admkrsk.ru)).

Documentary research reveals that definitions of “service” or “customers” are not presented in legal acts and laws. For example, in a typical regulation about a social and rehabilitation centre for underage children (Governmental Regulation of the Russian Federation of November 27, 2006, No. 896), the description of “service delivery” or “customers” is not presented. Instead, the words “municipal tasks” and “functions” are used to describe a public organisation which provides temporary accommodation for children in difficult circumstances; takes part in finding and eliminating reasons and conditions promoting the neglect of children; assists in rehabilitation of the social status of children at school, work, and residence; and assists in returning children to their families, among other tasks (Romanov, 2008).

The same approach of describing public service delivery as either “social aid” (*Rus. Социальная помощь*), “social support” (*Rus. социальная поддержка*), or as the “functional tasks” (*Rus. функциональные задачи*) of institutions and agencies is found in the other regional and federal documents that define the delivery of public services to citizens. The National Standards of Public Services suffers from the lack of concrete terms and definitions, and clearly defined tools of performance management implementation.

The other examples are the National Standards of the Main Categories of Public Services Number 52143 (Nacional'nyi standart Rossiiskoi Federacii, GOST R 52143-2003, 2003) and the Quality of Social Services (Nacional'nyi standart Rossiiskoi Federacii GOST R 52142-2003, 2003), which contain a list of the different public services and quality requirements. However, these standards define public services as “social aid” and “social protection” of citizens in “difficult life circumstances”. For instance, the National Standard number 52142 uses the term “assistance to citizens in receiving services provided by social services”, thus presenting unclear definition of social services. The definition of public services as “social aid” or “protection” in “difficult life circumstances” is used widely in federal acts, regional laws, and guidelines. It provokes the misunderstanding and misuse of the meaning of public service delivery by agencies and professionals without defining the concrete content, methods, and expected outcomes of the public services. This phenomenon restricts the institutional transition from an assessment in terms of “bulk” to an assessment in terms of outcomes.

It has to be noticed that the legal documentation does not operate by the term “service delivery” or “service providing”. All financial documents, federal laws, and local acts operate by the terms “functions”, “municipal tasks”, and “subventions”. The terminology used to define public services is not explanatory (e.g., starting from “providing social assistance”, “assisting with medical help”, “legal assistance” to “socially vulnerable categories of citizens”) and in a number of cases, does not describe the meaning and content of public service but its form (e.g., for services such as psychological consultations for families with children).

The Governmental Regulation of Krasnoyarsk Region number 459, which is dated January 17, 2005, provides more accurate and detailed definitions of service delivery to elderly people and disabled people. However, this regulation also consists of many ambiguous,

declarative, and general features, e.g., social and psychological services including such services as psychological correction, psychological training, and support of client’s physical and mental well-being, among others.

Documentary research revealed that it is essential to develop more accurate and differentiated characteristics of public services and service delivery types. The data revealed that the local government concentrates on functions whereas the customers tend to regard these as provision of services.

Performance management implementation at the strategic level should be linked with organisational mission and objectives, as we have noted in the literature review. On the one hand, the study’s interviewees had a good idea of the decisions and actions that they were responsible for in the Krasnoyarsk local government. Local authority managers clearly described the work of the city administration, and the roles and responsibilities of their department. However, the statement of mission of the Krasnoyarsk City Administration was not clearly seen from the third number of answers, as illustrated in Table 11.

**Table 11. Categories portraying challenges concerning the mission, strategy, and goals of the organisation at the strategic level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. Unstable foundation for implementation of PM	1.1. Mission of the organisation is unclear	29 (45%)	23 (47%)	4 (36%)	2 (33%)
	1.2. Functions and tasks are not linked to the PM implementation	28 (43%)	16 (34%)	8 (72%)	4 (66%)
	1.3. Goals and strategy are unclear	30 (46%)	29 (60%)	1 (9%)	0%

Thus, a considerable number of interviewees (45%) considered that the mission of the organisation was unclear; almost the same number (43%) noted that their functions and tasks were not linked to the performance management implementation. Of the 65 interviewees, 30 (46%) suggested that the goals and strategy, and their relation to performance management implementation was unclear. It is interesting to notice that the

senior and middle management could describe the goals and strategy of the organisation whereas 29 of the 48 junior managers interviewed (60%) were unclear about the same question. In general, almost half of the Krasnoyarsk managers found the question about the mission of the organisation “not easy” or “difficult to answer”.

A smaller yet significant number (36%) of interviewees indicated that many Russian public organisations and agencies do not have clearly articulated missions. While local authorities operate with direct instructions and guidelines from the central and regional governments, these instructions refer to functions that do not relate directly to the mission or the services. Thus, a significant number of respondents (45%) either could not determine or did not know the organisation’s mission, or tried to describe it in their own words.

Observations from the regular departmental meetings on performance management implementation and other topics revealed that when challenged, managers appealed to federal or regional legislation and act strictly according to the formulation of functions described in official documents. Thus, delivering functions and accomplishing tasks are not linked to performance management implementation directly. The senior management of the departments have put forth this question to the top management of the Krasnoyarsk City Administration in order to change this practice and award the employees who perform better than the others; however, the legal framework to implement this change is absent. Thus, the mechanism of linking the individual to the organisational performance cannot be developed without a legal framework.

### **8.1.2. The lack of engagement in the planning process**

While performance management is designed and its implementation planned at the federal level without the involvement of local government representatives, internal organisational planning at the local level also does not include junior staff in the planning process. Moreover, middle and junior management members are not involved in deciding how to implement the PM system.

According to observation, the local authority has a system of cross-departmental planning (weekly and monthly planning procedures), which are regulated by the internal guidelines of the Krasnoyarsk City Administration (Local act number 37, 2006). All planning

documents should be collected by each department and sent to the Mayor’s office, where the organisational plan for the whole city for a week and a month should be developed and circulated. These documents consist mostly of different public city events, where the Mayor, other senior officials, and the media should be present. Long-term target program activities and outcomes are not included in these planning procedures.

**Table 12. Categories portraying challenges concerning the mission, strategy and goals of the organisation at the strategic level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. The lack of engagement in planning process	1.1. System planning is not coherent	42 (64%)	36 (75%)	5 (45%)	1 (16%)
	1.2. Staff is not encouraged to think about common objectives and targets	38 (58%)	32 (66%)	6 (54%)	0
	1.3. The settings of individual objectives and targets are not linked to the organisation’s targets	27 (42%)	18 (37%)	5 (45%)	4 (66%)
	1.4. There is a lack of involvement of both internal and external stakeholders in planning	17 (26%)	4 (8%)	8 (72%)	5 (83%)

Of all the interviewees, 42 (64%) pointed out that with the implementation of performance management, they needed to set objectives weekly, monthly, and annually for each department. However, the system planning to achieve this was noted as being “fragmented”, “not cohesive” and “not always open” for everyone. Under “not open”, managers meant that they only knew of events and activities inside their department; the other departments’ priorities and events for the upcoming week and month were not usually known.

Although each person has to regularly set up the plan for his/her activities – which the head of the department compiles into the common plan and sends to the top management – the whole plan of either the department or the whole organisation is not distributed among all the levels. As a result, 38 of the interviewees (58%) mentioned that nobody encouraged the staff to think in terms of having common objectives and targets for the whole organisation. There were no common meetings with the staff to discuss targets and objectives. Interviewees were concerned that the regular plans mentioned above tended to concentrate on media activities such as “events for citizens, e.g., city birthday, economic forums or sport marathons”, “media conferences with journalists”, and “social actions”, such as the “for clean city and Siberia”. Interviewees also noted that the existing planning paid little attention to the setting up of objectives and targets. In addition, only 27 of the interviewees (42%) pointed out that the individual objectives and targets were not linked to the organisation’s objectives and targets.

Data analysis revealed that key stakeholders were not involved in the performance management implementation. More than a quarter of the interviewees noted the lack of engagement from the internal and external stakeholders. The interviews revealed two weaknesses concerning stakeholders’ involvement in performance management implementation procedures in the organisation selected for the case study.

First, local managers did not involve the customers (as the external stakeholders) in the development of performance management or in the discussion of its implementation. For example, the following is an illustration of this aspect by the local authority manager:

*“The process of decision making is very closed, we do not always involve the public in developing the performance management. Key points come from the central or regional government, at the local level we just elaborate and make it happen usually... There is an annual event “City Forum”, where we invite everyone who wishes to discuss our strategies to raise their points of view and to give us a feedback for particular questions, however, our citizens are not really active and not a lot of them come to this Forum to contribute.”*  
(Interviewee 19, 16/07/2013)

Second, more than half of the interviewees noted that junior and middle management are not engaged in the strategic planning process of the departments and units. However, the employees were required by the top management to report on the progress of their work

in relation to the outputs of the strategic plan without clearly understanding the rationale or importance of this reporting. As a result, more than half of the lower level employees demonstrated, in the interview, a lack of commitment to formally reporting their functions and tasks concerning the outputs of the strategic plan to the senior management. The reason for this was the lack of understanding of the employees' expectations on the part of the operational level of the organisation, as well as insufficient information relating to the operational constraints in implementing the performance management procedures. The following lines from the interview illustrate this aspect:

*“We never know what and how they decide about the planning and reporting on the top. The letter comes to everyone with tables to complete. There is a lack of the explanations on how to describe figures, what exactly this narrative report should include etc. We try to prepare different information in several ways in order to show all aspects from different sides and not to miss anything... We never know how we perform compared to the other city administrations.”*

*(Interviewee 21, 26/09/2013).*

Another issue highlighted in the documentary research was an absence of the reporting to external stakeholders (citizens). Reporting on a regular basis to the external stakeholders on performance measurement activities and the achievement of the strategic plan is never carried out. In addition, there was no intensive evaluation and timely feedback on the achievement of the strategic plan.

The documentary research revealed that local managers did not target programmes for more intensive evaluation based on the achievement of the goals and objectives of the strategic plan that the organisation has developed. The department did not benchmark performance measurements against other local governments to determine the effectiveness of its strategic initiatives.

### **8.1.3. Hierarchical culture barriers**

The hierarchy amongst employees is rigid in Russian public organisations with strict rules and procedures that need to be followed. A top-down approach is common in the public sector organisations. This hierarchy influences the performance management implementation. As we mentioned in the previous section, members of the junior



management was not involved in the organisational planning process but were required by the senior management to provide reports on their working activities without understanding the rationale and importance of such reporting. More than half of the junior management and a majority of the middle management perceived the activities of preparing such reports as extra workload that was not directly related to their routine tasks. This is an example of the barrier of top-down hierarchical culture within the organisation, which did not help to communicate to the staff at all levels the importance of achieving results as per the organisational plan. Nearly half of the interviewees indicated the lack of communication between the senior, middle, and junior management. Table 13 presents data related to the hierarchical culture barriers.

**Table 13. Categories portraying challenges concerning hierarchical culture barriers at the strategic level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. Hierarchical culture barriers	1.1. Junior and middle management do not participate in strategic planning	41 (63%)	31 (64%)	10 (90%)	0
	1.2. There is a lack of communication between top, middle, and junior management	37 (57%)	28 (58%)	9 (81%)	0
	1.3. There is a lack of communication between senior management and regional and central levels of governments	17 (26%)	4 (8%)	7 (63%)	6 (100%)

Data analysis revealed that the junior and middle management expected the top management to maintain regular contact with them in order to provide supervision and support in performance management implementation; at the same time, top leaders rarely ever contacted them. Interviewees also noticed that the lack of regular catching up and departmental review meetings did not positively influence performance management implementation. Additionally, 28 junior managers (58%) mentioned that the limited

interaction between the heads of departments and units made it difficult for all members to implement performance management.

There was concern from all senior management that the regional government had limited interaction with local leaders in terms of providing support to make the task of overseeing performance management implementation less difficult. As some of the heads of departments explained, they sent written reports to regional governments but rarely ever received a feedback. Moreover, senior managers had not heard from or had not been visited by any representative from regional or central governmental agencies. One of the interviewees illustrated this issue:

*“As a Head of Department I expected that someone from the regional government would keep regular contact with us to guide on implementation of performance management, but unfortunately this has never happened”*

*(Interviewee 5, 14/06/2013).*

More than half of the middle management and a third of the senior management indicated that neither the central government nor the regional agencies had visited them to check the progress of the implementation process, and nobody had discussed the challenges that they faced. Monitoring the progress of the implementation was not organised at the federal and regional levels, and advice was not provided. About one-third of the interviewees complained that regional leaders had a tendency to present only favourable information for the media, such as the opening of new children centres, and sport and culture events in the city. One of the interviewees stated the following in this regard:

*“Top management and politicians show up in local main stream media when they wish to talk about transformation or success in achievements that they want to see performance management to be implemented but never make follow ups”.*

*(Interviewee 51, 28/06/2016)*

The regional government’s failure to liaise with the local government was construed by the interviewees as being a major setback to the senior management’s efforts to oversee the implementation process. The regional level was not available to discuss performance management implementation with the local government, and to give them enough support as the overseers of the implementation process.

#### 8.1.4. Lack of teamwork

Data analysis revealed the lack of teamwork and poor communication. However, performance management is a process in which managers and employees work together as a team to plan, monitor and review an employee's work objectives and overall contribution to the organisation. This is not a common practice in the Krasnoyarsk City Administration.

A small number – less than half of the interviewees– noted that the idea of collective working, planning and implementation of performance management had not been a common practice in the administration. A considerable portion of the interviewees viewed the need to work collaboratively within the department and across departments to achieve results. Table 14 illustrates the categories concerning the lack of teamwork in performance management implementation.

**Table 14. Categories portraying challenges related to the lack of teamwork at the strategic level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. Lack of teamwork	1.1. Lack of working together in PM implementation	37 (57%)	30 (62%)	4 (36%)	3 (50%)
	1.2. Ineffective communication within the team	26 (40%)	21 (43%)	3 (27%)	2 (33%)

A significant portion of the interviewees (57%) revealed that the idea of building the team should be a priority. They claimed that the top management was too busy to organise internal team meetings to update everyone on the organisation's progress and to check the status of performance management implementation. The quotation below is the illustration of the lack of teamwork:

*“Teamwork and common meetings could give a chance to feel that you are not alone, that you are a part of the great team where everyone appreciates your personal input to the*

*implementation of performance management and all what everyone has done. We do not feel the team spirit”*

*(Interviewee 63, 15/09/2013)*

Interviewees also revealed that the complexity of completing work in the performance management implementation process required team trainings, team assessments, team meetings with feedback process, and effective communication within the team.

## **8.2. Challenges at the operational level**

This sub-chapter presents findings related to the performance management implementation at the operational level of the Krasnoyarsk City Administration. This level focuses on the achievement of operational objectives of the organisation as a whole and that of each department separately. Although the operational level has a link with the organisational strategy, the focus here is more functional/tactical. At this operational level, the following questions are relevant in order to explore performance management implementation:

1. Is each department and each short-term/long-term program meeting the targets?
2. How are operational activities supporting the organisational strategy?
3. Are activities and projects efficient enough or is optimisation necessary?

The conceptual categories and subcategories for the operational level that were identified in the data analysis are presented in Table 15.

**Table 15. Core conceptual categories and subcategories at the operational level of performance management implementation in the Krasnoyarsk City Administration**

Core Categories	Sub-categories
<b>Operational level</b>	
1. Perception of PM by managers	1.1. PM system is a Western mechanism to control managers.
	1.2. PM involves a number of indicators and measurements adopted by the central government to control local expenditure.
	1.3. PM is a system for reporting to central and regional governments.
	1.4. It is difficult to understand the importance of PM and train staff.
2. PM as a mechanism of “control and punishment”	2.5. PM is a mechanism for controlling results and budget.
	2.6. PM is a mechanism of “punishment”.
3. PM creating difficulties in reporting	3.1. There is a lack of clarity on how to present information in reports.
	3.2. A number of performance indicators do not show the whole picture of the local area and the work of public administration.
	3.3. Performance information is difficult to collect.
	3.4. There is no instrument to keep customers informed about performance.
4. Budget span of control	4.1. Multi-tier budgetary system creates difficulties locally, and the local budget consists of regional, central, and local budgets.
	4.2. PM creates new budgetary control through increasing decentralisation.

The analysis of data revealed that the PM system was not fully functional at the operational level. Managers perceived performance management as a mechanism of control and punishment rather than a managerial tool for improvements. Organisational members took a dislike to the PM system, which in their view supplied the information used to penalize them. Reporting on key performance indicators to regional and central governments was complicated and difficult for local managers. Regional and central governmental managers did not provide appropriate support and training for staff at the local level. In addition, insufficient resources and the lack of HR capacity complicate PM implementation.

### **8.2.1. Perception of the PM concept by managers**

The data revealed that the PM concept was perceived by local managers as a system adopted by the central government from Western countries and one that provides a function of control. Analysis of the interview data revealed that managers found this system to be a framework designed to report to federal and regional governments. Table 16 presents categories and subcategories related to the perception of the PM system.

**Table 16. Categories portraying challenges related to perception of the PM system by managers at the operational level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. Perception of PM by managers	1.1.PM system is a Western mechanism to control managers	17 (26%)	9 (19%)	3 (27%)	5 (83%)
	1.2.PM involves a number of indicators and measurements which came from central government to control	50 (75%)	39 (81%)	8 (72%)	3 (50%)
	1.3. PM is a system for reporting to central and regional governments for monitoring expenditure	33 (50%)	19 (39%)	9 (81%)	5 (83%)
	1.4. It is difficult to understand the importance of PM and train staff accordingly	13 (20%)	0	8 (72%)	5 (83%)

Performance management system and its implementation in the public sector was seen by nearly one-third of the interviewees as a “fashionable managerial tool”, which had come from the Western world “to control”. Referring to the implementation of performance management in local governance, interviewees stated that they understood the purpose of such implementation as a mechanism of budget control by the regional and federal governing bodies.

The majority of managers named performance management as a system that consists of numbers of indicators at the federal, regional and local levels, which they have to use to develop plans and programmes to control results and reporting. The following statement from an interviewee illustrates this point of view:

*“...It is the solution to make municipal managers to be responsible for their work and show their results...it is relevant to demonstration of the results to the central government ...it shows them how well we work”*  
(Interviewee 12, 14/05/2013).

Nearly one-third of the local managers associated the PM system with the indicators that they are “central government created” and are used for “reporting and documentation”. Also, out of all the interviewees, 33 (50%) were concerned that they did not know the purpose for which they could use information from the indicators other than for reporting about expenditure to the central government.

The documentary research revealed that each target program was an official document, allocated in the Krasnoyarsk Administration website, and included indicators and results to be achieved in the planning period of time. Analysis of the reports revealed that managers of the local public administration reported on quantitative outputs, rather than on outcomes, at the end of the program activities. For example, a report on implementation of the City Target Program “Development of accessible urban environment for disabled people with wheelchairs in Krasnoyarsk city” for the years 2011–2014 demonstrates the effectiveness of the “use of financial resources in general and separately for each year”. The target of the program was to improve disabled people’s access to the public services’ buildings in the city. To achieve this goal, the following objectives had been identified:

1. Creating new conditions for movement in an urban environment with limited mobility (availability of transport infrastructure of the city);
2. Creating new conditions for unimpeded access to people with limited mobility services to the municipal social institutions of the city by strengthening the material–technical base and expanding the list of municipal services for certain categories of people with limited mobility (these include access to information resources, services such as the “social taxi”, and rehabilitation, among other things).

Different quantitative performance indicators in the report have been implemented such as the following:

- the number of ramps, furnished and acquired in municipal public organisations of the Krasnoyarsk city
- The number of purchased units of transport for the organisation of transportation disabled people (called "public taxi")
- The number of public organisations, equipped with rehabilitation equipment.

However, there is a lack of outcomes. For example, one of the performance indicators is the number of ramps acquired by the local public service organisations of the city such as hospitals, polyclinics for healthcare services, and culture service buildings. However, there was no evidence that actual access to the buildings had finally been achieved. The ramp near the building with the old narrow corridor does not provide the necessary access. One quotation is very illustrative:

*“Budget was allocated particularly for the construction of the ramps to each municipal building. We cannot use the budget for the other purposes. Arguably the new ramp to the building was not necessary as the narrowness of a corridor inside would prevent a disabled person from entering further into the building by wheelchair, but nobody analysed this and nobody measured if it will be enough space for the wheelchair indoor or not. We had to spend the money that are given on purpose, otherwise we will receive less next time if we do not perform, everything is under control...”*

*(Interviewee 36, 19/03/2014).*

We found evidence of citizen dissatisfaction (Report on annual citizens’ satisfaction survey on quality of public services in Krasnoyarsk city, November 2012). According to the annual sociological citizens survey, disabled people had claimed that despite the fact that 61 ramps have been constructed in the public sector buildings, some of the healthcare centres (polyclinics) have been designed in an old-fashioned way and provide narrow corridors for wheelchairs. In such cases, even if a ramp to the building exists, there is a problem for wheelchair-bound people to manoeuvre the wheelchair inside the building. Therefore, the access to the doctor room with modern wheelchairs is still problematic.

This fact demonstrates a possible inability to think through all aspects of service provision in order to meet citizens’ needs. If so, this is not just a challenge for performance management implementation but goes beyond that into how local government deals with complex issues of service provision. This is outside the scope of our study objectives.

An overwhelming majority of senior managers reported that they did not have confidence in the success of the performance management implementation itself. They thought that it was just a system of indicators for reporting. When the senior managers met more junior staff, these junior employees asked them about the relevance and value of the performance management system. Previously, these senior managers had failed to train their staff to



understand the importance of implementing the performance management system because they also “do not understand the benefits for city administration”. One of the senior managers argued as follows:

*“We cannot train our staff to understand the importance of implementing the performance management because we also misunderstand. We always collected different data for Rosstat (Federal Statistics Agency) and had a lot of figures to report on. Why do we have to collect more and more indicators on the top of existing data collection? We can’t even provide handouts as they do not exist, so, people do not see the reason to implement something that does not benefit them”*  
(Interviewee 21, 14/05/2013).

Almost one-fifth of all interviewees also noticed that regional and federal civil servants did not organize local trainings to contribute to understanding and implementing this tool. The lack of training from the majority of senior management was seen by the junior staff as a lack of commitment.

### **8.2.2. From PM as a tool for improvement to PM as a tool for control and punishment**

It is interesting to notice that 32 (48%) of the local managers argued that performance management is used either as an instrument for “control” or “punishment mechanism”. Analysis of the interview results concerning understanding of the PM concept among interviewees revealed that the PM concept was perceived as a mechanism of control and punishment rather than a managerial tool for improving organisational performance or service delivery. Table 17 illustrates these findings.

**Table 17. Categories portraying challenges related to perception of PM system as a mechanism of control at the operational level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N=65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. PM as a mechanism of “control and punishment”	1.1. PM is a mechanism for controlling results and budget	32 (48%)	23 (47%)	5 (45%)	4 (66%)
	1.2. PM is a mechanism of “punishment”	34 (52%)	30 (62%)	4 (36%)	0

Several local managers mentioned that as a result of the annual citizen’s satisfaction survey – which is related to one of the local indicators in the system of performance management – the top-level employees responsible for organisation of service delivery punished them through written disciplinary warnings. For example, the Chief Doctor of the Municipal Female Health Centre in Krasnoyarsk city (*Rus: Поликлиника Женской Консультации*) had received a written warning because of the low level of citizen’s satisfaction with the service provided. In this particular centre, the level of service satisfaction was lower than in the others. Pregnant women, as customers of the centre, complained that the level of communication between patient and doctor was not always appropriate or well-mannered. Doctors did not pay “much attention to pregnant women”, and were “rude” and “not smiley and nice”. As a result of the survey’s data, the top management of the Health Care Department punished the Chief Doctor but did not organise appropriate communication training for the medical staff. Moreover, the organisational written warning, with the name of the chief doctor, was circulated among all city administration employees to show what may happen to them if citizens are not happy with the service provided.

Therefore, for 32 (48%) interviewees, the performance management system was perceived as an instrument for controlling the budget and expenditure. Interviewees reported that the PM system was mostly the reporting of “quantitative results on money expenditure” to the regional and federal government, rather than an effective tool for improving service delivery or operational and strategic outcomes. Indeed, results once reported were forgotten about. The majority of interviewees considered that the system of performance indicators is “all about numbers and rates”.

According to the analysis of the interview data, performance management was seen as a part of recent reforms that had been proposed as the solution to varied and complex problems, but was used simply to report results from the local and regional levels and to impose budgetary control from the federal level.

### 8.2.3. Difficulties in providing reports

According to the federal governmental framework, local governments should regularly report on their performance to the regional government, after which the regional government has to collect all the information from local authorities and reports to the federal government. Data analysis revealed that managers had difficulties in the PM reporting system, such as describing the figures of indicators, collecting the information, and presenting the information. Table 18 describes all those difficulties.

**Table 18. Categories portraying challenges related to difficulties in reporting system at the operational level of implementation PM**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. PM creates difficulties in reporting	1.1. How to present information in narrative reports is not clear	16 (24%)	6 (13%)	9 (81%)	1 (16%)
	1.2. Number of performance indicators does not show the whole picture of the local area and the work of public administration	25 (38%)	17 (35%)	4 (36%)	4 (66%)
	1.3. Performance information is difficult to collect	27 (42%)	25 (52%)	2 (18%)	0
	1.4. There is no instrument to keep customers informed about performance	24 (37%)	11 (23%)	9 (82%)	4 (66%)

Less than one-third of the interviewees (24%) were mainly concerned about how they should report on PM indicators to the regional government. A significant majority of the middle management interviewees (81%) complained that the regional government had not developed an appropriate guideline on how to provide the report and describe the figures. Although 25% of local managers noticed that the reporting information is an indispensable component of the PM process and essential to the performance of the Krasnoyarsk City Administration as a whole (besides being an influence on decision-making), they considered that the number of indicators in the report did not show the whole picture of activities undertaken by the public administration. A particular issue pertained to the method of measuring and reporting the benefits of cultural and sporting events and of promoting a healthy lifestyle. The public administration does not have an access to data from private sector organisations to report on how many citizens are engaged in sport and cultural events. In addition, 42% of the interviewees considered that the indicators themselves are constructed in a way which “do not show the local problems and public needs”.

Annual reports on activities and expenditure of the Krasnoyarsk City Administrations are not available in official website for the public. Data analysis of the Krasnoyarsk City Administration Annual Reports (2011, 2012, 2013) revealed a lack of complete and reliable information on what the local needs are in the public service; who operates there and how; what funds are allocated particularly for different public services; and why, by whom and on what conditions.

Some of the interviewees noticed that there was a limit on reporting mechanisms and different statuses of performance information in the administration of Krasnoyarsk city. First, 42% of the interviewees pointed out that some information on performance in the public sector is usually difficult to collect. According to managers, it depends on the nature of social activities and services. For example, two interviewees mentioned that the indicator “the number of citizens systematically doing sports” is difficult to implement and collect information on. Managers argue that it is not difficult to collect the data on how many children attend public sport schools and sections, because this information is regularly monitored by the government. On the other hand, it is almost impossible to collect data on the adult population of the city that attends private gyms and clubs or the portion that skis and skates. In order to collect and present the information in the media about public engagement with sports, public managers annually spend some funds on

providing street exercises for citizens. This kind of “doing sport” performance does not attract a lot of citizens. For the performance purpose, the local government asks public administration managers to wear sport clothes and participate in these events after office hours. As a result, misrepresentation in the media and data collection occurs. It is obvious that for the public administration, this project has failed. However, they keep spending budget on it annually and misrepresent the results for the purposes of performance reporting and indicator data collection.

Second, according to the interviews with the Krasnoyarsk public administration managers, it is difficult to obtain any feedback from the customers in the case of public services (as 37% of the interviewees attested). However, this task is required for performance management procedures. There was a very complicated system of stimulating this feedback through “books of complaints” during the Soviet era. According to this system, each organisation had to have “a book of complaints” easily available to everyone, where people could put their positive or negative comments on the quality of the public services. All the comments were accurately accumulated and considered during the attestation process. After the Perestroika, this system was destroyed and was not replaced by alternative forms of communication with the market.

According to Presidential Decree number 607 of the Russian Federation dated April 28, 2008, performance management implementation was required to develop the annual citizen’s satisfaction performance survey with the absence of guidelines from regional and central governments. Local managers complained that in order to develop questionnaires for citizens, they had spent a lot of time with local sociologists, and that there had been some barriers to identifying and formulating the questions appropriately and to understanding, exactly, the aspects of satisfaction and quality of services. The main concern was about the definition and criteria of public service quality for each type of service provided to citizens. Local managers had some difficulties in understanding the quality of the services, ways to measure it and ways to ask citizens about their satisfaction. The other barrier, which was mentioned by the participants, was the resistance of top managers and politicians to the allocation of negative survey results and citizens’ concerns. Moreover, it is important to mention that the sample frame for measuring citizen satisfaction was not scientifically established and was carried out on a truly random basis.

The interviewees' observation of the meetings on the analysis of the citizens' satisfaction survey reports revealed that in some cases, data collected on the citizens' satisfaction was used for the purposes of information and improvement of service quality. For example, as a result of the Annual Report on Citizens' Satisfaction (2012), public managers discovered that the citizens required more online information about different types of services provided by the government, more parking spaces near the services' buildings, and comfortable waiting areas for parents while their children attended public organisations. The following year, the local budget was allocated to improve these issues. However, local managers complained that the annual survey is not comprehensive and not for each public organisation, but is more random. Interviewers mentioned that it does not show "the whole picture of satisfaction" because it is "fragmented". Managers pointed out that a systematic approach and a special methodology are needed to develop the survey, and to collect reliable and valid information.

The documentary research revealed that the methods to keep customers informed about the performance and outcomes were absent. Traditional annual reports for the public do not exist in the public sector. And those that do exist, for instance, government reports, are closed to the public. The outcome of this problem is the lack of an easily recognized body of measures of public sector efficiency. This absence builds serious obstacles to involving everyone in the process and to providing clear, concise guidance to make the system work.

The other side of this issue is how to keep local authority managers informed on their results. The more limited the set of indicators, the higher the chance of having a dysfunctional effect. It is difficult, in such a situation, to guarantee that performance data will mean something to those who use them and to assign accountability for results.

