Chapter 1: Introduction

There is no better than adversity. Every defeat, every heartbreak, every loss, contains its own seed, its own lesson on how to improve your performance the next time.
(Malcolm X (Little), 1925 – 1965)

You can't run a business or anything on a theory.
(Harold Geneen, 1910 - 1997)

1.1 Background to the Study

Organizational Performance Measurement (PMe) and Management are recognized as two very popular concepts for managing private, public and not-for profit sectors' organizations (Adler, 2011; Bourne, Kennerley, & Franco-Santos, 2005; Kaplan & Norton, 1992). Performance refers to the doing of work and the outcomes achieved from that work. It is defined by Kaplan and Norton (1992, 1996a, 2006) as the outcomes of work, because it provides data (i.e. evidence) for the evaluation of strategic goals, customer satisfaction and economic contribution. Basically the term Performance Management System (PMS) refers to any integrated systematic approach to improving organizational performance in order to achieve strategic aims and promote the organization's mission and values. In fact, a PMS aims at improving the results of people's efforts by linking these to the organization's goals and objectives. Ideally, a PMS provides the process and means through which employees' performance can be improved by ensuring appropriate recognition and reward for effort and outcomes, and by enhancing communication, learning and working arrangements. PMe is considered to be an important facet of the overall PMS and can be viewed as the process of quantifying the efficiency and effectiveness of actions for a given period for comparison against standards or other benchmarks.

Although Performance Measurement and Management are not necessarily new concepts their recent popularity and elevated profile are commonly attributed to the introduction and popularity of Kaplan and Norton's Balanced Scorecard (BSC) (Bourguignon, Malleret, & Nørreklit, 2004; Neely, 2005). The origins and history of PMe and PM can be traced to a number of notable events, individuals and time periods. For example in the early 1800s municipal statistics were collected and analyzed with the goal of increasing employee and organizational performance. Similarly PMe was apparent in Thomson's (aka Lord Kelvin) (1883, p. 73) statement *"when you can measure what you are speaking about, and express it in numbers, you know something about*

it but when you cannot express it in numbers, your knowledge is of a meagre and unsatisfactory kind." The roots of PMe were also observable in the changes resulting from the industrial revolution and in Taylor's (1911) introduction of *scientific management*, both of which promoted the vigilant scrutiny and measurement of workers' performance.

The concept of PMe was also evident in Argyris's (2004) classic text *The Impact of Budgets on People* where he reported that managers claimed to *"feed machines all the easy orders at the end of the month in order to meet [their] quota"* (p. 55). These two themes, the desire to measure and the unexpected consequences of measurement (such as employees increasing their output at the expense of quality), prompted Drucker (1954, p. 37) to argue that one likely solution was to introduce a *"balanced"* set of measures. PMe was also highlighted in the first ever edition of the *Administrative Science Quarterly*, published in Ridgway's (1956) paper entitled "Dysfunctional Consequences of Measurement." In his paper Ridgway explored the relative strengths and weaknesses of single, multiple and aggregated performance measures, disapproving of the *"strong tendency to state numerically as many as possible of the variables with which management must deal"* (p. 240).

PMe was also the theme of Anthony's (1965) influential *Planning and control systems* article which motivated a significant number of PMe and PM articles in the management accounting literature. A review of these articles shows that the most widely recognized PMS planning and control framework today is Kaplan and Norton's BSC (1992, 1996b), which has been popularized through its promotion by many major consulting companies. Essentially, the concept of the BSC has become part of management's vernacular. Simply stated, most PMSs suggest that businesses perform better if they are managed using formal, balanced, and integrated performance measures (Davis & Albright, 2004; Hoque & James, 2000; Kaplan, 2009; Kaplan & Norton, 1992, 1996a; Otley, 1999).

PMSs such as the BSC were seen by many as a response by organizations to the need to find new ways to measure and manage their performance given the changing business environment in the late 1980s and early 1990s. Some refer to this time period as the *information age* because knowledge and information were more readily available than ever before (Hood, 1995). Knowledge and information are now competitive factors for today's organizations. In a

knowledge-based business environment, intangible assets such as tacit knowledge create value for organizations while the traditional tangible assets are less important (Antonsen & Jørgensen, 1997). Today many organizations are comprised almost entirely of intangible assets, such as new product innovation, brands or unique organizational designs, which are difficult to measure with traditional financial accounting systems (Neely et al., 2000; K. Nichols, 1997). The increasing importance of intangible assets creates a need for a different type of PMS.

