

The Risks of Efficiency Indicators in the Monitoring of Public Policies

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ABSTRACT

The deep upheavals of the public sphere, which take place today, are above all the result of a long basic reflection on the future of a more efficient management of the institutions but also of the organizations. In France, we are confronted today with a requirement for organisational change. The LOLF Reform (the new budgetary law framework) is a convincing illustration: the simple concept of public management is gone beyond management of objectives, to be based on a concept of efficiency of the public policies. These problems thus concern directly the idea of performance of the public sector, which is largely under scrutiny. Admittedly, it is necessary to clearly distinguish measurements of performance within the organizations from those used for the political systems. Besides, we will show, throughout this article, the inevitable drift of a performance management system that would neglect the institutional and decisional aspects, which would confuse the managerial tools with the policies of application of the performance criteria.

The origin of the term efficiency draws on a remote basic definition, issued mainly of works on management, proposing an approach based on the relationship between the means implemented and the results obtained, in other words like the relationship between the committed resources and the produced goods and services. The question arises then, how to measure this performance if it is not only by measuring the relationship between the “inputs” and the “outputs”, but to do so, a definition of the evaluation criteria of this efficiency is necessary. The movement of planning programming budgeting system allowed, inter alia, highlighting certain tools and techniques like the dashboards or the cost accounting of the public service. But today, we are no longer at the time of the installation of the tools, but have reached the stage of policy assessment. The object of this research is to understand in what these indicators of efficiency are relevant in relation to the strategic monitoring of the public organization. Are these indicators efficient? Insofar are they likely to represent, on the contrary, a genuine brake with the public performance? The eruption of these efficiency indicators in the public domain, as well as a review of the literature concerning their true stakes, will be the subject of the first part of this research. We will propose then, through an empirical investigation, by case studies, a crossed analysis allowing to better determining the maladjustment of these criteria to the field realities. Thus, our analysis draws on two particular fields of organisational management: scientific research and public health.

Through a summary of the results and a relevant return on the literature, we shall endeavour to bring out the genuine managerial tools for a more efficient public sector. We will emphasize potential drifts and imperfections of a system, which in proposing a globalisation of measurement criteria, is based on an idea of efficiency often unsuited to the stakes of public management.

Key words: Public performance, Efficiency, Strategic monitoring, Public decision.

1.WHY EFFICIENCY INDICATORS?

The making of an assessable public policy implies to some extent making this policy appraisable *ex ante*. Thus defining the evaluation concept has a strategic range. Several authors as Perret (2001) think the evaluation of a public policy as a multidimensional analysis where the measurement of coherence, relevance, effectiveness, and efficiency are inseparable.

The object of this article is to specify where indicators of efficiency stand in the public policies evaluation. We will mainly focus on efficiency indicators as considered in the literature. The first statement that we can make is that these indicators of efficiency were certainly set up following a performance concern but that little research ventured to measure the very performance of these efficiency indicators. Our research, will focus on that point: observing if these indicators are able to be modified, and adjusted to allow an experience feedback which makes it possible for the evaluation to be even more precise and just. According to Rochet, C, (2003)“the evaluation is a process of accumulation of the knowledge that can improve quality of the public decision-making and thus reduce the costs”.

Need for the evaluation of the public performance evaluation

As Fouchet, R (1999) put it “To come up with the problem of the public performance involves reflecting upon the new fashions of management of public services”. According to this author, the concept of performance has a complex character with several aspects. It involves questioning the following three systems:

- The simple installation of management tools (Mas, F, 1990);
- The new public management which aims at the transfer of competences of the private system towards the public organization (Pettigrew, A, 1997)
- The public-private partnership (Uhaldeborde, JM, 1996) integrated in a true strategic analysis.

In this research, we are interested in the use of the management tools and more precisely with the tools being used to measure the efficiency of the public utility described in the triangle of the performance by Santo and Verrier (1993).

For Santo, VM, and Verrier, PE, (1993) “the management approach of control aims at reinforcing the effectiveness and the efficiency of the public organizations”. For these authors, efficiency is defined classically as the measurement of the relationship between the committed resources and the produced goods and services.) Effectiveness is the measurement of the relationship between the results obtained and the objectives laid down from the beginning the diagram below (figure 1) :

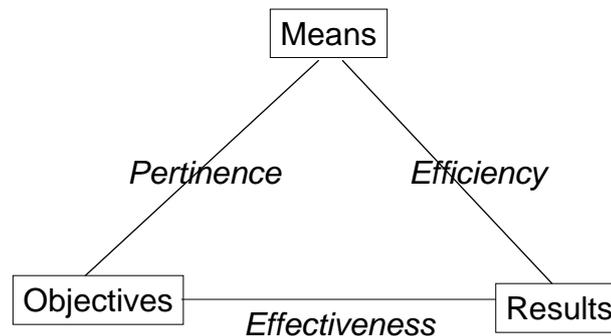


Figure 1 : the performance triangle, according to Santo and Verrier

Solving the problem of the public performance also relies in a better understanding of its mode of acceptance by the new management approaches (Aktouf, O 1994; Peters, T; 1992, Serieyx, H, 1993; Crozier, M, Serieyx, H, 1994).

