
Guest editorial: Interinstitutional performance management: theory and practice of performance indicators at organizational boundaries

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Introduction

Increasingly, the public sector aims to achieve multiple and interrelated outcomes at different levels. Meanwhile, different units at the same level can pursue different outcomes. Ideally, goal congruency should exist between different goals set by units within or across public sector organizations, but this might not always be the case. For example, the [General Accounting Office \(1997, p. 6\)](#) has reported that “mission fragmentation” is common at the federal government level in the USA, and it is difficult to get stakeholders to think beyond their own program operations and consider the diversity of activities needed for the common outcome ([Rajala et al., 2018](#)).

The theme of interinstitutional performance builds upon paradoxes of performance management ([Garlatti et al., 2018](#); [Van Dooren, 2011](#)). [Van Thiel and Leeuw \(2002\)](#) discuss how the performance paradox described by [Meyer and Gupta \(1994\)](#), a well-known problem in business firms, occurs in public sector organizations. Meyer and Gupta’s central idea is that there is a weak correlation between performance indicators and performance itself ([Meyer and O’Shaughnessy, 1993](#)) since performance indicators run down over time. They, in fact, lose their value as measurements of performance and can no longer discriminate between good and bad performers. As a result, the relationship between actual and reported performance declines. [Van Thiel and Leeuw \(2002\)](#) claim that the paradox is not only recurrent in public sector organizations, but that the overcomprehensive mission of public sector organizations and the absence of a clear performance bottom-line are likely to reinforce the paradox ([Fountain, 2001](#); [Torenvlied, 2000](#); [LeGrand, 1991](#)).

The performance of governing networks, which are essential to the delivery of many public goods and services, is similarly challenging to assess. Individual public organizations often operate with high levels of autonomy ([Provan et al., 2007](#)). Rigid limits imposed by laws, traditions, procedures, norms and habits can discourage organizations from collaborating in the design and implementation of performance measures ([Weiss, 1998](#)), although hybridized environments, which involve complex organizational linkages between public, private and nonprofit players, should characteristically exhibit high levels of collaboration in processes related to the design and implementation of performance measures ([Minassians, 2015](#); [Bonomi Savignon et al., 2018](#)).

Two problems seem most prominent when it comes to achieve collaboration and coordination in the design and use of performance indicators. First, there is little knowledge about the role that administrative scale plays in the use of performance measures ([Minassians and Roy, 2018](#)). Second, accountability is a particularly complex issue for collaborations because it is not often clear whom the collaborative is accountable to and for what, since multiple stakeholder perceptions typically compete in defining results and outcomes ([Bryson et al., 2006](#)).

Contributions in this special issue seek to advance our understanding of performance measurement and management in interinstitutional settings, providing theoretical and empirical insights.



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Governance of interinstitutional performance measures: key antecedents

Public administrations should possess the operational capacity to deploy the necessary resources and authority along the value chain to create the desired outcomes (Benington and Moore, 2010). Public value creation will depend on the levels and sustainability of organizational, professional, digital, economic and financial health.

Moreover, since public value is created through networks and coproduction, it also depends on the quality of its collaborations (or quality of network management) (Cepiku *et al.*, 2020). The quality of interactions between partners is fundamental for the cocreation of value (Echeverri and Salomonson, 2017).

Network management strategies can be assessed by measuring conflict resolution; the extent to which the process has encountered stagnations or deadlocks; the productive use and reconciliation of differences in perspectives and finally, the frequency of interactions between the actors (Klijn *et al.*, 2010). Administrative efficiency, inclusiveness in the decision-making process, stability and flexibility of rules and organizational forms as well as the participants' level of satisfaction toward network governance are other useful criteria for assessing the quality of an interaction (Cepiku, 2014; Cristofoli *et al.*, 2017).

Enabling conditions also refer to the external environment. Between them, there are legitimacy and support (Moore, 1995) but also system stability, resource munificence and cohesion, support and participation from the community. Other exogenous elements include an existing goal consensus, competing institutional logics and the complementarity of partners, their number and geographical location, trust and previous collaboration history, external legitimation (support from the public opinion, community and other stakeholders), the network's purpose, the nature of tasks and the severity of problems, environmental shocks and the number and kind of constituencies, among others. Their presence and relative importance vary from case to case and from one policy sector to another (Kenis and Provan, 2009).

In this scenario, the aspiration to link different parts of government is not a new goal; coordination is, in fact, one of the long-standing ambitions in public administration (Pollitt, 2003; Carey and Crammond, 2015), and collaboration across governmental and sectorial boundaries is seen as both necessary and desirable to address difficult public challenges and multidisciplinary problems (Daley, 2009). At the same time, "cross sectoral collaborations do not solve all of the problems they tackle. Indeed, some are solved badly, and some solutions have created [new] problems" (Bryson *et al.*, 2006, p. 44).

The need to further examine multisectoral network membership and coordination mechanisms for assessing interconnectedness of performance measures is growing (Kuhlmann and Wayenberg, 2016).

Clustering governmental departments based on similar functions does not automatically constitute better collaboration. Moreover, *in lieu* of clustering, interdepartmental and intersectoral performance indicators could enhance greater collaboration. Fundamentally, the use of performance measures is needed to assess outcomes of public programs within an integrated network of actors (Minassians, 2015). This challenge appears particularly pressing in the current postCOVID context, in which new wicked issues at the global (such as the SDG targets), regional (for instance, the Next Generation EU programme) and national (i.e. recovery plans) level are emerging, requiring government structures at all levels to step up their horizontal or vertical coordination and collaboration capabilities (Mizrahi *et al.*, 2021).

