# Child Welfare's Iron Cage: Managing Performance in New Zealand's Child Welfare Agency

**WORKING PAPER SERIES**
**Working Paper No. 74**
**May 2011**

**Correspondence to:**
Rodney Dormer
School of Accounting and Commercial Law
Victoria University of Wellington
Email: Rodney.Dormer@vuw.ac.nz

# Child Welfare's Iron Cage: Managing Performance in New Zealand's Child Welfare Agency

**Rodney Dormer**

*School of Accounting and Commercial Law -
Victoria University of Wellington*

## Abstract

The purpose of this paper is to explain the performance management practice in use within one of New Zealand's public service agencies – Child, Youth and Family Services. These practices are described with reference to New Zealand's formal model of public sector management and the professional social work model understood by the majority of the agency's staff.

The paper draws on recent research into performance management practices in nine of New Zealand's public service agencies that included Child, Youth and Family Services. This involved a number of semi-structured interviews with managers and staff from the national, regional and local levels of each agency together with a review of relevant documentation.

It is argued that performance management practices exist on a continuum representing the 'rationality of control' which extends from a regulative control model of rules and fixed targets to one that is more reliant on shared understandings, learning and flexible targets. It is further suggested that the institutional structures underlying this continuum determines the extent to which performance management practices within individual agencies are loosely coupled with those used for purposes of external accountability.

The paper highlights the tension that exists in an organisation that encompasses the substantive logic of "a values based profession" (Ronnau, 2001) but which is bound by the formal rationality implicit in its system of external accountability that, it has been claimed, "reduces a complex reality to something simplistic and one dimensional" (Tilbury, 2004). It, therefore, argues that the formal model of performance measurement and management of the public service should encompass the broader information and rationality used by managers within public service agencies.

**Key Words**: public service, performance management, child welfare, rationality.

# 1. Introduction

> In thinking about the utility of performance measurement for improving child welfare services, its indirect and conceptual uses – not just its direct instrumental uses – should be considered. (Tilbury, 2004, p.128)

This paper draws on some recent research into performance measurement and management practices in a range of agencies in New Zealand's public service. It argues that perceived shortcomings in the performance measurement and management practices of public service agencies (Controller and Auditor-General, 2008 and 2011) highlight a disjoint between the formal model (as established in legislation and central agency instructions and guidance material) and the model, or models, in use within individual agencies. Whereas the formal model emphasises an instrumental rationality and the objective measurement of work and its results, the models used by public service managers frequently also embody a more substantive logic that relies on subjectively framed information. Although all of the agencies studied provided evidence of a disjoint between the formal model for management *of* the public service and those in use *within* individual agencies one agency, Child, Youth and Family Services (CYF), provided the most notable example of how these models coexist and the organisational tensions that arise as a result. These tensions were identified by Connolly (2007) who noted:

> … the growing use of business and managerial terminology in child welfare has tended to create a gulf between those who direct practice and those responsible for managing systems of child welfare. (p.835)

CYF is a service line within New Zealand's Ministry of Social Development and has a primary responsibility to intervene to protect and help children who are being abused or neglected or who have harmful behaviour. It plays major role with the Police and Courts in dealing with young offenders under the youth justice system. CYF has its national offices in Wellington and delivers front-line social work services from 58 sites around New Zealand. It also has seven residences four of which house children and young people who cannot be cared for and protected at home or with extended family, and three residences for young people who, because of their offending, are placed

with the agency by the courts. CYF also funds a wide range of community-based services with a focus on children, young people and families in need of support.

Of the approximately 3,000 staff in CYF, 1,300 are social workers or specialist support staff such as psychologists and evidential interviewers. Over the last few years significant efforts have been made to increase the qualification and professionalization of these staff; the Ministry's 2010 Annual Report states that 876 CYF staff are registered social workers and a further 409 are working towards registration. CYF has also invested resources in the development of standard practice frameworks as a further attempt to codify, and ensure adherence to, good social work practice.

Over that last 15 years CYF has managed an increase of over 400% in the number of notifications of suspected child abuse or neglect. Until 2008 this increase was accompanied by a large number of cases waiting to be allocated to a social worker and related questions in the media and parliament as to the adequacy of the funding provided to CYF. An input related focus by Ministers and Treasury on the number of front line social workers is, then, perhaps understandable. Over the same period the actions and effectiveness of CYF were also subject to frequent media criticism following a number of high profile cases in which children were seriously injured or killed. Criticisms included alleged failures in the recording of case-based information and the processes followed by `social workers in investigating notifications of abuse or neglect or in removing children from their families.

It should be recognised that the development and exercise of professional practice is inseparable from the organisational context in which that takes place. Institutional structures within and around organisations will determine how performance is defined and directed which will, in turn, impact on how social work practice is undertaken in agencies such as CYF. It has been suggested that social workers have a role to play in shaping those institutional structures, as Jones and May (1995) noted: "social welfare work … is an organisational as well as a professional activity". However, in practice, it would appear that social workers have played a limited role in shaping the organisational context in which they work. As a result Tilbury (2007) has warned against:

> … the dangers of increasing reliance on procedures, guidelines and targets that routinise
>
> social work practice to make it quantifiable, thereby undermining professional autonomy,

attending to organisational rather than client goals and downplaying the non-measurable aspects of performance (2007, p.119).

The following sections describe how the institutional structures within and around CYF have contributed to the mechanisms by which performance is defined and directed (the rationality of control) within that organisation. Consideration is then given to those factors that influence the extent to which performance management practices within individual agencies such as CYF are loosely coupled with that used for purposes of external accountability.

## 2.      The Rationality of Control

From the evidence gathered from a large number of semi-structured interviews with managers and staff in nine separate public service agencies (that included CYF)[1], a number of themes emerged which together provide a framework by which the performance practices in use within each agency may be understood.