For Tiberghien, B and Guenoun, M, (2005), the measurement of the performance can be considered from different angles of analysis: “The measurement of the performance in service activities must lead us to focus in a balanced manner on various complementary criteria while trying to avoid any focusing privileging the measurement of such or such criterion to the detriment of the others”.

For this reason, four types of different measurements can be established (Malleret, V, 2004) bearing on:

- Information concerning the inputs;
- Information concerning the means or resources;
- Information concerning the outputs or achievements;
- Information concerning the outcomes or impacts.¹

The diagram below (figure 2) makes it possible to illustrate four types of measures for evaluation performance.

¹ The terminology realization-impact is borrowed from the current of PPBS (Planning programming budgeting system) which worked on the performance of the administrations in France in the years 1960.

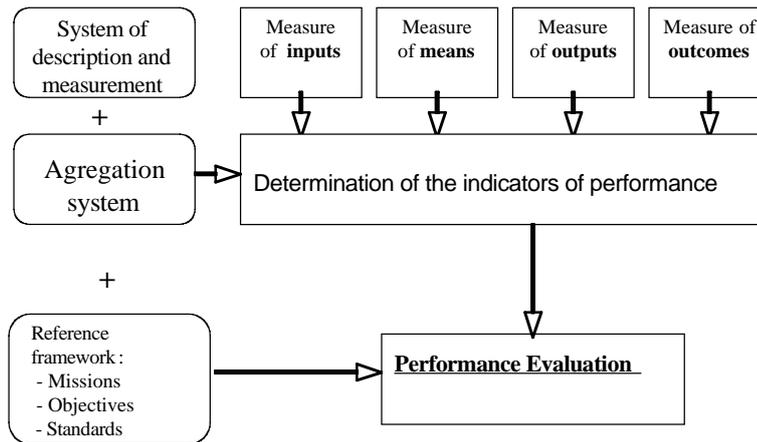


Figure 2: Process of building an evaluation system

It is important to show that organizations, generally, privilege resources measurements and realization, even in the form of ratios being excessively applied, leading to a skewed vision of the total organization performance.

At the creation of the schedule such as the first step of the public policy evaluation, Bourgeois,K, and Vollet,D, (2003) present the various criteria of the evaluation:

- Evaluation tries to translate the degree of success of the public policy starting from a certain number of criteria: The criterion of coherence makes it possible to measure the adequacy of the various levels of objectives of the program between them and the adequacy of the means;
- Pertinence criterion verifies the adequacy between objectives and programme stakes.
- Analysis of the effectiveness raises the question of conformity of the policy “clean effects” in comparison with the laid down objectives. However, this analysis supposes that, first of all, objectives are clearly defined and that relatively fine indicators are created;

By efficiency, one understands the analysis of the results obtained compared to financial means mobilized.

However, the performance evaluation is not, so far, sufficient enough to foster a precise monitoring of the public policies. It appears necessary to inform the public decision makers of the state of the evaluation itself. They must be able to measure the performance of tools the evaluation is based on. The final objective is to obtain a completely resilient system of measurement at the most sensitive changes.

The public institutions today must control their policy in a precise way. Indicators of efficiency are used like genuine tools of strategic piloting in coherence with the institutions objectives. They cannot evaluate public policy without a necessary evaluation *a posteriori* of evaluation itself.

The goal of installing procedures is to evaluate regularly the indicator capacity to return a faithful image of the situation, and to be able to know if the relationship between means and results is correct.

On that point, we find in the literature concepts of performance and efficiency but nothing tells us about the indicator performance itself.

The base of the evaluation pyramid: the indicator

The question is to know if these indicators were built, as preaches it the European Commission (1999) ,with a formulation of the questions of evaluation: “The most fundamental aspect in the phase of evaluation design is the formulation of evaluation questions. On which level was a phase of evaluation of these indicators envisaged?”. And the question that challenges us is to know if these efficiency indicators are themselves efficient. The first stage is not thus anymore the formulation of evaluation questions, but to think from the beginning of how to manage a feedback loop. It is necessary to think of the evaluation upstream.

Thus, the indicator, once evaluated, will be improved in the event of a deficiency. The monitoring of institutions must pass through this permanent evolution of its own management tools. According to Merle, (1990) the indicators reflect the system performance and contribute to reach the reactivity required by the economic environment with the company strategy. For AFNOR (French system of quality norms), a performance indicator is a quantified data, which measures the effectiveness or efficiency of whole or part of a process or a system compared to a standard, a plan or a given and accepted objective.