#### **8.2.4. Budgetary span of control**

Documentary research revealed that the Budget Code regulates the allocation of transfers from regional and local budgets. It establishes the main kinds of transfers, the terms of their allocation, the principles underlying the provision of equalization transfers, compensation for delegated responsibilities, and the principles for budget credit arrangements.

Transfers from regional budgets to local ones include equalisation grants, gap-filling subsidies, compensation for regional and federal mandates, and grants for co-financing expenditures. The Budget Code sets the sharing rates for federal taxes assigned to local governments, and the regions may pass laws for establishing additional sharing rates with local governments.

Before 2006, the federal government viewed the formula-based methodology for allocating equalization grants desirable, but did not mandate its use; however, it has mandated its use since 2006. What is more, the Budget Code envisages the allocation of equalization transfers on the basis of tax capacity indicators and differences in the composition of the population by age group and socioeconomic, climatic, geographic, and other factors that affect per capita public service costs. The Law on General Principles of Local Self-Government permitted the regions to postpone the introduction of a transparent formula for transfer allocation to local governments until 2009 so that the regions could decide whether to introduce the new intergovernmental arrangements in 2006 or to introduce them gradually during 2006–2008.

An overall impression from the interviews with members of the senior and middle management was that the development since 2003 has been characterized by growing concerns with financial PM and control.

**Table 19. Categories portraying challenges related to budgeting at the operational level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. Budget span of control	1.1. City Administration budget consists of regional, central and local budgets. Multi-tier budgetary system creates difficulties	18 (28%)	4 (8%)	8 (72%)	6 (66%)
	1.2. PM creates new budgetary control	11 (17%)	4 (8%)	4 (36%)	3 (50%)
	1.3. There are difficulties in linking financial resources to activity levels and legitimization problems	19 (29%)	8 (16%)	6 (54%)	5 (83%)

The top management of the Finance Department of the Krasnoyarsk City Administration appears to have taken on a leading role in PM implementation related to budget expenditure. A major initiative largely ascribed to them was the implementation of the divisional structure in 2004, leading to increasing decentralisation of budgetary control through the appointment of divisional controllers working closer to operating departments and departmental units. Two officially stated reasons for this reorganisation, which have also surfaced in several interviews, were to reduce the Head of Finance’s span of control and to improve budgetary control. Only, several interviewees argued that the restructuring had subsequently reinforced the focus on continuous financial PM and evaluation. A third of the interviewees mentioned that, in addition to the relatively instable financial situation of the local budget prior to the introduction of resource allocation based on PM, the difficulties in linking financial resources to activity levels seemed to present a legitimization problem to the departmental units as there was some need to make such linkages visible to external constituencies. As far as PM is concerned, this especially appears to be the case when local budgetary overruns are reported, as this triggers some concerns, at the local governance level, about the governing body’s ability to demonstrate compliance with the cost containment ethos. Although the budgetary deviations were



relatively limited during the years preceding the present study, one of the staff argued as follows:

*“There is a great variation in the realism of budgetary targets due to the tactics involved in accounting. The Krasnoyarsk city administration wants to know where the deficit for the service delivery has been incurred and what can be done about it. It is a delicate balance between what to account for federal and local budget internally and externally. We have to reach an agreement with the regional government regarding which deficits to show internally”*

*(Interviewee 7, 30/04/2013)*

For the purpose of external reporting, such negotiations with the regional government often seem to result in relatively arbitrary PM practices as a sizeable proportion of (untraceable) costs is allocated to the social units where, as one interviewee put it, “politicians and top managers know that there is always a problem”, while another suggested that “these problems have never been properly analysed”. There were suggestions, however, that the need for arbitrary ex-post allocations primarily stemmed from the regional government’s negotiations with the central government for funding, while the local administration itself was said to “exercise no real cost control”.

The uncertainty stemming from politically negotiated PM seemed to present serious concerns to managers, particularly in the finance department, who expressed great hopes that the PM system would reduce the arbitrariness of financial PM, as it provided a “better overview” and a “better picture of the link between activities and finance”. Furthermore, a majority of the senior managers also argued that there is no link between finance performance and awards for public organisations or for city administration departments and units. They also complained that there was an absence of legislation to award best teams based on performance results. For example, one interviewee stated the following:

*“PM was introduced and it has very little effect on motivation of the staff... the reason why we are now using PM for cost allocations is that we want to introduce the incentives built into the system of funding from regional and federal government internally. We cannot reward those departments and units increasing and improving service delivery or perform*

*very well, we do not have budget and legislative framework for it. The only thing we could do is to punish those who do not perform results”*

*(Interviewee 13, 17/08/2013)*

Similarly, another staff specialist argued that an important aim of PM-based allocations and PM was to motivate managers to “link activities to finance”. In addition to such explanations, however, there were references to the importance of these practices to “make activities visible” to politicians. Yet, the external pressures on the city public administration to use the new system of budgeting for internal control seem to have been relatively limited. Managers do not see great advantages of implementing the new system of budgeting at the level of local governance. They report that they “do not have a choice, because priorities for allocation are restricted by regional government”. All initiative comes from the central government to the regional government; after that, it cascades to the local level to be reported and implemented.

#### **8.2.5. The lack of vertical and horizontal integration**

Data analysis revealed difficulties in the cooperation of local government with the regional and central governments. At the same time, internal integration and communication between departments and units in the organisation also seems to be a challenge.

Documentary research revealed that initiative letters from the Krasnoyarsk City Administration to the regional and federal governments with explanations on the difficulties they faced with PM implementation, and suggestions on how to improve the indicators’ framework or change the federal legislation were unanswered.

Data analysis of internal organisational protocols revealed the lack of meetings to discuss organisational performance and performance management implementation with employees from different departments.

A considerable portion of the interviewees outlined the lack of vertical and horizontal integration in the implementation of the performance management system. More than half of the interviewees raised concerns about setting the performance indicators at the federal and regional level, where local municipalities never participate. Table 20 presents the results of the interview data related to vertical and horizontal disintegration.

**Table 20. Categories portraying challenges related to organisational integration at the operational level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. Vertical and horizontal disintegration	1.1. Disintegration between local, regional and central governmental levels	45 (69%)	29 (60%)	10 (90%)	6 (100%)
	1.2. Cross-departmental disintegration	34 (52%)	26 (54%)	5 (45%)	3 (50%)

Multi-tier governance has influenced PM implementation in the Krasnoyarsk City Administration. Vertical integration between local, regional, and federal levels lay in the lack of the agencies' cooperation. Similarly, 45 of the 65 local managers interviewed (69%) argued that the lack of vertical integration between federal, regional and local agencies negatively influences the performance management implementation.

All senior managers (100%) and majority of the middle management (90%) noticed the lack of integration and cooperation with regional and central government, which is one of the challenges faced by the administration. Several managers mentioned issues with implementation of the local long-term programme "Children of the Krasnoyarsk city" (*Rus: Дети Красноярска*). The aim of the program was to provide free places for children in the municipal local nursery centres, which is one of the "functions" of the local authority in Russia. More than 11,000 children are in waiting for such places to be provided in Krasnoyarsk city due to a lack of nursery buildings. The budget is too little to build new nurseries. After this program was designed, Krasnoyarsk's managers have analysed the situation in other countries and have realised that there are some less expensive solutions that fully comply with international practice. These solutions include, for example, the use of separate bedrooms for day sleep as a play group or a reduction in the number of square territory per person near the building. Based on these practices, building the nursery centres was possible without significant costs (and for Russia, one nursery centre would cost close to 1.8 trillion rubbles, an amount that can never be allocated to the "Children of the Krasnoyarsk city" project because it would exceed the local budget). But in order to make it happen, performance indicators and requirements for nurseries need to be changed

in the relevant federal documents, such as “Sanitary Rules And Norms” (*Rus: СанПиН*) and “Guidance on Preschool Educational Institution” (*Rus: Положение о дошкольном образовательном учреждении*). These documents are the responsibility of the Federal Agencies, such as the Federal Consumer Rights Protection and Human Health Control Service (*Rus: Роспотребнадзор*) and the Ministry of Education and Science of the Russian Federation. Local managers from Krasnoyarsk city have sent the federal government initiative letters in order to make changes and improve the performance indicator titled “the number of municipal nursery places for children provided by the city administration”. Unfortunately, the issue is still to be resolved because no answer has been received from the federal and regional agencies. The following quote from one of the interviewees illustrates this lack of vertical integration:

*“...However, despite all the efforts so far, which have already taken more than six years, federal agencies have neither heard us nor even started to pay attention to the problem. The crucial issue at the municipal level is that solving of local problems is constrained (замкнут) due to the legal responsibility being greater at the federal level. However, performance and accountability for results rests with the municipalities.”*

*(Interviewee 7, 16/04/2013)*

Local managers at all levels argued that governmental tiers should cooperate more during the design of performance management and work together to create performance indicators. Interviewees emphasized that Russia is a big and diverse country, and that the local authorities vary in terms of local needs and the difficulties that they have to solve in their areas. The process of setting up performance indicators has been closed from the local governing bodies; they “have no idea” about how and why the indicators have been created.

Almost one-third of the interviewees reported that sometimes indicators are very difficult to collect or impossible to achieve due to the problems at the design stage. However, the local authority has to report to the regional level. Poor performance may influence budget allocation for the next budget period. One of the examples provided from the managers is a short-term initiative from the regional government to occupy temporary seasonal work places for unemployed citizens in the social service municipal organisations. In 2012, regional civil servants allocated money for salary costs to the municipal level and set up performance indicators on the quantity of citizens to be employed in the city. However,

the Krasnoyarsk City Administration could not employ anyone for a number of reasons. Local services provided by public organisations to particular categories of people, such as children or patients, have special requirements for the staff. According to the requirements, staff in the public sector have to undertake special training and go through health checks to receive a special sanitary book. These procedures also require budget allocation, but this budget is not only limited to the salary for these people. The target was impossible to achieve without additional money allocation, as outlined by one of the interviewees:

*“If all levels were engaged to the design of this initiative it would not happen that all money had to be returned back to the regional ministry”*

*(Interviewee 32, 30/06/2013)*

This example reveals the lack of integration between all three levels of Russian governance.

In addition to vertical disintegration, 52% of the interviewees stated that horizontal cross-departmental integration is also an area for improvement. For example, 50% of the senior, 45% of the middle and 54% of the junior managers mentioned the internal relationships between the Finance Department and the departmental staff responsible for providing services. The structure of the city administration is constructed by completely different corporate bodies with their own budget accounts, targets, and performance indicators. In such a case, the finance team is separated from the Social Policy Department and the service providers. All the heads of departments are post-holders with different responsibilities, performance targets and outcomes that are not linked together. The working relationships between departments and units are quite difficult. Study participants pointed out that some common meetings exist in the annual schedule; however, they are not adequate enough for day-to-day cooperation. To illustrate this point, one interviewee argued as follows:

*“Finance Department and Social Policy Department with its units are like different planets... It would seem we have to work together to meet public needs, but it looks like we work against each other and fight all the time in the internal meetings... Finance staff keep in mind that local budget is limited and always want to cut it, to save the money or to allocate to priority areas from their point of view. Social Policy Department, vice versa, demonstrates overview and better picture of the link between social services and budget...”*

*Successful implementation of performance management only could work if finance, social services, economic and HR staff cooperate better all together”.*

*(Interviewee 19, 26/05/2013)*

Considerably more than half of the interviewees (69%) argued that the success of the PM implementation required inputs from the regional agencies and alignment across the different layers of the city administration. From the local management’s perspective, the resulting disconnect between local and regional agencies impeded the successful implementation. Participants also expected that regional agencies would monitor their progress regularly and, when needed, provide the necessary support.

### **8.2.6. Human recourses incapacity**

The observation of the internal organisational meetings revealed that the senior management’s effort to implement PM was impeded by the lack of human resources. The concern here was that the implementation process includes the transformation of performance data and procedures without transformation of the human resources capacity. The Krasnoyarsk City Administration, for the last period of time prior to the study, was influenced by cuts among personnel. A lot of functions and tasks from the posts that had been cut were allocated among municipal servants. Implementation of a new system brought on a lot of new tasks and responsibilities without the addition of new positions to the organisation. As a result, human resources limitation influenced the PM implementation.

The data analysis of semi-structured interviews revealed some issues with HR incapacity, as presented in the following table.

**Table 21. Categories portraying challenges related to human resource incapacity at the operational level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6

1. Human resource incapacity and inadequate resources	1.1. Absence of performance team	49 (75%)	40 (83%)	7 (63%)	2 (33%)
	1.2. Lack of knowledge and skills to implement PM	45 (69%)	39 (81%)	4 (36%)	2 (33%)
	1.3. Lack of strong performance leadership in implementation	18 (28%)	9 (19%)	7 (64%)	2 (33%)

Middle and senior management reported that the lack of integration of staff data with finance was a “big problem”, as manpower planning is based on national staffing norms (e.g., there are a fixed number of positions per units) rather than on actual activity levels. This occasionally exacerbates performance management implementation and has adverse implications for performance work. Similarly, one of the interviewees argued as follows:

*“The work of the department should be guided more by operating activities. We have to assess the need for competence in relation to activities rather than the number of positions in place. In the performance management area, one problem is that we do not have increased basic staff levels or special team for performance procedures. In such case these responsibilities are distributed among managerial staff on the top of their main responsibilities, however we do not pay extra for this work to be done and did not take out other responsibilities from them... it does not motivate staff to work on performance.”*  
(Interviewee 51, 16/07/2013)

In addition to the capacity issues, the majority of the interviewees expressed concern about the lack of skills and knowledge required for implementation of PM amongst the city administration personnel. For example, managers revealed that PM implementation emphasized the need for the staff to have, among other skills, those of setting performance objectives, measurement and statistical skills, and financial management performance skills. The concern was that municipal servants did not possess the skills required, but more importantly, these skills were not considered as a priority by the administration.

Interviewees argued that specific PM skills and knowledge were required for successful implementation; however, the local government did not have well-trained staff members with the “right skills”. In addition, local managers did not think that they need all these skills. Their concern was about the special performance team, which should be included

in the city administration to collect the data, provide performance results and analyse it, and deliver reports to regional and federal governments.

In the managers' views, possessing appropriate skills for PM implementation was not a priority since they did not directly address the core business of public services to "improve results". The local government recruited all staff for the purpose of organizing and coordinating public services. Managers in Krasnoyarsk city are professionals in Health Care, Social Work, Education and Learning, Culture, Sports or Youth Policy. None of the participants are qualified as public administration specialists or performance management professionals. Several participants argued that the administration does not have well-trained staff to effectively deal with such issues. Some of the participants felt that they do not need to have these skills as they are recruited for other reasons. In addition, most of the participants argued that PM responsibilities take too much time and are an addition to their direct responsibilities.

The documentary research revealed that appropriate training was not organized for the staff. According to the administration's annual reports, local budget for internal training was very low. The only training which was provided was related to the quality of services and the implementation of ISO 9001 standards in public services. International quality standards have not been implemented by the Russian government.

A number of interviewees (28%) pointed out to the failings of top management to lead in PM implementation as a major challenge to successful execution. Participants argued that senior managers are good administrators and bureaucrats, however, they are not good enough for strong leadership to implement PM. The core of the criticism was that city administration is "over-managed", "over-administrated", and "under-led". Several participants noted that the majority of senior managers still have a long way to go to move away from a blame culture to an open and honest approach.

Interview results revealed that the senior managers were failing to be responsible for setting the context for good performance management and ensuring that it is used to support strategic decision making and to drive performance improvements. This was reinforced by the answers to the question "How useful do you consider the performance information?" The majority said that it either just provides the information to improve financial control or it is an administrative burden as a statutory function to demonstrate



performance to higher levels of governance (regional and federal). Interviewees did not see PM as strategically important and in some cases, even operationally important.

Implementation of the PM system was not supported by resources adequately. Central and regional governments had not allocated any budget for training purposes, IT support or performance team recruitment. Local managers indicated that resources were absolutely inadequate in the local government. The senior management had nothing to allocate to the implementation process, which made it difficult to implement for them to manage the PMS. Senior managers were frustrated due to the failure to provide resources, as is evident from the following statement:

*“The financial resources have been one the main challenge, without them, implementation process was ineffective. We needed money for staff trainings but it was not allocated”*  
(Interviewee 28, 11/04/2013).

A third of the local managers were also concerned about the absence of guidelines and handouts about key principles of PM implementation, and special IT support for compatibility of existing data bases with new performance data requested. For example, the Health Care sector has several data bases to present to the Federal Medical Insurance Centre, the Medical Statistics Agency, the Federal Statistics Agency, and the Regional Healthcare Ministry. Another issue noticed was about the lack of IT machines, printers and photocopy devices.

### **8.3. Challenges at the individual level**

This sub-chapter presents findings related to the performance management implementation at the individual level of the Krasnoyarsk City Administration. At this level, performance management is represented by an integrated and planned system for continuously improving the performance of all employees. It involves defining work goals and standards, reviewing performance against these standards, actively managing all levels of performance, and maximising learning and development.

At this individual level, the following questions are relevant in order to explore performance management implementation:

1. How are individuals performing? What criteria are used to evaluate managers' performance? Are those criteria linked to the performance management system? If so, how?
2. How can individuals improve their own performance?
3. Are sufficient training and development opportunities offered and supported by the top management?

Along with these, the other questions from the interview guidelines are also relevant.

The conceptual categories and subcategories for individual level and operational level were identified in the data analysis as presented in Table 22.

**Table 22. Core conceptual categories and subcategories at the individual level of PM implementation in the Krasnoyarsk City Administration**

Core Categories	Sub-categories
<b>Individual level</b>	
1. PM is not linked to individual performance as a result of the lack of motivation	1.1. Individual performance indicators are not developed
	1.2. Everyone is equally paid, regardless of their efforts and achievements
	1.3. Feedback of the staff appraisal ("attestation") is not connected with the annual outcomes of the organisation
2. There is a fear of open discussion of the PM results	2.1. There is a lack of trust and a fear of punishment connected to openly discussing PM results
	2.2. There is a fear of publishing PM results and citizen's survey results
	2.3. There is a fear of how results will be interpreted by media and public
	2.4. There is reluctance to support PM implementation
	2.5. There is ambiguity on how PM results can be used
3. There is a lack of confidence in PM implementation	3.1. There is a lack of understanding about the value of PM, causing the lack of confidence in implementing it.
	3.2. There is a lack of confidence and strong leadership among senior managers to implement PM.
	3.3. Organisation and staff are not prepared for implementation of PM.
	3.4. A lack of information about the value of PM in the central government causes a lack of confidence in implementing.

Data analysis revealed that the implementation of performance management is not linked to individual performance in the organisation. A reward system is not established in the Russian public sector organisations; the staff is paid according to grades, regardless of

their efforts and achievements. For this reason, according to the interview data analysis, the motivation to implement PM system is very low among employees.

Due to the management style that stresses penalizing employees for poor results, study participants expressed fear to discuss PM results openly within the organisation, the media, and the public. Organisational members took a dislike to the PM system, which, in their view, supplies the information used to penalize them and it resulted in manipulation of data and unsatisfactory benefits from the new PM system. In addition, data analysis revealed a lack of confidence in PM implementation and a lack of strong leadership for implementing PM from senior staff. The PM system was not perceived as valuable by managers.

### **8.3.1. Performance management implementation is not linked to individual performance**

Findings at the individual level presented how individuals perform and how it is linked to the general PM implementation process at the Krasnoyarsk City Administration. Historically, there was no formal system of performance management for civil servants or local authority managers in the Soviet Union public organisations. The performance was partially resolved through “socialistic competition” and management of the incentives of civil servants’ performance. It would seem that this approach has not yet been reviewed. The “socialistic competition” does not exist anymore; however, individual performance measurement in the public sector has not been developed yet in Russia. Our case study reveals that a system for overseeing the continuous improvement of the performance of employees does not exist.

Table 23 lists the conceptual categories that illustrate the participant’s perception of challenges concerning individual performance to the implementation of PM at the individual level.

**Table 23. Categories portraying challenges related to the individual performance at the individual level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. PM is not linked to individual performance as a result of a lack of motivation	1.1. Individual performance indicators are not developed	35 (54%)	30 (62%)	3 (27%)	2 (33%)
	1.2. Everyone is equally paid, regardless of their efforts and achievements	21 (32%)	15 (31%)	5 (45%)	1 (16%)
	1.3. Feedback of the staff attestation is not connected with annual outcomes of the organisation	20 (31%)	13 (10%)	3 (27%)	4 (66%)

The local managers' understanding of the importance of performance management at the individual level is very interesting. Of all the interviewees, 35 (54%) complained about the absence of individual performance indicators in the organisation. They also stated that it would be good to develop performance indicators for departmental performance. Nearly a third of the interviewees (32%) noticed that they did not have the motivation to implement the PM system successfully. This is because on the one hand, performance indicators are not related to individuals or departments, and on the other hand, because employees are equally paid according to the grades, regardless of their burden, the complexity of their work or their achievements. The system of awards or bonuses does not exist in the Krasnoyarsk City Administration. Some of the participants mentioned that a recognition letter from the top management or simply some nice words to thank them for their work would also be good to receive sometimes.

According to the interview results, a significant section of the local managers (36%) could discern the importance of performance management implementation for private and public sectors. Managers at all levels assert that there are different objects of the performance management systems in different companies. According to their opinion, private companies cannot accomplish their mission by managing "in vacuum". More specifically, the roles of service user and employee in a private organisation's day-to-day performance are vital to its success and must be incorporated into that success. Managers provided examples of private companies such as "Gazprom" or the oil company "Vankor neft" that have managed performance as an unending process, receiving better results on less pay.

At the same time, managers acknowledged difficulties in the development of individual performance indicators for public organisations, as is exemplified by the following statement:

*“I know from doctors who work in the private clinics, that some private health centres in Krasnoyarsk city have individual performance measurement systems to monitor performance and to analyse how to attract more wealthy patients to the private healthcare centre by good ethics, fantastic facilities and reducing of time waiting. In contrast, in the public organisations service users are still not the first to take into account. We should also bear in mind that usually public organisations have more than one task or function and at least two types of service users. For example, Ministry of Energetic has both an enforcement and service functions – and consequently different customer bases... So, it is difficult to implement individual performance management, HR tried to develop indicators internally, sent it to departments and after the feedback we have not heard anything about it”*

*(Interviewee 35, 19/08/2013)*

Indeed, we found an internal organisational letter (Letter from 02/02/2011 №456-YK) addressed from the HR Department to all the Krasnoyarsk City Administration agencies about the beginning of the discussion of possible individual performance management indicators for managers of the Krasnoyarsk City Administration. In this letter, the HR had developed a draft of the framework with possible individual performance indicators and asked all employees to give their feedback on it. However, feedback across the departments highlighted the need to change the performance indicators framework, and included different proposals and explanations on why it is not appropriate. This framework had not been agreed upon internally. Indicators included intensity of work; innovation approach at work; widespread usage of professional knowledge at work; usage of planning methodology at work; and the ability to establish and maintain business relations with colleagues and others. The criteria for evaluation involved a low, middle or high level of the indicators described above. The analysis of departmental feedback was not in favour of these indicators. Local managers found this framework “unnecessary”, “subjective”, and “inefficient”. The HR department did not continue this work further after the discussion. At the time of the completion of our study, we did not have information regarding the completion of this framework.

At the same time, the HR Department of the Krasnoyarsk City Public Administration – like any other local authority in the Russian Federation – has attestation documentation about the requirements for each individual post in the organisation. Attestation in Russia is a special system of mediated performance management. This system keeps high professional standards for job responsibilities but is not fully connected with the day-to-day results. At the base of this system are the approaches to classifying, paying, and promoting the staff. Instead of concentrating on outputs or outcomes, financial results, service quality or surveys on customer satisfaction, this system measures the level of professional qualification as an integral attribute, evaluating the preparedness of employees to show high results on service quality, outputs and outcomes

According to the Presidential Decree on Attestation of Public and Civil Servants of the Russian Federation No 111 (February 1, 2005), the attestation procedure is held not more than once in two years, and not more rarely than once in four years. This frequency is related to the main outcome of the attestation, namely, grade adjustment. In reality, attestation is held once in every four years with one exception to the rule. An administration can use the procedure as a ground for dismissal.

The feedback of the attestation is not connected with the annual outcomes of the organisation. As a result, the financial aspect of public sector outputs is lost during the attempts to reach high results in managing performance of municipal managers. We can maintain that the technical efficiency is likely to be enhanced only if real competition and competitive pressure exists. Perhaps, public organisations need to be subjected to real and ongoing competitive pressure. However, in reality, competitive pressure from the internal market does not exist in the case of public sector management. Ministers, public agencies, and other public bodies do not compete with each other on the grounds of financial or any other form of efficiency. Questions of financing are usually solved through bargaining, lobbying, and employing other political instruments.

Commercial organisations tend to build such a performance management systems that will allow to pick out the best performers and to create direct correlation between the results of each financial year and the employees' individual pay. A direct dependence relationship between individual efficiency and individual pay is the core feature of the performance management system in the private sector. Performance appraisal is always conducted at the end of each financial year and considers both joint and individual results of a company

and its employees. The three main steps of a performance management system, namely, the setting up of individual performance plans, intermediate assessment, and summing up, are directly tied in with the main activities of Finance Management – budgeting, reviewing and evaluating.

### 8.3.2. Fear of discussing performance results with the public

Referring to the observation of departmental meetings on PM implementation and reporting, the interview data analysis revealed that managers were reluctant to share the performance information with the media and the public. They felt a lack of trust and a fear of punishment with respect to openly discussing PM results, as presented in Table 24 below.

**Table 24. Categories portraying challenges related to discussion of performance results with media and the public at the individual level of the PM implementation**

Category	Sub-categories	Frequency of response among all participants, N = 65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. Fear of open discussion of the PM results	1.1. A lack of trust and fear of punishment related to openly discussing PM results	30 (46%)	25 (20%)	2 (18%)	3 (50%)
	1.2. A fear to publish PM results and citizen's survey results	17 (26%)	11 (22%)	1 (9%)	0%
	1.3. Fear of how results will be interpreted by media and public	24 (37%)	12 (25%)	6 (54%)	6 (100%)
	1.4. Reluctance to support PM implementation	15 (23%)	9 (7%)	2 (18%)	4 (66%)
	1.5. Ambiguity on how PM results can be used.	47 (72%)	24 (19%)	8 (72%)	5 (83%)

An observation from the departmental meetings on PM implementation recorded that efforts to implement PM in the Krasnoyarsk City Administration were impeded by the lack of trust with respect to openly discussing the performance results. Organisational cultures that encourage achievement and accountability within a climate of trust and mutual support are best suited for the introduction of PM practices. Yet, while there is an emerging focus on achievement, especially as it relates to service delivery to citizens, the notion of accountability is still not well developed. Furthermore, the level of trust needed

for a frank and open discussion of performance results, both good and bad, was often not present in Krasnoyarsk city. Of the 65 interviewees, almost half (46%) demonstrated a lack of trust and a fear of punishment with respect to openly discussing PM results.

In addition, the interview revealed organisational fear associated with implementing performance management. More than a quarter of the managers (26%) were apprehensive about implementing PM due to the fear of how the results will be interpreted by the citizens and the local mainstream media. More than one-third (37%) of the managers pointed out in the interview that what the PM system may indicate about the department's performance is important. They also mentioned a lack of clarity related to how it will affect the department and its employees. Furthermore, they notified that elected officials have similar fears about how the performance data will be used, analysed or interpreted by the public. For those reasons, a lot of information about the results of the annual citizen's satisfaction survey data is not provided in the official website of the city administration.

All the information about PM implementation and the other local governance activities is controlled by the city administration. The Department for Information and Media in the Krasnoyarsk City Administration monitors the information that can be presented in the official website for the public. In addition, observation of the departmental meetings revealed that citizens and media representatives are not invited for discussion of PM implementation and its preliminary results.

Additionally, almost a quarter of the interviewees (23%) demonstrated a reluctance to support PM implementation. They felt afraid that the performance data may "limit political flexibility" and were apprehensive that the data will limit the ability to "data" with other political realities.

A majority of the managers (72%) argued that the data they collected was meaningless for internal purposes. Regular reviews and discussions for organisational strategic purposes were not scheduled. Interviewees who collected the data were not aware whether the data was being used for decision-making by top managers. Interviewees believed that in such cases, the collection of data and reporting "loses its value" to the organisation and leads to eventual questioning of why the information is being collected or reported in the first place. Less than a quarter of the interviewees (19%) also had suggestions that the senior



management should develop policies on how performance results will be used for operational and fiscal decision-making in local budgeting.

### 8.3.3. Lack of confidence in PM implementation

Data analysis revealed that the lack of understanding about how PM should be implemented caused the lack of confidence in PM itself and its successful implementation. One of the issues raised by the majority of managers was the inadequate preparation for the implementation process (74%). Documentary research revealed that PM implementation started from the performance indicators framework and system of reporting without guidelines in advance about the intention of the central government to implement this system or explanation about the purpose of such implementation. As a result, employees were not well prepared to implement procedures and felt a lack of confidence in what they did. Table 25 presents findings related to the lack of confidence among employees in PM implementation.

**Table 25. Categories portraying challenges related to the employees' lack of confidence in PM implementation at the individual level of PM implementation**

Category	Sub-categories	Frequency of response among all participants, N=65 number (%)	Frequency of response among different levels of management number (%)		
			Junior N = 48	Middle N = 11	Senior N = 6
1. Lack of confidence in the PM implementation	1.1. Lack of understanding about the value of PM concept, causes lack of confidence in implementing	22 (34%)	11 (22%)	6 (54%)	5 (83%)
	1.2. There is a lack of confidence and strong leadership among senior managers to implement PM	11 (17%)	0%	7 (63%)	4 (66%)
	1.3. Organisation and staff are not prepared for implementation of PM	48 (74%)	39 (81%)	7 (63%)	2 (33%)
	1.4. Inadequate information about the value of PM from central government causes lack of confidence in implementing	32 (49%)	19 (39%)	7 (63%)	6 (100%)

Data analysis of interviews revealed that a significant portion of the middle management staff (63%) expected that the senior management responsible for leading transformation towards performance management in the Krasnoyarsk City Administration should do so with confidence. Strong leadership and confidence were expected from the top management of organisations. However, it would seem that this was not the case with senior managers.