**Figure 1:      Factors Affecting Performance Management Practices**
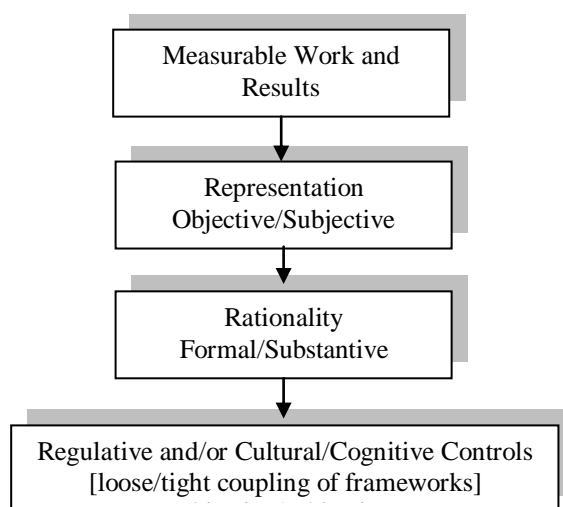


Those themes exist along a continuum against which the 'rationality of control' employed by each agency may be plotted. That rationality may be understood from the cumulative influence of a

---

[1] For a detailed analysis of that research see Gill *et al* (2011), "The Iron Cage Recreated", Wellington: Institute of Policy Studies, Victoria University of Wellington.

number of factors. These are shown in Figure 1 and described in more detail, with specific reference to CYF, below.

### 2.1 Measurable Work and Results

Many public service agencies, particularly those based on the delivery of professional services, face problems with the extent to which both the work undertaken by their staff and the results of that work are able to be observed and measured. CYF faces both these problems in that social workers frequently operate beyond the direct control of their supervisors or managers and the results of their work may occur for some indeterminate period in the future and be subject to a range of extraneous factors. As such CYF has been characterised as a "coping organisation" (Wilson, 1989; Gregory, 1995a) in which Trebilcock (1995) has suggested managers will be driven to a reliance on the management of inputs rather than the work of their staff (i.e. outputs) or the results of that work (i.e. outcomes).

The management of inputs did represent an important lever of control for CYF managers. At the national level an interviewee explained how operational management had been made more transparent by the creation of separate funding allocations and budgets for personnel costs and costs directly related to clients. At the local level the management of inputs was explained by one manager in the context of describing the implementation of a locally developed model to report actual and budgeted expenditure on client related costs. (S)he suggested that amongst the social work staff this had facilitated a broader understanding of the need to operate within the site's budget and described how:

> … the social workers were sitting in the tea room and I walked in and one of them said, 'we did really good our team this month, we came under budget; our budget was X amount of dollars and we had a bit of a worry about this, but that's cool, we might over spend next month according to our frontline manager, but we think we'll be able to pull it back'. (CYF local 6)

A number of interviewees also described a focus on the management of processes. A previous Minister stressed the importance of due process and his/her surprise that a previous review of CYF had shown that this was not consistently being followed.

They didn't have quite basic things in that department like requirements for mandatory undertakings by social workers to be done. You know, – "mandatory" – "not done" - it didn't work for me. They shouldn't be in the same sentence really. (CYF external 10).

Within CYF a national level manager described an objective to have all local sites score in the upper quartile of possible results in a monthly national report that largely measures performance against process standards and ranks all sites in a 'league table' of aggregated results. Another national level manager described a focus on "outcome drivers … that will drive our bottom line performance" and explained:

They're the activities that you absolutely need. For instance to get someone to Court they have to have done a number of things. So you'll take two or three of those things - to get staffed focused on what it is we were doing we were saying they are the activities you have to have achieved and then the outcome is a successful presentation at Court. So if you've done those things you'll get the outcome. So it's leading towards an outcome focus. (CYF national 4)

Similarly, at the regional level a manager explained that measuring performance in the context of social work practice is difficult and therefore, "we monitor the activity that we know will contribute to positive results" (CYF regional 8). (S)he also described a monthly report that provides measures:

… such as getting court reports completed on time and other important aspects of activity that give us a level of confidence that things are being managed. (CYF regional 8)

Another regional level interviewee explained how, at a regional and site level, (s)he checks "how we're doing, where we're not meeting timeframes, what needs to happen to make sure we are" (CYF regional 5).

And at the local level an interviewee reported the need to be able to evidence that good practice standards have been followed so that,

… you can arrive at a point of absolute satisfaction that you did everything right. The fact that some child dies - if we've done everything we're meant to do - we can feel okay. (CYF local 7)

However, (s)he also noted that at times there is a fine balance between following due process and:

> … saying, 'hey this is not going to - this is too risky, we need to break that system and move that kiddy somewhere out where we can make sure those types of events don't happen'. (CYF local 7)

An external interviewee therefore observed:

> They're still managed on their volumes, the activities that are done, where they are in the process, how many people are out the door type thing … getting our operational queues down; we've got to deal to that but that's not where it stops. Then you have to start looking at what you're achieving, what difference you're making. (CYF external 3)

A national level manager acknowledged that Child, Youth and Family had "defaulted to a set of performance measures that looked very much like a transaction business" (CYF national 2) because the Government was not sure what the agency was delivering. (S)he also suggested that these measures had:

> … tended to flow up from an Act that specified a bunch of bottom line statutory requirements around timeliness. And I think our measures largely, in terms of the public domain, have reflected timeliness - of getting to things and completing things, rather than a set of measures that actually go to the core of the organisation which is about improving young peoples lives. As though if you measured every step of the process and the process was done perfectly, then the lives would be improved. (CYF national 2)

This view was confirmed by a local manager

> I got a visit from a person in National Office - this would have been 15-20 years ago … this bloke came down to see me because he wanted to design KPI and I didn't even know what KPI were. And he came with the legislation and we sat there and went through it and found things which you could measure out of the Act. And interestingly, all this time later, many of them are still our KPI. (CYF local 7)

The focus on inputs and process was described as a "bottom line" that represents a necessary precursor to the achievement of "top line" performance in terms of outputs and outcomes.

However, the interviewees made little mention of outputs other than to discuss them in terms of their underlying processes. As a national level manager explained:

> … people feel more comfortable with this day to day measurement basis … and the output plan measures are an indicator of how well we are delivering the services. (CYF national 1)

As well as the Ministry's output plan (agreed with its Minister), its public accountability documents (e.g. the Ministry's Statement of Intent and Information Supporting the Estimates) provide output measures that reflect process related timeliness and quality measures but not quantity measures. As a national level manager acknowledged:

> I'd love to be able to talk to you about performance against outcomes, but we're not there yet. (CYF national 4)

### 2.2 Representation by Objectively Framed and/or Subjectively Formed Information

How performance is evidenced (i.e. depicted or symbolised) is contained in the construct of 'representation'. Dillard *et al* (2004) define representation as "the way reality is framed or symbolically described" and suggest that this occurs along a continuum extending from being more objective to being more subjective in nature.