Drawing from the best practices, we may define the concept of indicator as follows: an indicator is a quantitatively defined data established from observable or calculable data quantities reflecting various possible ways the environmental impact caused by a given activity. The indicator must account for the relations of cause and effect between a decision or an action and its consequences. Each indicator must satisfy a certain number of qualities that can be somewhat contradictory:

- *Pertinence*: measurement must describe the phenomenon to be studied perfectly. It must be significant of what is measured and kept this significance in long period.
- *Simplicity*: information must be obtained easily, in an inexpensive way and so that the user can apprehend it in the most direct possible way.
- *Objectivity*: the indicator must be calculable without ambiguity starting from observable data.
- *Univocity*: the indicator must vary in a monotonous way compared to the phenomenon described to be able to interpret these unambiguous variations.
- *Sensitivity*: the indicator must change in a significant degree even rather small variations of the phenomenon.
- *Precision*: the indicator must be defined with an acceptable margin of error according to the precision of measurements of the observable sizes.
- *Fidelity*: the indicator, if it presents a skew compared to the concept that it translates, must keep this constant skew on the space-time units of reference.
- *Auditability*: a third person must be capable to check the good application of the rules of use of the indicators (data acquisition, treatment, formatted, diffusion, interpretation).

- *Communicability*: the indicators must allow the dialogue between populations not having the same concerns.
- *Acceptability*: the indicator must be saleable and should not run against the culture of the potential user.

According to the LOLF (French financial law), an indicator is the quantified representation of a phenomenon to control. It is a quantitative data making it possible to objectify a situation. It measures the achievement of an objective previously defined. It returns account either of a directly measurable data, or of a qualitative data that it locates on a scale of value. Are quoted in the example as indicator: the number of noted facts of public highway incidents related to the number of gendarmes available per month, the treatment time for export dossiers of weapons compared to the number of treated files. Each programme is accompanied by one or more objectives with an indicator for each of them. For instance, the general manager of national gendarmerie, responsible for the “National Gendarmerie” program, retained 9 objectives and 17 indicators. The frame below presents 2 of them :

Table 1 : Programme “National Gendarmerie”:

Objective: To ensure and guarantee the same level of safety in all public spaces.	Indicator: Night rate of intervention within in less than than 30 minutes.
Objective: To reinforce the effectiveness in the fight against. road casualties	Indicator: Rate of positive tracking of blood alcohol content.

Very concretely, we observe the precision of each program declined with objectives and indicators but nothing specifies how these indicators were tested, evaluated and how they could be modified if that is necessary.

In the following case studies we will test how far these indicators must be specified and envisage what would be the learning process associated for the improvement of these indicators.

2. ARE EFFICIENCY INDICATORS DANGEROUS ?

Our empirical investigation takes place in the move of the French administration towards a management by results, such as defined by the new budgetary framework (LOLF) to be implemented from 2006 onwards. The concern of this law is formally limited to the budget of the State – about 20% of the GDP. For the while, it doesn't concern other public expenses (local communities, about 8 % of the GDP, health insurance, 8%, and retirement and family policy, 15%). Meanwhile, the public sector as a whole is to make a cultural move towards management by results, due to the scarcity of public funds, the obligation to be accountable to citizens and to restore room for manoeuvre for public initiative in critical sectors.

We review two case studies. The first one takes place in the process of building the new monitoring system in the LOLF framework. The state budget is organized by programmes voted by the Parliament, and each of those programmes must be documented by three kinds of indicators: socioeconomic performance, or outcomes indicators, service quality performance, or output indicators, and internal efficiency

Claude Rochet- Lugdivine Bout - Olivier Keramidis

indicators, or costs control indicators. We have chosen to test the field of public research where the link between outputs and outcomes is particularly difficult to draw and where the quality of the internal financial management is irrelevant to appreciate the quality of the scientific outcomes.

Our second case deals with the decision of a medical staff in a hospital in allocating means to serious diseases treatment and where explicit performance indicators are not sufficient, and may even be dangerous, to enlighten the decision making process.

Monitoring public research policy: Are efficiency indicators irrelevant?

Public research policy is a critical issue for the nation competitiveness in the new technological revolution. Total expenses in R&D have decreased steadily in France since the last 30 years, from a 6 to a 2,2% in GDP share. Public research is divided into basic or disciplinary research and dedicated research. These research programmes are brought to fruition by public agencies through a contract with the ministry of research. In the new budgetary framework, the budget is grouped in an interministerial mission, to be voted by the parliament, encompassing 13 programmes carried out by 7 ministries.

This case study deals with the programme n° 4 that involves 6 agencies in charge of managing dedicated research on environmental issues: agricultural, mineral and sea, with the purpose to make the related economic activity more dynamic and competitive.

These agencies had previously improved a practice of collective working on common issues, but building such a common strategic planning as required by the new budget framework was completely new. An agreement was set up with the state reform staff to make this experience a pilot project.

The agencies managers didn't ask the ministry of research to be a member of this project, fearing its bureaucracy would block the process and decided to adopt a bottom-up approach starting from the operating field to the building of the objectives and performance indicators of the programme.