Of the 6 senior managers, 4 (66%) reported that they were not well prepared to lead the implementation of PM and moreover, they felt a lack of confidence in PM itself. Senior managers also noticed that the staff members had started to ask questions about the value of this implementation process for the public service delivery and public administration in general. The reasons provided for the loss of confidence among senior staff was their own misunderstanding of the value of PM and how it should be implemented. Senior managers could only see the number of indicators and measurements to report to regional and central governmental levels. It was perceived as an increased burden on personnel rather than an improvement. In addition, senior managers expected support and guidelines from the regional ministry, which was never provided.

The lack of confidence among more than half of the senior staff (66%) was seen as compromising what it meant to be a leader in two ways. First, senior managers did not have enough knowledge to be able to lead their staff to implement PM, and second, the loss of face they experienced when they failed to answer the questions about PM also played a role.

The lack of confidence was also attributed to inadequate information about the value of PM from the top governmental levels. One of the senior staff members pointed out as follows:

*“In order to implement something you have to be enough confident in it and know how to do it and for what. I am afraid we are not confident enough. The Ministry is not doing anything about it to address the problem, they never invited us to discuss it in a meeting in regional government even if we sent them initiative letters. We feel it is difficult to explain to staff why we are doing it if it is not paid, just extra burden”.*

*(Interviewee 6, 08/02/2013).*

Furthermore, senior managers experienced their own lack of confidence; losing confidence in the middle management level was also a concern for 7 of the 11 senior managers interviewed (63%) in the study. They felt confused about implementing “a reform the purpose of which is misunderstood”. Managers at all levels argued that data collection, statistics, and a number of indicators existed even before PM implementation for most of the agencies and departments. They did not understand the difference between those indicators and the current PM implementation or why they should have two systems. Of the 65 managers, 32 (49%) reported that the lack of information about outcomes of PM implementation from central government made the implementation process difficult.

#### **8.3.4. Summary of findings**

This chapter outlines the findings of the study related to the challenges in PM implementation in local governance in Krasnoyarsk city, Russia. These findings are presented by using Brudan’s model (2010) and describe challenges at the strategic, operational, and individual levels of PM implementation. Categories of findings are based on the coding from the results of the interviews with local managers with the support of the document review and the observation of the departmental meetings.

Although the PM system, along with its key performance indicators, was developed and assigned by the central government to the regional and local governing bodies, findings of the study revealed that the implementation at the local level faced challenges for a range of reasons. Local managers reported a number of obstacles that affected the degree to which they could fulfil their role as implementers. Among the main challenges, there were concerns about difficulties in interaction between the local, regional, and central governmental levels; the lack of key stakeholders’ engagement in the planning of the implementation process; perception of the PM system as a mechanism of control and punishment; difficulties in collecting and presenting the data in reports; the lack of communication among the team members and between departments; human resource incapacity; and the lack of training, among other reasons.

Looking at the challenges and barriers found in the study, some seem to be related and to occur in conjunction with each other and can be summarized under the barrier category.

The first barrier category is related to the unstable foundation for the implementation of PM. This category comprises barriers and challenges caused by the fact that the new PM system does not have a solid foundation in Russian local governance. The implementation of PM has started with unclear goals and mission, and an unclear strategy, which has resulted in content that does not suit the needs of the public administration at the local level, and its departments and units. The performance indicators framework has been devised at the higher levels of the governmental system and a lot of information has been collected and measured at this level. Therefore, key performance indicators established for the local authorities do not define factors that the institution needs to monitor locally. It is unclear from performance indicators how successful public administration is and what the progress is towards its long-term organisational goals. The implementation of PM is characterized by the presence of extensive normative legal framework that does not correspond well with PM implementation. The introduction of PM system does not include detailed written methodology, description of procedures and making changes in the current relevant federal and regional legislation.

The second barrier category deals with immaturity, which creates an immature PM system that is not fully functional. The implementation was carried out inaccurately at a time when the local governance organisation was not yet ready for it. It did not take enough behavioural aspects or hierarchical culture barriers into account; it did not participate in defining the indicators devised by the central government; and it did not link the PM system with the reward system. The regional and central governments did not provide appropriate support and training for the staff. This caused the management at all levels of the organisation to lose faith in the new PM system quite rapidly. So, the senior management adopted the wrong management style by penalizing employees for poor results instead of using the PM system for coaching and continuous improvement. Organisational members took a dislike to the PM system, which in their view, supplies the information used to penalize them, and this resulted in the manipulation of data collected and unsatisfactory benefits from the new PM system.

The third barrier category consists of challenges and barriers that render the new PM system less relevant to people on all organisational levels. The organisation experiences difficulties in defining goals and targets; PM implementation is not linked to the strategic plan; and employees from different departments and units are not encouraged to think about common objectives and targets. In addition, it is hard to collect the data needed for

the new PM framework developed by federal government, and it is difficult to understand the importance of the PM implementation. This requires more resources and training sessions, and causes the deterioration of management commitment.

The fourth barrier category is related to insufficient resources. This barrier category indicates that the Russian government, at all levels, has not freed up sufficient resources and capacity for the PM implementation, and for the training of organisations and their members in understanding and using the new PM system.

The fifth category deals with communication issues. This category comprises barriers and challenges caused by the fact that a communication strategy was not established to create shared expectations and to report progress. The implementation of PM in Russia starts with the lack of communication between different governmental levels and ends with the lack of communication within the organisations at the local governmental level. The message from the top level stating that PM was definitely on the horizon and that it was not just a management toy was not received. In conclusion, a clear message is needed to emphasize the benefits of PM and the fact that PM will make organisations the front-runner in the public sector.

## 9. DISCUSSION

My findings make a contribution to several aspects of the literature on Performance Management. First, my results are a provocative illustration of the barriers and challenges that can negatively affect the introduction of PMS. Second, they underline that successful implementation of PMS in the public sector requires careful preparation of readiness for change. Third, the Russian example that I have studied suggests that there needs to be a wider discussion about the barriers that may exist to transferring PMS into countries with particular cultures and histories where its fundamental assumptions may be particularly difficult for people and institutions to engage with. Fourth, there is the discussion on home-grown versus imported policies in public administration. Fifth, there is a more general discussion of policy changes that emerge in bureaucratic hierarchies and how these change or are changed by modern approaches to the public sector management. Finally, there is distinct literature on Russian public administration.

Performance management is based on an extremely rationalistic, directive view of the organisation, which assumes not only that strategy can be clearly articulated but also that the outcomes of the implementation can be framed in a way that makes clear their links to the organisation's strategic objectives (Clark, 1998). The approach assumes causal links between different parts of the process that can be readily identified and enable underperformance in one or more aspects of the process to be managed to ensure optimum functioning of the wider PMS. However, such assumptions not only ignore the debate about the nature of strategy and its formulation (Mintzberg, 1994), but also fail to recognise the context in which a PMS operates. The social processes and power systems within which organisations operate together with the broader organisational and country-cultural context are important mediating factors in the operation and success of any system (Clark, 1998).

As discussed in Chapter 2, the context of the policy transfer is extremely important in determining the notion of public sector reforms in the light of the PM implementation, NPM approach and policies that fit specific administrative change setting. Consideration of the appropriateness of managerial and regulatory reform of the developed countries models to developing countries must incorporate a critical evaluation of the weaknesses in, and failures of these models. Many countries have demonstrated their government's

willingness to learn and adapt from other contexts in their quest for enhanced public service performance (Siddiquee, 2007).

Although extensive research has been carried out to investigate the success and failure of PMSs in various organisations around the world (Bourne et al., Kennerley and Neely, 2002, Richardson, 2004, de Waal and Counet, 2009), there is a distinct lack of published research on issues related PMS implementation challenges in particular cultural contexts like the Russian Federation.

Indeed, policy transfer or change cannot be ignored in any discussion of the NPM approach and administrative reform in a country setting such as that of the Russian Federation. As discussed in Chapter 2, public sector reforms with NPM ideas and PM system implementations are still very “young” (Verheijen and Dobrolubova, 2006). Public management systems in some countries like Russia are rudimentary, which in all likelihood lack the basic institutional framework and capacity to build a credible PM system. In addition to that, the case of the Russian Federation stands out where innovations concerning PMS implementation have been taken beyond partial experiments and piloting in local governance. There was a top down decision by the federal government to implement PM along with centrally specified performance indicators. This occurred within a very hierarchical culture of delivery oriented governmental tasks and objectives.

The implementation of the PM system in Russia was not a case of externally funded reform from donor agencies such as World Bank for some developing countries, and so there was no pressure to satisfy any conditions prescribed by an outside agency or follow by the guidelines in policy transfer procedures. It influenced on the PM implementation in the Russian Federation, because external monitoring and reviewing to achieve greater strategic alignment of development efforts were not established.

It was the realisation that the implementation process of the PM in Russia in the public sector was experiencing difficulties that prompted this study. Because this research was conducted seven years after the official implementation of PM implementation, the participants of the study were able to draw on their extensive experience from initial implementation to attempts to incorporate PM as part of routine activity (Chapter 8).

This chapter draws on my specific findings of the experience of the Krasnoyarsk City Administration with the implementation of PMS to try and draw some broader conclusions of relevance both to future use of PM in Russia, but also to the broader literature on PM.

### **9.1. Readiness for introducing a performance management system**

A growing body of research reveals that it is essential that the implementers are ready to ensure the successful introduction of change initiatives. The rationale for this is that the organisations cannot introduce performance management systems successfully without the buy-in and involvement of all employees, proper communication and a strategy to develop human resources so that everyone has a clear understanding of the changes initiatives and their benefits to employees and their organisations (Karve, 2009; Ochurub et al, 2012).

Change readiness includes the management strategies that organisations use to address any resistance in their workforces to the new initiatives (Stratman, 2002). Organisations' readiness for change depends on the level of employees' commitment to the change and whether they believe the change can happen (Weiner, 2009). The key to change readiness is whether the employees are ready to do their jobs in new environments (Madsen et al, 2005). Introducing performance management systems as change initiatives is pivotal to the strategies of organisations and they should ensure organisational readiness before doing so (Canterucci, 2008). When organisational readiness for change is high, the employees are more likely to initiate change, exert greater effort, show greater persistence and display more cooperative behaviour (Armenakis and Harris, 2002).

However, the case study of local government in the Russian Federations revealed that performance management was designed and implemented in a top-down fashion by the federal government without consideration of the readiness for change for the implementation of PM at the local level. Data analysis revealed that local authority managers were not ready for the implementation of PMS.

At the same time, being able to successfully develop and implement a PMS has its own challenges and inevitably can come up against cultural resistance. Organisations need to be ready for the change and need to manage the change to a performance management systems. Robbins et al. (2003) argue that employees may feel threatened, in terms of their



interests and job security, when organisations start introducing new performance management systems. The findings revealed that that employees did not have clear understanding of what their organisation will achieve by introducing PMS, why they need the implementation of PMS, how they will implement the changes and who will drive them.

Therefore, it is essential to unearth the key factors or preconditions for introducing performance management systems and to determine and evaluate the attitudes and feelings of all employees about doing so. It is crucial that change agents, and those who drive change initiatives in organisations, should consider the extent to which employees are committed to the change and whether they believe that their organisations are able to change (Weiner, 2009).

Without certain pre-conditions which need to exist before organisations introduce PMS it is difficult to expect successful implementation. Managers must mobilise their organisations, communicate the roles and responsibilities of those involved in the change processes and ensure that the processes are inclusive, participatory, transparent, simple, realistic, fair, objective, developmental and non-punitive (Amatayakul, 2005; Hardison, 1998; Kok, 2007; O'Connor and Fiol, 2006; Walters, 1995; Williams, 2002).

If there is a culture of severe repercussion in an organisation, people will try to delay the implementation and manipulate the results on the performance indicators (de Waal, 2007, p.334). Therefore the information from PM system should not be used for penalizing and settling scores but, rather, for autonomous control and continues improvement. If, at the time of implementation of the PM system, sufficient attention is paid to changing of the management style from penalizing to coaching and focusing on improvement, PM would be less threatening and people will accept it more readily. This change of the management style appears to be one of the most difficult elements of an implementation in the Russian Federation. For example, findings revealed that in case of citizen's dissatisfaction of providing services in health care organisations, senior management was penalized for inappropriate communication style of the medical staff in their organisations, however, trainings to improve the situation on how to communicate with patients was not organized.

## 9.2. Effects of hierarchical culture

My study has documented in detail that that PM implementation in Russia was carried out in a top-down fashion. In Russia there is a hierarchical culture of public administration with a rigid and highly centralised structure of the executive branch of power. It is this that accounts for some of the difficulties that I have identified in the implementation of PM in Russia. To people work in local administrations the central government instructions on PM were often regarded as just another variation on the endless central government requirements for reporting on activities. The distinctive objectives of PMS, to lead to reflection in practice, was largely not understood.

This classical public administration model that exists in the Russian Federation creates challenges in implementation of PM. Max Weber described such a model as involving control from top to bottom in the form of monocratic hierarchy, that is, a system of control in which policy is set at the top and carried out through a series of offices, with each manager and worker reporting to one superior and held to account by that person. The bureaucratic system is based on a set of rules and regulations flowing from public law. The system of control is rational and legal. The role of the bureaucrat is strictly subordinate to the political superior.

The implementation of PM in Russia can be seen as occurring within such a model. It was developed by the federal government and passed down to the lower levels for implementation. In such a culture, individual conformity and compliance are achieved through the enforcement of formally stated rules and procedures (Zammuto and Krakower, 1991). The hierarchical culture involves authoritarian management style with high degree of control, little communication and top-down management, and centralised decision-making (Parker and Bradley, 2000).

The dominant concern in the academic literature on public administration, political science, economics and law is that top-down approach is ineffective for PM implementation. PM is commonly used as a tool for hierarchical steering, this steering seems effective: the top management fixes targets, measures output and then appraises the subordinates. It send employees signals about what results matter, and rewards them when they produce those results (Osborn and Plastrik, 2000). Priorities may be translated into new targets, for example, after a certain period it may be considered whether they are being

achieved; adjustment during this period is possible, if required. On the one hand, such steering is effective, on the other hand, it produces “perverse effects” (de Bruijn, 2002, p. 44).

If PM is used as a tool for hierarchical steering this may harm its effectiveness. The more functions top management wants to create with the help of PM (transparency, learning, appraising, sanctioning, comparing), the more its effectiveness will decline. The more hierarchy and the more functions, the stronger the incentive to pervert a system. Furthermore, the use of PM in this way widens the natural gap between top management and professionals. Senior management loses touch with what really happens in the professional echelons. Thus, the classical public administration model with hierarchical steering brings about PM ineffectiveness (de Bruijn, 2002, p. 115). This is what has happened in the implementation that I studied in Russia.

### **9.3. Lack of understanding of performance management concept**

A central finding of my study is that many managers in the case studies I undertook simply did not understand what a PMS was and what its objectives were. However, for PMS to work a basic level of understanding of objectives and the link to quality in particular is required across an organisation before it can expect such a new system to yield the desired results. According to my literature review, the successful implementation of the performance management system, and therefore effectiveness of its implementation, depends on understanding of the main concept principles and procedures (de Waal, 2007). My study has revealed major issues connected to understanding of performance management concept

My study has provided unequivocal evidence that in my case study organisations the term “performance management” was misunderstood by managers as “management by results” (MBR). There is no translation in Russian for the English word “performance”. In addition, there is no differences between definitions of “outputs” or “outcomes” in Russian language. These words, and also “impact” are all represented by the same Russian word that essentially means “results” (Rus. *результаты*). In the Russian academic literature, MBR is a Russian analogue of the English “performance management.” It became popular although the terms “results” and “performance” are not equivalent. Jacobson (Якобсон,

2006, translated from Russian into English) argues that such terminology can become “misleading”:

*“The terms “performance management and managing by results” are to some degree misleading as to the subject of that literature. Thus, in practical terms the issue of direct correlation between resources and incentives and indicator values has never been raised in relation to “final results” (outcomes), and it is discussed less often in relation to “direct results” (outputs) than in relation to “execution” (performance), which in Russian language is almost the same as the “quality of work”. It is the “execution” which is usually transformed into “result” in Russian publications on the topic.”*

*Jacobson, 2006, p. 17*

Unlike PM, MBR tools are used at all levels of the government in the Russian context. According to Dobrolyubova (2008, p.134), MBR is a principle of management based on ensuring the interconnection of goals, results and resources at all stages of management (planning, implementation and control) contributing to the most effective achievement of goals of executive authorities (local authorities, public organisations). Dobrolyubova (2008) argues, it is necessary to distinguish between “management by results” and “performance-based budgeting”. Performance-based budgeting (or targeted budgeting) is aimed at taking the outcomes into account while planning, administering and controlling the budget. Therefore, “management by results” is a narrower concept associated with taking the results into account while planning and administering the budget; it is a structural element that allows linking one of the resources (financial) with the results of the organisation.

According to Kalgin (2012, p.36), the Russian term “management by results” adequately translates such English concepts as “management by objectives” and “judgment by results”, which are separate and narrower concepts that preceded the current stage of the performance management theory development.

It partly explains the reason why local managers link performance management with results directly and pay less attention on outcomes. However, reduction of the performance management definitions to the concept of “results” can lead to excessively narrow understanding of PM tools in the Russian context. Today’s practice of using performance indicators implies taking into account various aspects of the organisation’s activities, not

just results. It includes planning (setting objectives), measuring results, and using these measurements to reflect on the accomplishment of objectives, explore performance problems or opportunities and make changes to improve both operational and strategic outcomes (Richards and Goh, 2009). Performance measures and performance indicators therefore contribute to PM, however, they are not an end in and of themselves. In my study I found very little evidence in my case-study organisation that managers had any appreciation of the notion that PM should result in a practice of reflection so as to achieve results measured in terms of actual improvements in service provision.

#### **9.4. Perception of performance management as an instrument of control**

My study has revealed other aspects of the implementation of PMS that that could potentially negatively affect any further attempt to develop it in Russia. It was apparent from the study that performance management is increasingly being used as a control for “punishment” rather than incentive mechanism designed for “motivation”. Multiple sets of local performance indicators designed by various federal governmental bodies are being perceived by many local managers as ‘control measures’ rather than indicative levels. In other words, performance management in Russia is increasingly used for strengthening “vertical power” and centralisation rather than providing a means for effective decentralisation and public accountability of local government.

#### **9.5. From functions to process and performance management**

Local government in the Russian Federation tends not to have a clearly articulated mission i.e. there is a lack of clarity about what the organisation is supposed to accomplish. Its function is assessed in terms of indicators of activity rather than in terms of broader objectives framed ultimately in terms of serving a local population. This the lack of a clear mission may reflect unresolved internal or external conflicts over what the mission should be. In such case, project management implementation may not be aligned with the mission of organisation.

My study has revealed the lack of clarity among managers about what local government provides: delivery of functions or provision of services. Appropriate legal framework could reflect on institutional move from functional to process management. However, the

notion of tasks and functions in legal documentation does not reflect service but only presupposes a possibility of solving tasks with help of this or that service.

According to Maslov (2010), the fast inflow of modern western management techniques into Russia, like performance management, often exceeds the ability of the government to absorb and implement them. The best example of this problem is the conflict between implementing the horizontal process model of public services delivery and the vertical hierarchical framework of public functions. A citizen, imagining himself as a citizen-customer, believes that the state provides public services to him, because officials declare it. In accordance with theory, service delivery means a horizontal process approach — the fastest and most effective way from customer needs to customer satisfaction. However, for the Russian government public service is no more than just a new public function. Public managers do not think in terms of processes; they operate in a framework of functions. Under this form of governance, a public organization is not a service provider for customer, but customer's boss from the power vertical, the top-down hierarchy in which bureaucrats obey their superiors. Vertical functional management and horizontal process management cannot work effectively together. However, in contemporary Russian public administration they are superimposed and effectively become indistinguishable. The citizen is lost within the bureaucratic machine because at the current stage of modernization, the Russian state has not decided yet what it produces: functions or services.

The Russian public sector does not conceive of itself as dealing in the market of social goods. Governmental bodies have not adopted new “corporate style” structural and legal forms. In other words, the state did not envision itself as a body which aims to have a clearly defined public service delivery to concrete customers and stakeholders. While the reforms looked progressive on paper, in reality they have not really affected the lives of ordinary Russians. In Russian legislation, functions and service delivery are two terms that blended together. Indeed, our study reveal, it is extremely difficult for public administration bodies at any level to divide their work into services and functions. At first point, this issue may seem insignificant and just technical, but it poses a fundamental conflict of vertical functional and horizontal service approaches. In fact, it is not horizontal or vertical approach, but something crossing. These methodologies are absolutely different and their combination produces. The vertically-oriented functional system means managing by command and control; the horizontally-oriented service system means

managing by processes. Because of this contradiction, invisible for many reformers, the proposed mechanisms of reforms do not work on the ground and cannot bring the anticipated results (Maslov, 2012).

This all points to the fact that the Russian ideology of public management needs to be changed, to move from the idea of “serving the public” to the idea of “delivering public services”; from understanding governance as a hierarchy where your customer is higher level officials to the concept of governance as a market where your customer is the citizen; from understanding PM concept as an instrument of control and penalizing to the managerial tool for improvements.

### **9.6. Challenge of legal traditions**

Performance management have mostly been developed and successfully implemented in countries with the Anglo-Saxon legal tradition, where administrative procedures are not fixed by the federal legislation and regulated mainly at the local level by acts or at the level of individual organisations by power of internal rules and guidelines. In contrast, Russia follows the legal traditions of the East European countries, which are characterized by the presence of extensive normative legal framework. The introduction of any innovation like implementation of PM system requires detailed methodology, detailed description and making changes in the current relevant federal and regional legislation, as well as the development of detailed legal procedures. The delay in the development of corresponding regulatory legal framework considerably complicated development of progress in PM implementation in Russia.

### **9.7. Stakeholders engagement and evaluation of strategic plans**

The involvement of key stakeholders (such as citizens) to the PM implementation, enables managers to ensure that the strategic and operational direction of an organisation addresses stakeholder perceptions and needs. In Russia design and implementation of performance management happened without public participation, moreover, internal stakeholders from lower governmental levels also did not participate in the discussion of PM design. However, in countries where PMS has been used most effectively, consultative meetings between the authority and the community representatives (customers of the public services) provide opportunities for both parties to air grievances, share views, seek

clarification and make suggestions to resolve issues involving both parties (De Bruijn, 2002). This should be the place where the views of the customers are taken into consideration for the purpose of developing the strategic goals and objectives of public administration organisations. Due to the lack of involvement from the external stakeholders, the customers in particular could not voice out their opinion with regards to the administration performance. My study has shown that in the case study organisations I researched, there has been an absence of stakeholder engagement. This is inconsistent with the principles of PM implementation described in the literature.

My study has revealed that there was no evaluation to improve the results/achievements of the strategic plan after reporting on indicators. Local government reports to regional government regularly on PM indicators, but never discussed internally or externally these results and how to improve. This situation is contradictory to the emphasis of the performance management cycle, where the reports on results should be interpreted to obtain information and identify areas for improvement. Consequently, appropriate changes could not be made to the management structures and delivery mechanisms concerning the strategic plan of the public administration. Also, the relevant benchmarks and/or data collection strategies could not be revised accordingly. Poister and Streib (1999) stated that strategic performance management requires continual monitoring of the 'fit' between the organisation and its environment and tracking external trends and forces that are likely to affect the governmental jurisdiction or agency. Poister and Streib (1999) added that successful PM implementation requires the development and dissemination of innovations and encourages the flow of useful feedback from managers and employees regarding the viability and effectiveness of the PM strategies.

### **9.8. Difficulties in communication and integration**

I found difficulties in interaction and communication between the local, regional, and central governmental levels as one of the main challenges in the Russian PM implementation. For example, initiative letters from the local public administration to regional government were unanswered; regional and central government representatives never visited local managers to discuss the PM implementation and its results. Moreover, I found a lack of communication within the organisation between departments. For example, each department has its own budget and targets, regular communication between departments to discuss PM implementation is limited. However, in this respect, my



Russian case study organisations may not be completely atypical. Brudan (2010) argues that communication about PM at the strategic, operational and individual levels is limited in practice. This is because strategic performance management efforts are led by the executive team, operational performance by group managers, and individual performance management by the human resource team, mostly with limited interaction between them.

Communication between key stakeholders is a frequently identified as a factor that results in successful performance management implementation (Bititci, 1994). For example, 35% of senior executives surveyed for the study by IBM (2010) reported that integration was on the top of their agenda. Other reports by scholars indicate the importance of PMS integration for strategy success (Accenture, 2010) and identify the lack of integration as a source of performance management failure (Townsend et al., 2009).

The issue related to limited communication and integration between the different levels of performance management in the public organisations is also highlighted in a study by Verhejen and Dobrolyubova (2007). The study involved performance management in public organisations in Baltic States and Russia. It was found that performance management systems were successfully developed and introduced at the organisational level, but were unsuccessfully implemented at the operational and individual levels due to the lack of appropriate support in terms of organisational culture, human resource and other resources.

Local governance arrangements do not exist in a vacuum. The adaptive capacity of PM implementation depends on its context and how different management systems are situated at different levels (Duit and Galaz 2008). The communication culture and administrative system at the constitutional state level may influence how managers can respond to change and manage adaptively.

Successful PM implementation requires governance systems that support coordination and cooperation across the horizontal and vertical organisational dimensions. In the context of NPM, governance refers to decision-making processes and networking aimed at problem solving and policy implementation. As such, the concept focuses on participation and deliberative consensus-building processes with the goal of enhancing cooperation and coordination among a diverse range of the key stakeholders (Stoker 1998). Therefore, a platform or forum for adaptive governance is vital for enabling the processes of PM

implementation. Such platforms can facilitate an overriding strategy and coordination of planning and management activities by representatives from various levels of governance that represent needs and interests of stakeholders at different levels (Bellamy et al. 2002, Connor and Dovers 2004). In multi-tier governance, this also fosters dialog between sectors and the production of new knowledge (Gibbons et al. 1994, Diets et al. 2003).

### **9.9.PM Implementation and a link to individual performance**

According to de Waal (2007, p.334) in order to implement PM successfully, the link to individual performance is needed from the start. When this link has too low a priority for employees, it is doomed to failure. It is important to communicate the advantages of the new system to the people continuously, and also to show the practical benefits. In addition, implementation has to be as efficient as possible and should not take up too much of the organisation members' time.

The study reveals that the Russian approach to appraising public service managers remains unchanged since Soviet times and does not include the elements of awards. As discussed in Chapter 8, attestation is being used to measure individual level of qualification. Results of attestation influence the grade changes of an employee. This system classifies positions according to differences in required qualification and responsibilities and ranks these positions into occupational groups. Each group has unified salary schedule (grades). Each grade contains a flat salary amount and does not contain incremental steps inside. In order to change the amount of salary an employee has to receive the grade change. In practice, the grade change is possible only after promotion.

It could be easily seen that this approach result in very rigid and standardized system of performance related pay. Ideally, those grade changes should depend on annual results and individual achievements and not on qualification and level of technical expertise.

## 10. CONCLUSION

This thesis has explored theoretical and practical issues raised by the process of PMS implementation in the Russian local governance. The study was conducted between 2012 and 2014, seven years after the introduction of PMS by central government of the Russian Federation as an element of the Administrative reform. The aim of this study was to investigate challenges encountered during the implementation of a performance management system in the Russian Federation. The focus of the study was to explore the process of implementation of PMS at the level of local government.

The thesis has addressed a series of research questions prompted by the changes brought by central government as a part of the Administrative reform. The research has provided insight into an actual process of PMS implementation in the context of the Russian local government, investigated and presented attitude of key actors in the process of PM implementation and explored the main challenges encountered at a local level after seven years of the PMS introduction.

The study employed single qualitative case study methodology. Data was collected mainly through semi-structured interviews with 65 local authority's managers, with support of documentary research and participant observations of the departmental meetings. This is a study which been accomplished through gaining access to senior, middle and junior local government's managers who are very hard to access. Other researchers might not be able to gain the same level of access.

The thesis' approach was to explore various dimensions of the PM implementation process as it happened at the local governmental level of the Russian Federation, bringing together the analysis of challenges by using the combination of theories. The institutional theory, particularly new (or neo-) institutional sociology (NIS) (Modell, 2005 and 2009; Van Hende et al., 2006) is chosen as a theoretical framework because the study is specifically looking at the process of institutionalisation at an organisational level. The institutional perspective provides theoretical concepts that explain the institutionalisation of PM in the public sector institutions. Institutional theory predicts that successful adoption of an innovation proceeds from emergence through diffusion to stabilization in isomorphic (similar or equivalent) form across the organisational field.

Brudan's integrated approach to PM was chosen to explain the process of PM implementation at strategic, operational, and individual levels. According to the Brudan's approach, performance management can be effectively integrated in a systems perspective, where organisational performance improvement is the key driver (Brudan, 2010). Systems-thinking promotes a holistic approach to managing organisational performance. A systems view focuses on integrating all components of the organisation and mapping the relationship between them.

The Five Factor Performance Management Model (Mwita, 2000) was chosen to provide an important integrating framework to focus on a customer service level; to link the PM system design with issues of policy, strategy, operations, assessments and information systems; to link the aims of an organisation and the plans that have been developed to achieve those aims.

What does this study tell us about the implications of the field study and its theoretical contributions? What are the practical implications of this research in terms of implementation of the PM in the Russian Federation, including policy transfer for improving public management through the Administrative reform? Finally, what implications does this research have for future studies in public management and state's movement toward the era of PM?

The key findings of the research have important implications for both theory and practice of PM implementation. Its insights into policy transfer and antecedents of public administrative reform and consequences can help practitioners and theoreticians in various area of management.

The thesis has offered an insight on PM implementation practices and uncovered a series of challenges related to unstable foundation for PM implementation, planning and design processes, cultural factors, understanding of the PM concept and individual's behavioural factors in the Russian Federation, and what changes took place at the organisational level during the Administrative reform process.

## **10.1. What have we learnt?**

Many governments globally have been committed to carrying out the public administration reforms. As the main content of the NPM, performance management has attracted increasing attention. The Russian Federation, like many other countries, has not been immune to these global changes in trying to make its public sector organisations more efficient and effective. Performance management was introduced by central government to Russia in 2007. Despite the central government intent, the reform has not successfully bedded down in the Russian local governance. Seven years after its introduction, the implementers of the performance management system in the local public administration were continuing to experience serious challenges at the operational, strategic and individual levels of organisations.