At one end of the continuum, objective representation occurs in situations where a formal logic or "scientific calculus" can be applied and is a feature of what Hatch and Cunliffe (2006) refer to as "output controls" which focus on the measurement of the results of work (such as the number of clients served or reports written) or of the work itself (such as the time taken to serve a client). New Zealand's formal model of public sector performance management (as described in the Public Finance Act 1989, generally accepted accounting practice (GAAP), and the guidance material provided by the Treasury and State Services Commission) is, in the main, based on the idea that performance information can be objectively represented in (largely) numeric terms.

At the national level of CYF an interviewee, describing a monthly league table of the key performance indicators for each site, suggested that it had created "a somewhat competitive

situation around their monthly comparisons and where they might sit" (CYF national 4). At the regional level an interviewee similarly explained:

> What I find powerful about the information is when you can actually get some benchmarking - why would it be in [one town] versus [another town] that we have a much higher rate of children attending school; given that all other things are reasonably equal. (CYF regional 8)

An external interviewee also described reports that (s)he received in respect of specific sites which provide information on staffing levels, budget, and key indicators such as case load per social worker and the number of permanent placements. At the local level a manager explained how (s)he had developed his/her own "dashboard" system to report key indicators and identify "areas that are not working" (CYF local 7).

At the other end of the continuum, subjective representation is socially constructed through social interaction, based on shared values, norms and goals. Rather than quantitative information, it employs anecdote, narrative and direct observation. This is more likely to occur in organisational environments in which means-ends relationships are not clearly defined, and the final goods or services are highly variable. In such environments performance is benchmarked against professional standards and normative frameworks (OECD, 2000).

In this respect an external CYF stakeholder observed:

> I can look at all the data I want in the world … but it's whether I think that people are making the right judgements. Is it my judgement that they are all trying to do a good job? Are they all trying to do the very best? Are they all mindful of the things that I consider important? (CYF external 9)

Similarly, in discussing a new initiative that was being piloted, an ex-minister stated:

> I think it probably was part of the weekly report, maybe some separate reporting - certainly a conversation at [weekly] officials meetings on how it was going. [But] by going to meet the people in the two sites, well, I knew the theory of it was working from my

reports that I had, but I wanted to hear it from the people on the ground. (CYF external 10)

External stakeholders also provide a more subjective representation of, and insights on, the agency's performance to its internal managers one of whom explained how (s)he gains feedback from fortnightly meetings with the Police and from the Children's Commissioner and Chief Youth Court Judge following their periodic visits to CYF sites. At the local level, managers also explained the importance of information they gain from informal sources such as "coffee with the social workers" (CYF local 6) or, as another manager stated: "managers who floor walk find out what's going on and they get a feel for it" (CYF local 7).

For those functions of government that are not readily "turned into crisp facts and figures" the use of more subjectively framed performance information allows sense to be made of uncertain issues and contested criteria (Noordegraaf and Abma, 2003; Noordegraaf, 2008). The technical aspects of performance, which relate to procedures or for which cause and effect relationships can be clearly established, will lend themselves to objective representation. On the other hand, where outputs are difficult to predefine and subsequently measure and outcomes are to some degree indeterminate, more subjective representations may be employed. Thus while CYF's formal performance reporting is composed of objectively framed, largely numeric information, its interpretation, or the understanding that it provides, occurs with the aid of a broader set of more subjectively defined performance information.

### 2.3 Formal Calculation-Based Rationality and/or Substantive Judgement-Based Rationality

The idea that performance can be measured and managed through calculation-orientated, empirically-based knowledge also underpins many of the changes to the formal model of public sector management in the late 1980s and early 1990s. These changes were based on theories that stressed the use of formal rational models that employ standardised and value neutral performance information. Dillard et al (2004) suggest that in such models:

… the representational schemes would be expected to contain concrete, quantitatively measurable elements. The representational context relates to finding "the" answer or

specifying "the" norms and values as well as articulating processes that attain "the" goal. (Dillard et al, 2004).

However, as a number of commentators have pointed out, public sector managers must frequently manage a number of, potentially conflicting, goals[2] in the context of an imperfect knowledge of the consequences of their actions (Lipsky, 1980; Behn, 1988; Boston et al 1996). The limited information, cognitive ability and time available to decision-makers results in the desired optimal solutions being displaced by satisfactory solutions (Simon, 1957) based on the available information and an existing set of expectations and values (Weick, 1995). Notwithstanding the theoretical underpinnings of the initial reforms of New Zealand's public sector the performance of many public sector organisations, particularly those in the core public service, is therefore evaluated on the basis of a substantive rationality, that is "ends orientated, associated with ethics, values and actions that promote the ends implied therein" (Dillard *et al*, 2004, p.518). Such values-based, substantive models are also orientated towards demonstrating equity or fairness rather than simply economy and efficiency.

The formal logic by which performance is managed in CYF is exemplified by a national office manager's description of an initiative to "map what an excellent site looks like" in order to provide a benchmark against which front line sites are expected to perform. (S)he explained that for sites that are not meeting that benchmark:

> I need to know what happened, why have they dropped, what's the situation? … I want a remedial action plan for the site to bring it back to performance. That has to be with me and I have to sign it. (CYF national 4)

That interviewee also explained how the funding and resourcing of each site is based on forecast activity volumes and standard times for each activity so that (s)he is able to say to managers:

> We know how many kids you've got coming through; we know what you're forecasting. You've got the social workers, you've got the financial plan cost money. You've absolutely got enough money to do the job. (CYF national 4)

---

[2] A survey of public service chief executives and chief financial officers by the New Zealand Treasury showed that a critical financial risk for Chief Executives over the next three years is management of conflicting priorities (76% rated this moderate to high). Conflicting priorities primarily refer to the tensions between Ministerial decisions alongside issues such as managing day-to-day cost escalations and maintaining a focus on long-term goals with the former two impacting on the ability to do the latter. (Treasury, 2009)

The application of a formal rationality was further explained by an external interviewee who suggested that CYF's social workers are "quite heavily performance managed on the activities they've completed" and that this is supported by a reporting system that enables managers to identify:

> … what all my active case loads are and which is late; and if I hit a button it will take me to that particular case in CYRAS [the case management system] and I can fix it. (CYF external 3)

However, interviewees also described a model of performance management that utilises a less formal rationality. As one local manager stated:

> The KPIs [key performance indicators] don't input to good practice. They don't tell us a story about good practice. … KPIs are just inputs into something else. I never tell anyone off for missing KPIs. I think it's how you manage people to understand what it is they have to do in order to get them – why it's important – and get that internalised and people will accept it. (CYF local 7)

Similarly, it was explained that developing responses to individual cases does not involve the application of standard models; as one social worker noted:

> You tend to struggle around a little bit, using your best judgement to try and create solution paths for the children and young people. (CYF national 3)

It was also acknowledged that formally evaluating the services provided to children and young people can be problematic. Describing a programme that enables young unmarried mothers to continue with their schooling an interviewee commented:

> It has wonderful public support and these young women have their babies and get support – it has all good support and the rest of it, but are we getting value for money? I don't know. (CYF regional 8)

At the national level an interviewee suggested that local managers often react intuitively and ask for information or analysis in respect of an issue that "doesn't look right". (S)he also explained:

The Chief Social Worker's office has advisors that can actually go out and informally sniff around and check things out. You may never see a report on it but what happens is there will be verbal briefings about what is happening and the solutions that need to be put in place. So that's sort of like the informal way - it's sort of like gut feelings. (CYF national 1)

An external interviewee similarly explained that (s)he is concerned to understand how children and young people experience CYF and what they find most helpful but acknowledged that this does not occur in any systematic way. (S)he provided examples of young people (s)he had spoken to in CYF residences. One case involved a young boy waiting to be released

… literally sitting there - his bag was packed. And he said, 'I'm going in an hour' - a quiet little voice – 'I'm going in an hour'. I said, 'where are you going?' And he said, 'I don't know'. (CYF external 9)

Another case involved a young girl who the interviewee discovered had been kept in the residence for two years when the normally prescribed legal duration is two to three months. The interviewee commented that irrespective of the formal reporting system:

… It's pretty hard to have confidence that things are working as they should when you come across examples like that. (CYF external 9)

The need for, and use of, a less formal and more substantive logic was summarised by an interviewee who explained:

We're working with people who have problems, but they also have a significant emotional edge around all of this. We're talking about people's kids. (CYF regional 8)

Child welfare therefore involves the use of a combination of an instrumental rationality based around formal frameworks of criteria and procedures for intervening and a substantive rationality based on professional and value related judgements. A tension exists between these rationalities as ways of knowing, and therefore justifying, action. However, as Weber (1947) suggested, humanity becomes imprisoned in an "iron cage" when formal rationality is applied independently of a substantive rationality. It is not a question of either-or, but rather the degree to which formally

defined objectives and substantive values are both embodied within the applied rationality. In practice models of performance management are equally dependent on a judgement-based rationality that is focused on prior experience, tacit knowledge, values and flexible targets. In this respect, performance management may be seen as an emergent and socially constructed process by which sense is retrospectively made of a diverse, and at times conflicting, set of information.

## 3. Regulative and/or Cultural/Cognitive Controls

New Zealand's formal model of public service management is also predicated on an integrated framework of performance objectives and information that cascades down from Government priorities, to Ministers' 'purchase' of goods and services, to the specification of managerial objectives at each layer of the organisation. Advice provided by New Zealand's State Service Commission and Treasury (State Services Commission, 2008), suggests that performance information provided by each public service entity for purposes of external accountability should represent a sub-set of the more detailed information used by managers within the organisation. It states: "it is critical that the same body of data that is used for internal decision making be used for external reporting" (p.9). The New Zealand Controller and Auditor-General has similarly stressed the importance of "a common set of performance reporting information" (Controller and Auditor-General, 2011, p.9). Indeed, the Auditor-General's practice standard for the audit of service performance reports (Controller and Auditor-General, 2009) requires the external reporting of performance to be evaluated in the context of the organisation's internal management control environment. This includes:

- … processes for measuring and reporting performance throughout the different levels within (and outside) the agency; and

- how the entity assesses its performance information needs for the purposes of management decision making and accountability. (p.18)

While this integration is desirable, the research found that, at least in the case study agencies, it is not always achieved. Managers may measure and manage performance for purposes that are concerned more with legitimising their roles and ensuring the continued supply of resources, than with supporting their own decision-making processes. Such divergence of objectives is a reflection

of performance being measured and managed in the context of competing rationalities. In this respect Townley (2002) has suggested:

> … coercive pressure results in procedural compliance, a mechanical process of implementation focusing on external needs and requirements, to ensure legitimacy, but a lack of embeddedness, as performance measures fail to become part of operational management. (p.175)

Differing rationalities can, therefore, lead to "symbolic action" (de Lancer Julnes & Holzer, 2001) whereby reported results are gamed or, more simply, limited emphasis is placed on the accuracy of those reports.
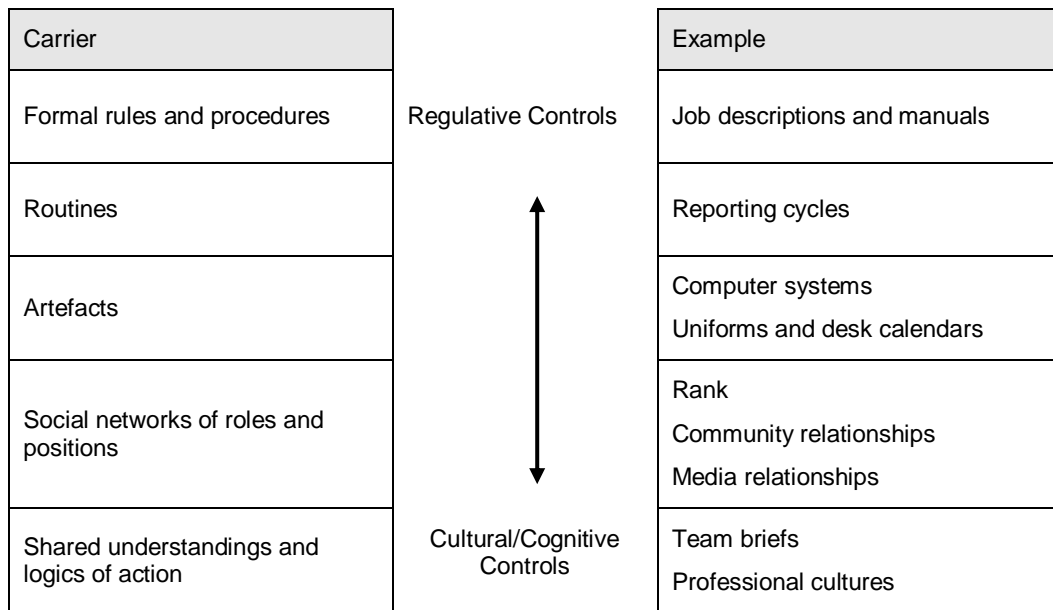
## 3.1 Institutional Carriers

The nature of the management control environment in differing organisational settings may be further understood from a series of institutional "carriers" which Scott (2001) has identified as:

(i)     formal rules and procedures;

(ii)    routines;

(iii)   artefacts;

(iv)    social networks of roles and positions; and

(v)     shared understandings and logics of action.