A four steps process is adopted:

1. Defining the programme's strategic ambition and strategic issues. This step is not required in the LOLF process, but the project leaders thought that it was necessary to add it before defining the programme's objectives.
2. Defining the actions – or subprograms – needed in the LOLF formalism to present to the MP what the programme consists in.
3. Identifying the programme's strategic objectives, starting from the agencies businesses and common issues and stakes.
4. Building performance indicators at the programme level that would be relevant to the monitoring system of each agency.

Why adopt such as bottom-up approach? The ministry of Research is renowned for its poor ability in monitoring the research policy, which is delegated to agencies such as the CNRS that are not accountable to the parliament. In this context, the risk is high that the LOLF implementation would result in a new strategically meaningless procedure being added to the old ones. As Rochet, C,(2004) put it, the LOLF process is a dual wager aiming at reaching two targets with one arrow: on one side it aims at

aligning the budgets on strategic results voted by the parliament, on the other side, it implies a reform of the public administration. Those two targets call for different information bases, actors, decision systems and a different intellectual framework. Getting it right in this paradoxical situation so that it reaches the two targets with one arrow may be achieved by aligning the administrative targets behind the strategic one.

The state reform staff proposed that the group should use a balanced scorecard, a tool allowing the strategy to be placed at the centre, and resources allocations and organizational learning to be related to the transformation of the strategic intent to achieve tangible results.

The programme was designed by the bureaucrats in the ministry of research, without any consultation of its future operators. So, the first question was “do we share the same strategic issues?”. Several meetings were necessary to validate a mission statement “*To constitute a world class pole of reference in scientific and technological research and expertise for the sustainable management of the environments and the enhancement of their products, answering the needs of societies in both north and south*” (figure 3).

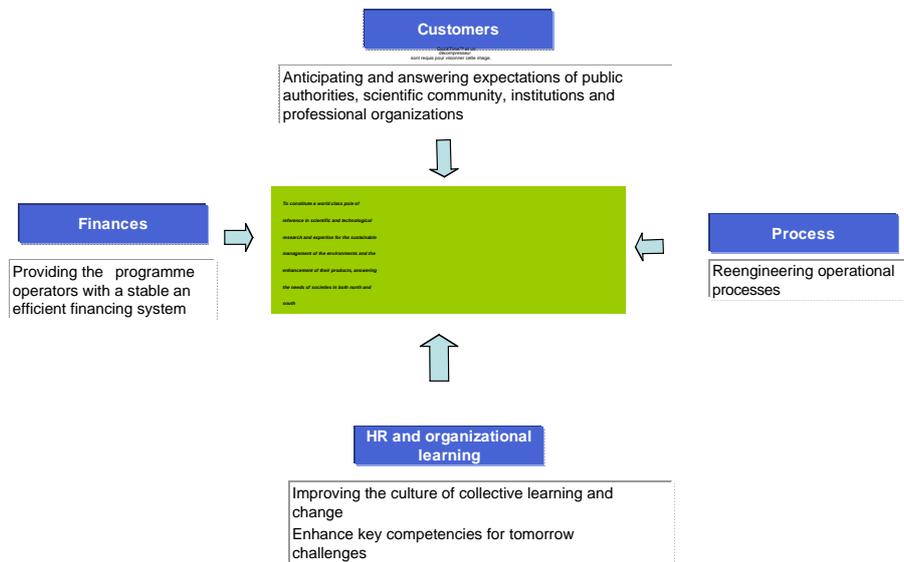


Figure 3 : The programme’s balanced scorecard

The LOLF implementation process does not include such a stage of strategic statement. Surely, it was the longest one but the more valuable to reconcile two different issues of this programme: the production of knowledge and its diffusion to its public and private users.

Finally, five objectives were identified in need for indicators (TABLE 2):

Table 2: Objectives and indicators

Producing scientific knowledge at the best international standard	Share of the operators publications in the global domain publications Progress in SCI
Contributing to the competitiveness of associated industries	Effectiveness and efficiency in creating value among economic actors Rate of cooperation with economic actors
Mobilizing knowledge to help public policy decision making	Share of jobs dedicated to advising public decision makers, production of expertise and so on.
Contributing to the development of the south through technological partnership	Number of technological partnerships Number of scientific publications issues with southern partners
Participating in the European space research	Rate of success in PCRD projects Rate of coordination of PCRD projects

Reaching such a result required the six operators to identify their common operating process and deliverables, and to adopt a common language. But at the moment of defining the targets values of these indicators the bottom-up process reveals its limits. The deliverables produced by the 6 agencies are *outputs* of a scientific activity. Moreover, the *outcomes* of a public research policy can't be derived from *outputs*. This political matter requires the bottom-up approach to meet a top-down policy from the government. Building the links between outputs and outcomes is a key issue in public policies monitoring, a matter that calls for mapping the sets of interrelations between public bodies productions and their impact on the society. It is especially difficult in the monitoring of public research policy, as shown by the US experience in the GPRA implementation.