Many countries face challenges in the implementation of performance management. It is not a unique case of the Russian Federation. In countries with similar social-economic and political climate PM is likely to adopt similar shapes. The findings of this study would be particularly useful for researchers and practitioners from the countries which are at the beginning of their reforms.

The complex and ambitious institutional reform program is still under way in the Russian Federation. The implementation of Administrative reform agenda, where performance management implementation as a part, is complicated by the multi-level governance system. Horizontal and vertical cooperation in implementation of performance management that involves three levels of government remains complex.

### **10.1.2. Centralisation versus implementation**

Issues of interagency cooperation and public sector integrity became troublesome. PMS was introduced in the context of a highly centralized Russian public sector and became difficult in integration with different governmental levels. The functioning of performance management was thwarted by the lack of managerial autonomy. Local government faced various challenges in performance management implementation.

This study reveals the gap between the strategic level of decision making and the street level of implementation. There is a gap that fostered misunderstanding of the goals and application of the PM, unpreparedness for application at the local level. One of the key feature of performance management implementation is the dominance of the federal government in the design processes. Reform design was carried out by the federal authorities without engagement with key stakeholders from local governmental level. The fact that the involvement of representatives from local governance to the design phase of the reform was limited is highly surprising considering the dependence of the federal authorities on the local and regional authorities for successful reform implementation. The lack of involvement all governmental levels to the design of the reform complicated the implementation process. As a result, local public city administrations were not ready for PM implementation that started with unclear goals and mission, an unclear PM implementation strategy. These have resulted in not solid foundation for successful PM implementation.

#### **10.1.3. The lack of transparency**

The lack of transparency and wider engagement hindered successful PM implementation. Performance management initiatives were designed and reviewed largely without engagement of the key stakeholders. This has been an obvious problem at the implementation phase of the reform at the local governance level. Transparency and effective communication mechanisms should be a part of the reform strategy, affecting both the substance of performance management implementation activities and the nature of reform management groups. Results of the implementation along with progress reports have not been published. External and internal awareness about performance management implementation and progress was not conducted to inform local managers and the public about reform achievements and future plans.

#### **10.1.4. Ineffective legislation**

One of the feature is the ineffective legislation framework for the implementation of performance management system to the Russian public sector. The federal government has the authority to legislate on institutional issues through prescriptive or framework legislation (for example outcomes to be achieved), this is a potentially powerful tool for achieving institutional change. Legislation can be effective in particular in changing public

service systems, as well as in the area of budgeting in performance management implementation, as an indirect tool for stimulating reform through enforcing fiscal discipline. However, when considering public administration reforms, for which legislative change is generally essential, framing high quality human resource management systems and building incentives for performance are as important as having a good law. For example, the experience of Central European countries has shown the limitation of public service laws as reform instruments in the absence of accompanying training and capacity building initiatives and reform of the incentive systems (Verheijen, 2001; Verheijen and Rabrinovic, 2005). Legislation by itself is even less likely to be effective in areas such as public service standards, performance management and enhancing transparency, which are highly sensitive to interpretation and require a strong change management approach for successful implementation. Finally, in complex reform contexts such as Russia, where they mainly use legislation this carries an additional risk of mismatch with the other reform initiatives, such as budget and administrative reform, which by their nature require more interactive and innovative reform management tools.

#### **10.1.5. Attitude of local managers to PM implementation**

A lack of methodological support and training from central and regional government influenced understanding of performance management and the attitudes to it. Local authority's managers took a dislike to the performance management, which in their view, supplies the information used to control and penalize them. Methodological support could be an excellent supplement to legislation, especially where legislation is complex and aims to introduce new concepts in public performance management. It could also supplement other reform tools, such as budget support, if it is provided to regional and local authorities for the preparation of applications and reform plans. In the context of the Russian Federation the implementation of legislation without methodological support, especially in work human resource capacity area, is unlikely to bring the expected results. Local managers would be more comfortable with implementation if appropriate training would be in place. This is especially important in the more innovative aspects of institutional reform, such as the introduction of performance management system.

### **10.1.6. Communication issues**

One of the features is a lack of communication and networking between regions and local governmental agencies. Networking and coalition building among local managers from different regions, interactive training and knowledge exchange meetings, identifying change agents among civil servants and local officers would be effective in conceptually difficult reform areas, such as performance management. The use of all these change management instruments together with methodological support requires a pro-active approach by the central government authorities. All these instruments have to be a part of a reform process from the design stage, as the identification of those officials and experts at the sub-national level that can absorb and transfer expertise and advocate for change should be done as early as possible. This would ensure that networks of change agents can be made operationally as soon as a reform agenda and performance management implementation are adopted by the central government.

The study identified various challenges and barriers at the strategic, operational and individual organisational levels of the local governance that were negatively affecting the introduction of performance management in the Russian Federation.

Among the main challenges of the local government are the following: unstable foundation and a lack of readiness for the implementation of PM; unclear goals and implementation strategy; a presence of extensive normative legal framework that does not correspond well with PM implementation; a lack of link of the PM system with the reward system; insufficient resources for the implementation, a lack of communication between different governmental levels and within the organisations at the local governmental level.

Results-oriented, NPM reforms including performance management which were introduced to Russia could replace top-down, monopolistic, unresponsive public organisations with performance-oriented, productive and responsive public organisations. However, evidence from our case study suggests, that the reforms are not having such effects. Even if such reforms have been implemented, local public organisations have not appeared to change much.



## 10.2. Limitations of the study

Any research has limitations, and in this study they relate to the single case study generalisability, time horizon and linguistic issues.

Firstly, the study is limited in its generalisability. The most prominent critique of single case study analysis is the issue of external validity or generalisability. “We always do better (or, in the extreme, no worse) with more observation as the basis of our generalisation”, as King et al write; “in all social science research and all prediction, it is important that we be as explicit as possible about the degree of uncertainty that accompanies our prediction” (1994, p. 212). It may be that theories which pass a single crucial case study test, for example, require rare antecedent conditions and therefore actually have little explanatory range. These conditions may emerge more clearly, as Van Evera (1997, p. 51-54) notes, from large-N studies in which cases that lack them present themselves as outliers exhibiting a theory’s cause but without its predicted outcome. As with the case of the Russian local government above, it would logically be preferable to conduct large-N analysis in relation to the broader population.

The number of interviewees (65) and one local public administration as a case study are limiting. The number of respondents was sufficient for our sample frame, however a larger number of respondents from a more diverse selection of local governments could provide further findings (for example, the other challenges and barriers could be discovered).

There is, however, an important qualifier to the argument about generalisation that deserve particular mention here. With regard to an idiographic single-outcome case study, as Eckstein notes, the criticism is “mitigated by the fact that its capability to do so [is] never claimed by its exponents; in fact it is often explicitly repudiated” (1975, p. 134). Criticism of generalisability is of little relevance when the intention is one of particularisation.

Secondly, the limitation of this study related to time-horizon. This study was providing a snapshot at a particular pointing time (seven years after introduction of performance management system as a part of the Administrative reform agenda). A longitudinal study would provide an opportunity to follow up the reform process and observe its outcomes’ in sufficient way. To overcome this limitation, non-probability sampling was adopted based on the availability of subjects (convenience sample), where the researcher took

advantage of an accessible situation which happened to fit the research circumstance and purpose. Meanwhile, all participants who met the sampling criteria from the agreed departments and units were invited to participate, yet the decision to have an interview was the participant's choice. Thus, although the semi-structured interview targeted all those thought to be at junior, middle and senior managerial level, the representativeness of the sample cannot be guaranteed. Specifically, the study was distributed among 11 departments and units of the Krasnoyarsk city Administration that provide public services, yet only seven departments agreed to cooperate and contribute. The other departments, such as Housing, Transport, Architecture and Information Policy could make a contribution to the study.

Thirdly, this research study involved interviewing of local government's managers in depth about implementation of performance management as a part of the reform agenda, and so faced certain limitations on what could be asked. Moreover, they represented a specific viewpoint, that of the reform implementers at the local governmental level. Inclusion of the other stakeholders such as politicians, social groups and societies would add a remarkable contribution to this research. It is possible that inclusion of other local managers from the public sector organisations might have raised other experience and opinions.

### **10.3. Significance of the study**

This study identified a gap in the literature related to performance management implementation in the Russian Federation as an under researched area. By filling the gap, it makes a contribution to the body of research which exists on public management and organisations in the Russian Federation generally, and most especially within the local governance.

In order to do this, the study investigated key areas; NPM in the context of the policy transfer, the principles and practices of PM implementation, exploring the context of policy implementation (change) and its drivers and drawing lessons. This was followed by a discussion of performance management in the Russian Federation. It located the origins of the practice of the policy transfer and change and tracked the diffusion of Administrative reform in the light of NPM in Russia.

The outcomes of this study make some useful contribution to theorising about PM implementation and its challenges in the Russian Federation. The research builds upon and extends the existing NPM and institutional theory including policy transfer, considering the consequent implications for implementation of PM, as it is one of the few studies in Russia.

Although there is a massive extensive literature on the performance management in general and on the determinants of administrative reforms as part of NPM in particular, there have been relatively few empirical investigations in the Russian Federation studies. The study adds a huge amount of rich detail to knowledge about how the PM implemented in practice and what challenges experienced by local managers in Russia. Thus this study stands as a remarkable research-base for further studies.

The most important contribution to the field is an empirical framework for investigation. The study used a unique combination of theory to explore the phenomenon, such as an institutional theory, Five Factors Performance Management Model (Mwita, 2000) and Brudan's model (2010) that describes PM as an integrated approach across organisational levels: strategic, operational and individual.

An important point to note is that many PM studies are not empirical as they rely on document research, statistics and key performance indicators data. This study has gone beyond by talking to the top, middle and junior managers of the local government about how they implement PM, how it is working, what they are trying to achieve, what challenges they face. This affords better knowledge and builds up the holistic awareness of public sector management in Russia. The rich empirical data it contains is a remarkable contribution made by this study, because of the level of access achieved.

The study gives effect to the basic principles and values of public administration in relation to the implementation of performance management system to the public sector. Firstly, the study contributes to the current theories and debate on the mainstreaming and institutionalizing of public service delivery to determine organisational performance by governmental institutions.

Secondly, it adds to understanding of the public managers' experience of the implementing a performance management system in the local government and it contributes to the research in this field conducted in countries with transition economy.

Thirdly, this study contributes to the body of knowledge concerning the policy transfer. Particularly, this study contributes to the existing body of knowledge regarding challenges encountered during the implementation of performance management that is developed in Anglo-Saxon countries and transferred to the Russian public sector organisations. Russian case is one of the examples where the concept of policy developed in one place is used and implemented in another place in a different way – from managerial tool for improvement in western countries to mechanism of control and punishment in Russia.

Fourthly, this study contributes to the body of knowledge concerning the policy implementation. A number of challenges and barriers have been identified that hindered the implementation and subsequent evolution of a performance management system. Classical bureaucratic system with hierarchical culture of control, top-down implementation, insufficient attention to the readiness of the organisations to implement PM, the lack of communication between governmental tiers were demonstrated to be present in the Russian case. The study, thus, supports overall prescriptions generated by implementation studies.

Finally, the research contributes to the study of performance management as a managerial practice. Performance management can be both a substantial reform and an element on paper. In the Russian case performance management has not yet been transformed into a substantive reform effort. It has been existing nominally but has not received attention and resources needed to transform it into a tangible element of public reform arena. Public managers know that performance management exists, but few know what it for is.

#### **10.4. Methodological contribution**

The triangulation of semi-structured interviews with the local authority's managers, documentary research and observation methods of data collection, adds much to the findings reliability and more understanding of the nature of the complexity of the phenomenon under investigation. Semi-structured interviews with local government's managers of different managerial levels provided rich and useful information and

explanations. This has strengthened the reliability of the analysis and findings. The researcher had an access to local government top management which is rarely available in Russia.

Although a variety of research has discussed institutional theory and PM implementation, it does not give much insight into the Russian Federation context. This research discussed how the researcher employed single case study qualitative methodology which provided rich interpretivist outcomes.

### **10.5. Lines of further inquiry**

The study produced a series of incidental findings that require further examination. Further studies on PM implementation at the federal, regional and local levels of the Russian Federation would provide more insight on the research questions.

The findings from this research show a number of challenges in the process of administrative change in Russia during the PM implementation. The researcher hopes that this study will encourage more research in the countries with transition economies, aiming to diffuse awareness and understanding of the notion of NPM oriented policy transfer, to remedy public sector shortcomings and move to a new governance era. Thus, several topics worthy of future research can be recommended.

A comparative study in the countries with transition economies would provide a helpful basis for assessing the similarities and differences in aspects of the PM implementation process, public sector organisational culture, decentralisation and the influence of the Classical bureaucratic system on PM practices.

The approach of performance and outcome orientation in both administrative and fiscal reform agenda is another suggestion for future research.

Further research on this subject matter could take advantage of the interpretivist paradigm, inductive approach and qualitative methods (e.g. focus groups and interviews with different managerial levels in federal, regional and local governments or other groups of stakeholders), to generate different perspectives and results, adding to the knowledge stock in Russia.

In addition to that, philosophical, sociological and psychological behavioural studies, and also studies on cultural contexts of the countries and its influence on understanding and acceptance of PM as a concept would provide better insight on the study phenomenon.

## Bibliography

Adler, P. S., and S.-W. Kwon. (2002). Social capital: prospects for a new concept. *The Academy of Management Review* 27(1):17–40.

Amatayakul, M. (2005). EHR? Assess readiness first. *Healthcare Financial Management*, 59, pp. 112–113

Andrews, R., G.A. Boyne, K.J. Meier, L.J. O’Toole, Jr., and R.W. Walker (2005), “Representative Bureaucracy, Organizational Strategy, and Public Service Performance: An Empirical Analysis of English Local Government”, *Journal of Public Administration Research and Theory*, 15(4), pp. 489-504

Annual Citizens’ Satisfaction Survey on Quality of Public Services in Krasnoyarsk city (2010, 2011, 2012). Information-analytical collection of Reports "Krasnoyarsk city and citizens". Krasnoyarsk

Armenakis, A.A., and Harris, S.G. (2002). Crafting a change message to create transformational readiness. *Journal of Organisational Change Management*, 15, 169–183. (available at: <http://dx.doi.org/10.1108/09534810210423080>, accessed on 4<sup>th</sup> of December, 2013)

Armitage, D., Berkes F., and N. Doubleday (2007). *Adaptive co-management collaboration learning and multi-level governance*. University of British Columbia Press, Vancouver, British Columbia, Canada.

Armstrong, M., and Baron, A. (1998). *Performance management, The New Realities*. London: Institute of Personnel and Development.

Armstrong, M., and Baron, A. (2005) *Managing Performance: Performance Management in Action*. London: Chartered Institute of Personnel and Development

Armstrong, M. (2006). *Performance management: Key strategies and practical guidelines*. (3rd edn.). London: Kogan Page.

Armstrong, M. and Baron (2002), “Performance Management: The new realities”, London, U.K.

Arnstein, S. (1969). A ladder of citizen participation. *Journal of the American Institute of Planners* 35: 216–224.

Asiabaka, C. (2003) “Promoting Sustainable Extension Approaches: Farmer Field School (FFS) and Its Role in Sustainable Agricultural Development in African.” (Available at: <http://www.codesria.org/Links/conferences/ifs/Asiabaka.pdf>, accessed on 24<sup>th</sup> of January, 2014)

Aslund A. (1999) *Why Has Russia’s Economic Transformation Been So Arduous?* Carnegie Endowment for International Peace Paper prepared for the Annual World Bank Conference on Development Economics, Washington, D.C., April 28–30, 1999. (available

at: [http://www.worldbank.org/research/abcde/washington\\_11/pdfs/aslund.pdf](http://www.worldbank.org/research/abcde/washington_11/pdfs/aslund.pdf), accessed on 15 of February, 2014)

Aucoin, P. (2008) "New Public Management and the Quality of Government: Coping with the New Political Governance in Canada", 'New Public Management and the Quality of Government', SOG and the Quality of Government Institute, University of Gothenburg, Sweden

Aycan, Z. (1997). *New approaches to employee management*, vol. 4: Expatriate management: Theory and research, Greenwich, CT: JAI Press.

Baier, V. E., March, J. G. and Sætren, H., 1986. Implementation and ambiguity, *Scandinavian Journal of Management Studies*, 2, 197–212.

Ballantine, J.B.S. and Modell, S. (1998), "Performance measurement and management in public health services: a comparison of UK and Swedish practice", *Management Accounting Research*, Vol. 9, pp. 71-94.

Banks, J., Disney, R., Duncan, A. and Reenen, J. V., (2005), *The Internationalisation of Public Welfare*. *The Economic Journal*, 115 (March), C62–C81. Royal Economic Society 2005. Published by Blackwell, Oxford, UK.

Barabashev, A. and Straussman J.D. (2005) "Russian Civil Service and Its Reform in Comparative Perspective." (available at: <http://pmranet.org/conferences/USC2005/USC2005papers/pmra.barabashev.straussman.2005.doc>.)

Barabashev, A. and Straussman J.D. (2007) "Public Service Reform in Russia, 1996-2001" *Public Administration Review*. May-June. pp. 373-382

Barzelay, M. (2001) *The New Public Management: Improving Research and Policy Dialogue*. Berkeley: University of California Press

Bellamy, J. A., H. Ross, S. Ewing, and T. Meppem. 2002. *Integrated catchment management: learning from the Australian experience for the Murray-Darling Basin*. CSIRO, Canberra, Australia.

Beresford P. and S. Croft (2001) "Service Users' Knowledge and the Social Construction of Social Work." *Journal of Social Work* 1(3): 295–316.

Berkes, F. 2007. Adaptive co-management and complexity: exploring the many faces of co-management. Pages 19–37 in D. Armitage, F. Berkes, and N. Doubleday, editors. *Adaptive co-management collaboration learning and multi-level governance*. University of British Columbia Press, Vancouver, British Columbia, Canada.

Bierbusse, P. and Siesfeld, T. (1997), "Measures that matter", *Journal of Strategic Performance Measurement*, Vol. 1 No. 2, pp. 6-11.

Ballantine, J., Brignall, S. and Modell, S., 1998. Performance measurement and management in public health services: A comparison of U.K. and Swedish practice, *Management Accounting Research*, 9, 71–94.



Strategic Performance Management: A Balanced Approach to Performance Management Issues in Local Government (PDF Download Available). Available from: [https://www.researchgate.net/publication/222657311\\_Strategic\\_Performance\\_Management\\_A\\_Balanced\\_Approach\\_to\\_Performance\\_Management\\_Issues\\_in\\_Local\\_Governme](https://www.researchgate.net/publication/222657311_Strategic_Performance_Management_A_Balanced_Approach_to_Performance_Management_Issues_in_Local_Governme)nt, accessed on 13<sup>th</sup> of July, 2016).

Benh, R. 2005. On the Ludicrous Search for the Magical Performance System. *Government Finance Review*, 21(1): 63-64.

Bennett, C.J. (1991). How States Utilize Foreign Evidence. *Journal of Public Policy* 11(1) 31-54.

Bennett, C.J. (1997). Understanding Ripple Effects: The Cross-National Adoption of Policy Instruments for Bureaucratic Accountability. *Governance* 19(3) 213-33.

Black, J.S., and Mendenhall, M. (1990). Cross-cultural training effectiveness: a review and theoretical framework for future research. *Academy of Management Review*, 15(1), 113-136.

Blau P. (1972), *The Dynamics of Bureaucracy*. Chicago: University of Chicago press, pp.8-9

Blomquist, W. 1992. *Dividing the waters: governing groundwater in southern California*. ICS Press, San Francisco, California, USA.

Boin, A., A. McConnell and P. Hart. (2008). *Governing After Crisis: The Politics of Investigation, Accountability and Learning*. Cambridge: Cambridge University Press.

Boston, J., J. Martin, J. Pallot and P. Walsh. 1996. *Public Management: The New Zealand Model*. Auckland: Oxford University Press.

Bouckaert G., Halachmi A. Performance Measurement, Organizational Technology and Organizational Design. *Work Study*. 1994. Vol. 43. № 3. P. 19–25.

Bouckaert G., Peters B.G. Performance Measurement and Management: The Achilles' Heel in Administrative Modernization. *Public Performance and Management Review*. 2002. Vol. 25. № 4. P. 359–362.

Boyd, N. M., (2009), Administrative Reform in the State. *Public Administration Quarterly*. Vol. 33, No. 2, pp. 155 – 163

Budget Code No 145-FZ (July 17, 1998). Moscow

Brignall, S. and Modell, S. (2000) An institutional perspective on performance measurement and management in the “new public sector”, *Management Accounting Research Journal*, Vol.11, pp.281-306

Brudan, A. (2010), Rediscovering performance management: systems, learning and integration, *Measuring Business Excellence*, Vol. 14, No. 1, pp. 109-123.

- Brudan, A. (2009), *Integrated Performance Management: Linking Strategic, Operational and Individual Performance* (available at: <http://www.pma.otago.ac.nz/pma-cd/papers/1090.pdf>, accessed on 3d of March, 2015)
- Bulmer, S., Dolowitz, D., Humphreys, P., and Padgett, S., (2007), *Policy Transfer in European Union Governance*: Routledge, London.
- Caiden, N. and A. Wildavsky (1980) *Planning and Budgeting in Poor Countries*. New Brunswick NJ: Transaction Publishers.
- Canterucci, J. (2008). *Change, Leadership and Growth*. (available at: <http://www.corpchange.com/Resources/Articles/LackofChangeReadinessCanCostMillions.aspx>, accessed on 1<sup>st</sup> of March, 2015)
- Cash, D. W., and S. Moser. 2000. Linking global and local scales: designing dynamic assessment and management processes. *Global Environmental Change* 10(2):109–120.
- Chagin, K. (2006) *Experience, Issues and Perspectives of Reforming a Sphere of Social Services of Population for the Transition from Provision of Suppliers to Financing Services*, Moscow: Institute for Urban Economics.
- Clark G. (1998) ‘Performance management strategies’ in C. Mabey, G. Salaman and J. Storey, *Human Resource Management: A strategic introduction* (2nd edition). Oxford: Blackwell
- Connor, R., and S. Dovers. 2004. *Institutional change for sustainable development*. Edward Elgar, Cheltenham, UK.
- Constitution of the Russian Federation. Adopted by popular vote on December 12, 1993. Moscow.
- Common, R. 2001. *Public management and policy transfer in Southeast Asia*, Aldershot: Ashgate.
- Common, R. 2004. Organizational learning in a political environment: improving policy-making in UK government. *Policy studies*, 25: 72–97
- Commonwealth Secretariat, (1996), *Working Towards Results, Managing Individual Performance in Public Service*
- Coombes, D. *The Place of Public Management in the Modern European State*. In: Verheijen, T., and Coombes D. (Eds.). *Innovations in Public Management Perspectives from East and West Europe*. Edward Elgar Publishing, 1998.
- Crabtree, B.F. & Miller, W. 1992. *Doing qualitative research*. Newbury Park, CA: Sage.
- Currie-Alder, B. (2005). Unpacking participatory natural resource management: a conceptual framework to distinguish democratic governance from resource capture. *Environments* 33(2):1–16.
- Curristine T., Lonti, Z. and Joumard, I. (2007) *Improving Public Sector Efficiency: Challenges and Opportunities*. OECD Journal on Budgeting Volume 7 – No. 1

Dale, A., and L. Newman. 2010. Social capital: a necessary and sufficient condition for sustainable community development? *Community Development Journal* 45:5–21.

DeCenzo, D.A., and Robbins, S.P. (2005). *Fundamentals of human resource management*. (8th edn.). USA: John Wiley and Sons.

De Jong, M. (2004). The Pitfalls of Family Resemblance; Why transferring Planning Institutions between ‘Similar Countries’ is Delicate Business. *European Planning Studies* 12(7) 1055-1068.

De Jong, M., Lalenis, K. and Mamadouh, V. (2002). *The Theory and Practice of Institutional Transplantation; Experiences with the Transfer of Policy Institutions*, Kluwer Academic Publishers, Dordrecht/London/Boston.

DeLeon P. and L DeLeon (2002) ‘What ever happened to policy implementation? An alternative approach’, *Journal of Public Administration Research and Theory*, 12: 467-492

De Waal, A., Goedegebuure, R. AND Geradts, P. (2011), The impact of performance management on the results of a non-profit organization, *International Journal of Productivity and Performance Management*, 60 (8): 778-96.

De Waal, A., (2013) *Strategic Performance Management: A Managerial and behavioral Approach*. Palgrave Macmillan, New York, 443 p.

Dietz, T., E. Ostrom, and P. C. Stern (2003). The struggle to govern the commons. *Science* 302:1902–1912.

DiMaggio, P.J. and Powell, W.W. (1983). The iron cage revisited: institutional isomorphism and collective rationality in organizational fields, *American Sociological Review*, Vol. 48, Pp.147-160.

Dixon, R. (2004). *The management task*. (3rd edn.). New York: Elsevier Butterworth-Heinemann.

Dixon, J. R., Nanni, A. J. and Vollmann, T. E. (1990), ‘The new performance challenge - measuring operations for world-class competition’, *Business One Irwin*, Homewood, IL.

Dobrolyubova, E.I. (2008) Vnedrenie printsipov i procedur upravlenia po rezultatam v Rossiiskoi Federatsii: promezgutochnue itogi i napravlenia razvitia, *Voprosu gosudarstvennogo i munitsipalnogo samoupravlenia*. Vol. 3 pp .65-133 (Rus: Добролюбова Е.И. Внедрение принципов и процедур управления по результатам в Российской Федерации: промежуточные итоги и направления развития // Вопросы государственного и муниципального управления. 2008. № 3. С. 65–133.)

Dolowitz D.P. A Policy-makers Guide to Policy Transfer. *The Political Quarterly*. January 2003, Vol.74. Issue 1.

Dolowitz, D.P. and D. Marsh. 1996. ‘Who learns what from whom: A review of the policy transfer literature’, *Political Studies*, 44, 2, 343–57.

Dolowitz, D.P., Marsh D. (2000) Learning from Abroad: The Role of Policy Transfer in Contemporary Policy-Making. *Governance: An International Journal of Policy and Administration*. January 2000, Vol.13, No.1.

Dominelli, L. (2004) *Social Work. Theory and Practice for a Changing Profession*. Cambridge: Polity Press.

Dressler, S (2004) *Strategy, organisation and performance management*. Boca Raton, FL.: Universal Publishers

Dubnick M. Accountability and the Promise of Performance: In Search of the Mechanisms. *Public Performance and Management Review*. 2005. Vol. 28. № 3.P. 376–417.

Dunleavy, P., H. Margetts, S. Bastow and J. Tinkler. 2006. 'New Public Management is Dead – Long Live Digital-Era Governance', *Journal of Public Administration Research and Theory*, 16, 3, 467–94.

Duit, A., and V. Galas. 2008. Governance and complexity—emerging issues for governance theory. *Governance: An International Journal of Policy, Administration, and Institutions* 21(3):311–335.

Dzhygyr, Y. et al. (2007) "Non-government Organisations in the Market of Social Services: Institutional, Legal, Financial and Tax Aspects." Evidence-based Policy Recommendations, derived from a series of Oblast and National Level Round Tables, Kyiv, March 04, 2007. (available at: [http://www.parlament.org.ua/docs/files/12/1174299244\\_ans.pdf](http://www.parlament.org.ua/docs/files/12/1174299244_ans.pdf)., accessed on 5<sup>th</sup> of February, 2015)

Eagle, K.S. (2005) "New Public Management in Charlotte, North Carolina: A Case Study of Managed Competition." Diss. Faculty of the Virginia Polytechnic Institute and State University.  
(available at: <http://proquest.umi.com/pqdlink?did=1212777551andFmt=7andclientId=79356andRQT=309andVName=PQD>)

Eccles, R G 1991, The performance measurement manifesto', *Harvard Business Review*, January-February, pp131-137

Eckstein, H. (1975) *Case Study and Theory in Political Science*. In R. Gomm, M. Hammersley, and P. Foster (eds) *Case Study Method*. SAGE Publications Ltd: London.

Euske, K. J., Lebas, M. J. and McNair, C. J., 1993. Performance management in an international setting, *Management Accounting Research*, 4, 275–299

Evans (ed.) (2004). *Policy Transfer in Global Perspective*, Ashgate Publishing.

Evans, M. and Davies, J. (1999). Understanding Policy Transfer: A Multi-Level, Multi-Disciplinary Perspective. *Public Administration* 77(2) 361-385.