Finally, interinstitutional performance measurement and management can be regarded as a key approach toward "performance governance" as the most significant evolutionary step on the continuum described by Bouckaert and Halligan (2008), in which the depth of measurement is expanded with reference to the environment in which the organization operates. It means that the measurement focus is increasingly oriented toward measuring the

Seven perspectives on interinstitutional performance

The papers included in this special issue offer a palette of theoretical and empirical contributions to the understanding of the antecedents, logics and mechanics for interinstitutional performance measurement and management, leveraging on a plurality of sectoral focuses, contexts and methodologies, with papers from Finland, Israel, Italy, Pakistan and the United Kingdom. A first cluster of three articles deals with public–public collaboration and coordination.

The opening piece by Costumato, “Collaboration among public organizations: a systematic literature review on determinants of inter-institutional performance” sets the tone for the issue by providing a systematic overview of the most significant academic contributions and thematic trends within the specific public interinstitutional literature, highlighting the features of this context and identifying determinants that can foster its performance. By doing so, the author leverages on the broad research streams of network performance and collaborative governance to distill an evidence synthesis of key performance antecedents in the narrower context of public interinstitutional arrangements.

In the second article “Will what is measured be used? An analysis of performance management systems in Pakistani state organizations”, Zahra and Bouckaert use survey data from Pakistani state organizations to investigate interorganizational accountability and performance information use. They do so by introducing a taxonomy of state structures by legal status and analyzing their relations toward parent ministries in terms of steering and controls. The results of their empirical analysis shed light on interorganizational logics and types of performance use in a nonWestern context.

The third paper, “Performance management in a networked organization: the OECD” by Cepiku, scales up the discourse on public interinstitutional management by focusing on a multilateral, global actor and applying network management techniques to a supranational coordination locus such as the OECD. The single-case study analysis showcases the need of performance management systems to sustain the support of member countries and ensure a well-functioning multilateral system, while offering practical guidance on how an interinstitutional performance management system can be designed and implemented.

With the fourth article “Assessing the fragmentation of hybrids’ performance management systems” by Rajala, Laihonon and Kokko, we enter a second subgroup of contributions, shedding light on hybridized contexts. They use performance goals as boundary objects to highlight differing levels of cohesion between public and private actors in a hybrid organization and to propose an evaluation framework for joint performance measurement and information use.

Similarly, Lahat and Sabah explore cross-sectoral collaborations in the fifth paper “Effects of different kinds of trust and leadership on outputs of collaborative processes: the case of personal social services in Israel”. The authors employ mixed methods to shed light on the role of trust and leadership as bridging mechanisms in collaborative efforts to develop and implement outcome-oriented management and practices in the personal social services field. The paper suggests relevant process management implications for collaborative governance approaches in this area.

Outcome orientation is also at the core of Dixon’s contribution: “Performance Management in Social Impact Bonds: how an outcomes-based approach shapes hybrid partnerships”. Multiple case studies are employed to investigate the nature of performance management regimes in a three-way hybrid arrangement such as SIBs, where outcome-based

commissioning brings together stakeholders with competing institutional logics and heterogeneous cultures.

Lastly, the closing piece “Making performance management relevant in complex and inter-institutional contexts: using outcomes as performance attractors” by French and Mollinger-Sahba offers an original and evolutionary perspective on the role of shared objectives, by developing the theoretical concept of “performance attraction” to describe the role and function which outcomes and associated indicators might play in a context where direct results control and accountability is impossible or counterproductive to enforce.

Conclusions and directions for further research

A variety of approaches is displayed in the articles contributing to this special issue on the theory and practice of interinstitutional performance management. As several national and supranational administrative architectures still struggle to move toward a performance governance regime, three main implications arise from this collection of papers – at the same time, opening up as many avenues for further research on the topic.

First, a plurality of methods and contexts are involved in harnessing the drivers and barriers to coordination in goal setting and measuring. Large-scale surveys can be very useful to investigate the effect of diverse organizational typologies on the nature of coordinated performance management systems (Zahra and Bouckaert), yet the merits of mixed quali-quantitative methods are evident when trying to understand nuanced dynamics in the intersectoral performance setting, using a more balanced researcher–practitioner perspective (Lahat *et al.*). Systematic literature review is also a relevant approach (Costumato), enabling us to highlight conceptual red lines running across broader literature streams such as collaborative governance and network management.

Second, the shift in the role of performance “objects” (namely, objectives and indicators) is accelerating. Several contributions in this volume deal with overcoming the role of objectives as hierarchical constructs along governmental value chains, with the need to see them as boundary objects enabling dialogue between hybridized public–private units (Rajala *et al.*) and competing management cultures (Dixon), enabling multilateralism (Cepiku) and attracting rather than directing or hierarchically “cascading”, measures and behaviors (French and Mollinger-Sahba).

Third, enrichment in the taxonomy of antecedents, determinants and results of coordinated performance management is in progress. Generating structured meta-analyses on the drivers enabling the setting up of joint performance measures is a useful support to the enrichment of this specific research agenda (Costumato).

Similarly to [Mu *et al.* \(2019\)](#), we may conclude that several different configurations of factors can impact upon interinstitutional collaboration and coordination in measuring and managing performance and that different pathways may lead to its success. This insight should be of great importance in encouraging international comparative research into interinstitutional collaboration, further analyzing the existence of country- or region-specific pathways.

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