

**“MANAGING PERFORMANCE – International comparisons”**

(Routledge, London 2008)

**Geert Bouckaert and John Halligan**

Book launch: 20 February 2008

It is a great pleasure to be launching this book *Managing Performance – International comparisons*, authored by Professors Geert Bouckaert and John Halligan.

Public sector reform is a long journey – it tends to be incremental, and it takes time and energy to inculcate the desired changes.

It is, of course, handy to know in advance the prospects for success of the next steps; and, even better, to be guided by other countries’ experience. This is what makes this book invaluable.

This book, with its very captivating cover, has compelling content for readers searching for the essential read on managing performance in the public sector.

It canvasses the evolution and issues in performance management in the public sector today.

As the authors point out in their Introduction, performance management has been something of an enigma due to ambiguities in research, and the sharp divide between those passionately supporting it and those criticising it.

To address this, the book takes a structured look at the topic, drawing on international research. It condenses the myriad of issues in a way that allows an understanding of:

- the fundamental concepts of performance management; and
- the implementation of performance management systems in 6 countries – Australia, Canada, The Netherlands, Sweden, the United Kingdom, and the United States of America;

It also articulates:

- the paradoxes and disconnects in managing performance; and
- where future developments may take us.

As I read through the book, it was very apparent that Geert and John have been researching the critical elements that can make a difference in public sector performance.

Their knowledge and experience is evident in the way they are able to place developments in context, draw parallels, discard ‘white elephants’ and press on to isolate the factors that seem to make a difference.

I very much enjoyed reading this book as I have, at different times, been involved with the public sector management reform agenda here in Australia – sometimes with my hands close to the levers, at other times making ‘helpful suggestions’ from a distance.

I have always had a deep interest in the kind of frameworks that best align the incentives for strong public sector performance.

I am not alone in having this interest – there are many here today whose day-job involves researching or searching for the answers to managing performance in the public sector.

In doing some reading recently, I noticed that an interest in this topic goes back to the early days of our Federation in Australia.

In 1906, the first Public Service Commissioner, Mr D McLachlan, observed that:

*The great incentive, which is ever present to the businessman, is, by the very nature of things, absent in public administration. The department of the Civil Service which he administers (or assists in administering) is not his own; he suffers no personal loss; he enjoys no personal gain; and why should he bother? Why should he incur the odium of his subordinates by enforcing strict discipline and insisting on continuous and undivided attention to duty? Why should he addle his brain and burn the midnight oil in studying the literature of other nations for improved methods when he gets no special thanks for it, but probably finds himself in the end for little better off financially than if he had allowed things to drift along in the old way? These are the questions commonly put to himself by the perfunctory official and they constitute one very potent reason why Civil Service administration has not attained the high state of efficiency that the public interest demands' <sup>1</sup>*

There is no straight forward response to these matters, to the issue of how best to structure the incentives for better performance.

It is the case, in my experience though, that every good idea has its day. The cogent, well researched reform may not always find favour at any

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<sup>1</sup> As cited in the Public Service Commission's publication *Management in the APS: A strategic framework*. Found at [www.apsc.gov.au/publications](http://www.apsc.gov.au/publications)

given time due to crowding out from other issues in the political landscape, but its day will come. And being prepared for the occasion is essential.

With this book, we have a context and a framework for comparative analysis of performance management. And a rich body of research to draw on to inform our understanding, our decisions and our strategies.

The authors have rightly recognised that:

*‘Performance management has to be located within a broad construction of organisational life, which recognises that performance management cannot be considered in isolation from other factors that make up public management and the more general public administration system.’ (page 2)*

The book doesn’t pretend to have all the answers but it does outline a possible way forward *‘Towards Performance Governance.’*

Performance governance recognises that issues such as organisational relationships, participation and citizen engagement, a stronger focus on service delivery when added to other performance management considerations is likely to be the way forward.

It is interesting to reflect on this and the developments we are seeing here in Australia. At the opening of Parliament last week, the Governor-General, in speaking of the new Government’s agenda, indicated that:

- the Government will implement new measures to help make government more accessible to the community, and more transparent in its decision making; and

- laws relating to government information will be enhanced by promoting a culture of disclosure and transparency.

The Government has also underlined the importance of evidence-based policies, and outcomes orientations, including cross-border issues.

These developments are consistent with the path forward plotted in this text. This book is timely indeed.

I am very pleased to be able to launch “*Managing Performance – International comparisons*” this evening.

Congratulations Geert and John.

Ian McPhee  
Auditor-General

## **University of Canberra**

### **CORPORATE GOVERNANCE ARC PROJECT**

#### **‘Monitoring and reporting financial and non-financial performance of Australian Government organisations’**

I am also pleased today, on behalf of the ANAO and CPA Australia, to launch this Paper, *‘Monitoring and reporting financial and non-financial performance of Australian Government organisations’*.

The paper is part of a major project on Corporate Governance between 3 University of Canberra research centres, Macquarie University and key governmental and industry partners that include the Department of Finance and Deregulation, Deloitte, Touche Tohmatsu, Minter Ellison Lawyers, as well as ANAO and CPA Australia.

The paper canvasses developments relating to the outcomes-outputs framework and accrual budgeting and accounting in Australia, and the contribution of these reforms to enhanced governance and accountability.

It is a very useful reference, drawing on the expertise of many commentators with first hand experience of the Australian Government’s performance management framework.

The ANAO, CPA Australia, Finance and other industry partners have been pleased to be involved in the preparation of this paper.

I would particularly like to recognise the contribution of Andrew Morris of my office in taking a central role in the preparation and coordination of the paper.

Thank you.