- Ferreira, A and Otley, D 2009, 'The design and use of performance management systems: An extended framework for analysis, *Management Accounting Research*, vol.20, pp263-282
- Fiedler, F. E., Mitchell, T., and Triandis, H.C. (1971). The culture assimilator: An approach to cross-cultural training. *Journal of Applied Psychology*, 55, 95-102.
- Fitz, J. (1994), 'Implementation research and education policy: Practice and prospects', *British Journal of Educational Studies*, XXXXII: 53-69
- Frederickson, H.G. Introduction. In: Frederickson, H.G., and Johnston, J.M. (Eds.). *Public Management Reform and Innovation. Research, Theory and Application*. The University of Alabama Press, 1999.
- Galagan, P. and Wulf, K. (1996). Signs of the times. *Training and Development*, 50 (2), 32-36.
- Gauld, R., S. Goldfinch and S. Horsburgh. 2010. 'Do they want it? Do they use it? The 'Demand-Side' of e-Government in Australia and New Zealand', *Government Information Quarterly*, 27, 2, 177-86.
- Gibbons, M., L. Limoges, H. Nowotny, S. Schwartzman, P. Scott, and M. Trow. 1994. *The new production of knowledge. The dynamics of science and research in contemporary societies*. Sage Publications, London, UK.
- Goldfinch, S. 1998. 'Evaluating Public Sector Reform in New Zealand: Have the Benefits Been Oversold?', *Asian Journal of Public Administration*, 20, 203-32
- Goldfinch, S. 2006. 'Rituals of Reform, Policy Transfer, and the National University Corporation Reforms of Japan', *Governance*, 19, 4, 585-604.
- Goldfinch, S. and Wallis, J. (2010) "Two Myths of Convergence in Public Management Reform" *Public Administration* Vol. 88, No. 4, pp.1099-1115
- Grafton, Q. R. 2005. Social capital and fisheries governance. *Ocean and Coastal Management* 48:753-766
- Gray, D. E., (2004), *Doing research in the real world*, Sage Publisher, London.
- Gray, D. E., (2009), *Doing Research in the Real World*, 2nd edition, Sage, London
- Greener, I. (2002). Understanding NHS Reform: The Policy Transfer, Social learning and Path-Dependency Perspectives. *Governance* 15(2) 161-183.
- Greer, P. (1994) *Transforming Central Government: The Next Steps Initiative*, Buckingham and Open University Press, Philadelphia.
- Groot, T.L.C.M. and G. Budding, G. (2008), *New Public Management's Current Issues and Future Prospects*, *Financial Accountability and Management*, Vol. 15, No. 2-3. pp.209-228

- Gualmini, E. 2008. 'Restructuring Weberian Bureaucracy: Comparing Managerial Reforms in Europe and the United States', *Public Administration*, 86, 1, 75–94.
- Gunn, L.A. (1978) Why is implantation so difficult? *Management Services in Government*, vol. 33, pp.169-176.
- Federal Law On Basic Principles of Local Self-Government Organization in the Russian Federation of August 28, 1995. No 154-FL.2001. Moscow.
- Federal Law On Basic Principles of Local Self-Government Organization in the Russian Federation of October 6, 2003. No 131-Φ3 -FZ.2003. Moscow.
- Federal Law on Local Government Finance of September 10, 1997. No 126-FZ. Moscow
- Federal Law on Municipal Service No 25-FZ of December 24, 1997. Moscow
- Federal Law on Public Civil Service of the Russian Federation No 79-FZ (June 27, 2004) Moscow
- Federal Law On Ratification of the European Charter on Local Self-Governance dated May 20, 1998. No 55-FZ. Moscow
- Federal Law on Tax System No 943-1-FZ (March 21, 1991). Moscow
- Folke, C., T. Hahn, P. Olsson, and J. Norberg. 2005. Adaptive governance of social–ecological knowledge. *Annual Review of Environment and Resources* 30:441–473.
- Franco-Santos, M. and Bourne, M. (2005), 'An Examination of the Literature Relating to Issues Affecting How Companies Manage Through Measures', *Production Planning and Control*, Vol. 16, No. 2, pp. 114-124
- Fryer, K., J. Antony, and S. Ogden. 2009. Performance Management in the Public Sector. *International Journal of Public Sector Management*, 22(6): 478-498.
- Haas, P. M., (1989), Do Regimes Matter? Epistemic Communities and Mediterranean Pollution Control. *International Organization*, Vol. 3, No. 3, pp. 377-403.
- Halachmi A. Performance Measurement, Accountability, and Improved Performance. *Public Performance and Management Review*. 2002. Vol. 25. № 4. P. 370–374.
- Hale, J. (2004). Performance-based management: What every manager should do to get results. San Francisco: John Wiley and Sons Ltd.
- Hardison, C. (1998). Readiness, action, and resolve for change: Do health care leaders have what it takes? *Quality Management Health Care*, 6, 44–51.
- Héritier, A.; Kerwer, D.; Knill, C. and Lehmkuhl, D. (2001). *Differential Europe: The European Union Impact on National Policy-Making*. Rowman and Littlefield, Lanham MD.
- Hicklin, A. and Godwin, E., (2009), Agents of Change: The Role of Public Managers in Public Policy, *The Policy Studies Journal*, Vol. 37, No. 1, pp. 13 – 20

Hogan, G. W., and Goodson, J.R. (1990). The key to expatriate success. *Training and Development*, 44 (1), 50, 52.

Hofstede, G. *Culture's Consequences*, Sage Publications, Thousand Oaks, 2001

Hoggett, P. (1991), *A New Management in the Public Sector? Policy and Politics*, Vol.19, No.4, pp. 243-256.

Holm-Hansen, J. (2005). *The Transferability of Policy Instruments; How New Environmental Policy instruments strike Roots in Russia and Latvia*, NIBR Report 2005:16. Norwegian Institute for Urban and Regional Research (NIBR), Oslo.

Hood, C. (1995), 'The "New Public Management" in the 1980s: Variations on a Theme', *Accounting, Organizations and Society*, Vol. 20, No. 1, pp. 93–109.

Humphreys, P., (2006), *Globalization, Regulatory Competition, and EU Policy Transfer in the Telecoms and Broadcasting Sectors*, School of Social Sciences, University of Manchester, Manchester, United Kingdom Publication: *International Journal of Public Administration*, Vol. 29, No. 4, 6 June 2006, pp. 305 - 334

Hood, C. (1991), "A Public Management for All Seasons?", *Public Administration* 69, pp. 3-19.

Hood, C. (1995), *The 'New Public Management' in the 1990s: Variations on a Theme*, *Accounting Organizations and Society* 20(2/3): pp. 93-109.

Hood, C. 1998a. *The Art of the State: Culture, Rhetoric, and Public Management*. Oxford: The Clarendon Press.

Hood, C. 1998b. 'Individualized Contracts for Top Public Servants: Copying Business, Path-dependent Political Re-engineering or Trobriand Cricket?', *Governance*, 11, 4, 443–62.

Hoogerwerf, A. (2003), *Het ontwerpen van beleid*, Alphen aan den Rijn: Kluwer

Hopkins R, Powell, A, Roy A and Gilbert CL, (1997), *The World Bank and conditionality*, *Journal of International Development*, Vol. 9, No. 4, PP. 507-516

HSE (2004) *Reforma Gosudarstvennogo Upravlenia v Rossii: Vzglyad Iznutri*. Moscow: Higher School of Economics (translated from Russian into English).

Holm-Hansen, J. (2005). *The Transferability of Policy Instruments; How New Environmental Policy instruments strike Roots in Russia and Latvia*, NIBR Report 2005:16. Norwegian Institute for Urban and Regional Research (NIBR), Oslo.

Holmstrom, B. and P. Milgrom (1991), "Multitask Principal - Agent Analyses: Incentive Contracts, Asset Ownership, and Job Design", *Journal of Law Economics and Organization* 7:Sp, special issue.

Ittner, C. D. and Larcker, D. F., 1998. *Innovations in performance measurement: trends and research implications*, *Journal of Management Accounting Research*, 10, 205–238

Jacoby, W. (2000). *Imitation and Politics; Redesigning Modern Germany*. Cornell University Press. Ithaca.

Jacobson, L.I. (2006) *Budzhetnaya reforma: federalism ili upravlenie po rezultatam*. Predprint WP8/2006/03. Gosudarstvennoe i municipalnoe samoupravlenie. M: Gosudarstvennuy universitet – Vusshaya Shkola Ekonomiki. (Rus: Якобсон Л.И. Бюджетная реформа: федерализм или управление по результатам. Препринт WP8/2006/03. Государственное и муниципальное управление. М: Государственный университет – Высшая Школа Экономики, 2006)

James, O. and Lodge, M. (2003). The Limitations of ‘Policy Transfer’ and ‘Lesson-Drawing’ for Public Policy. *Research. Political Studies Review* 1(3) 179-193.

Judge, E. (2002). The Development of Sustainable Transport Policies in Warsaw: 1990-2000. In: Rydin, Y. and Thornley, A. (eds.). *Planning in a Globalised Era*. Ashgate, Aldershot, 359-386.

Jones, C. S. and Dewing, I. P., 1997. The attitudes of NHS clinicians and medical managers towards changes in accounting controls, *Financial Accountability and Management*, 13, 261–280.

Joumard, L, P.M. Kongsrud, Y.-S. Nam and R. Price (2003), "Enhancing the Cost Effectiveness of Public Spending: Experience in OECD Countries", *Economics Department Working Papers*, No. 380, OEGD, Paris.

IDS (2003) *Performance Management*. IDS Studies No. 748, April, London: IDS. [www.incomesdata.co.uk/studies/perfman.htm](http://www.incomesdata.co.uk/studies/perfman.htm)

Ittner, C. D. and Larcker, D. F., 1998. Innovations in performance measurement: trends and research implications, *Journal of Management Accounting Research*, 10, 205–238.

Kaboolian, L. (1998) ‘The New Public Management: Challenging the Boundaries of the Management vs. Administration Debate’ *Public Administration Review* Vol. 58, No.3 189-193

Kalgin, A.S. (2012) *Upravlenie po rezultatam na regionalnom urovne: control ili resultativnost? Voprosu gosudarstvennogo i municipalnogo samoupravlenia*. Vol. 3, pp. 35-60 (Rus: Калгин А.С. Управление по результатам на региональном уровне: контроль или результативность? Вопросы государственного и муниципального управления. 2012. № 3, с.35-60)

Kaplan, R S 1984, ‘The evaluation of management accounting’, *The Accounting Review*, vol.56, no.3, pp390-418.

Kaplan, R.S. and Norton, D.P. (1992), ‘The balanced scorecard – measures that drive performance’, *Harvard Business Review*, January/February, pp. 71-9.

Kaplan, R.S. and Norton, D.P. (1993), ‘Putting the balanced scorecard to work’, *Harvard Business Review*, September/October, pp. 134-47.



- Kaplan, R.S. and Norton, D.P. (1996), ``Using the balanced scorecard as a strategic management system'', Harvard Business Review, January/February, pp. 75-85.
- Karve, V. (2009). Implementation and change management: Force field analysis. (available at: <http://www.vikramkarve.sulekha.com>, accessed on 24<sup>th</sup> of January 2015)
- Kates, J., Marconi, K., and Mannle Jr., T.E. (2001). Developing a performance management system for a federal public health programme: The Ryan White Care Act Titles I and II. *Evaluation and Programme Planning*, 24, 145–155. (available at: [http://dx.doi.org/10.1016/S0149-7189\(01\)00005-2](http://dx.doi.org/10.1016/S0149-7189(01)00005-2))
- Kearny, R.C. and Berman, E.M. (1999) *Public Sector Performance*. ASPA Classics, Westview Press, 1999, p. 103-117
- Kettl, D. (1997) “The global revolution in public management: Driving themes, missing links”, *Journal of Policy Analysis and Management*, 16:446-462.
- Kettl, D. F., (2005), *The Global Public Management Revolution: A Report on the Transformation of Governance*, 2nd edition, Brookings Institution
- King, G., Keohane, R. O. and Verba, S. (1994) *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Princeton University Press: Chichester.
- Knill, C. (2001). *The Europeanisation of National Administrations: Pattern of Institutional Change and Persistence*. Cambridge University Press, Cambridge
- Konov, A. (2003) *Public Service and Administrative Reforms in Russia*, Working Group on Public Sector Quality, report for the NISPACee conference.
- Krasnoyarsk City Administration Annual Reports on Budget Expenditure (2011, 2012, 2013). Krasnoyarsk city
- Krasnoyarsk City Administration Annual Reports (2011, 2012, 2013). Krasnoyarsk city
- Lane, J. E. (1994) “Will public management drive out public administration?” *Asian Journal of Public Administration*, 16(2):139-151.
- Ladi, S. (2005). *Globalisation, Policy Transfer and policy research Institutes*, Edward Elgar Publishing.
- Lawton, T. C, (1999), *Governing the skies. Conditions for the Europeanisation of airline policy*. *Journal of Public Policy*, Vol. 19, No.1, pp. 91-112.
- Lipsky, M. (1980), *Street-Level Bureaucracy*, New York: Russell Sage Foundation
- Lebas, M. J. (1995) *Performance measurement and performance management*. *International Journal of Production Economics*, 1995, vol. 41, issue 1-3, pages 23-25
- Lee, K. N. (1993) *Compass and gyroscope*. Island Press, Washington, D.C., USA.

- Llewellyn, S. (1996) Performance Management in the Social Services: Its Meaning and Measurement, in I. Lapsley and F. Mitchell (eds) *Accounting and Performance Measurement. Issues in the Private and Public Sectors*, London, Paul Chapman Publishing.
- Llewellyn, S. (1997) Purchasing power and polarized professionalism in British medicine, *Accounting, Auditing and Accountability Journal*, 10, 31–59.
- Llewellyn, S. (1998) Pushing budgets down the line: Ascribing financial responsibility in the UK social service, *Accounting, Auditing and Accountability Journal*, 11, 292–308.
- Locke, E. A. (1996). Motivation through conscious goal setting. *Applied & Preventative Psychology*, 5, 117–124.
- Locke, E. A., and Latham, G. P. (1984). *Goal setting: A motivational technique that works*. Englewood Cliffs, NJ: Prentice Hall.
- Locke, E. A., and Latham, G. P. (1990). *A theory of goal setting and task performance*. Englewood Cliffs, NJ: Prentice Hall.
- Locke, E. A., and Latham, G. P. (2002, September). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American Psychologist*, 57, 705–717.
- Locke, E. A., & Latham, G. P. (2005). Goal setting theory: Theory building by induction. In K. G. Smith & M. A. Hitt (Eds.), *Great minds in management: The process of theory development*. (pp. 128–150). New York: Oxford University Press.
- Lynch, R. L. and Cross, K. F. (1991). *Measure Up! Yardsticks for Continuous Improvement*, Basil Blackwell.
- Lynn, L. E. Jr. (1996), *Public management as art, science, and profession*, Chatham House Publishers
- Lynn, L. E. (1998) *The New Public Management: How to Transform a Theme into a Legacy*, *Public Administration Review*, Vol. 58, No. 3, pp. 231 – 237
- Maassen, P., and van Vught, F.A. (2002). *Strategic Planning*. In I. Jennikens (Ed), *Management and decision-making in Higher Education institutions* (pp. 225-240). Utrecht: Lemma Publishers.
- Madsen, S.R., Miller, D., and John, C.R. (2005). Readiness for organisational change: Do organisational commitment and social relationships in the workplace make a difference? *Human Resource Development Quarterly*, 16, 213–233. (available at: <http://dx.doi.org/10.1002/hrdq.1134>)
- Maly, M. (2000) “NPM in Transition Countries — Case of Czech Republic.” Conference paper for the Third Bi-annual Research Conference of the International Public Management Network.
- Mansor, M and Tayib, M. (2013) *Integrated and Open Systems Model: An Innovative Approach to Tax Administration Performance Management*. *The Innovation Journal: The Public Sector Innovation Journal*, Volume 18(3), 2013, article 3.

- March, J. G. and Olsen, J. P. (2006) „Elaborating the “New Institutionalism”, in Rhodes, et. al (eds.) *The Oxford Handbook of political Institutions*, Oxford: Oxford University Press.
- Marshall, C. and Rossman, G.B. (1995). *Designing Qualitative Research*. London: Sage Publications.
- Mascarenhas, R. C. (1993) Building an enterprise culture in the public sector: Reforms in Australia, New Zealand and Great Britain, *Public Administration Review*, 53(4):319-328.
- Maslov, D. (2012) Internal contradictions in Russian Reforms. *Journal Russian Analytical Digest*, No. 118, 2 October 2012, pp. 10-13
- Mayers, J., and S. Bass (2004) *Policy that works for people*. Earthscan, London, UK.
- Meekings, A. (1995), *Unlocking the potential of performance measurement: a guide to practical implementation*, *Public Money and Management*, October-December, pp. 1-8.
- Metcalfe, L. and S. Richards (1990) *Improving Public Management*, 2nd edition, Sage, London.
- Mendonca, M. and Kannungo, R.N. (1996) *Ethical Dimensions of Leadership*. London, SAGE.
- Metkalf, L. and Richards, S. (1990) *Improving Public Management*, Maastricht/London:EIPA. Sage
- Minogue, M. (2004) “Public Management and Regulatory Governance: Problems of Policy Transfer to Developing Countries” in Paul Cook, Colin Kirkpatrick, Martin Minogue and David Parker (eds) *Leading Issues in Competition, Regulation and Development*. Cheltenham. Edward Elgar, pp.165-181
- Mintzberg H. (1994) ‘The rise and fall of strategic planning’, *Harvard Business Review*, Jan-Feb: 107–14.
- March, J. G. and Olsen, J. P. (2006) „Elaborating the “New Institutionalism””, in Rhodes, et. al (eds.) *The Oxford Handbook of political Institutions*, Oxford: Oxford University Press.
- McElroy J. C. (2001) Managing workplace commitment by putting people first, *Human Resource. Management Review*. Vol. 11. No 3., pp. 327-335.
- Meyer, J.W. and Rowan, B. (1977) Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology*, Vol. 83, No 2, Pp.340-363.
- Modell, S., (2000) Integrating management control and human resource management in public health care: Swedish case study evidence, *Financial Accountability and Management*, 16, 33–53.
- Modell, S (2005) ‘Performance Management in the Public Sector: Past Experiences, Current Practices and Future Challenges’, *Australian Accounting Review*, Vol. 15, No. 3, pp. 56–66.

Modell, S (2007) 'Managing accounting change', In Hopper et al 'Issues in Management Accounting', 3rd edition, FT Prentice Hall, England, pp335-355.

Modell, S (2009) Institutional research on performance measurement and management in the public sector accounting literature: a review and assessment. *Financial Accountability and Management*, 25 (3), pp. 277-303

Mossberger, K., and Wolman, H., (2001) Policy transfer as a form of prospective policy evaluation, Economic and Social Research Council. (Available at: <http://www.jstor.org/stable/977399/>)

Moynihan, Donald P., and Patricia W. Ingraham. (2004) Integrative leadership in the public sector: A model of performance information use. *Administration and Society* 36(4): 427-53.

Moynihan, Donald P., and Noel Landuyt. (2009). How do public organizations learn? Bridging structural and cultural divides. *Public Administration Review* 69(6):1097-105.

Munir, R., Perera, S., Baird, K. (2011) An Analytical Framework to Examine Changes in Performance Measurement Systems within the Banking Sector. *Australian Accounting Business and Finance Journal*, Vol.5, No 1, pp 93-115

Mwita, J.I. (2000) "Performance management model: A systems-based approach to public service quality", *International Journal of Public Sector Management*, Vol. 13 Issue: 1, pp.19-37

Nacional'nyi standart Rossiiskoi Federacii. GOST R 52143-2003 Social'noe obsluzhivanie naseleniya. Osnovnye vidy social'nyh uslug. (Utverjden Postanovleniem Gosstandarta Rossii ot 24 noyabrya 2003 g. N 327-st)

Nacional'nyi standart Rossiiskoi Federacii GOST R 52142-2003 "Social'noe obsluzhivanie naseleniya. Kachestvo social'nyh uslug. Obschie polojeniya" (prinyat postanovleniem Gosstandarta RF ot 24 noyabrya 2003 g. N 326-st)

Naschold, F., and Von Otter C. *Public Sector Transformation. Rethinking markets and hierarchies in government.* Amsterdam: Johns Benjamin's Publishing Company, 1996.

Nelongo, J. (2011, 14 February). Effective performance management. *New Era Newspaper*.

Noordegraaf, M. (2000). Professional Sense-makers: Managerial Competencies amidst Ambiguity. *The International Journal of Public Sector Management* 13(4), 219-332

Ochurub, M., Bussin, M., and Goosen, X. (2012). Organisational readiness for introducing a performance management system. *SA Journal of Human Resource Management*, 10 (1), No 389, pp. 1-11

- O'Connor, E.J., and Fiol, C.M. (2006). Creating readiness and involvement. *Physician Exec*, 32, 72–74.
- OECD Economic Surveys: Russian Federation (2006), OECD Publishing, Vol. 2006/17
- Oliver, C. (1992). The antecedents of deinstitutionalization. *Organization Studies*, Vol. 13, No 4, Pp.563-588.
- Oliver, C. (1997). Sustainable competitive advantage: combining institutional and resource based views. *Strategic Management Journal*, Vol. 18, No 9, Pp. 697-713.
- Olson, O., J. Guthrie and C. Humphrey (1998), *Global Warning! Debating International Developments in the New Public Financial Management* (Oslo: Cappelen).
- Olsson, P., C. Folke, V. Galaz, T. Hahn, and L. Schultz. 2007. Enhancing the fit through adaptive co-management: creating and maintaining bridging functions for matching scales in the Kristianstads Vattenrike Biosphere Reserve, Sweden. *Ecology and Society* 12(1): 28. (available at: <http://www.ecologyandsociety.org/vol12/iss1/art28>.)
- Olve, N., Roy, J., and Wetter, M. (2004). *A practical guide to the balanced scorecard: Performance drivers*. England: John Wiley and Sons Ltd.
- Osborne, D. and T. Gaebler (1992) *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. New York: Plume.
- Page, E. C., (2000), *Future Governance and the Literature on Policy Transfer and Lesson Drawing on Policy Transfer and Lesson Drawing*, Future Governance Programme Workshop. (Available at: [www.hull.ac.uk](http://www.hull.ac.uk))
- Perera, B. (2007) *Introduction: Modern Public Administration*. Public Systems Management EMBA/EMPA 554. The Commonwealth of Learning, Vancouver.
- Pettersen, I. J. (1995). Budgetary control of hospitals—ritual, rhetorics and rationalized Myths? *Financial Accountability and Management*, 11, 207–221.
- Pettersen, I. J. (1999) *Accountable management reforms: Why the Norwegian hospital reform experiment got lost in implementation*, *Financial Accountability and Management*, 15, 377–396.
- Pettigrew, A., Whipp, R. and Rosenfield, R. (1989) "Competitiveness and the management of strategic change processes", in Francis, A. and Tharakan, P.K.M. (Eds), *The Competitiveness of European Industry: Country Policies and Company Strategies*, Routledge, London.
- Presidential Decree on Guarantees of Local Self-government (1993). Moscow.
- Pfeffer, J. (1998) *The Human Equation: Building Profits by Putting People First*. Harvard Business School Press, Boston.
- Pillay, S. (2008) "A Cultural Ecology of New Public Management", *International Review of Administrative Sciences*, 74, 3, pp. 373–94.

- Piotrowski S.J., Rosenbloom D.H. (2002) Nonmission-Based Values in Results-Oriented Public Management: The Case of Freedom of Information. *Public Administration Review*. Vol. 62. № 6. P. 643–657.
- Poister, T.H. (2003) *Measuring performance in public and non-profit organisations*. San Francisco: Jossey-Bass.
- Polidano, C. (1999) *The New Public Management in developing countries*. Retrieved March 12, 2008 (available at: <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN014322.pdf>, accessed on 8<sup>th</sup> of March, 2015)
- Pollitt, C. and G. Bouckaert (2000) *Public Management Reform. A Comparative Analysis*. Oxford University Press, Oxford.
- Pollitt, C. (1990) *Managerialism and the public services: the Anglo-American experience*. Oxford: Blackwell.
- Pollitt, C. (2000) The nature of Public Management Reform. In C. Pollitt, and G. Bouckaert *Public management reform. A comparative analysis*. (pp. 6-23) Oxford: Oxford University Press.
- Pollitt, C. (2001) Convergence: The Useful Myth? *Public Administration*, 79, 4, 933–47.
- Pollitt, C. (2003) *The Essential Public Manager*. Philadelphia: Open University Press.
- Pressman, J.L. Wildavsky, A.B. (1973) *Implementation: How Great Expectations in Washington Are Dashed in Oakland; Or Why It's Amazing That Federal Programs Work at All*. Berkeley: University of California Press.
- Pucik, V. (1985) “Strategic Human Resource Management in a Multinational Firm”, in H.V. Wortzel and L.H. Wortzel (eds), *Strategic Management of Multinational Corporations: The Essentials*, New York: John Wiley. pp. 429-430
- Purdy, D. E., (1993) Ward sisters and financial management accounting, *Financial Accountability and Management*, 9, 279–296.
- Radaelli, C. (2004) The Diffusion or Regulatory Impact assessment – Best Practice or Lesson-Drawing. *European Journal of Political Research* 43(4) 723-747.
- Radin, B. (2006) *Challenging the Performance Movement: Accountability, Complexity, and Democratic Values*. Washington, DC: Georgetown University Press
- Randma-Liiv, T. (2005) Demand- and Supply-based Policy Transfer in Estonian Public Administration. *Journal of Baltic Studies* 36(4) 467-487.
- Reed, M.I. (2002) New managerialism, professional power and organisational governance in UK universities: A review and assessment. A. Amaral , G.A. Jones , B. Karseth . *Governing higher education: National perspectives on institutional governance*; Kluwer Academic Publishers: Dordrecht/Boston/London. pp. 163–186

Reichard, C. (2002) "Assessing Performance-oriented HRM Activities in Selected OECD countries", PUMA/HRM(2002)9, prepared for an OECD meeting held in Paris, 7-8 October 2002, (available at: [http://applied.oecd.org/olis/2002doc.nsf/linkto/puma-hrm\(2002\)9](http://applied.oecd.org/olis/2002doc.nsf/linkto/puma-hrm(2002)9), accessed on 26<sup>th</sup> of March, 2015)

Robbins, S.P., Odendaal, A., and Roodt, G. (2003). Organisational behaviour. South Africa: Pearson Education

Rogers, S. (1994) Performance Management in Local Government, Longmans, Essex.

Rogers, E.M. (1995). Diffusion of Innovations. The Free Press, New York.

Romanov, P. (2008), Quality Evaluation in Social Services: Challenges for New Public Management in Russia, Mixes, Matches, and Mistakes: New Public Management in Russia and the Former Soviet Republics, ed. by G.Peters, Budapest: LGI, OSI, p.9-53

Romanov, P. and Tartakovskaia, I. (1998) Samara Oblast: A Governor and His Gubernia. In: Communist Economies and Economic Transformation, vol. 10, N3, 1998. pp. 341–362.

Rose, R. (1991) 'What Is Lesson Drawing?', Journal of Public Policy, 11, 1, 3–30.

Rose, R. (1993). Lesson-Drawing in Public Policy: A Guide to Learning across Time and Space. Chatham House, New Jersey.

Rose, R. (2005). Learning from Comparative Public Policy: A Practical Guide. Routledge, London/New York.

Rosenbloom, D.H., Kravchuk, R.S., Clerkin, R.M. (2009). "Public Administration, Understanding Management, Politics, and Law in the Public Sector." McGraw-Hill International Edition, Seventh Edition, International Edition 2009, Singapore.

Sabatier, P.A. and D.A. Mazmanian (1979), 'The conditions of effective implementation: A guide to accomplishing policy objectives', Policy Analysis, 5: 481-504

Samaratunge, R., Q. Alam and J. Teicher. (2008) The New Public Management Reforms in Asia: A Comparison of South and Southeast Asian Countries, International Review of Administrative Sciences, 74, 1, 25–46.

Sarker, A.B. 2006. New Public Management in Developing Countries. An Analysis of Success and Failure with Particular Reference to Singapore and Bangladesh, International Journal of Public Sector Management, 19, 2, 180–2003.

Saunders, M. N. K., Lewis, P and Thornhill, A., (2007) Research Methods for Business Students, 4th ed., FT Prentice Hall

Saunders, M., Thornhill, A., Lewis, P., (2002) Research Methods for Business Students, Prentice Hall.

Saunders, M., Thornhill, A., Lewis, P., (2009) Research Methods for Business Students, 5th Edition, Publisher: Financial Times Prentice Hall.