Drawing lessons from GPRA implementation

The "Government Performance and Results Act" was issued in the US in 1993. Due to the particular importance of the technological policy, the GAO (Government Accounting Office) kept under scrutiny the implementation process in the scientific fields. Its first conclusion in 1997 were, while acknowledging that the results of a research program's performance can be measured

« ... it cautioned that at the same time, it is important to recognize the complexity of the cause-effect relationship between R&D and its results. It added that this complexity makes it difficult to establish quantifiable measures that consistently measure program performance. It also noted that such measures create a potential of incorrect application, which could lead subsequently to a detrimental effect on

scientific endeavors. It warned that quantitative empirical demonstrations of such cause-effect relationships should not be required and are often not even possible. »²

Another study issue by the National Academy in 1999 makes the point clearer: « *it is impossible to predict the ultimate practical outcomes of scientific research. For example, basic research on electromagnetism in the 19th century led to the development of modern communication in the 20th century; research in quantum physics 5 decades ago, followed by research in solid-state physics, led to the transistor and semiconductor electronics; and studies of unusual enzymes in bacteria led to recombinant-DNA technology and then to the modern biotechnology industry. None of those outcomes was directly expected by those who performed the basic research. »³*

The National Academy Committee on Science, Engineering and Public Policy (COSEPUP) concludes that only two indicators are relevant: the quality of human capital in research activities to maintain a world leadership and the transfer of the produced knowledge to economic actors. The COSEPUP recommends us to be wary about quantitative indicators “« *The use of measurements needs to recognize what can and cannot be measured. Misuse of measurement can lead to strongly negative results; for example, measuring basic research on the basis of short-term relevance would be extremely destructive to quality work. Because the evaluation of applied research is directly connected to practical outcomes, whereas the evaluation of basic research is in terms of quality, relevance, and leadership, which ultimately lead to practical outcomes, there might be a tendency to bias an agency’s overall research program toward applied research at the expense of basic research. This should be avoided, and a proper balance should be maintained. »*

As a conclusion, the key issue is not to overload the agencies with efficiency indicators but to maintain a strategic leadership at the political level focused on the proper processes that allow reaching long-term outcomes.

How indicators would be trustful?

The tentative of building the indicators shown in table 2 appeared to be edifying.

The first problem is the time lag for those indicators to be efficient. For instance, the most common indicator used in 7 programmes among the 13 of the mission is the SCI (*Science Citation Index*). A paper takes approximately two years to be published and at least two others years to appear cited. If the system starts in 2006, the indicators won’t be trustful before 2010.

The second problem is a clear lack of data. Let’s stay with the publication’s indicator: the SCI doesn’t exist for social sciences and need to be built from scratch. For other indicators, agencies have heterogeneous accounting systems that do not allow calculation of complete costs.

The third problem, among the many pointed out in this process, is the mere definition of the data format: how to define “the south” or the performance of economic related actors?

² « Strengths and limitations of research indicators », GAO, 1997

³ Evaluating federal Research Programs, National Academy Press, 1999

These problems are not insuperable, but need a strong leadership from the ministry of research to unify information systems and accounting rules, define conventions and reengineer processes.

This is a kind of leadership an administration moving from a weberian rationale does not possess. The ministry of research is blamed in several report issued by the LOLF auditing committee or by the Court of account for its poor ability to build a global monitoring system, mainly in the critical field of aligning information systems on the strategic issues and on the production of reliable data for the parliament information.

Drawing lessons from the reengineering of the US Air Force in the 90s, Michael Barzelay (2003) points out three conditions for success of such a process: 1) a sustainable political will, 2) the managerial preoccupation must not override the long term strategic vision, and 3) this process must be managed as a learning process that aims creating a new managerial knowledge that will support a new rationale in monitoring public policies.

Clearly, it must be said that the information to be delivered to the parliament in 2007 when rendering the accounts of the 2006 budget will be quite rough.

Moreover, is the monitoring of a research policy by the budget making sense? It is obvious that knowing costs and having a relevant resources allocation according to the main strategic priorities are necessary. However, it doesn't tell anything to the parliament about the performance of the research policy. We agree with Barzelay that the key issue is to reconcile annual budgetary management and long-term strategy management. To put it bluntly, a process such as the LOLF may only succeed if it goes beyond its budgetary objectives. The policy must remain the most important thing.

IP⁴ : a French hospital, in a French way of managing change in public services: toward indicators of efficiency

The IP is a French center of the fight against cancer located in the South of France. It treats only pathologies related to cancers. It is a specialized hospital, functioning on private logics but directly connected to the public health service. The IP is a private structure with non lucrative goal taking part in the public health system utility with a teaching hospital vocation. The operating budget is 90,2 Million Euros; 13,1 Million Euros for the investments. Employees are about 1000 for all services. The hospital has a 197 beds capacity. The Institute treats 16 600 patients a year, including 5 460 new patients this year.

The key issue in the decision making process is related to the stake for the user. The very nature of the relation between the patient and the Institute is particular since it deals with situations of survival. Thus, the process we analyze has an intrinsic singular character. The choices emitted by the decision makers, are always a collective reflection and an identifiable process.