It has been suggested that these carriers exist on a continuum from being more regulative in nature to being more culturally and cognitively based (Dillard *et al* 2004). While the formal framework of external accountability impacts on internal performance management practices, that formal framework will become increasingly de-coupled from the frameworks in use internally as the institutional carriers within each organisation move from being more culturally and cognitively based to being more regulative. The role of each of the institutional carriers is shown in Figure 2 and summarised bellow.

**Figure 2:**     **Institutional Carriers and Framework Decoupling**

| Carrier | | Example |
|---|---|---|
| Formal rules and procedures | Regulative Controls | Job descriptions and manuals |
| Routines | | Reporting cycles |
| Artefacts | | Computer systems<br>Uniforms and desk calendars |
| Social networks of roles and positions | | Rank<br>Community relationships<br>Media relationships |
| Shared understandings and logics of action | Cultural/Cognitive Controls | Team briefs<br>Professional cultures |

*(i)     Formal rules and procedures*

Formal rules and procedures (contained in manuals) exist and act as a regulative mechanism by which performance management frameworks are communicated and reinforced. In CYF formal rules and procedures play a limited role. While the activities of its social workers are framed by specific legislation[3], from which the agency's process-based indicators have been derived, at a more detailed level, CYF's nationally defined practice framework provides guidance rather than specific rules as to what should be done and when.

*(ii)     Routines*

The most significant routine mentioned by interviewees was the monthly reporting cycle. However, as noted above, the production of this information is often more concerned with legitimising (to superiors) the existence and activities of a given unit rather than informing and supporting the decision making of that unit's management.

A number of interviewees within CYF noted problems with the quality of the information being entered into the case management system by front line social workers and, therefore, the validity of

---

[3] The principal legislation governing CYF's activities is the Children, Young People and their Families Act 1989. In describing their activities social workers commonly refer to specific sections of this Act, e.g. 'we did a lot of Section 19s'.

the performance being reported. At the local level of CYF a manager explained that it is important to "learn the tricks of the trade" in managing a site's performance against the reported criteria. (S)he also suggested that those criteria do not fully reflect the reality of operational management and explained:

> Assumptions are formed, whether you like it or not, and they aren't necessarily an accurate reflection of what's happening. … So every brownie point you can receive is well worth it – it helps you survive within the organisation and enables you to keep your focus on what it is you really want to achieve. (CYF local 7)

Two other routines within CYF serve to build and maintain consistent cognitive frameworks. The first of these, the clinical supervision of social workers, has existed for many years and is concerned to ensure a consistent understanding and application of a professionalised framework of social work practice. The second routine, the more recently introduced 'Wednesday team brief', is held in all of the agency's offices and is designed to allow national management to pass key messages down through the organisation.

*(iii)      Artefacts*

Artefacts are physical and technical objects which are given shape by human action but which also, through a process of reification, assume a role that both enables and constrains human action (Giddens, 1976). An organisation's national computer systems are artefacts that embody a codification of a particular view of what performance is and how it should be managed. In most organisations the creation and maintenance of these systems requires a significant investment of money, effort and intellect that entrenches them within the organisation and protects them from significant change or replacement. Although at a national level the rhetoric of 'supporting operational decision-making' is often used to justify the existence of such systems, the reality is more frequently concerned with making those operational decisions visible at the national level. Indeed, Bellamy and Taylor (1998) have suggested that "the new ICTs are *ipso facto* technologies of control" (p. 23).

CYF's case management system, CYRAS, provides such visibility. It was suggested that the system enables managers to identify the status and history of individual cases and, thereby, any failures to complete required processes in an appropriate timeframe. A local level manager

explained how (s)he regularly reviewed information in CYRAS to check key processes. (S)he stated:

> Every month I probably spend six to eight hours looking at children in care, just satisfying myself that what I expect to be happening is happening. (CYF local 7)

However, Jonas and Wagenaar (2007) have warned of an over-reliance on information provided by such computer systems which: "…limit management control to the formal aspects of organisational life and obscure the informal aspects such as the use of discretion" (p. 195). Driven by "situational imperatives" (Wilson, 1989) front line staff will exercise discretion and make operational decisions independently of the logic encoded within the organisation's computer systems or reinterpret what that logic is.

A manager described a local project to train social work staff in how to better record their work. (S)he stated:

> A lot of people don't know what they should be recording and how to do it … it's my view that we spend hours and hours recording lots and lots of things we don't need to know anything about. (CYF local 7)

In this context the interviewee related the story of "Billy's chips" in which a social worker had recorded the fact that she had received a phone call from a client asking if he could have some chips and on the next day recorded another phone call in which Billy said he had not yet received his chips!

The demands that CYRAS places on operational staff within CYF were acknowledged by a national office interviewee who described the system as "the monster" (CYF national 1). (S)he explained that CYRAS is increasingly being used to provide more information but that this in turn puts increased pressure on front line social workers to input information in a timely and correct manner. At the local level of CYF a number of interviewees also commented on the complexity of CYRAS; for example, one local manager noted:

> CYRAS is getting bigger, and bigger, and bigger. … It is so, so big now. To start a new social worker they say it takes a good two years for someone to learn CYRAS well. At the rate we're going it's going to take four years! (CYF local 6).

It was apparent that other performance related artefacts also do not always provide the intended results. CYF invested in a range of wall posters, desk calendars and computer screen savers to carry corporate messages relating to the agency's performance objectives. However, interviewees suggested that these were not an effective form of communication; they explained, for example, how they would look at the calendars to see if they could recognise any of their colleagues rather than to remember the performance objectives they contained. Similarly, in general, they could not remember the content of the wall posters they sat beneath every day.