Other changes to the current business environment include employee empowerment which has pushed decision-making further down the organizational chart to the shop floor (Hood, 1995; Niven, 2003). Front- line employees are called upon to make decisions that were the sole domain of upper management. To do this front-line employees need ready access to information that is actionable and relevant to their tasks. These are not met by traditional aggregated financial measures.

In addition, changes in the business environment are rapid and convoluted; competitors, technology and regulations can change overnight (Boyne, 2002). Operating in the global environment creates opportunities as well as competition from all corners of the globe while simultaneously increasing the complexity of performance management tasks created by having to work across cultural boundaries within and between organizations. Organizations need high quality and timely information to deal with these challenges. These rapid changes have prompted changes to management practices including performance management.

The changing business environment has also brought about dissatisfaction with relying solely on traditional financial measures for evaluating organizational performance (Ittner & Larcker 1998). For example, financial measures have been described as lagged indicators, lacking predictive validity and management utility. Predicting the future from financial measures involves extrapolating from the past with the assumption that any trends will continue, which is dangerous in today's fast changing environment (CMA, 1999). Malina and Selto (2001) suggested that traditional financial measures of performance are most useful in conditions of relative certainty, environmental stability and low complexity; conditions atypical for many of today's organizations. Financial measures are also criticized for being so far removed from the front-line employee that they provide little guidance (H. T. Johnson & Kaplan, 1987; Malina & Selto,

2004). Employees do not typically know how their day to day activities translate into financial results and managers are unable to tell them (Bourne et al., 2005). Financial measures fail to capture most of the intangible value that an organization has or can create.

In response to the shortcomings identified with relying totally on traditional financial performance measures a number of PMS that incorporate non-financial measures have emerged. Some of the common PMSs include: the French *Tableau de bord* (Tdb), developed in the 1930s by a team of process engineers; the *six sigma* system developed in the 1970s by Motorola and popularized by Jack Welch in 1995; the *performance pyramid* by Lynch and Cross (1991); the *BSC* by Kaplan and Norton (1992, 1996a); the *results and determinants* framework developed by Kuzel (1992); and Neely et al. (2000) with their *performance prism*.

In 1992 Kaplan and Norton introduced the BSC in an effort to overcome many of the deficiencies that had been identified with using traditional financial measures to measure and manage performance in today's rapidly changing business environment. Kaplan and Norton described the BSC as a multi-dimensional PMS encompassing both financial and nonfinancial measures derived from the organization's strategy that are linked together in a series of cause-and-effect relationships, i.e. activities in each dimension affect outcomes in the other dimensions. Kaplan and Norton (1992, 1996a, 1996b, 2001a) proposed the use of four performance dimensions: Learning and Growth Perspective, Internal Business Perspective, Customer Perspective and Financial Perspective. According to Kaplan and Norton, the ultimate goal of implementing the BSC is superior long-term financial results.

The BSC has become one of the most common PM tools. Recent surveys have indicated that many organizations use, or intend to use, the BSC (Y. L. Chan & Ho, 2000; Speckbacher, Bischof, & Pfeiffer, 2003). For example, Pollitt and Bouckaert (2004) reported on the pervasiveness of PMSs in today’s management paradigms, estimating that 60 percent of the United States (US) Fortune 1000 companies have employed or are managing their business with a BSC. Similarly, Eckerson (2006) reported that a study in 2004 by The Data Warehousing Institute (TDWI) showed that 51% of their sample already used a performance scorecard or dashboard and that another 17% were in the process of developing one. Yet despite the popularity of Performance Measurement systems and PMSs it has been reported that around 70

percent of these initiatives fail (Hunter, 2003; McCunn, 1998). Failure rates such as these have raised numerous questions and concerns regarding the effectiveness of PMSs such as the BSC, which are cause for concern and further investigation. It is in response to the high failure rate of PMS initiatives that this study was carried out. My study seeks to address unanswered questions about the actual process of designing, developing and implementing the BSC, in particular the extent to which employees at all levels of the organization are involved in the process, their perceived and actual roles and outcomes from their involvement.

While BSC usage continues to grow, accompanied by increasing research in the area, the majority of studies have focused on organizations in the United States and Europe (Ittner & Larker, 2003; Speckbacher et al., 2003). Little is known about the use of the BSC in Canada, particularly in public sector organizations (commonly referred to as Crown Corporations). A desire to address PMSs in the Canadian public sector also served as a motivation for this study.