In this framework, this hospital, through large studies on its care systems and its operating procedure, tries to evaluate its services' level of efficiency. This exercise is not easy: it analyzes at the same time the care, many other various services and the

⁴ The name of the Institution is anonymized

financial structure. In the context of changes in the French public services, this hospital tries today, as well as possible, to measure global performance of these services.

Information and communication are a central issue. It deals with medical and surgical acts as well as questions relating to the patient. The patient's rights are posted and detailed. Information has also the possibility of circulating from the patient towards the structure (problem or reason for dissatisfaction). The home medical care (HAD⁵) of the IP must ensure the acceptance of responsibility of chemotherapy under the same conditions of safety and quality that the conventional hospitalization. A multi-field team follows each patient. The schedules of passage are differentiated, according to the urgencies, of care protocols, the needs for service and the geographical situations.

In fact, this HAD requires a real implication from the patient in the decision process. First of all, costs of this particular treatment are higher than collective care in hospital. A complete staff is mobilized for each patient, for each treatment. Secondly, the patient is directly concerned by his own health care, and he have to do himself his own administrative registrations. In addition, the very formal rule of attribution of the treatments in HAD, although collectively explicit, remains very fuzzy as a selection criterion. His responsibility is engaged in the care process and this fact constitutes a real evolution of health practices, of course in France, where public services are based on principles of solidarity, equity, and collective responsibility.

Indicators of efficiency regarding health care HAD: From explicit to implicit criteria

Through HAD services or certain particular care, proposing an acceptance of different levels of responsibility amongst patients, we tried to determine the key factors of performance measurement. This acceptance of individual responsibility concerns only a very minority of the patients followed in the IP. The decision to indicate to certain patients this possibility is made through discussion amongst the group of doctors. Thus, it is indeed a question of comprehending here all the complexity of a choice pertaining to a group of individuals in extreme situation, where the life of patients is undoubtedly related to the quality of the decision-making process.

In fact, it appears obvious, compared to general information given here, that HAD cannot be allotted to all the patients, because of selective criteria, financial costs, and also management capacity. A selection process is required. The private management of the institute confers an unquestionable autonomy to it. Nevertheless, the public service ethics, very strong in French culture, preserves a pregnant connection over actions in legal terms. The presence of the State thus ensures a permanent control by authorities, in order to maintain the best level of solidarity. The basic idea amongst doctors of IP is the equal treatment for all the patients, whatever their age, their disease or some other criterion. *"Here all the patients are treated same manner"*. It appears here morally difficult to carry out a natural selection of patients... the ethical character of the mission conferred on the IP is a powerful brake with a process of discrimination.

⁵ HAD : « Hospitalisation à domicile »

Consequently, the ideal of equal treatment runs up against the effects of competition in the service suggested. Each new patient who enters this hospital is presented as new potential new "customer" for HAD. It's necessary so to determine methods of choice. The protocolar framework proposes the first stakes of this reflection "all patients can't be offered and HAD when the duration of their treatment or the nature of their pathology does not allow an optimal level of security".

The need for implicit criteria

In the global framework of health public policies, the indicators of efficiency are explained in four levels of services: the care, the capacities of diagnosis, finances, and annex services like hotel trade for example. These four sectors are then evaluated according to their own production, of their effectiveness in quality in particular, and in the level of productivity generated. Thus, the rate of emergency ward usage, the deadlines for accepting admissions, the rates of usage of X-rays and scans, those of nosocomial infections, exploitation of beds, or the billing rate, are absolute criteria to measure the performance of the structure, according to the efficiency which they produce.

However, the rule here is not explicit. Indeed, the characteristic of HAD treatment, in such a context, extremely important in terms of health, is that the ideal of an accessible care, for all users, cannot be developed concretely. It is impossible, indeed, to allot the same treatment for all. This is expensive, and generates an individualization of allocated means. The interviews we have done, through a qualitative study, within the structure, confirmed two hypotheses in particular.

First, the selection process of people eligible to HAD is considered according to equity criterion and equality. Efficiency is thus measured here because of an interpersonal comparison process (Adams 1965). On the other hand, the decision makers we interviewed expressed an equal consideration for all patients, without discrimination, what, in terms of cost and feasibility of logistics may appear unrealizable. Thus, this choice, making it possible to give a single man a differentiated treatment, cannot be translated explicitly in the decision making process.

According to the typology suggested by Nonaka and Takeuchi (1995), presented below, we are there in a management by "Internalization", i.e. whose knowledge is explicit but without precise explanation of the followed protocol.

	Individual	Collective
<i>Tacit</i>	Socialization	Externalization
Explicit	Internalization	Combination

Table 3 : Typology of knowledge modes (Nonaka, Takeuchi, 1995).

For Lied (2001), it is still uncertain the extent to which performance measurement in health care ultimately leads to increased quality of care and more public accountability that is more public is still uncertain.