*(iv)*    *Social networks*

Social networks create patterned expectations that both "constrain and empower the behaviour of actors at the same time as they are reproduced and transferred by this behaviour" (Scott, 2001, p.79). These networks may be more or less structured depending on the degree of formality of those relationships and the clarity of the goals to which they are orientated (Scott, 1987). Therefore the nature of performance measurement frameworks and the relationships between them are affected by the strength of networks of social positions and roles which are, in turn, affected by the stability of the organisational environment.

The significance of CYF's networks with other government agencies and community groups was mentioned by interviewees at all levels of the organisation as well as by the external stakeholders that were interviewed. As a manager at the local level explained:

> We are very aware that we can't do what we want to do in isolation, [without] building collaborative relationships across sectors [and] government departments; but also, certainly, within our communities. (CYF local 6)

At the regional level a manager described how strengthened relationships with a local school have resulted in increased cooperation between the two organisations and how a regional forum with caregivers (foster parents) had provided:

> … feedback about what was working well, what wasn't, what would make their lives easier, and what would produce better results for children. So 50 to 60 caregivers [and] they weren't short at telling us what they thought. (CYF regional 8)

That manager also explained how (s)he requires all his/her front line managers to provide a monthly report on their local initiatives to build and maintain external relationships.

A number of internal and external interviewees explained the importance of the public's perception of CYF. An external interviewee suggested that the agency "carries high levels of political risk in the public minds and for Government in particular" (CYF external 9). Internally, a national level interviewee commented that, in the past:

> We did not have one positive story, anywhere, about what we did, publicly. And people said to me 'and you won't get one'. So okay, we'll change that and we did; [now] there's walls full of newspaper articles and things. And I think largely we shifted ourselves from that public media. And so that's just how people think of us. (CYF national 2)

Another national reporting process discussed by a national level interviewee was that relating to "serious event reports". (S)he provided an example of a young person with whom the case work was not going well, in whom their was a lot of media interest, and who was, therefore being managed by him/herself. (S)he explained:

> … those ones … come to a central point and are managed centrally. Back and forward to the site. Getting the information. Keeping upstairs managed. Keeping the Minister managed. So everybody's in the loop. (CYF national 4)

A national office manager similarly stressed the importance of strengthening relationships and being "more open" to the media. (S)he noted:

> We've let them into the organisation; we've had them in our residences; all sorts of things. I think that's given us more room. Instead of saying we're protecting our position, I haven't been defensive about it. I've said, 'of course we can't manage those difficult kids, who can?' and they say, 'OK, it's difficult, isn't it.' (CYF national 2)

*(v)      Shared understandings and logics of action*

Weick (1995) has suggested that within organisational settings shared understandings are created and reinforced by "intersubjective" and "generically subjective" systems by which meanings are created and reinforced. Intersubjectivity refers to processes by which, in uncertain environments, "individual thoughts, feelings and intentions" become merged into shared understandings and commonly applied frameworks. Professional practice standards, reinforced by regular clinical supervision, support such intersubjective understanding. In contrast generic subjectivity occurs in more stable environments when, within the relational system, the individual identity becomes

replaceable by "an interchangeable part - a filler of roles and a follower of rules" (Weick 1995, p. 71). In this context, the meanings provided by institutions are passed by relational systems to those that did not participate in their initial creation. Standardised tasks, such as those associated with issuing passports or paying social security benefits, lend themselves to a generic subjectivity in which the discretion of the individual actor is limited. However, as Weick (1995) points out, in practice both intersubjectivity and generic subjectivity, to a greater or lesser extent, coexist depending on the degree of ambiguity within the environment and the nature of the task.

Shared understandings of performance frameworks and their related logics of action are also created and reinforced by internal 'sensegiving' mechanisms which were defined by Gioia and Chittipeddi (1991) as attempts to influence others' understanding of an issue. At the national level of CYF an interviewee explained how attempts have been made to change the agency's culture from one in which:

> [Social work staff] have tended to default to compliance. So in the absence of performance the next step was to get everyone to comply. … Management didn't really feel it could change anything much but it knew it had to send certain reports and tick certain boxes in order to stay out of trouble. And senior leadership here was under so much pressure that they just sort of said, 'you must do this'; and so they did. (CYF national 2)

As noted above, efforts to manage relationships with the media, community groups and other stakeholders have succeeded in giving CYF "more room" and facilitated attempts to refocus the organisation's efforts to improve its performance in terms of placing a greater emphasis on the outcomes achieved for children and young people. This refocusing has been supported by mechanisms that have included a weekly email newsletter from the Deputy Chief Executive[4], a series of 'town meetings' designed to provide a forum in which issues can be discussed, and, more recently, a weekly Wednesday Team Brief.

### 3.2      Framework Decoupling

The institutional carriers within CYF may be characterised as largely regulative in nature in that they are designed to control the performance of front line staff and guard against systemic failures that

---

[4] As a business line within the Ministry of Social Development, CYF is headed by a Deputy Chief Executive who reports to the Ministry's Chief Executive.

have in the past been reported in media coverage of critical child welfare incidents. Within CYF there is, therefore, a significant emphasis on procedural compliance. Although at the national office level it was an acknowledged that:

> … it's been a big mistake to default human service type organisations like this to a set of measures that might apply to a factory. Some of those are fine, but actually on the whole this is not a bloody factory. It's not a conveyor belt where you can measure and cost every intervention and action that people take. It's a practice. And it's a professional practice. And professional practices in the private sector don't measure themselves on conveyor belt type mechanisms. (CYF national 2)

At the local level, the benefits of "ticking certain boxes" were still recognised as one manager explained when noting the importance of being able to provide evidence of good practice standards. The importance of procedurally orientated performance indicators and the risks of not being seen to be achieving them (as evidenced in the monthly 'league table' of site performance and a daily intranet 'traffic light' report of key timeliness indicators) was a major concern for managers at the local level. However, those managers balanced that concern with the more substantive rationality associated with responding to the needs of children, young people and their families in the local community; as one local manager explained:

> … to work in Child, Youth and Family, I mean I have a social work background, my whole being in this organisation is about improving services to families. (CYF local 6)

Management controls and sensegiving practices ensure that the dominant logic, as explained by interviewees at all levels of CYF, is concerned with the formal measurement and management of process related indicators and compliance against budget. In this respect there is little decoupling of the formal performance management framework reflected in external accountability documents and that used by managers internally. However, particularly for managers and staff at the local level, that dominant logic is paralleled by an, at times, conflicting and more substantive logic based on professional social work values. To the extent that these conflicts occur, the formal performance management and reporting processes become more a matter of compliance than commitment.