- Savoie, Donald J. (1994) *Thatcher, Reagan, Mulroney: In Search of a New Bureaucracy*, Toronto: University of Toronto Press.
- Savoie, Donald J. (2008) *Court Government and the Collapse of Accountability in Canada and the United Kingdom*. Toronto: University of Toronto Press.
- Sayre, W. (1979) "The Triumph of Techniques over Purpose" in *Classics of Public Personnel Policy*, ed. Frank Thompson (Oak Park, Ill.: Moore, 1979), p.32.
- Schick, A. (1998) "Why Most Developing Countries Should Not Try New Zealand's Reforms." *World Bank Research Observer (International)* 13: p. 23–31.
- Shih, H-A, Chiang, Y-H and Hsu, C.C. (2005) Can high performance work systems really lead to better performance? *Academy of Management Conference Paper*, pp. 1–6
- Schiavo-Campo, S. (1994) *Institutional Change and the Public Sector in Transitional Economies*. Washington, D.C.: World Bank
- Schneiderman, A. (1999) "Why balanced scorecards fail", *Journal of Strategic Performance Measurement*, special edition, pp. 6-11.
- Scott, W. Richard (2004) "Institutional theory." Pp. 408-14 in *Encyclopedia of Social Theory*, George Ritzer, ed. Thousand Oaks, CA: Sage.
- Scott, G., P. Bushnell and S. Nikitin. (1990). 'Reform of the Core Public Sector: The New Zealand Experience', *Governance*, 3, 2, 138–67.
- Scott, G. (2001) *Public Sector Management in New Zealand: Lessons and Challenges*. Canberra: Centre for Law and Economics, Australian National University.
- Siddiquee, N. A., (2007), *Public service innovations policy transfer and governance in the Asia-Pacific region: The Malaysian experience*, JOAAG, Vol. 2. No. 1
- Stoker, G. (1998) *Governance as theory: five propositions*. *International Social Science Journal* 50 (155):17–28
- Stone, D. (1999) *Learning Lessons and Transferring Policy across Time, Space and disciplines*. *Politics* 19(1) 51-59.
- Stone, D. (2000) *Non-Governmental Policy Transfer: The Strategies of Independent Policy Institutes*, *Governance*, January 2000, Vol. 13, No. 1, pp. 45 – 70, Wiley Periodicals.
- Stone, D. (2004) *Transfer Agents and Global Networks in the 'Transnationalization' of Policy*. *Journal of European Public Policy* 11(3) 545-566
- Stratman, R. (2002) *Enterprise resource planning (ERP) competence constructs: Two-stage multi-item scale development and validation*. *Decision Sciences*, 33(4), 601–628. (available at: <http://dx.doi.org/10.1111/j.1540-5915.2002.tb01658.x>, accessed on 9<sup>th</sup> of February, 2014)



- Suutari V, Tahvanainen M (2002) The antecedents of performance management among Finnish expatriates. *International Journal of Human Resource Management* 13(1): 55–75.
- Tanner, L. (2009) ‘Responding to the global financial crisis’, *Business Day*, Fairfax Digital, Australia, April, 16.
- Taylor, H. (2001) ‘Human Resource Management and New Public Management: Two Sides of a Coin that has a Low Value in Developing Countries?’ in W. McCourt and M. Minogue, pp 174-95
- Thomas, C. W. (2003) *Bureaucratic landscapes: interagency cooperation and the preservation of biodiversity*. MIT Press, Cambridge, Massachusetts, USA.
- UNDP, (2003), *Public Administration Reform, Practice Note*. (Available at: [http://www.undp.org/governance/docs/PARPN\\_English.pdf](http://www.undp.org/governance/docs/PARPN_English.pdf))
- Vance, C.M., McClaine, S.R., Boje, D.M. and Stage, H.D. (1992) “An examination of the transferability of traditional performance appraisal principles across cultural boundaries” *Management International Review* 32 (4): pp.313-326
- Van Dooren W. (2008) *Performance Indicators: a wolf in a sheep’s clothing?* Paper presented at the symposium “Changing the Educational Accountability in Europe” (24/25 June 2008) WZN-Berlin. Berlin, Wissenschaftszentrum Berlin für Sozialforschung.
- Van Evera, S. (1997) *Guide to Methods for Students of Political Science*. Cornell University Press: Ithaca.
- Van Hendel, J.G., Å. Johnsen and J. Vakkuri (2006), ‘Exploring the Public Administration and Accounting Divide of Public Sector Performance Measurement Research’, Paper presented at the 4<sup>th</sup> International Conference on Accounting, Auditing and Management in Public Sector Reforms (Siena).
- Verheijen, T. and Dobrolyubova, Y. (2006), “Performance management in the Baltic States and Russia, what are the chances of success?”, The World Bank, Paper prepared for the Conference ‘A Performing Public Sector’, Leuven, Belgium 1-3 June 2006
- Verheijen, T. (2008) “Central and Eastern Europe.” In: M. Painter and B.G. Peters, eds. *Legacies of the Past: The Influence of Administrative Tradition*. Basingstoke: Palgrave.
- Verheijen, T. and Dobrolyubova, Y. (2007) *Performance management in the Baltic States and Russia: success against the odds?* *International Review of Administrative Sciences* 73(2)
- Verweire K. and van den Berghe L. (2004) *Integrated performance management: a guide to strategy implementation*. London: Sage
- Walters, M. (1995). *The performance management handbook*. London: Institute of Personnel and Development.
- Weiner. B.J. (2009). *A Theory of organisational readiness for change*. (available at: <http://www.implementationscience.com/content/4/1/67>)

- Weimer D.L. and A.R. Vining (1992) *Policy Analysis. Concepts and Practice*. Englewood Cliffs NJ: Prentice Hall.
- Wildavsky, A. (1964) *The Politics of the Budgetary Process*. Boston, Little Brown, pp. 188-202.
- Williams, R.S. (2002) *Managing employee performance – Design and implementation in organisations*. Australia: Thomson Learning.
- Winegardner, K.E. (2000) *The case study method of scholarly research*. Online. Available at: <http://www.tgsa.edu/online/cybrary/case1.html>.
- Wolman, H. and Page, E. (2002) *Policy Transfer among Local Governments. An Information Theory Approach*. *Governance* 15(4) 477-501.
- Wolman, H. (1992) *Understanding Cross-National Policy Transfers: The Case of Britain and the United States*. *Governance* 5(1) 27-45.
- World Bank (2006) *Institutional Reform in Russia: From Design to Implementation in a Multi-level Governance Context*. Washington, DC: World Bank.
- WorldatWork Journal. (2006) *Society of Certified Professionals Performance Management: Strategy, Design and Implementation*. Course GR5. Scottsdale.
- Wright, V., (1994), *Reshaping the state: the implications for public administration*, *West European Politics*, Vol. 17 No.3, pp.102-37.
- Zhigalov, D.V., Pertsov, L.V., Chalaya U.U. (2009) *Ispol'zovanie instrumentov budzgetirovaniya, orientirovannogo na rezultat, v practice munitsipalnogo upravleniya*. M.:Fond "Istitut ekonomiki goroda" (Rus: Жигалов Д.В., Перцов Л.В., Чалая Ю.Ю. Использование инструментов бюджетирования, ориентированного на результат, в практике муниципального управления. М.: Фонд «Институт экономики города», 2009)
- Zifcak, S. (1994) *New Managerialism: Administrative Reform in Whitehall and Canberra*, Open University Press, Buckingham.

## Appendix 1. Categories and subcategories developed in a coding process

Core Categories	Sub-categories
<b>Strategic level</b>	
1. Unstable foundation for implementation of PM	1.1. Mission of the organisation is unclear
	1.3. Functions and tasks are not linked to the PM implementation
	1.3. Unclear goals and strategy
2. The lack of engagement to planning process	2.1. System planning is not coherent
	2.2. Staff is not encouraged to think about common objectives and target
	2.3. The settings of objectives and targets is not linked to the organisation's strategic plan
	2.4 Lack of involvement from both the internal and external stakeholders to planning
3. Hierarchical culture barriers	3.1. Junior and middle management do not participate in strategic planning
	3.2. Lack of communication between top, middle and junior management
	3.3. Lack of communication between senior management and regional and central levels of governments
4. Lack of teamwork	4.1. Lack of sense of ownership developed from working together
	4.2. Ineffective communication within the team
<b>Operational level</b>	
5. Understanding of PM	5.1. PM system is a Western mechanism to control managers
	5.2. PM is a number of indicators and measurements which came from central government to control local expenditure
	5.3. PM is a system for reporting to central and regional governments
	5.4. Difficult to understand the importance of PM and train staff
6. PM as a mechanism of "control and punishment"	6.1. PM is a mechanism of control results and budget
	6.2. PM is a mechanism of "punishment"
7. PM created difficulties in reporting	7.1. Not clear how to present information in narrative reports
	7.2. Number of performance indicators does not show the whole picture of the local area and work of public administration
	7.3. Performance information is difficult to collect
	7.4. There is no instrument to keep customers informed about performance
8. Budget span of control	8.1. Multi tier budgetary system creates difficulties locally, local budget consists of regional, central and local budgets
	8.2. PM created new budgetary control through increasing decentralisation
<b>Individual level</b>	
9. PM is not linked to individual performance as a result the lack of motivation	9.1. Individual performance indicators are not developed
	9.2. Everyone is equally paid regardless effort and achievements
	9.3. Feedback of the staff attestation is not connected with annual outcomes of the organisation
10. Fear of open discussion of the PM results	10.1. A lack of trust and fear to be punished to discuss openly PM results
	10.2. A fear to publish PM results and citizen's survey results
	10.3. Fear of how results would be interpreted by media and public
	10.4. Reluctance to support PM implementation
	10.5. Ambiguity on how PM results can be used.
11. Lack of confidence in the PM implementation	11.6. Lack of understanding about value of PM concept caused the lack of confidence in implementing
	11.7. Lack of confidence and strong leadership among senior managers to implement PM
	11.8. Organisation and staff is not prepared for implementation of PM
	11.9. Inadequate information about the value of PM from central government caused lack of confidence in implementing

**Appendix 2. Semi-structured Interview Guide Questionnaire**  
**Case Study Interview Guide of**  
**Performance Management Implementation in Krasnoyarsk city Administration**

Interview / Case

No:.....

Respondent ID: .....

Respondent Department:.....

Respondent Role.....

Interviewer: .....

Date:.....

*Interview respondents may request a copy of the aggregate research findings and analysis.*

If you need further information about the study, please contact:

**Anastasiya Kichigina**

Email: a.kichigina@londonmet.ac.uk

The first questions ask about your role, the organisation and performance management system implementation your organisation has been involved.

*1. Introductory Questions*

- 1.1. Describe what your organisation does? What is the mission of your organisation?
- 1.2. What are your current responsibilities and how long have you been in your current position at the Administration of Krasnoyarsk city?
- 1.3. Could you give me a brief overview about new process your organisation has been involved in implementing?

*2. Understanding of the concept*

- 2.1. How do you describe the performance management in organisation?
- 2.2. What do you think is the main aim of performance management implementation?

2.3. What kinds of processes are used to manage performance?

*Additional Exploratory questions*

2.2.1. Who is involved with managing performance?

2.2.2. What are the activities needed to manage performance?

2.2.3. What are the resources needed to manage performance?

3. *Strategic level*

3.1. Please explain the process used to design the performance management in your organisation.

3.2. Do you believe that the performance management has been an effective implementation tool? If so, how? If not, why not?

3.3. Please give some examples of how your strategy was translated into performance measures or how the performance management reflect the strategy of your organisation.

3.4. Could you describe the performance management process in your organisation?

3.4.1. Do you do anything with the performance management data once it is collected? (eg. development, training)

3.4.2. Who sees the performance management data and how do they use it?

3.4.3. Is performance measurement visible to anyone outside the organisation?

3.4.4. Are any rewards or penalties issued following performance management?

4. *Operational level*

4.1. What kinds of processes (activities, actors, resources) are used to manage performance in Administration of Krasnoyarsk city?

4.2. Does your department and project/programme meet the targets?

4.3. How are operational activities supporting the organisational strategy?

5. *Individual level*

5.1. What criteria do you use to evaluate your manager's performance? Are those criteria linked to your performance management system? If so, how?

5.2. Did you have sufficient training and development opportunities offered and supported by top management? Do you have the right materials and equipment (resources) you need to do your work efficiently and effectively?

5.3. Do you feel that the implementation of the performance management system assisted you in the achievement of your agreed performance targets? How was it of assistance/not of assistance to you?

5.4. Have you had the opportunity to discuss issues surrounding the performance policy implementation with any relevant individual or agency in the last 6 month period? Please include in your answer whether any meetings held were formal or informal in nature.

## *6. Outcomes of the performance management implementation*

6.1. Please comment on some of the outcomes of having implemented the PM in terms of how it may have helped the organisation.

6.2. How useful are the qualitative and quantitative performance indicators?

6.3. How has the performance management helped to decompose or translate goals to lower levels in the organisation? Has this proven to be of benefit? If so, what kind of benefits?

6.4. Are there any current or past improvement initiatives in your organisation that have been encouraged or influenced by the performance management implementation?

6.5. How valuable is the performance system as a managerial tool?

6.6. What role did the central/regional/local government play in the design and implementation process?

6.7. What do you think are the main strengths of the performance management implementation?

6.8. What do you think are the main weaknesses of the performance management implementation?

6.9. Do you have any recommendations for changes that you feel might improve the usefulness of performance management?

### Appendix 3. Performance indicators reported by regional governments of the Russian Federation

(Presidential Decree of 28.06.2007 № 825 "On the evaluation of performance of the executive authorities of the Russian Federation")

Russian title	Title translated from Russian into English
1. Объем валового регионального продукта	Gross regional product
1.1. Объем прямых иностранных инвестиций в расчете на 1 жителя субъекта Российской Федерации	Amount of direct foreign investments per capita
1.2. Объем внешнеторгового оборота	Foreign trade turnover
1.3. Объем валового регионального продукта в расчете на 1 жителя субъекта Российской Федерации	Gross regional product per capita
10. Среднемесячная номинальная начисленная заработная плата работников, занятых в сфере экономики региона	Average monthly salary of workers in the region
101. Количество государственных (муниципальных) амбулаторно-поликлинических учреждений, финансирование которых осуществляется по результатам деятельности на основании подушевого норматива на прикрепленное население	Number of medical clinics financed through per capita standards
102. Количество государственных (муниципальных) больничных учреждений, финансирование которых осуществляется по результатам деятельности по законченному случаю	Number of medical clinics financed on the basis of cases closed
103. Доля государственных (муниципальных) учреждений здравоохранения, применяющих стандарты оказания медицинской помощи, в общем количестве государственных (муниципальных) учреждений здравоохранения, за исключением учреждений здравоохранения особого типа	The share of medical clinics using standards of service provision in the total number of medical clinics
105. Численность лиц, систематически занимающихся физической культурой и спортом	The number of people systematically doing sports
107. Обеспеченность спортивными сооружениями в субъекте Российской Федерации	Availability of sport facilities in the region
108. Обеспеченность спортивными залами	Availability of sport halls
109. Обеспеченность плоскостными спортивными сооружениями	Availability of stadiums

<b>Russian title</b>	<b>Title translated from Russian into English</b>
11. Среднемесячная номинальная начисленная заработная плата работников, занятых в сфере сельского хозяйства региона	Average monthly salary of workers in agriculture
110. Обеспеченность плавательными бассейнами	Availability of swimming pools
111. Удовлетворенность населения условиями для занятия физической культурой и спортом	Citizen satisfaction of doing sports
112. Удельный вес населения, систематически занимающегося физической культурой и спортом	The share of population doing sports systematically
113. Доля учащихся (общеобразовательных учреждений, образовательных учреждений начального профессионального образования, образовательных учреждений среднего профессионального образования), занимающихся физической культурой и спортом, в общей численности учащихся соответствующих учреждений	The share of pupils doing sports systematically
113.1. Численность спортсменов субъекта Российской Федерации, включенных в составы спортивных сборных команд Российской Федерации	The number of sportsmen enlisted in Russian national teams
113.2. Доля спортсменов, зачисленных в составы спортивных сборных команд Российской Федерации, в общем количестве спортсменов, занимающихся на этапе совершенствования спортивного мастерства и этапе высшего спортивного мастерства	The share of sportsmen enlisted in Russian national teams in the total number of sportsmen doing sports at master's level
114. Расходы консолидированного бюджета субъекта Российской Федерации на физическую культуру и спорт	Budget expenditure on sports
116. Удельный вес населения, участвующего в платных культурно-досуговых мероприятиях, проводимых государственными (муниципальными) учреждениями культуры	The share of population taking part in organised cultural events
117. Количество экземпляров новых поступлений в библиотечные фонды общедоступных библиотек на 1 тыс. человек населения	The number of new books received by libraries per capita
118.1. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, не	The number of high school graduates who did not receive the education certificate



Russian title	Title translated from Russian into English
получивших аттестат о среднем (полном) образовании	
119. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, участвовавших в едином государственном экзамене по русскому языку	The number of high school graduates taking part in the national exam in Russian language
12. Среднемесячная номинальная начисленная заработная плата работников государственных (муниципальных) учреждений здравоохранения	Average monthly salary of medical personnel
120. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, сдавших единый государственный экзамен по русскому языку	The number of high school graduates that passed the national exam in Russian language
121. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, участвовавших в едином государственном экзамене по математике	The number of high school graduates taking part in the national exam in Mathematics
122. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, сдавших единый государственный экзамен по математике	The number of high school graduates that passed the national exam in Mathematics
123. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, участвовавших в едином государственном экзамене в городской местности	The number of high school graduates in urban areas
123.1. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, участвовавших в едином государственном экзамене	The number of high school graduates that took part in the national exam
124. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, участвовавших в едином государственном экзамене в сельской местности	The number of high school graduates in rural areas
126. Количество преступлений, совершенных несовершеннолетними или при их соучастии	The number of crimes committed by underage offenders
127. Удовлетворенность населения качеством общего образования	Citizen satisfaction in the quality high school education

<b>Russian title</b>	<b>Title translated from Russian into English</b>
128. Количество государственных (муниципальных) общеобразовательных учреждений, расположенных в городской местности	The number of high schools in urban areas
128.1. Количество государственных (муниципальных) общеобразовательных учреждений	The number of high schools
129. Количество государственных (муниципальных) общеобразовательных учреждений, расположенных в сельской местности	The number of high schools in rural areas
13. Среднемесячная номинальная начисленная заработная плата работников государственных (муниципальных) учреждений образования	Average nominal salary of high school staff
130. Количество государственных (муниципальных) общеобразовательных учреждений, здания которых находятся в аварийном состоянии или требуют капитального ремонта	The number of high schools requiring renovation
131.1. Доля государственных (муниципальных) образовательных учреждений с постоянным пребыванием детей, здания которых находятся в аварийном состоянии или требуют капитального ремонта, в общем количестве государственных (муниципальных) образовательных учреждений с постоянным пребыванием детей	The share of boarding schools requiring capital renovation in the total number of boarding schools
132. Численность лиц (среднегодовая), обучающихся в государственных (муниципальных) общеобразовательных учреждениях, расположенных в сельской местности	The number of pupils in high schools in rural areas
133. Численность лиц (среднегодовая), обучающихся в государственных (муниципальных) общеобразовательных учреждениях, расположенных в городской местности	The number of pupils in high schools in urban areas
134. Численность выпускников государственных (муниципальных) общеобразовательных учреждений, расположенных в городской местности	The number of high school graduates in urban areas
134.1. Численность выпускников государственных (муниципальных) общеобразовательных учреждений	The number of high school graduates
135. Численность выпускников государственных (муниципальных)	The number of high school graduates in rural areas

Russian title	Title translated from Russian into English
общеобразовательных учреждений, расположенных в сельской местности	
136. Удельный вес детей первой и второй групп здоровья в общей численности обучающихся в государственных (муниципальных) общеобразовательных учреждениях	The share of kids qualified in 1 and 2 health categories in the total number of pupils
137. Численность работников (среднегодовая) государственных (муниципальных) общеобразовательных учреждений, расположенных в городской местности	The number of staff of high schools in urban areas
138. Численность работников (среднегодовая) государственных (муниципальных) общеобразовательных учреждений, расположенных в сельской местности	The number of staff of high schools in rural areas
139. Численность учителей (среднегодовая) государственных (муниципальных) общеобразовательных учреждений, расположенных в городской местности	The number of teachers high schools in urban areas
14. Среднемесячная номинальная начисленная заработная плата работников государственных (муниципальных) учреждений социальной защиты населения	Average nominal salary of social services staff
140. Численность учителей (среднегодовая) государственных (муниципальных) общеобразовательных учреждений, расположенных в сельской местности	The number of teachers in high schools in rural areas
141. Доля учителей государственных (муниципальных) общеобразовательных учреждений, имеющих стаж педагогической работы до 5 лет, в общей численности учителей государственных (муниципальных) общеобразовательных учреждений	The share of teachers with over 5 years of experience in the total number of teachers in high schools
142. Численность прочего персонала (среднегодовая) (административно-управленческого, учебно-вспомогательного, младшего обслуживающего персонала, а также педагогических работников, не осуществляющих учебный процесс) государственных (муниципальных) общеобразовательных учреждений, расположенных в городской местности	The number of non-teaching staff in high schools in urban areas

Russian title	Title translated from Russian into English
143. Численность прочего персонала (среднегодовая) (административно-управленческого, учебно-вспомогательного, младшего обслуживающего персонала, а также педагогических работников, не осуществляющих учебный процесс) государственных (муниципальных) общеобразовательных учреждений, расположенных в сельской местности	The number of non-teaching staff in high schools in rural areas
144. Количество классов (среднегодовое) в государственных (муниципальных) общеобразовательных учреждениях, расположенных в городской местности	The number of classes in high schools in urban areas
145. Количество классов (среднегодовое) в государственных (муниципальных) общеобразовательных учреждениях, расположенных в сельской местности	The number of classes in high schools in rural areas
146. Средняя стоимость содержания одного класса в государственных (муниципальных) общеобразовательных учреждениях в субъекте Российской Федерации	Average cost of one class in high schools in the region
147. Среднемесячная номинальная начисленная заработная плата работников государственных (муниципальных) общеобразовательных учреждений	Average nominal monthly salary of staff of state owned high schools
148. Среднемесячная номинальная начисленная заработная плата учителей государственных (муниципальных) общеобразовательных учреждений	Average nominal salary of teachers in state owned high schools
149. Среднемесячная номинальная начисленная заработная плата прочего персонала (административно-управленческого, учебно-вспомогательного, младшего обслуживающего персонала, а также педагогических работников, не осуществляющих учебный процесс) государственных (муниципальных) общеобразовательных учреждений	Average nominal salary of non-teaching staff in state owned high schools
15. Среднемесячная номинальная начисленная заработная плата работников государственных (муниципальных) учреждений физической культуры и спорта	Average nominal salary of staff of sport establishments

<b>Russian title</b>	<b>Title translated from Russian into English</b>
150. Расходы консолидированного бюджета субъекта Российской Федерации на общее образование	Budget expenditure on education (high school level)
151. Расходы консолидированного бюджета субъекта Российской Федерации на общее образование в части увеличения стоимости основных средств	Budget expenditure on education (high school level) in capital expenditure
152. Расходы консолидированного бюджета субъекта Российской Федерации на общее образование в части текущих расходов	Budget expenditure on education (high school level) in current expenditure
153. Расходы консолидированного бюджета субъекта Российской Федерации на общее образование в части текущих расходов на оплату труда и начислений на оплату труда	Budget expenditure on education (high school level) (salaries)
154. Количество государственных (муниципальных) общеобразовательных учреждений, переведенных на нормативное подушевое финансирование	The number of high schools on per head financing
155. Количество государственных (муниципальных) общеобразовательных учреждений, переведенных на новую (отраслевую) систему оплаты труда, ориентированную на результат	The number of high schools on new payment systems (performance pay)
156. Доля детей, оставшихся без попечения родителей	The number of orphans
157. Доля детей, оставшихся без попечения родителей, переданных на воспитание в семьи граждан Российской Федерации, постоянно проживающих на территории Российской Федерации (на усыновление (удочерение) и под опеку (попечительство)), в том числе по договору о приемной семье либо в случаях, предусмотренных законами субъектов Российской Федерации, по договору о патронатной семье (патронате, патронатном воспитании)	The number of fostered orphans
158. Численность выпускников, завершивших обучение в отчетном году по образовательным программам начального профессионального образования за счет средств субъекта Российской Федерации	The number of state funded vocational colleges graduates
159. Численность выпускников, завершивших обучение в отчетном году по образовательным программам	The number of state funded vocational colleges graduates registered as unemployed

Russian title	Title translated from Russian into English
начального профессионального образования за счет средств субъекта Российской Федерации, состоящих на регистрационном учете в качестве безработных	
16. Среднемесячная номинальная начисленная заработная плата работников государственных (муниципальных) учреждений культуры и искусства	Average nominal monthly salary of staff of cultural establishments
160. Численность выпускников, завершивших обучение в отчетном году по образовательным программам среднего профессионального образования за счет средств субъекта Российской Федерации	The number of state funded graduates of middle-tier vocational colleges
161. Численность выпускников, завершивших обучение в отчетном году по образовательным программам среднего профессионального образования за счет средств субъекта Российской Федерации, состоящих на регистрационном учете в качестве безработных	The number of state funded graduates of middle-tier vocational colleges registered as unemployed
166. Количество преступлений, совершенных несовершеннолетними, обучающимися в государственных образовательных учреждениях начального профессионального образования, или при их соучастии	The number of crimes committed by students of entry-level vocational colleges
167. Количество преступлений, совершенных несовершеннолетними, обучающимися в государственных образовательных учреждениях среднего профессионального образования, или при их соучастии	The number of crimes committed by students of middle-level vocational colleges
168. Количество государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации	The number of entry-level vocational colleges
169. Количество государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации, здания которых находятся в аварийном состоянии или требуют капитального ремонта	The number of entry-level vocational colleges with buildings requiring capital renovation
17. Доля среднесписочной численности работников (без внешних совместителей) малых и средних предприятий в среднесписочной	The share employees of small and medium sized businesses in the total number of employees

Russian title	Title translated from Russian into English
численности работников (без внешних совместителей) всех предприятий и организаций	
170. Численность лиц, обучающихся в государственных образовательных учреждениях начального профессионального образования субъекта Российской Федерации	The number of students of state-run entry-level vocational colleges
170.1. Численность лиц, обучающихся по образовательным программам начального профессионального образования за счет средств субъекта Российской Федерации	The number of state funded students of entry-level vocational colleges
170.2. Доля лиц, обучающихся по образовательным программам начального профессионального образования за счет средств субъекта Российской Федерации в учреждениях среднего и высшего профессионального образования, в общей численности лиц, обучающихся по образовательным программам начального профессионального образования за счет средств субъекта Российской Федерации	The share of state funded students in the total number of students at middle-tier vocational colleges
172. Численность лиц, обучающихся в государственных образовательных учреждениях начального профессионального образования субъекта Российской Федерации за счет внебюджетных средств	The number of students of state-run entry-level vocational colleges funded from off-budget sources
173. Численность выпускников, завершивших обучение по образовательным программам начального профессионального образования в отчетном году за счет средств субъекта Российской Федерации, получивших направление на работу в организации	The number of graduates of entry-level vocational colleges who received a work placement
174. Численность работников государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации (физические лица)	The number of staff of entry-level vocational colleges
175. Численность преподавателей государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации (физические лица)	The number of teachers at entry-level vocational colleges

Russian title	Title translated from Russian into English
176. Численность мастеров производственного обучения государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации (физические лица)	The number of instructors at entry-level vocational colleges
178. Численность прочего персонала государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации (административно-управленческого, учебно-вспомогательного, младшего обслуживающего персонала, а также педагогических работников, не осуществляющих учебный процесс) (физические лица)	The number of other staff at entry-level vocational colleges
179. Доля преподавателей государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации со стажем работы до 5 лет в общей численности преподавателей государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации	The share of teachers with over 5 years of experience in the total number of teachers at entry-level vocational colleges
18. Количество малых и средних предприятий в расчете на 1 тыс. человек населения субъекта Российской Федерации	The number of small and medium sized business per 1000 people
180. Среднемесячная номинальная начисленная заработная плата преподавателей государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации	Average nominal monthly salary of teachers of entry-level vocational colleges
181. Среднемесячная номинальная начисленная заработная плата мастеров производственного обучения государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации	Average nominal monthly income of instructors of entry-level vocational colleges
182. Среднемесячная номинальная начисленная заработная плата работников государственных образовательных учреждений	Average nominal monthly income of staff of entry-level vocational colleges



<b>Russian title</b>	<b>Title translated from Russian into English</b>
начального профессионального образования	
183. Расходы консолидированного бюджета субъекта Российской Федерации на начальное профессиональное образование	Budget expenditure on entry-level vocational education
184. Расходы консолидированного бюджета субъекта Российской Федерации на начальное профессиональное образование в части увеличения стоимости основных средств	Budget expenditure on entry-level vocational education - capital expenditure
185. Расходы консолидированного бюджета субъекта Российской Федерации на начальное профессиональное образование в части текущих расходов	Budget expenditure on entry-level vocational education - current expenditure
186. Расходы консолидированного бюджета субъекта Российской Федерации на начальное профессиональное образование в части текущих расходов на оплату труда и начислений на оплату труда	Budget expenditure on entry-level vocational education - salaries
187. Количество государственных образовательных учреждений начального профессионального образования субъекта Российской Федерации, переведенных на новую (отраслевую) систему оплаты труда, ориентированную на результат	The number of entry-level vocational colleges where performance pay has been implemented
188. Количество государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации	The number of middle-level vocational colleges
189. Количество государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации, здания которых находятся в аварийном состоянии или требуют капитального ремонта	The number of middle-level vocational colleges with buildings requiring capital renovation
19. Доля продукции, произведенной малыми предприятиями, в общем объеме валового регионального продукта	The share of small businesses in gross regional product
190. Численность лиц, обучающихся в государственных образовательных учреждениях среднего профессионального образования субъекта Российской Федерации	The number of students at middle-level vocational colleges

Russian title	Title translated from Russian into English
190.1. Численность лиц, обучающихся по образовательным программам среднего профессионального образования за счет средств субъекта Российской Федерации	The number of students at middle-level vocational colleges (state funded)
192. Численность лиц, обучающихся в государственных образовательных учреждениях среднего профессионального образования субъекта Российской Федерации за счет внебюджетных средств	The number of students at middle-level vocational colleges (funded from off-budget sources)
193. Численность выпускников, завершивших обучение в отчетном году по образовательным программам среднего профессионального образования за счет средств субъекта Российской Федерации, получивших направление на работу в организации	The number of state funded graduates of middle-tier vocational colleges
194. Численность работников государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации (физические лица)	The number of staff of middle-tier vocational colleges
195. Численность преподавателей государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации (физические лица)	The number of instructors of middle-tier vocational colleges
198. Численность прочего персонала государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации (административно-управленческого, учебно-вспомогательного, младшего обслуживающего персонала, а также педагогических работников, не осуществляющих учебный процесс) (физические лица)	The number of other staff at middle-tier vocational colleges
199. Доля преподавателей государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации со стажем работы до 5 лет в общей численности преподавателей государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации	The share of teachers with more than 5 years of experience in the overall number of teachers of middle-tier vocational colleges

<b>Russian title</b>	<b>Title translated from Russian into English</b>
2.1. Индекс промышленного производства	Industrial production index
20. Удельный вес прибыльных крупных и средних сельскохозяйственных организаций в их общем числе	The share of profitable large and medium sized businesses
200. Среднемесячная номинальная начисленная заработная плата преподавателей государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации	Average nominal monthly salary of teachers of middle-tier vocational colleges
202. Среднемесячная номинальная начисленная заработная плата работников государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации	Average nominal monthly salary of staff of middle-tier vocational colleges
203. Расходы консолидированного бюджета субъекта Российской Федерации на среднее профессиональное образование	Budget expenditure on education (middle tier vocational colleges)
204. Расходы консолидированного бюджета субъекта Российской Федерации на среднее профессиональное образование в части увеличения стоимости основных средств	Budget expenditure on education (middle tier vocational colleges) - capital expenditure
205. Расходы консолидированного бюджета субъекта Российской Федерации на среднее профессиональное образование в части текущих расходов	Budget expenditure on education (middle tier vocational colleges) - current expenditure
206. Расходы консолидированного бюджета субъекта Российской Федерации на среднее профессиональное образование в части текущих расходов на оплату труда и начислений на оплату труда	Budget expenditure on education (middle tier vocational colleges) - salaries
207. Количество государственных образовательных учреждений среднего профессионального образования субъекта Российской Федерации, переведенных на новую (отраслевую) систему оплаты труда, ориентированную на результат	The number of middle-tier vocational colleges where performance pay has been implemented
208. Общая площадь жилых помещений, приходящаяся в среднем на 1 жителя субъекта Российской Федерации	Housing area per capita