There are two reasons for that:

1. Reliability and validity of current measures of performance remain to be established; performance measurement is still in its infancy and needs further development to reach its potential;
2. Performance measurements are not clearly linked to long-term performance development.

In our study, we make clear the fact that, to measure performance, efficiency criteria are focused on ambulatory services, such as emergency or surgical follow-up. Therefore, it is very hard, in this way, to compare different services in this hospital. HAD is not a real ambulatory service, and number of “beds” is not a real performance indicator. On the other side, satisfaction and quality of service are not able to provide efficiency data. Even would it be possible, benchmarking, needed to get feedback on its development, is not possible in this kind of rare service. In this way, we put emphasis on another kind of data: the importance of knowing the object of measurement.

The morbid nature of disease treated in this hospital, as well as the not very explicit character of the selection criteria in the attribution of HAD treatment, but also the impossibility of exact measurement of performance and satisfaction of users, are among the variables, raised here, regarded as inefficient for the efficiency criteria usually employed in the hospital. Standards of quality (ISO/AHQQR) or performance (HCUP/CONQUEST) are only able to count patients entries and exits, and count satisfaction information.

Respect of a general interest – a management by equity:

This complexity, between collective explicit response and individual implicit selection modifies ethical precepts and ways of thinking public management in health care sector. Like education, health is built on the basis of ethics and collective interest in France. The challenge is, for sure, to keep alive these fundamentals and to give, at the same time, a new standard of performance of public actions. Health belongs to everyone but it also rests with the State in the name of the general interest, non excludability and non rivalry of goods and services, in order to set up a viable system, making it possible for each user to reach the same care. Health is not a right; it's an obligation just like education. This primary good must be accessible for all, at the same time and without any distinction.

In fact, health questions show that calculation of collective interest by the sum of individual needs is senseless. We call this phenomenon, in terms of Adams (1965), “management by equity” (Keramidas 2005). Adams defined equity in organisational management like a way of social justice. We try to earn another dimension of equity in our study; putting forward other considerations, closer to questions of positive discrimination (Rawls 1987). The following table describes the challenges of health system of decision-making process:

For the patient,	For health sector,
<ul style="list-style-type: none"> - free access to health structure - reduction of the withdrawal periods - state engagement in prevention and education - optimization of equipments and drugs - easing of rules of management and organization of work - fight against lack of workfare 	<ul style="list-style-type: none"> - increase in the availability of services at a better cost - pooling of equipment - continuity in the offer of service. - involvement and optimal responsibility of the partners - diversified capacity of investment - transparency of the processes - greater flexibility to meet various needs - healthy competition for the benefit of users - division of knowledge favourable to innovation

All employees, and also patients, are directly responsible: the firsts, in becoming accountable in their hospital management and making for the best in their organization, but patients are focused on their mortality aversion. In our case study of IP, it's clear that efficiency is the new order to performing management. Measure of quality, costs control, communications, satisfaction and more than all : morbidity could become relevant criteria of measuring ex-post performance but are not sufficient for the day to day decision making, and beyond the shadow of a doubt irrelevant when individual responsibility and personal ethics is questioned,

In a health public hospital like IP, and more precisely, in HAD treatment case, several variables are not included in the decision-making process: quality, equity, democratic implication or participation. Moreover, costs of transactions, monitoring, mobilization of a complete staff for each patient, and development of this kind of services, are only considered in terms of costs. Users implication and cognitive dilemmas are in a real conflict of interest. In fact, if the collective question of equal health treatments, moreover in a HAD kind of care, criteria of choices, individual selections, are determined in a single implicit consideration.

This particular type of care, which allows to maximize individual responsibility, and which increases health costs, and public money spending, is a very important question either for hospital, or for State and public institutions. Users are here considered under two kinds of contributor: as provider of public means, and also as first concerned in the decision process. In this context, efficiency indicators we exposed are not very useful in the decision making process. The real momentum of the decision process, able to be analysed, is in fact the individual consideration, in this implicit way of choice we described, based on specific criteria. So the only locatable criterion is the individual non-explicit choice in decision process, impossible to include in a quantified indicators model.

2.3 TOWARDS A REDEFINITION OF THE CRITERIA OF PERFORMANCE IN THE ORGANIZATIONS

In the both cases we reviewed, the role of formal efficiency criteria appears to be of a poor utility in reaching global performance, and would be dangerous if they were given a determinant role in the monitoring. In 1996, Henry Mintzberg in an HBR article emphasized the danger of applying the myths of Management (with a M) on public services. These myths are the assumptions that activities are easily identifiable one from another and that objectives are measurable with quantitative criteria. The formula “leave the managers to manage” relies on the assumption that there exists a professional and entrusted manager fully accountable for his or her performance. If the manager doesn’t deliver, change the manager. This trend has been fully theorized by the New Public Management literature, whose results are quite dismal today (Barzelay 2001, Knoepfel 2001).