## 4.    Summary

In New Zealand's public service the formally espoused, or official, model of performance measurement and management is based on theories drawn from institutional economics and private sector management practices aimed at improving the economy and efficiency of organisational performance.  This model is characterised by:

- the *ex ante* specification of performance objectives;

- the subsequent measurement and management of the extent to which these objectives were achieved;

- a focus on the outputs (final goods and services) and outcomes (their impacts) produced, and contributed to, by each agency;

- no mention of the underlying processes or activities that produce the desired outputs;

- an expectation that outputs and outcomes can be objectively defined and monitored;

- a formal, largely calculation-based, rationality based on clear means-ends relationships; and

- formal levels of authority flowing from parliamentary votes, to ministerial 'purchase' decisions, to agency delivery.
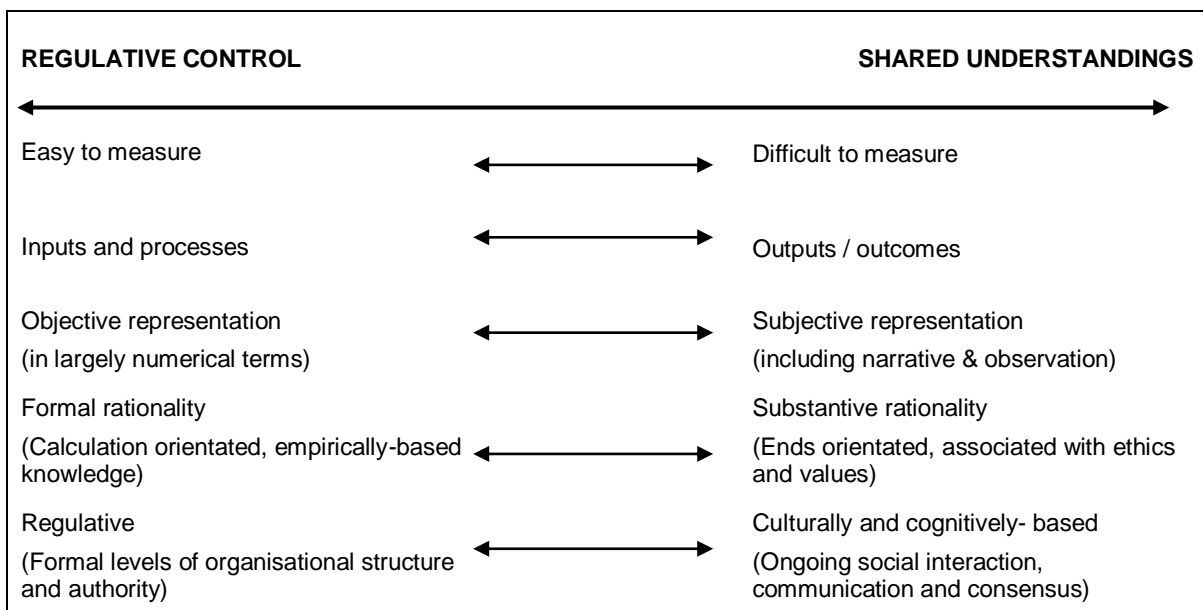
However, this framework was conceived as a model for management *of* the public sector that largely left unaddressed the challenges of managing individual agencies *within* the public sector. Understanding of the performance management practices within individual public service agencies, and the models in use that those practices create and reinforce, requires an understanding of how these are in turn a consequence of:

- the nature of the work or functions being performed by each agency, the results of that work, and, in particular, the extent to which it is easy to plan for and subsequently monitor that work and its results;

- in part as a result of the above and the strategy adopted by each agency, the extent to which its managers focus on the management of inputs, processes, outputs and/or outcomes; and

- what forms of evidence the agency uses to represent performance and the extent to which it is more or less objectively or subjectively framed;

- the extent to which a formally rational and/or a more substantive logic is used to explain the agency's performance.

These factors create a continuum of performance management practices that extends from a regulative control model of rules and fixed targets, to one that is more reliant on shared understandings, learning and flexible targets. This continuum is shown below in Figure 3. The tensions that exist in respect of the rationality of control also contribute to the extent to which the formal model of public sector management is more or less loosely coupled with the performance management models in use within individual agencies. These tensions may be further understood from an analysis of the institutional carriers that support performance management practices which are more or less regulative in character or are more culturally and cognitively-based.

**Figure 3:       The Rationality of Control**



| REGULATIVE CONTROL | | SHARED UNDERSTANDINGS |
|---|---|---|
| Easy to measure | ←→ | Difficult to measure |
| Inputs and processes | ←→ | Outputs / outcomes |
| Objective representation (in largely numerical terms) | ←→ | Subjective representation (including narrative & observation) |
| Formal rationality (Calculation orientated, empirically-based knowledge) | ←→ | Substantive rationality (Ends orientated, associated with ethics and values) |
| Regulative (Formal levels of organisational structure and authority) | ←→ | Culturally and cognitively- based (Ongoing social interaction, communication and consensus) |

The performance management practices within CYF display many of the inherent contradictions, or tensions, inherent within public sector management. As noted above, although the work of social workers and the results of that work are difficult to measure, the agency's managers do not depend on the control of inputs. CYF's management controls principally focus on the statutorily defined processes by which social work is undertaken. At the same time, and particularly at the local level, managers and staff make sense of outcome related performance by the use of anecdotes in respect of individual clients. However, while such anecdotal evidence is also used in internal sensegiving

mechanisms such as staff newsletters, they do not form part of formal management reporting regimes.

It is apparent, therefore, that the differences between the formally espoused and in use performance management models are not based on absolute distinctions but rather on what may be seen as a series of paradoxes by which agencies may:

- focus on managing both processes and outcomes;

- represent performance both objectively and subjectively; and

- utilise a formal and a substantive rationality.

These paradoxes reflect the tensions that create divisions between the official and in use models. Integrating those models requires the inclusion of the more subjectively framed information and substantive rationality that is employed by decision makers both within and outside of public service agencies. It also requires an approach to the development and application of nationally defined models that is based on culturally embedded shared understanding and an acknowledgement that:

> Measurement in the public sector is less about precision and more about increasing understanding and knowledge. (Mayne, 1999)

# References

Behn, R. D. (1988).  Management By Groping Along.  *Journal of Policy Analysis and Management, 7*(4): 643-663.