Russian title	Title translated from Russian into English
209. Количество жилых помещений (квартир) в расчете на 1 тыс. человек населения	Number of flats per 1000 people
21. Расходы консолидированного бюджета субъекта Российской Федерации на сельское хозяйство в расчете на 1 рубль произведенной сельскохозяйственной продукции	Budget expenditure on agriculture per 1 rouble of agricultural production
210. Соотношение средней рыночной стоимости стандартной квартиры общей площадью 54 кв.м. и среднего годового совокупного денежного дохода семьи, состоящей из 3 человек	The ratio between the market value of a 54 sq.m flat (primary market) and gross annual income of a family of 3 members
211. Отношение средней цены 1 кв. метра общей площади на первичном рынке жилья к среднему годовому доходу населения в субъекте Российской Федерации	The ratio between the price of 1 square meters of housing (primary market) and average income of workers in the region
211.1. Отношение средней цены 1 кв. метра общей площади на вторичном рынке жилья к среднему годовому доходу населения в субъекте Российской Федерации	The ratio between the price of 1 square meters of housing (secondary market) and average income of workers in the region
213. Общая площадь жилых помещений, приходящаяся в среднем на 1 жителя субъекта Российской Федерации, введенная в действие за год	Total area of housing built annually per capita
214. Количество жилых помещений (квартир) в расчете на 1 тыс. человек населения, введенных в действие за год	The number of flats built annually per 1000 people
215. Общая площадь жилых помещений, строительство которых предусмотрено в соответствии с выданными разрешениями на строительство жилых зданий, в среднем на 1 жителя субъекта Российской Федерации	The overall area of housing licenced to be built per capita
217. Площадь земельных участков, предоставленных для жилищного строительства и комплексного освоения в целях жилищного строительства, в расчете на душу населения субъекта Российской Федерации	The area of land licenced for housing development per capita
218. Средняя продолжительность периода с даты подписания протокола о результатах аукционов по предоставлению земельных участков для жилищного строительства до	The average time between the tender for housing development and issue of construction licence

Russian title	Title translated from Russian into English
получения разрешения на строительство	
219. Средняя продолжительность периода с даты выдачи разрешения на строительство жилого здания до даты получения разрешения на ввод жилого здания в эксплуатацию	The average time between issuing of construction permit and completion of development
22. Уровень занятости сельского населения трудоспособного возраста	Employment level in rural areas
220. Средняя продолжительность периода с даты подачи заявки на предоставление земельного участка для строительства до даты получения разрешения на строительство	The average time between application for housing development permit and issue of the permit
221. Площадь земельных участков, предоставленных для жилищного строительства, в отношении которых с даты принятия решения о предоставлении земельного участка или подписания протокола о результатах торгов (конкурсов, аукционов) не было получено разрешение на ввод в эксплуатацию в течение 3 лет	The area of land sites for which the time between issuing the development license and completion of construction exceeded 3 years
221.1. Объем приостановленного жилищного строительства	The amount of frozen housing development
222. Потери организаций коммунального комплекса вследствие перерасчета платежей потребителей из-за предоставления коммунальных ресурсов и услуг ненадлежащего качества и (или) с перерывами, превышающими установленную продолжительность, в расчете на единицу доходов от реализации услуг по основному виду деятельности	Communication companies' losses in subsidies of tariffs
224. Удовлетворенность населения жилищно-коммунальными услугами	Citizen satisfaction of housing communication services
225. Доля населения, обеспеченного питьевой водой, отвечающей требованиям безопасности, в общей численности населения субъекта Российской Федерации	The share of population supplied with potable water
226. Доля утечек и неучтенного расхода воды в суммарном объеме воды, поданной в сеть	The share of leakage in overall water supply
227. Доля потерь тепловой энергии в суммарном объеме отпуска тепловой энергии	The share of lost thermal energy in overall supply
233. Уровень износа коммунальной инфраструктуры	The level of tear and wear of communication infrastructure

Russian title	Title translated from Russian into English
234. Доля многоквартирных жилых домов с износом более 31 процента, в которых проведен капитальный ремонт, в общем количестве многоквартирных жилых домов, требующих капитального ремонта	The share of housing with over 31% wear and tear
235. Доля населения, проживающего в многоквартирных домах, признанных в установленном порядке аварийными	The share of population living in houses requiring capital renovation
236. Расходы консолидированного бюджета субъекта Российской Федерации на финансирование жилищно-коммунального хозяйства	Budget expenditure on communal services
237. Расходы консолидированного бюджета субъекта Российской Федерации на финансирование жилищно-коммунального хозяйства в части увеличения стоимости основных средств	Budget expenditure on communal services - capital expenditure
238. Расходы консолидированного бюджета субъекта Российской Федерации на финансирование жилищно-коммунального хозяйства в части компенсации разницы между экономически обоснованными тарифами и тарифами, установленными для населения, и покрытия убытков, возникших в связи с применением регулируемых цен на жилищно-коммунальные услуги	Budget expenditure on communal services - subsidies of tariffs
239. Уровень возмещения населением затрат за предоставление жилищно-коммунальных услуг по установленным для населения тарифам	The share of costs of communal services covered by user charges
24. Доля обрабатываемой пашни в общей площади пашни	The share of tilled ploughed field
240. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют непосредственное управление собственниками помещений в многоквартирном доме	The share of apartment blocks in which owners chose and operate direct owner's control scheme over communal areas
241. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют управление многоквартирными домами посредством товариществ собственников жилья либо жилищных кооперативов или иного	The share of apartment blocks in which owners chose and operate one of available schemes of control over communal areas

Russian title	Title translated from Russian into English
специализированного потребительского кооператива	
242. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют способ управления многоквартирными домами посредством управляющей организации	The share of apartment blocks in which owners chose an operator over communal areas
243. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют способ управления многоквартирными домами посредством управляющей организации муниципальной формы собственности	The share of apartment blocks in which owners chose a municipal operator over communal areas
244. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют способ управления многоквартирными домами посредством управляющей организации муниципальной формы собственности в форме муниципальных учреждений	The share of apartment blocks in which owners chose a municipal operator of municipal organisation
245. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют способ управления многоквартирными домами посредством управляющей организации государственной формы собственности	The share of apartment blocks in which owners chose a state owned company as an operator of communal areas and infrastructure
246. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют способ управления многоквартирными домами посредством управляющей организации государственной формы собственности в форме государственных учреждений	The share of apartment blocks in which owners chose a state owned company as an operator of communal areas and infrastructure (in the form of state owned company)
247. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют способ управления многоквартирными домами посредством управляющей	The share of apartment blocks in which owners chose an operator of communal areas (in the form of privately owned company)

Russian title	Title translated from Russian into English
организации частной формы собственности	
248. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют способ управления многоквартирными домами посредством хозяйственных обществ со 100-процентной долей, находящейся в муниципальной или государственной собственности	The share of apartment blocks in which owners chose an operator of communal areas (in the form of a joint stock company with 100% municipal and state ownership)
249. Доля многоквартирных домов в целом по субъекту Российской Федерации, в которых собственники помещений выбрали и реализуют способ управления многоквартирными домами посредством хозяйственных обществ с долей участия, не превышающей 25%, находящейся в государственной (муниципальной) собственности	The share of apartment blocks in which owners chose an operator of communal areas (in the form of a joint stock company with no more than 25% municipal and state ownership)
25. Общий объем мощности, заявленной для технологического присоединения к объектам электросетевого хозяйства в отчетном году	Overall volume of electrical capacity in objects connected to the grid in the current year
250. Доля организаций, осуществляющих управление многоквартирными домами и оказание услуг по содержанию и ремонту общего имущества в многоквартирных домах, с долей участия в уставном капитале субъектов Российской Федерации и муниципальных образований не более чем 25 процентов в общем количестве организаций, осуществляющих свою деятельность на территории муниципального образования (территориях субъектов Российской Федерации - городов федерального значения Москвы и Санкт-Петербурга) и управление многоквартирными домами (кроме товариществ собственников жилья, жилищных, жилищно-строительных кооперативов или иных специализированных потребительских кооперативов)	The share of apartment blocks in which owners chose an operator of communal areas (in the form of a joint stock company with no more than 25% municipal and state ownership) in the total number of apartment blocks that have chosen an operator



Russian title	Title translated from Russian into English
<p>251. Доля организаций коммунального комплекса с долей участия в уставном капитале субъектов Российской Федерации и (или) муниципальных образований не более чем 25 процентов, осуществляющих производство товаров, оказание услуг по электро-, газо-, тепло- и водоснабжению, водоотведению, очистке сточных вод, а также эксплуатацию объектов для утилизации (захоронения) твердых бытовых отходов, использующих объекты коммунальной инфраструктуры на праве частной собственности, по договору аренды или концессионному соглашению</p>	<p>The share of organisations with less than 25% municipal and state stock working as concessions or public private partnerships</p>
<p>252. Доля доходов от реализации услуг по основному виду деятельности убыточных организаций коммунального комплекса в общем объеме доходов от реализации услуг по основному виду деятельности организаций коммунального комплекса в субъекте Российской Федерации</p>	<p>The share of income generated by non-profitable organisations of communal services in the overall income of organisations of communal services</p>
<p>253. Отношение финансового результата от реализации услуг по основному виду деятельности убыточных организаций коммунального комплекса к доходам от реализации услуг по основному виду деятельности убыточных организаций коммунального комплекса в субъекте Российской Федерации</p>	<p>The ration between losses of non-profitable communal service providers and overall income of communal service providers</p>
<p>254. Доля убыточных организаций жилищно-коммунального хозяйства</p>	<p>The share of non-profitable communal service providers</p>
<p>255. Доля муниципальных образований, в которых тарифы на холодное водоснабжение для различных групп потребителей коммунальных услуг установлены без учета необходимости покрытия затрат на предоставление соответствующего вида коммунальных услуг одной группе потребителей за счет тарифов, установленных для другой группы потребителей, в общем количестве затрат на предоставление холодного водоснабжения одной группе потребителей за счет тарифов,</p>	<p>The share of municipalities where prices of cold water do not take into account cross-subsidies for different types of users</p>

Russian title	Title translated from Russian into English
<p>установленных для другой группы потребителей, в общем количестве муниципальных образований субъекта Российской Федерации</p>	
<p>256. Доля муниципальных образований, в которых тарифы на горячее водоснабжение для различных групп потребителей коммунальных услуг установлены без учета необходимости покрытия затрат на предоставление соответствующего вида коммунальных услуг одной группе потребителей за счет тарифов, установленных для другой группы потребителей, в общем количестве затрат на предоставление горячего водоснабжения одной группе потребителей за счет тарифов, установленных для другой группы потребителей, в общем количестве муниципальных образований субъекта Российской Федерации</p>	<p>The share of municipalities where prices of hot water do not take into account cross-subsidies for different types of users</p>
<p>257. Доля муниципальных образований, в которых тарифы на водоотведение и очистку сточных вод для различных групп потребителей коммунальных услуг установлены без учета необходимости покрытия затрат на предоставление соответствующего вида коммунальных услуг одной группе потребителей за счет тарифов, установленных для другой группы потребителей, в общем количестве муниципальных образований субъекта Российской Федерации</p>	<p>The share of municipalities where prices of sewage do not take into account cross-subsidies for different types of users</p>
<p>258. Доля муниципальных образований, в которых тарифы на тепловую энергию для различных групп потребителей коммунальных услуг установлены без учета необходимости покрытия затрат на предоставление соответствующего вида коммунальных услуг одной</p>	<p>The share of municipalities where prices of heating do not take into account cross-subsidies for different types of users</p>

Russian title	Title translated from Russian into English
группе потребителей за счет тарифов, установленных для другой группы потребителей, в общем количестве затрат на предоставление тепловой энергии одной группе потребителей за счет тарифов, установленных для другой группы потребителей, в общем количестве муниципальных образований субъекта Российской Федерации	
26. Заявленная мощность, которая не была удовлетворена в связи с отсутствием технической возможности технологического присоединения к объектам электросетевого хозяйства	Declared electrical capacity that was not met due to technical difficulties with connecting objects to the grid
260. Доля муниципальных образований, в которых предоставление установленных федеральными законами и законами субъектов Российской Федерации мер социальной поддержки гражданам на оплату жилого помещения и коммунальных услуг (за исключением субсидий гражданам на оплату жилого помещения и коммунальных услуг) осуществляется в денежной форме (в том числе путем перечисления средств на предоставление таких мер через банковские счета в банках, организации связи или иным способом)	The share of municipalities where subsidies to low-income groups on housing are given out in monetary form
261. Доля семей, получающих жилищные субсидии на оплату жилого помещения и коммунальных услуг, в общем количестве семей в субъекте Российской Федерации	The share of families receiving housing subsidies in the total number of families in the region
262. Доля многоквартирных домов, расположенных на земельных участках, в отношении которых осуществлен государственный кадастровый учет	The share of apartment blocks located on land sites that have been included in the cadastre
263. Доля протяженности автомобильных дорог общего пользования регионального значения, не отвечающих нормативным требованиям, в общей протяженности автомобильных дорог общего пользования регионального значения	The share of low quality regional roads in the total mileage of regional roads
264. Доля протяженности автомобильных дорог общего пользования местного значения, не отвечающих нормативным	The share of local low quality roads in the total mileage of local roads

Russian title	Title translated from Russian into English
требованиям, в общей протяженности автомобильных дорог общего пользования местного значения	
265. Доля протяженности автомобильных дорог общего пользования регионального или межмуниципального значения, работающих в режиме перегрузки, в общей протяженности автомобильных дорог общего пользования регионального или межмуниципального значения	The share of overcrowded regional and inter-municipal roads in the total mileage of regional and inter-municipal roads
266. Доля дорожно-транспортных происшествий, совершению которых сопутствовало наличие неудовлетворительных дорожных условий, в общем количестве дорожно-транспортных происшествий	The share of road accidents caused by (or accompanied with) low quality of road paving
267. Доля протяженности автомобильных дорог общего пользования регионального значения, содержание которых в отчетном году осуществляется в соответствии с государственными долгосрочными контрактами, заключенными с организациями негосударственной и немуниципальной форм собственности, в общей протяженности автомобильных дорог общего пользования регионального значения	The share of regional roads maintained by non-municipal and non-public companies in accordance with long-term contracts in the total mileage of regional roads
268. Доля протяженности автомобильных дорог общего пользования местного значения, содержание которых в отчетном году осуществляется в соответствии с муниципальными долгосрочными контрактами, заключенными с организациями негосударственной и немуниципальной форм собственности, в общей протяженности автомобильных дорог общего пользования местного значения	The share of municipal roads maintained by non-municipal and non-public companies in accordance with long-term contracts in the total mileage of municipal roads
269. Доля лиц, ранее осуждавшихся за совершение преступлений, в общем количестве лиц, осужденных на основании обвинительных приговоров, вступивших в законную силу	The share of repeating offenders in the total number of criminal offenders
27. Ставка платы за технологическое присоединение к электрическим сетям	Cost of connecting to the electrical grid (below 35 Kwatts and 10 000 Kwatts)

<b>Russian title</b>	<b>Title translated from Russian into English</b>
на уровне напряжения ниже 35 кВ и мощности менее 10 000 кВА	
270. Количество зарегистрированных преступлений	The number of registered crimes
271. Оценка населением уровня криминогенности в субъекте Российской Федерации	Citizens' assessment of the criminal situation in the region
272. Удовлетворенность населения деятельностью органов исполнительной власти субъекта Российской Федерации по обеспечению безопасности граждан	Citizen satisfaction of the work of regional government
273. Расходы консолидированного бюджета субъекта Российской Федерации на правоохранительную деятельность	Budgetary expenditure on policing
274. Объем просроченной кредиторской задолженности государственных (муниципальных) учреждений	Total overdue debts of public sector organisations
275. Задолженность бюджета субъекта Российской Федерации и бюджетов муниципальных образований по исполнению обязательств перед гражданами	The amount of overdue payments to citizens
276. Объем незавершенного в установленные сроки строительства, осуществляемого за счет средств консолидированного бюджета субъекта Российской Федерации	The share of unfinished construction financed by the regional budget
277. Доля налоговых и неналоговых доходов консолидированного бюджета субъекта Российской Федерации в общем объеме доходов консолидированного бюджета субъекта Российской Федерации (без учета субвенций)	The share of tax and non-tax incomes in the total amount of income of regional budget (excluding subventions)
278. Доля налоговых и неналоговых доходов бюджетов муниципальных районов в общем объеме доходов бюджетов муниципальных районов (без учета субвенций)	The share of tax and non-tax incomes in the total amount of income of municipal budgets (excluding subventions)
279. Доля налоговых и неналоговых доходов бюджетов городских округов в общем объеме доходов бюджетов городских округов (без учета субвенций)	The share of tax and non-tax incomes in the total amount of income of urban districts (excluding subventions)
28. Количество планируемых к вводу в эксплуатацию в соответствии с утвержденными инвестиционными программами объектов электросетевого хозяйства	The number of power generating facilities planned to be finished in the current year

Russian title	Title translated from Russian into English
280. Доля доходов бюджетов муниципальных образований (без учета субвенций) в общем объеме доходов консолидированного бюджета субъекта Российской Федерации	The share of revenues of municipal budgets in the total amount of revenues of the regional budget
280.1. Доля налоговых и неналоговых доходов бюджетов муниципальных образований в общем объеме налоговых и неналоговых доходов консолидированного бюджета субъекта Российской Федерации	The share of tax and non-tax revenues of municipal budgets in the total amount of tax and non-tax revenues of regional budget
281. Доля расходов консолидированного бюджета субъекта Российской Федерации на увеличение стоимости основных средств в общем объеме расходов консолидированного бюджета субъекта Российской Федерации	The share of capital expenditure of regional budget
282. Удовлетворенность населения деятельностью органов исполнительной власти субъекта Российской Федерации	Citizen satisfaction with the work of regional administration
282.1. в том числе их информационной открытостью	Citizen satisfaction with transparency of the work of regional administration
283. Количество унитарных и казенных предприятий в субъекте Российской Федерации	The number of unitary and treasury-owned enterprises in the region
284. Количество государственных унитарных и казенных предприятий в субъекте Российской Федерации	The number of state-owned unitary and treasury-owned enterprises in the region
285. Количество муниципальных унитарных и казенных предприятий в субъекте Российской Федерации	The number of municipal-owned unitary and treasury-owned enterprises in the region
285.1. Количество государственных (муниципальных) услуг, предоставляемых органами исполнительной власти субъекта Российской Федерации (органами местного самоуправления), учреждениями субъекта Российской Федерации (муниципальными учреждениями) в электронном виде	The number of public services provided online
285.2. Количество государственных (муниципальных) услуг, предоставляемых органами исполнительной власти субъекта Российской Федерации (органами местного самоуправления), учреждениями субъекта Российской Федерации (муниципальными учреждениями)	The number of public services provided by regional and municipal organisations in the region

Russian title	Title translated from Russian into English
285.3. Количество первоочередных государственных (муниципальных) услуг, предоставляемых органами исполнительной власти субъекта Российской Федерации (органами местного самоуправления) и учреждениями субъекта Российской Федерации (муниципальными учреждениями) в электронном виде	The number of first-priority public services provided online
286. Среднемесячная начисленная заработная плата гражданских служащих органов исполнительной власти субъекта Российской Федерации	Average monthly salary of civil servants working at regional public sector organisations
287. Численность лиц, занятых в органах исполнительной власти субъекта Российской Федерации	The number of staff at regional public sector bureaus
288. Численность государственных служащих в органах исполнительной власти субъекта Российской Федерации	The number of civil servants at regional public sector bureaus
289. Численность муниципальных служащих в органах местного самоуправления субъекта Российской Федерации	The number of municipal civil servants at municipal agencies
29. Количество введенных в эксплуатацию в соответствии с утвержденными инвестиционными программами объектов электросетевого хозяйства	The number of launched electricity generating objects
290. Доля расходов консолидированного бюджета субъекта Российской Федерации, формируемых в рамках программ, в общем объеме расходов консолидированного бюджета субъекта Российской Федерации (без учета субвенций на исполнение делегируемых полномочий)	The share of expenditure done through public sector programmes in the total expenditure of the regional budget
291. Доля расходов консолидированного бюджета субъекта Российской Федерации на финансирование услуг социальной сферы, оказываемых автономными учреждениями и негосударственными (немуниципальными) организациями, в общем объеме расходов консолидированного бюджета субъекта Российской Федерации на финансирование отраслей социальной сферы	The share of expenditure on social security done through autonomous and non-for-profit organisations in the total expenditure on social security

Russian title	Title translated from Russian into English
292. Доля расходов консолидированного бюджета субъекта Российской Федерации на оказание бюджетных услуг, оказываемых негосударственными (немуниципальными) организациями, в общем объеме расходов консолидированного бюджета субъекта Российской Федерации на финансирование бюджетных услуг	The share of expenditure of the regional budget on public services done through non-public and non-municipal organisations in the total expenditure on public services
293. Расходы консолидированного бюджета субъекта Российской Федерации	Expenditure of the consolidated regional budget
294. Расходы консолидированного бюджета субъекта Российской Федерации в части увеличения стоимости основных средств	Expenditure of the consolidated regional budget (capital expenditure)
295. Расходы консолидированного бюджета субъекта Российской Федерации в части расходов на содержание работников органов государственной власти и органов местного самоуправления	Expenditure of the consolidated regional budget (staff payroll)
295.1. Доля стоимости государственных (муниципальных) контрактов, заключенных по результатам несостоявшихся торгов и запросов котировок у единственного поставщика (исполнителя, подрядчика), в общей стоимости заключенных государственных (муниципальных) контрактов	The share of public contracts procured via unsuccessful tenders or tenders with a single applicant
295.2. Доля государственных (муниципальных) контрактов, заключенных путем запроса котировок, либо по результатам несостоявшихся торгов и запросов котировок у единственного поставщика (исполнителя, подрядчика), либо закупок малого объема в общем количестве заключенных государственных (муниципальных) контрактов, за исключением государственных (муниципальных) контрактов, заключенных с единственным поставщиком (исполнителем, подрядчиком) без проведения торгов	The share of public and municipal contracts procured through quotations from a single supplier or through unsuccessful tenders or small scale contracts excluding contracts with a single supplier without tendering.
295.3. Среднее количество поставщиков, принявших участие в одном конкурсе, аукционе, закупке	The average number of suppliers in tenders



Russian title	Title translated from Russian into English
295.4. Доля стоимости государственных (муниципальных) контрактов, осуществленных посредством электронных аукционов, в общей стоимости государственных (муниципальных) контрактов	The share of public contracts procured through online tendering in the total value of public contracts
295.5. Отношение объема государственного долга субъекта Российской Федерации по состоянию на 1 января года, следующего за отчетным, к общему годовому объему доходов бюджета субъекта Российской Федерации в отчетном финансовом году (без учета объемов безвозмездных поступлений)	The ratio between regional debt and overall budget revenue
296. Энергоемкость валового регионального продукта	Energy-output ration of regional gross regional product
297. Доля объема электрической энергии, расчеты за потребление которой осуществляются на основании показаний приборов учета, в общем объеме электрической энергии, потребляемой на территории субъекта Российской Федерации	The share of electrical power procured with meters in the total power supplied
298. Доля объема тепловой энергии, расчеты за потребление которой осуществляются на основании показаний приборов учета, в общем объеме тепловой энергии, потребляемой на территории субъекта Российской Федерации	The share of heat power procured with meters in the total heat power supplied
299. Доля объема горячей воды, расчеты за потребление которой осуществляются на основании показаний приборов учета, в общем объеме горячей воды, потребляемой на территории субъекта Российской Федерации	The share of hot water procured with meters in the total hot water procured
3. Объем инвестиций в основной капитал (за исключением бюджетных средств) в расчете на 1 человека	Capital investment per capita
30. Трансформаторная мощность, введенная в эксплуатацию в соответствии с утвержденными инвестиционными программами	Transformer power launched in accordance with investment programmes
300. Доля объема холодной воды, расчеты за потребление которой осуществляются на основании показаний приборов учета, в общем объеме холодной воды, потребляемой на территории субъекта Российской Федерации	The share of cold water procured with meters in the total cold water procured

Russian title	Title translated from Russian into English
301. Доля объема природного газа, расчеты за потребление которого осуществляются на основании показаний приборов учета, в общем объеме природного газа, потребляемого на территории субъекта Российской Федерации	The share of gas supplied with meters in the total gas supplied
302. Доля энергетических ресурсов, производимых с использованием возобновляемых источников энергии, в общем объеме энергетических ресурсов, производимых на территории субъекта Российской Федерации	The share of power generated from renewable sources in the total power generated
303. Удельная величина потребления электрической энергии в многоквартирных домах	Unit quantity of electrical power consumption in apartment blocks
304. Удельная величина потребления тепловой энергии в многоквартирных домах	Unit quantity of heat consumption in apartment blocks
305. Удельная величина потребления горячей воды в многоквартирных домах	Unit quantity of hot water consumption in apartment blocks
306. Удельная величина потребления холодной воды в многоквартирных домах	Unit quantity of cold water consumption in apartments blocks
307. Удельная величина потребления природного газа в многоквартирных домах	Unit quantity of gas consumption in apartments blocks
308. Расходы консолидированного бюджета субъекта Российской Федерации на реализацию региональной программы в области энергосбережения и повышения энергетической эффективности	Budget expenditure on programmes promoting energy efficiency
309. Количество субъектов хозяйственной и иной деятельности с установленными нормативами предельно допустимых выбросов вредных (загрязняющих) веществ в атмосферный воздух, расположенных на территории субъекта Российской Федерации и подлежащих федеральному статистическому наблюдению по форме 2-ТП (воздух) «Сведения об охране атмосферного воздуха»	The number of facilities with air pollution quotas monitored in accordance with statistical form 2-TP
31. Объем планируемой к вводу в эксплуатацию в соответствии с утвержденными инвестиционными программами трансформаторной мощности	Electrical transformer capacity planned to be launched this year in accordance with approved investment programmes

Russian title	Title translated from Russian into English
310. Общее количество субъектов хозяйственной и иной деятельности, расположенных на территории субъекта Российской Федерации и подлежащих федеральному статистическому наблюдению по форме 2-ТП (воздух) «Сведения об охране атмосферного воздуха»	The number of firms in the region monitored in accordance with statistical form 2-tp (Air pollution)
311. Объем выбросов вредных (загрязняющих) веществ в атмосферный воздух от стационарных источников, расположенных на территории субъекта Российской Федерации	Amount of air polluting agents emitted by facilities located in the region
312. Объем выбросов вредных (загрязняющих) веществ в атмосферный воздух от автомобильного транспорта, зарегистрированного на территории субъекта Российской Федерации	The amount of air polluting agents emitted by cars registered in the region
313. Доля водохозяйственных участков, класс качества которых (по индексу загрязнения вод) повысился, в общем количестве водохозяйственных участков, расположенных на территории субъекта Российской Федерации	The share of water sites where improvement in water pollution class was registered in the current year in the total area of water sites
314. Доля рекультивированных земель в общей площади земель, подвергшихся нарушению, включая земли, подвергшиеся радиоактивному и химическому загрязнению	The share of recultivated land sites in the total area of polluted land sites in the region (including radioactive and chemical pollution)
315. Доля использованных, обезвреженных отходов в общем объеме образовавшихся отходов в процессе производства и потребления	The share of recycled waste in the total amount of waste generated in the region
316. Доля площади территории субъекта Российской Федерации, занятой особо охраняемыми природными территориями, в общей площади территории субъекта Российской Федерации	The share of the land of the region with protected natural habitat in the total area of the region
317. Расходы консолидированного бюджета субъекта Российской Федерации на охрану окружающей среды	Budget expenditure on preserving natural habitat
318. Расходы консолидированного бюджета субъекта Российской Федерации на охрану окружающей среды в части расходов на реализацию региональных программ в области охраны окружающей среды	The share of budget expenditure on preserving natural habitats realised via government programmes in the total amount of budget expenditure on preserving natural habitat

Russian title	Title translated from Russian into English
319. Общий объем средств, поступивших в бюджет субъекта Российской Федерации в виде платы за негативное воздействие на окружающую среду, денежных взысканий (штрафов) за нарушение законодательства в области охраны окружающей среды, сумм по искам о возмещении вреда, причиненного окружающей среде	The total amount of revenue from fees, charges and penalties for pollution
32. Протяженность электрических сетей, в целях увеличения их пропускной способности, введенных в эксплуатацию в соответствии с утвержденными инвестиционными программами	The length of electrical network brought into service in accordance with approved investment programmes
33. Протяженность планируемых к вводу в эксплуатацию в соответствии с утвержденными инвестиционными программами электрических сетей, в целях увеличения их пропускной способности	The length of electrical network planned to be brought into service in accordance with approved investment programmes
34. Наличие в субъекте Российской Федерации утвержденных схем (схемы) территориального планирования субъекта Российской Федерации	Availability of an approved scheme of territorial development in the region
35. Доля городских округов и городских поселений с численностью населения более 50 тыс. человек, в которых приняты генеральные планы (внесены в них изменения) с 1 января 2005 г., в общем количестве городских округов и городских поселений с численностью населения более 50 тыс. человек	The share of municipalities with over 50 000 people which have approved a general development plan in the total number of municipalities
36. Доля городских округов и городских поселений с численностью населения более 50 тыс. человек, в которых приняты правила землепользования и застройки, в общем количестве городских округов и городских поселений с численностью населения более 50 тыс. человек	The share of municipalities with over 50 000 people which have implemented general rules of development and land usage in the total number of municipalities
37. Средняя продолжительность периода с даты подачи заявки на предоставление земельного участка в аренду для строительства (кроме жилищного) до даты принятия решения о предоставлении земельного участка в аренду для строительства (кроме жилищного)	The average time between the date of application for development (excluding housing) and the date of making a decision allowing development