Articulating quantitative and qualitative measures

Although quantitative measures are useful when faced with the hemorrhage of public money, none of them is sufficient to tell us about performance. The physicians in our case, used a mix of criteria balancing costs and efficiency, in relation to a precise context to define performance. So must the researcher: knowing its costs, and valorizing its deliverables are among what public may expect from him, but its final performance will be partly the fruit of its intuition, partly the quality of its collective work and partly chance.

In his paper, Mintzberg emphasized the bias of the performance control model in public management as being similar to the conglomerate model in the private sector. This model is a mere name change and finally reinforces the old weberian model it was supposed to replace.

We chose two critical cases where public management can’t be reduced to a problem of structure that could be solved by good procedures embedded in quality systems fully assessable by appropriated indicators. No doubt that in dealing with non-complex and non-political production function whether in public services or private businesses, a robust quantitative measurement system would suffice. No doubt that even complex processes as health care or research management can be split in elementary non-complex process units. These non-complex units may suit a monitoring by efficiency indicators such as costs of procurements, internal processes efficiency and expected *ex-ante* global costs of outputs and outcomes.

However, the complex heart of the making of a public policy asks for decisions that depend more on values, beliefs, and judgment:

- What is the pattern of complexity that links the production of outputs and the obtaining of a desired outcome? This calls for continuous learning through sharing experience, mapping complex systems internal relationships, and the creation of collective and individual knowledge.
- How to assess the relevancy of the policy?. It is profoundly based on beliefs, and shared value, and calls for a vision of the common good that shaped the society. Obviously, these kind of indicators are not compatible with quantitative measurements.

The global monitoring system and its indicators may be represented as in figure 4.

Claude Rochet- Lugdivine Bout - Olivier Keramidis

Indicators ex-ante: Where to judge, where to measure?

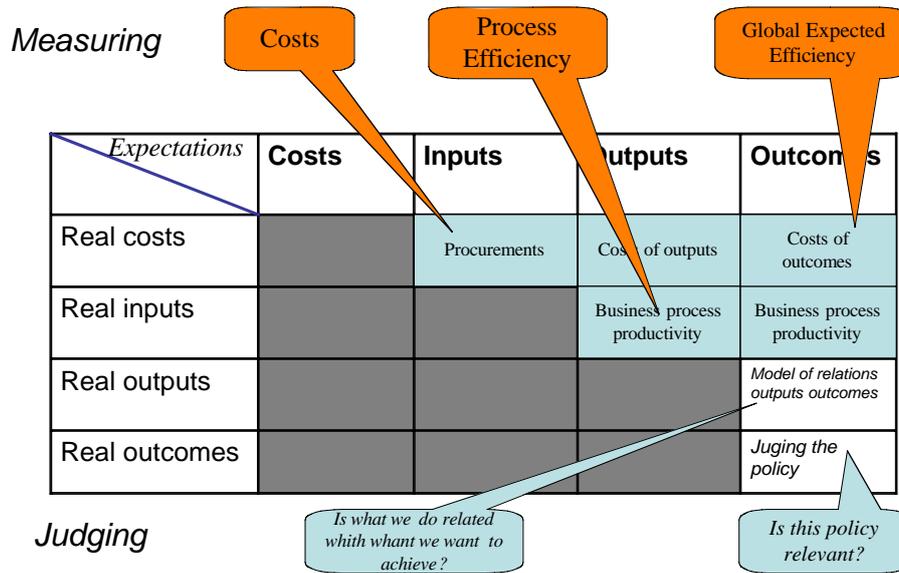


Figure 4: What to be judged, what to be measured?

Lessons learned for the building of monitoring indicators

The indicators of efficiency are used like genuine tools of strategic piloting in coherence with the objectives of the institutions.

Indicators must be evaluated

When designing a process and a monitoring system, indicators are roughly set up. So, there is an urgent need to evaluate these indicators.

- The evaluation of the indicators must be integrated in a process of dialogue between the actors concerned.
- It is necessary to assume that the indicator is continuously adapted
- The schedule of conditions preliminary to the evaluation must take into account the variable aspect of the indicator.
- The building of an indicator at the centre of the process of evaluation is a new strategic requirement.
- The indicator must be multidimensional and be included in a scale of analysis, as shown in figure 4

Improve a normative monitoring

We agree with Mintzberg (1996) it is urgent to activate a normative model based on:

- Valorizing values and attitudes more than technical competencies,
- Socialization so as to improve collective learning and the production and sharing of knowledge
- General standards instead of detailed and top down procedures

Claude Rochet- Lugdivine Bout - Olivier Keramidis

- Responsibility and accountability, based on trust allowing an craft type of work an decision making at small scale
- Judgment, through peer reviews, assessment committees including users.

Mintzberg points out that the key of the model is the dedication to the public good. This model doesn't exclude others. Having processes under quality control, sound procedures, resilient processes, costs control are useful everywhere. However, the mapping of the tools, the choosing of relevant indicators must be served beforehand by public service ethics relying on strong beliefs and values. This dedication must work in a dual way: dedication of the management system to the virtuous circle of collective and collaborative learning will be reward by the dedication and the risk taking of professional.

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