Bellamy, C. and J. A. Taylor (1998).  *Governing in the Information Age*.  Buckingham: Open University Press.

Boston, J., Martin, J., Pallot, J. & Walsh, P (1996).  *Public Management: the New Zealand Model*.  Auckland: Oxford University Press.

Connolly, M. (2007).  Practice Frameworks: Conceptual Maps to Guide Interventions in Child Welfare.  *British Journal of Social Work.*  37: 825-837.

Controller and Auditor-General (2008).  *The Auditor-General's observations on the quality of performance reporting*.  Wellington: Office of the Auditor-General.

Controller and Auditor-General (2009).  *The Auditor-General's views on setting financial reporting standards for the public sector.*  Wellington: Office of the Auditor-General.

Controller and Auditor-General (2011).  *Central government: Case studies in reporting forecast performance information.*  Wellington: Office of the Auditor-General.

de lancer Julnes, P and Holzer M, (2001).  Promoting the Utilisation of Performance Measures in Public Organisations: An Empirical Study of Factors Affecting Adoption and Implementation.  *Public Administration Review*, *61* (6), 693-708.

Dillard, J. F., Rigsby, J. T., and Goodman, C. (2004).  The making and remaking of organization context.  Duality and the institutionalization process.  *Accounting, Auditing & Accountability Journal, 17* (4), 506-542.

DiMaggio, P. J. and Powell, W. W. (1983).  The iron cage revisited: institutional isomorphism and collective rationality in organisational fields.  *American Sociological Review*, *48*, 146-60.

Earl, M. J. and A G Hopwood (1980).  From Management Information to Information Management.  In Lucas H. C., F. F. Land, T. J. Lincoln and K. Supper (Eds.), *The Information Systems Environment*.  Amsterdam: North Holland Publishing Company.

Giddens, A. (1984).  *The Constitution of Society.*  Berkley: University of California Press.

Gill, D and R. Dormer, S. Hitchiner. L. Hutton, R. Laking & B. Ryan (2011).  The Iron Cage Recreated.  Wellington: Institute of Policy Studies.  Victoria University of Wellington.

Gioia, D. A., & Chittipeddi, K. 1991.  Sensemaking and sensegiving in strategic change initiation.  *Strategic Management Journal*, 12: 433–448.

Gregory, R. (1995a).  Accountability, Responsibility and Corruption: Managing the Public Production Process, in Boston, J. (Ed.), *The State Under Contract*. Wellington: Bridget Williams Books.

Gregory, R. (1995b).  The Peculiar Task of Public Management: toward Conceptual Discrimination.  Australian *Journal of Public Administration, 54* (2), 171-183.

Hatch M. J. and A. L. Cunliffe (2006).  *Organisational Theory* (2nd Ed.).  Oxford: Oxford University Press.

Jones, A. and J. May (1995).  *Working in Human Service Organisations*.  Melbourne: Longman

Jorna F. and P. Wagenaar (2007). The 'iron cage' strengthened? Discretion and digital discipline. *Public Administration, 85* (1), 189-214.

Lipsky, M. (1980). *Street-Level Bureaucracy: Dilemmas of Individuals in Public Service.* New York: Russell Sage.

Maitlis, S. (2005). The social processes of organisational sensemaking. *Academy of Management Journal*, *48* (1), 21-49.

Mayne, J. (1999). *Addressing Attribution through Contribution Analysis: Using Performance Measures Sensibly*. Toronto: Office of the Auditor General of Canada.

Noordegraaf, M. (2008). Meanings of Measurement. *Public Management Review*, *10*:2, 221-239.

Noordegraaf, M. and Abma, T. (2003). Management by measurement? Public management practices amidst ambiguity. *Public Administration*, 81(4), 853-871.

OECD (2000). *The OECD Outputs Manual*. PUMA/SBO (2000)7. Paris: Organisation for Economic Co-operation and Development.

Ronnau, J.P. (2001). Values and ethics for family-centered practice. In E. Walton, P. Sandau-Beckler, & M. Mannes (eds.) *Balancing family-centered services and child well-being: Exploring issues in policy, practice theory, and research*. (pp.34-54) New York:: Columbia University Press.

Scott, W. R. (1987). The Adolescence of Institutional Theory. *Administrative Science Quarterly*, 32, 493-511.

Scott, W. R. (2001). *Institutions and Organisations* (2nd Ed.)*.* Thousand Oaks, Ca.: Sage Publications.

Simon, H. A. (1957). *Models of man: social and rational: mathematical essays on rational human behavior in a social setting*. New York: Wiley.

State Services Commission (2008). *Performance Measurement: Advice and examples on how to develop effective frameworks* Wellington: State Services Commission. Accessed on 3 September 2009 at http://www.ssc.govt.nz/upload/downloadable_files/performance-measurement.pdf

Tilbury, C. (2002). Performance Measurement in Child Protection. *Australian Social Work*, 55(2): 136 -146.

Tilbury, C. (2004). The Influence of performance Measurement on Child Welfare Policy and Practice. *British Journal of Social Work*, 34: 225-241.

Tilbury, C. (2007). Shaping Child Welfare Policy via Performance Measurement. *Child Welfare*, 86 (6): 115-135.

Townley, B. (2002). The role of Competing Rationalities in Organisational Change. *Academy of Management Journal*. Vol. 45 (1): 163-179.

Treasury (2009). *Public Sector Financial Management Capability*. Accessed on 3 September 2009 at http://www.treasury.govt.nz/publications/informationreleases/surveypsfmcapability/pdfs/psfmc-exec-aug08.pdf

Trebilcock, M. (1995). Can Government be Reinvented? In Boston, J. (Ed.), *The State Under Contract*. Wellington: Bridget Williams Books.

Weber, M. (1947). *The theory of social and economic organisation.* (Ed. A. H. Henderson and Talcott Parsons) Glencoe, Ill.: Free Press.

Weick, K. (1976). Educational Organisations as Loosely Coupled Systems. *Administrative Science Quarterly,*21, 1-19.

Weick, K. (1995). *Sensemaking in Organisations.* Thousand Oaks, CA.: Sage Publications Inc.

Wilson, J. Q., (1989). *Bureaucracy: what government agencies do and why they do it?* New York: Basic Books.