Russian title	Title translated from Russian into English
38. Средняя продолжительность периода с даты принятия решения о предоставлении земельного участка в аренду для строительства (кроме жилищного) до даты выдачи разрешения на строительство (кроме жилищного)	The average time between the date of making a decision allowing development and the date of issuing a construction permit (excluding housing)
39. Средняя продолжительность периода с даты выдачи разрешения на строительство (кроме жилищного) до даты получения разрешения на ввод объекта капитального строительства в эксплуатацию	The average time between the date of issuing a construction permit and the date of bringing the object in operation (excluding housing)
40. Доля земельных участков в субъекте Российской Федерации, предоставленных для строительства (кроме жилищного) по результатам торгов, в общей площади земельных участков в субъекте Российской Федерации, предоставленных для строительства (кроме жилищного)	The share of land sites granted for development through tendering in the total number of land sites granted for development
40.1. Доля земельных участков, находящихся в государственной собственности субъектов Российской Федерации, муниципальной собственности, а также государственная собственность на которые не разграничена, право постоянного (бессрочного) пользования которыми переоформлено в соответствии с требованиями Федерального закона "О введении в действие Земельного кодекса Российской Федерации" в общем количестве земельных участков, находящихся в государственной собственности субъектов Российской Федерации, муниципальной собственности, а также государственная собственность на которые не разграничена, право постоянного (бессрочного) пользования на которые подлежит переоформлению	The share of land sites with undecided ownership rights in the total number of land sites
41. Количество органов исполнительной власти, предприятий и организаций, чье согласование необходимо получить в период предоставления земельного участка в аренду для строительства (кроме жилищного) начиная с даты подачи заявки на предоставление земельного	The number of bureaus whose permission is required to begin development

<b>Russian title</b>	<b>Title translated from Russian into English</b>
участка в аренду для строительства (кроме жилищного) до даты выдачи разрешения на ввод объекта капитального строительства в эксплуатацию	
42. Доля городских округов и городских поселений с численностью населения более 50 тыс. человек, в которых утверждены программы комплексного развития систем коммунальной инфраструктуры, в общем количестве городских округов и городских поселений с численностью населения более 50 тыс. человек	The share of urban districts with over 50 000 population that have adopted comprehensive development programmes in the total number of urban districts with over 50 000 population
45. Младенческая смертность, число умерших в возрасте до 1 года на 1 тыс. родившихся живыми	Infant mortality
46. Смертность населения в возрастной группе от 1 года до 4 лет	Mortality rate (1-4 y.o.)
47. Смертность населения в возрастной группе от 5 до 9 лет	Mortality rate (5-9 y.o.)
48. Смертность населения в возрастной группе от 10 до 14 лет	Mortality rate (10-19 y.o.)
49. Смертность населения в возрастной группе от 15 до 19 лет	Mortality rate (15-19 y.o.)
5. Уровень безработицы (по методологии Международной организации труда) в среднем за год	Unemployment rate (average annual)
5.1. Коэффициент напряженности на рынке труда	Labour market tension coefficient
50. Материнская смертность	Maternal mortality
51. Смертность населения трудоспособного возраста	Working population mortality rate
52. Смертность населения трудоспособного возраста от внешних причин	Working population mortality rate (external causes)
53. Смертность населения трудоспособного возраста от болезней системы кровообращения	Working population mortality rate (blood circulation)
54. Смертность населения трудоспособного возраста от новообразований	Working population mortality rate (cancer)
55. Смертность населения в результате дорожно-транспортных происшествий	Working population mortality rate (traffic accidents)
56. Общая численность лиц, впервые признанных инвалидами	Total number of people registered as disabled
57. Число лиц трудоспособного возраста, впервые признанных инвалидами	The number of working age people registered as disabled for the first time
58. Удовлетворенность населения медицинской помощью	Citizen satisfaction with medical services

<b>Russian title</b>	<b>Title translated from Russian into English</b>
59. Количество обоснованных жалоб на отказ в оказании медицинской помощи, предоставляемой в рамках территориальной программы обязательного медицинского страхования	The number of complaints regarding refusal to provide medical services provided by territorial programme of compulsory medical insurance
59.1. Доля граждан, получивших обоснованный отказ в оказании высокотехнологичной медицинской помощи, в общей численности граждан, направленных на оказание высокотехнологичной медицинской помощи органом управления здравоохранением субъекта Российской Федерации	The share of patients who was refused high-tech medical services in the total number of patients referred to specialised health service organisations of the region
59.2. Заболеваемость населения туберкулезом	Tuberculosis sickness rate
59.3. Смертность населения от туберкулеза	Tuberculosis mortality rate
6. Доля трудоустроенных граждан в общей численности граждан, обратившихся за содействием в государственные учреждения занятости с целью поиска подходящей работы	The share of applicants who found employment in the total number of applicants of social security services.
61. Объем оказанной стационарной медицинской помощи в расчете на 1 жителя	The volume of in-patient medical services provided per patient
62. Объем оказанной амбулаторной медицинской помощи в расчете на 1 жителя	The volume of out-patient medical services provided per patient
63. Объем оказанной скорой медицинской помощи в расчете на 1 жителя	The volume of medical services provided per patient
64. Объем оказанной медицинской помощи в дневных стационарах всех типов в расчете на 1 жителя	The volume of medical services provided in hospitals of all types per patient
65. Стоимость единицы объема оказанной стационарной медицинской помощи (фактическое значение)	Unit cost of in-patient health services (factual)
66. Стоимость единицы объема оказанной амбулаторной медицинской помощи (фактическое значение)	Unit cost of out-patient health services (factual)
67. Стоимость единицы объема оказанной медицинской помощи в дневных стационарах всех типов (фактическое значение)	Unit cost of daily in-patient health services (factual)
68. Стоимость единицы объема оказанной скорой медицинской помощи (фактическое значение)	Unit cost of health services (factual)

<b>Russian title</b>	<b>Title translated from Russian into English</b>
69.1. Количество государственных (муниципальных) учреждений социального обслуживания	The number of state (municipal) social security service providers
7. Доля трудоустроенных граждан, относящихся к категории инвалидов, в общей численности граждан, относящихся к категории инвалидов, обратившихся за содействием в государственные учреждения занятости с целью поиска подходящей работы	The share of disabled people who found employment in the total number of disabled people who applied for unemployment services
70. Количество государственных (муниципальных) учреждений здравоохранения, здания которых находятся в аварийном состоянии или требуют капитального ремонта	The number of state (municipal) health service institutions whose buildings require capital renovation
70.1. Количество государственных (муниципальных) учреждений социального обслуживания, здания которых находятся в аварийном состоянии или требуют капитального ремонта	The number of state (municipal) social security service institutions whose buildings require capital renovation
71. Среднемесячная номинальная начисленная заработная плата врачей государственных (муниципальных) учреждений здравоохранения	Average monthly nominal salary of doctors at state (municipal) health service institutions
72. Среднемесячная номинальная начисленная заработная плата среднего медицинского персонала государственных (муниципальных) учреждений здравоохранения	Average monthly nominal salary of middle-tier staff at state (municipal) health service institutions
72.1. Среднемесячная номинальная начисленная заработная плата прочего персонала государственных (муниципальных) учреждений здравоохранения	Average monthly nominal salary of other staff at state (municipal) health service institutions
72.2. Среднемесячная номинальная начисленная заработная плата прочего персонала, в том числе младшего медицинского персонала государственных (муниципальных) учреждений здравоохранения	Average monthly nominal salary of other staff including junior staff at state (municipal) health service institutions
73. Численность работающих в государственных (муниципальных) учреждениях здравоохранения: физические лица (за исключением работающих в федеральных учреждениях)	The number of staff at state (municipal) health service institutions (excluding federal institutions)
73.1. Численность прочего персонала (физических лиц) в государственных (муниципальных) учреждениях здравоохранения (за исключением	The number of other staff at state (municipal) health service institutions



<b>Russian title</b>	<b>Title translated from Russian into English</b>
лиц, работающих в федеральных учреждениях)	
73.2. Численность младшего медицинского персонала в государственных (муниципальных) учреждениях здравоохранения	The number of junior medical staff at state (municipal) health service institutions
74. Численность врачей (физические лица) в государственных (муниципальных) учреждениях здравоохранения	The number of doctors at state (municipal) health service institutions
75. Численность среднего медицинского персонала (физические лица) в государственных (муниципальных) учреждениях здравоохранения	The number of middle-tier medical staff at state (municipal) health service institutions
76. Количество коек в государственных (муниципальных) учреждениях здравоохранения в городской местности	The number of beds at state (municipal) health service institutions in urban areas
76.1. Количество коек в государственных (муниципальных) учреждениях здравоохранения	The number of beds at state (municipal) health service institutions
77. Количество коек в государственных (муниципальных) учреждениях здравоохранения в сельской местности	The number of beds at state (municipal) health service institutions in rural areas
78. Средняя продолжительность 1 случая временной нетрудоспособности в связи с заболеванием	Average length of one case of temporary disability
79. Средняя продолжительность пребывания пациента на койке в государственных (муниципальных) учреждениях здравоохранения	Average length of stay of one patient at state (municipal) health care institutions
8. Доля населения с денежными доходами ниже региональной величины прожиточного минимума в общей численности населения субъекта Российской Федерации	The share of population with income below the poverty line
80. Среднегодовая занятость койки в государственных (муниципальных) учреждениях здравоохранения	Average annual occupation rate of hospital beds
81. Уровень госпитализации в государственные (муниципальные) учреждения здравоохранения	The level of admittance to state (municipal) hospitals
82. Стоимость 1 койко-дня в государственных (муниципальных) учреждениях здравоохранения (без учета видов расходов, возмещаемых в рамках территориальной программы обязательного медицинского страхования)	The cost of one bed-day at state (municipal) health care establishments

Russian title	Title translated from Russian into English
82.1. Фактическая стоимость 1 койко-дня в государственных (муниципальных) учреждениях здравоохранения без учета расходов на оплату труда и начислений на оплату труда	Factual cost of one bed-day at state (municipal) hospitals (excluding salaries)
82.2. Фактическая стоимость вызова скорой медицинской помощи без учета расходов на оплату труда и начислений на оплату труда	Factual cost of one emergence call (ambulance) excluding salaries
83. Расходы консолидированного бюджета субъекта Российской Федерации на здравоохранение: всего	Budget expenditure on health services: total
84. Расходы консолидированного бюджета субъекта Российской Федерации на здравоохранение в части увеличения стоимости основных средств	Budget expenditure on health services: capital expenditure
85. Расходы консолидированного бюджета субъекта Российской Федерации на здравоохранение в части текущих расходов	Budget expenditure on health services: current expenditure
86. Расходы консолидированного бюджета субъекта Российской Федерации на здравоохранение в части текущих расходов на оплату труда и начислений на оплату труда	Budget expenditure on health services: salaries
87. Расходы консолидированного бюджета субъекта Российской Федерации на реализацию территориальной программы государственных гарантий оказания бесплатной медицинской помощи гражданам Российской Федерации в расчете на 1 жителя	Budget expenditure on health service through the territorial programme of state warrants of free medical services per capita
88. Расходы средств обязательного медицинского страхования в расчете на 1 жителя	Expenditure of compulsory medical insurance funds per capita
88.1. Расходы территориальных государственных внебюджетных фондов	Expenditure of territorial state off-budget funds
89. Объем расходов на оказание скорой медицинской помощи в рамках территориальной программы государственных гарантий оказания бесплатной медицинской помощи гражданам Российской Федерации	Costs of emergency health services according to the territorial programme of free medical services
9. Реальная среднемесячная начисленная заработная плата работников	Real monthly accrued salary of workers

Russian title	Title translated from Russian into English
90. Объем расходов на оказание амбулаторной медицинской помощи в рамках территориальной программы государственных гарантий оказания бесплатной медицинской помощи гражданам Российской Федерации	Costs of out-patient care according to the territorial programme of free medical services
91. Объем расходов на оказание стационарной медицинской помощи в рамках территориальной программы государственных гарантий оказания бесплатной медицинской помощи гражданам Российской Федерации	Costs of in-patient care according to the territorial programme of free medical services
92. Объем расходов на оказание медицинской помощи в дневных стационарах всех типов в рамках территориальной программы государственных гарантий оказания бесплатной медицинской помощи гражданам Российской Федерации	Costs of hospital care according to the territorial programme of free medical services
93. Фактическая стоимость территориальной программы обязательного медицинского страхования	Factual cost of the territorial programme of compulsory medical insurance
93.1. Дефицит финансового обеспечения территориальной программы государственных гарантий оказания бесплатной медицинской помощи гражданам Российской Федерации	Deficit of the programme of state warrants of medical service provision
94. Количество государственных и муниципальных учреждений здравоохранения: всего	The number of state and municipal health service institutions
94.1. Количество государственных (муниципальных) учреждений здравоохранения особого типа	The number of state and municipal specialized health service institutions
95. Количество государственных и муниципальных амбулаторно-поликлинических учреждений	The number of state and municipal outpatients' clinic
96. Количество государственных и муниципальных больничных учреждений	The number of state and municipal hospitals
97. Количество государственных (муниципальных) учреждений здравоохранения, переведенных преимущественно на одноканальное финансирование (не менее 70% от общего объема финансирования за счет средств обязательного медицинского страхования) через систему обязательного медицинского страхования	The number of health service institutions where one-channel financing has been implemented (over 70% funded through compulsory medical insurance)

Russian title	Title translated from Russian into English
98. Количество государственных (муниципальных) учреждений здравоохранения, использующих единые информационные технологии учета объемов и стоимости оказанной медицинской помощи	The number of state (municipal) health service institutions using unified information systems quantifying amount and costs of health services provided
99. Количество государственных (муниципальных) учреждений здравоохранения, переведенных на новую (отраслевую) систему оплаты труда, ориентированную на результат	The number of health service institutions where new performance pay scheme have been implemented

## Appendix 4. Performance Indicators reported by local governments in the Russian Federation

(Presidential Decree of 28.04.2008 № 607 "On the evaluation of performance of local governments in urban districts and municipal areas").

N	Title of Performance Indicator	Title translated from Russian into English
1	Среднемесячная номинальная начисленная заработная плата <b>работников муниципальных учреждений физической культуры и спорта</b>	average nominal salary of staff of sport establishments
2	Расходы бюджета муниципального образования на общее образование в расчете на 1 обучающегося в муниципальных общеобразовательных учреждениях	average cost of one class in high schools in the region
3	Доля среднесписочной численности работников (без внешних совместителей) малых и средних предприятий в среднесписочной численности работников (без внешних совместителей) всех предприятий и организаций	the share employees of small and medium sided businesses in the total number of employees
4	Среднемесячная номинальная начисленная заработная плата <b>учителей муниципальных общеобразовательных учреждений</b>	average nominal salary of teachers in state owned high schools
5	Среднемесячная номинальная начисленная заработная плата <b>работников муниципальных общеобразовательных учреждений</b>	average nominal monthly salary of staff of state owned high schools
6	Объем не завершеного в установленные сроки строительства, осуществляемого за счет средств бюджета городского округа (муниципального района)	the share of unfinished construction financed by the regional budget
7	Среднемесячная номинальная начисленная заработная плата <b>работников муниципальных учреждений культуры и искусства</b>	average nominal monthly salary of staff of cultural establishments
8	Доля прибыльных сельскохозяйственных организаций в общем их числе	the share of profitable large and medium sized businesses
9	Доля выпускников муниципальных общеобразовательных	the number of high school graduates that passed the national exam in Russian language

	учреждений, <b>сдавших единый государственный экзамен по русскому языку и математике</b>, в общей численности выпускников муниципальных общеобразовательных учреждений, сдававших единый государственный экзамен по данным предметам	
<b>10</b>	Доля налоговых и неналоговых доходов местного бюджета (за исключением поступлений налоговых доходов по дополнительным нормативам отчислений) в общем объеме собственных доходов бюджета муниципального образования (без учета субвенций)	the share of tax and non-tax incomes in the total amount of income of municipal budgets (excluding subventions)
<b>11</b>	Доля населения, систематически занимающегося физической культурой и спортом	the number of population systematically doing sports
<b>13</b>	Расходы бюджета муниципального образования на содержание работников органов местного самоуправления в расчете на одного жителя муниципального образования	expenditure of the consolidated regional budget (staff payroll)
<b>14</b>	Объем инвестиций в основной капитал (за исключением бюджетных средств) в расчете на 1 жителя	capital investment per capita
<b>15</b>	Объём расходов бюджета муниципального образования на компенсацию разницы между экономически обоснованными тарифами на жилищно-коммунальные услуги и тарифами, установленными для населения	budget expenditure on communal services - subsidies of tariffs
<b>16</b>	Общая площадь жилых помещений (в расчёте на одного жителя), введенная в действие за отчётный год	total area of housing built annually per capita
<b>17</b>	Доля расходов бюджета городского округа (муниципального района), формируемых в рамках программ, в общем объеме расходов бюджета городского округа (муниципального района), без учета субвенций на исполнение делегируемых полномочий	the share of expenditure done through public sector programmes in the total expenditure of the regional budget
<b>18</b>	Доля протяженности автомобильных дорог общего	the share of local low quality roads in the total mileage of local roads

	пользования местного значения, не отвечающих нормативным требованиям, в общей протяженности автомобильных дорог общего пользования местного значения	
<b>19</b>	Доля выпускников муниципальных общеобразовательных учреждений, <b>не</b> получивших аттестат о среднем (полном) образовании, в общей численности выпускников муниципальных общеобразовательных учреждений	the number of high school graduates who did not receive the education certificate
<b>20</b>	Доля обрабатываемой пашни в общей площади пашни муниципального района	the share of tilled ploughed field in total land area of the district
<b>21</b>	Площадь земельных участков, предоставленных для строительства, в отношении которых с даты принятия решения о предоставлении земельного участка или подписания протокола о результатах торгов (конкурсов, аукционов) не было получено разрешение на ввод в эксплуатацию <b>в течение 3 лет (для объектов жилищного строительства)</b>	the area of land sites for which the time between issuing the development license and completion of construction exceeded 3 years
<b>22</b>	Уровень фактической обеспеченности учреждениями физической культуры и спорта в городском округе (муниципальном районе) от нормативной потребности: <b>плоскостными спортивными сооружениями</b>	availability of sport facilities in the region: playing fields
<b>23</b>	Доля населения, участвующего в платных культурно-досуговых мероприятиях, организованных органами местного самоуправления городских округов и муниципальных районов	the share of population taking part in organised cultural events
<b>24</b>	Доля многоквартирных домов, расположенных на земельных участках, в отношении которых осуществлен государственный кадастровый учет	the share of apartment blocks located on land sites that have been included in the cadastre
<b>25</b>	Уровень фактической обеспеченности учреждениями физической культуры и спорта в городском округе (муниципальном районе) от нормативной	availability of sport facilities in the region: sport halls

	потребности: <b>спортивными залами</b>	
<b>26</b>	Удельная величина потребления энергетических ресурсов <b>в многоквартирных домах</b>	unit quantity of electrical power consumption in apartment blocks
<b>27</b>	Площадь земельных участков, предоставленных для строительства (всего) в расчете на 10 тыс. человек населения	the area of land licenced for housing development per capita
<b>28</b>	Площадь земельных участков, предоставленных для жилищного строительства, индивидуального строительства и комплексного освоения в целях жилищного строительства	the area of land licenced for housing development per capita
<b>29</b>	Количество муниципальных услуг, предоставляемых органами местного самоуправления, муниципальными учреждениями <b>в электронном виде</b>	the number of public services provided online
<b>30</b>	Доля детей первой и второй групп здоровья в общей численности обучающихся в муниципальных общеобразовательных учреждениях	the share of kids qualified in 1 and 2 health categories in the total number of pupils
<b>31</b>	Общая площадь жилых помещений, приходящаяся в среднем на одного жителя, всего	housing area per capita
<b>33</b>	Доля организаций коммунального комплекса, осуществляющих производство товаров, оказание услуг по водо-, тепло-, газо-, электроснабжению, водоотведению, очистке сточных вод, утилизации (захоронению) ТБО и использующих объекты коммунальной инфраструктуры на праве частной собственности, по договору аренды или концессии, участие субъекта РФ и (или) городского округа (муниципального района) в уставном капитале которых составляет не более 25 процентов, в общем числе организаций коммунального комплекса, осуществляющих свою деятельность на территории ГО (МР)	the share of communal service providers with less than 25% state ownership in the total number of communal service providers
<b>34</b>	Доля муниципальных общеобразовательных учреждений, здания которых находятся в аварийном состоянии или требуют капитального	the number of high schools requiring renovation



	ремонта, в общем количестве муниципальных общеобразовательных учреждений	
<b>35</b>	Число субъектов малого и среднего предпринимательства в расчете на 10 тыс. человек населения	the number of small and medium sized business per 1000 people
<b>36</b>	Доля населения, проживающего в многоквартирных домах, признанных в установленном порядке аварийными	the share of population living in houses requiring capital renovation
<b>37</b>	Наличие в городском округе (муниципальном районе) утвержденного генерального плана городского округа (схемы территориального планирования муниципального района)	availability of an approved scheme of territorial development in the region

**Appendix 5. Abstracts from Federal Law #131-FZ On General Principles  
Underlying Organisation of Local Self-Governments in the Russian  
Federation**

**“Article 14. *Settlement self-government functions***

1. The settlement self-government issues shall include the following:

- 1) formulate, approve and execute the settlement budget and exercise control over its execution;
- 2) impose, amend and abolish local settlement taxes and fees;
- 3) possess, use and manage assets in municipal ownership of the settlement;
- 4) organize within the settlement boundaries electricity, heat and water supply to population, remove water and provide fuel to population;
- 5) carry out road activities regarding local automobile roads within community boundaries of the settlement and exercise other authorities regarding road use and road activities in accordance with legislation of the Russian Federation;
- 6) provide accommodation, in accordance with housing legislation, to poor citizens who are residents of the settlement and need their housing conditions to be improved, organize construction and maintenance of municipal housing stock, create conditions for residential construction;
- 7) create conditions for rendering transportation services to population and organize transportation services within the settlement boundaries;
  - 7.1) take part in measures to prevent terrorism and extremism and (or) minimize the aftermath of terrorist and extremist attacks within the settlement boundaries;
- 8) take part in prevention and liquidation of the aftermath of emergency situations within the settlement boundaries;
- 9) secure primary means of fire protection within community boundaries of the settlement;
- 10) create conditions for providing settlement residents with telecommunication, public catering, trade and domestic services;
- 11) organize library services to the population, furnish and keep the library stock of the settlement;
- 12) create conditions for organisation of leisure activities and provision of cultural organisation services to settlement residents;
- 13) preserve, use and popularize cultural heritage pieces (historical and cultural monuments) in ownership of the settlement, protect cultural heritage pieces (historical and

cultural monuments) of local (municipal) significance located in the territory of the settlement;

13.1) create conditions for the development of local traditional folk arts, take part in the preservation, revival and development of artistic trades in the settlement;

14) ensure conditions for physical culture and mass sport activities in the settlement territory, organize official physical culture and sports events in the settlement;

15) create conditions for mass leisure activities of the settlement residents and organize development of sites for mass leisure activities;

17) collect the settlement archives;

18) organize collection and removal of domestic waste and garbage;

19) organize settlement development and gardening, use, preservation, protection, and reproduction of urban forests, forests in specially protected natural areas within community boundaries of the settlement;

20) approve general plans of the settlement, land use and site development rules, approve land planning documentation prepared on the basis of general plans of the settlement, issue construction permits, commissioning permits for construction, reconstruction and overhaul projects with regard to capital construction facilities situated in the territory of the settlement, approve local urban planning standards for the settlement, reserve land plots and withdraw, including through purchasing, land plots within the settlement boundaries for municipal needs, carry out control over use of settlement lands;

21) organize street lighting and install street nameplates and street-number signs;

22) organize funeral services and cemetery maintenance;

23) organize and carry out civil preparedness activities and activities regarding protection of the population and the settlement territory from natural and technogenic emergencies;

24) set up, maintain and organize rescue services and (or) rescue units in the settlement territory;

25) organize and carry out preparedness activities with regard to municipal enterprises and institutions in the settlement territory;

26) carry out safeguarding activities regarding people using water bodies;

27) set up, develop and ensure security services for therapeutic territories and local spas in the settlement territory;

28) assist agricultural production, create conditions for developing small and medium-size entrepreneurs;

30) organize and carry out activities involving work with children and youth in the settlement;

- 31) exercise, within the limits established by the water legislation of the Russian Federation, water body ownership powers, inform population on limitations concerning use of water bodies;
- 32) carry out municipal forest control and monitoring;
- 33) create conditions for activities of voluntary units formed by the population for protection of public order.

**Article 14.1. *Rights of settlement local self-governments outside the settlement self-government functions***

1. Settlement local self-governments shall have the following rights:

- 1) set up settlement museums;
- 2) take part in organizing and funding public works in the territory of the settlement to employ citizens who have difficulties with finding jobs and to provide temporary jobs to under-age citizens between 14 and 18 years old;
- 3) perform notarial actions envisaged by law in the absence of a notary in the settlement;
- 4) take part in guardianship and patronage activities;
- 5) finance and co-finance overhauls of residential houses that were in municipal ownership before March 1, 2005;
- 6) create conditions for exercising the rights by local national-cultural autonomies in the territory of the settlement;
- 7) assist national and cultural development of nationalities of the Russian Federation and carry out multinational activities in the territory of the settlement.

2. Settlement local self-governments shall have the right to address the issues referred to in Part 1 of this Article, take part in exercising other state powers (not delegated to them under Article 19 of this Federal Law), provided such participation is envisaged by federal laws, and to address other issues outside the jurisdiction of other municipal self-governments and bodies of state power that have not been excluded from their jurisdiction by federal laws and laws of Subjects of the Russian Federation, such address being supported only out of own revenues of local budgets (with the exception of subventions and subsidies allocated from the federal budget and the budget of a Subject of Federation).

**Article 15. *Municipal raion self-government functions***

1. The municipal raion self-government issues shall include the following:

- 1) formulate, approve and execute the municipal raion budget and exercise control over its execution;

- 2) impose, amend and abolish local municipal raion taxes and fees;
- 3) possess, use and manage assets in municipal ownership of the municipal raion;
- 4) organize within the municipal raion boundaries electricity and gas supply to settlements;
- 5) carry out road activities regarding local automobile roads outside community boundaries within the settlement and exercise other authorities regarding road use and road activities in accordance with legislation of the Russian Federation;
- 6) create conditions for rendering transportation services to population and organize transportation services between settlements within the municipal raion boundaries;
- 6.1) take part in measures to prevent terrorism and extremism and (or) minimize the aftermath of terrorist and extremist attacks in the municipal raion territory;
- 7) take part in prevention and liquidation of the aftermath of emergency situations in the municipal raion territory;
- 8) organize protection of public order by municipal police in the territory of the municipal raion;
- 9) organize inter-settlement environment protection activities;
- 11) organize provision of free public primary general, secondary (full) general education according to the main general education programmes with the exception of powers concerning the financial support of the education process that are within the jurisdiction of Subjects of the Russian Federation; organize provision of additional education to children (with the exception of provision of additional education to children at institutions of regional significance) and free public preschool education in the territory of the municipal raion and organize leisure time activities for children during their vacations;
- 12) organize provision in the territory of the municipal raion (with the exception of territories of settlements, included into the list approved by the Government of the Russian Federation, whose residents are provided with medical assistance at medical institutions jurisdictional to a federal body of executive power that fulfils functions of medical care regarding residents of individual territories) of primary medical care in day care polyclinics, in-patient polyclinics and hospitals, of emergency medical assistance (except for sanitary aviation emergency medical services), of prenatal and postnatal care;
- 14) organize utilization and processing of domestic waste commercial refuse;
- 15) approve territorial planning schemes of the municipal raion, approve land planning documentation prepared on the basis of territorial planning schemes of the municipal raion, provide information support to urban construction activities in the territory of the municipal raion, reserve land plots and withdraw, including through purchasing, land plots within the municipal raion boundaries for municipal needs;

15.1) issue permits for installation of advertising facilities in the territory of the municipal raion, annul such permits, issue orders for dismantling unauthorized advertising facilities that have been newly installed in the territory of the municipal raion under Federal Law On Advertising # 38-FZ of March 13, 2006 (hereinafter Federal Law On Advertising);

16) collect and maintain the municipal archives including storage of settlement archive stocks;

17) maintain cemeteries in settlements within the boundaries of the municipal raion and organize funeral services;

18) create conditions for providing settlements within the municipal raion with telecommunication, public catering, trade and domestic services;

19) organize inter-settlement library services to the population, furnish and keep their library stocks;

19.1) create conditions for organisation of leisure activities and provision of cultural organisation services to settlements within the municipal raion;

19.2) create conditions for the development of local traditional folk arts in settlements within the municipal raion;

20) equalize fiscal capacity level of settlements within the municipal raion from its budget funds;

21) organize and carry out civil preparedness activities and activities regarding protection of the population and the municipal raion territory from natural and technogenic emergencies;

22) set up, develop and ensure security services for therapeutic territories and local spas in the municipal raion territory;

23) organize and carry out preparedness activities with regard to municipal enterprises and institutions in the inter-settlement territories;

24) carry out safeguarding activities regarding people using water bodies;

25) create conditions for agricultural production in settlements, expand the market for agricultural goods, raw materials and food, assist small and medium-size entrepreneurship;

26) ensure conditions for physical culture and mass sport activities in the municipal raion territory, organize official physical culture and sports events in the municipal raion;

27) and carry out inter-settlement activities involving work with children and youth;

28) exercise, within the limits established by the water legislation of the Russian Federation, water body ownership powers, set up rules for private and household use of public water bodies.

**Article 15.1. *Rights of municipal raion local self-governments outside the municipal raion self-government functions***

1. Municipal raion local self-governments shall have the following rights:

1) set up municipal raion museums;

2) take part in organizing and funding public works in the territory of the municipal raion to employ citizens who have difficulties with finding a job and to provide temporary jobs to under-age citizens between 14 and 18 years old;

3) take part in guardianship and patronage activities;

4) create conditions for exercising the rights by local national-cultural autonomies in the territory of the municipal raion;

5) assist national and cultural development of nationalities of the Russian Federation and carry out multinational activities in the territory of the municipal raion;

6) set up emergency medical services within the framework of medical institutions to provide primary health care in the territory of the municipal raion. Municipal raion local self-governments shall have the right to address the issues referred to in Part 1 of this Article, take part in exercising other state powers (not delegated to them under Article 19 of this Federal Law), provided such participation is envisaged by federal laws, and to address other issues outside the jurisdiction of other municipal self-governments and bodies of state power that have not been excluded from their jurisdiction by federal laws and laws of Subjects of the Russian Federation, such address being supported only out of own revenues of local budgets (with the exception of subventions and subsidies allocated from the federal budget and the budget of a Subject of Federation).