The idea of managing organizational performance has been and is currently widely accepted all over the industrialized world. Given that the public sector is the chief instrument of all levels of government (e.g., municipal, state/provincial and federal) the adoption and usage of PMSs such as the BSC have spread rapidly from the private sector to the public sector throughout the world. New initiatives and legislation continue to be issued as a sign of governments' insistence on implementing a stronger focus on organizational performance. At the same time, in the face of new and growing challenges driven by changing demographics, technological advances, global economic change and public attitudes leading to a greater emphasis on accountability and transparency, there is a need to take a close look at how public sector organizations measure and manage their performance in order to adapt to the changing needs of the future and ensure organizational viability in the longer term.

The public sector faces many of the same challenges and opportunities as private businesses. For example, the public sector is experiencing deregulation; increased competition; free-trade; new technologies; adoption of New Public Management (NPM) practices; and the passage of a numerous performance-related regulatory, statutes, acts and laws all of which have contributed to the adoption and use of PMSs such as the BSC (Brewer, 2006; Y. C. L. Chan, 2004). In this sense, reinvention and the adoption of private sector practices such as the BSC and other such

techniques can be good things, bringing a breath of fresh air, challenge, and positive change to the public sector. These explain my focus on PMSs in the public sector in Canada.

1.2 Research Problem Definition

The success or failure of Canadian public sector organizations is critically linked to outcomes achieved in the form of economic and social development which is highly dependent on their ability to measure, and more importantly, manage their organizational performance. PMSs are necessary to assess the extent to which expected economic and social outcomes have been achieved and to ascertain the reasons for deviations from expectations for improvements in future outcomes. The effectiveness of PMSs is contingent on the involvement of employees at all levels of the organization in their design, development and implementation. While this is emphasized in the literature, the widespread use of the Kaplan and Norton's BSC, which makes limited reference to this level of involvement, means the required level of involvement may not occur in practice. Inadequate involvement of lower levels of managers and front line employees who are closest to the actions that lead to outcomes would render the PMSs in public sector organizations ineffective with consequences for economic and social development outcomes.

In view of the above my study seeks to investigate the extent of involvement of Senior Executives, Senior and Operational-level Managers and Front-line Employees in the design, development and implementation processes of their organization's PMSs. In doing so I will ascertain their desired, actual and perceived levels of involvement in their organization's PMS design, development and implementation process and assess the outcomes of their involvement (or lack of) in the process. In this respect my study fills a gap in the literature in this area.

1.3 Research Questions

In order to meet the research problem identified above four primary research questions are developed:

i) Do public sector organizations involve their Senior, Mid- and Low-level Managers and Front-line Employees in the conceptualization, design, development and implementation stages of their organizational, departmental, and/or individual PMS, and if so what are their roles at each stage? And what are the outcomes from their involvement?

ii) What do public sector Senior- Mid- and Low-level Managers and Front-line Employees believe their level of involvement should be with respect to each of the stages of the PMS process? And, do these views differ across various employee-levels? And what are the outcomes of the different views?
iii) What, if any, are the actual and perceived barriers to involving public sector Senior- Mid- and Low-level Managers and Front-line Employees, in the conceptualization, design, development and implementation of their organizational, departmental, and/or individual PMS?
iv) How does the level of involvement of public sector Senior, Mid- and Low-level Managers and Front-line Employees align with current theory and research with respect to the conceptualization, design, development and implementation stages of their organizational, departmental, and/or individual PMS?

1.4 Significance of the Study

Recognizing that PMe and PM have been described by Sink (1991) as *"mystery… complex, frustrating, difficult, challenging, important, abused and misused"* (p. 23), this thesis investigates a common denominator that many studies have pointed to, yet no study has empirically examined—that is the extent to which public sector Senior- Mid- and Low-level Managers and Front-line staff are involved in the design, development and implementation of their organizational, departmental and individual PMS (i.e., BSC), including their roles at the various stages and outcomes from their involvement. PMSs provide an in-depth look at an organization's overall performance in a number of different areas. Three primary reasons for adopting and using PMSs include: motivating employees to perform, increasing organizational efficiency and effectiveness, and clearly defining and communicating each employee's role to make sure that all employees contribute to achieving the organization's goals and objectives.

More specifically my review and analysis of the PMS and BSC literature revealed a significant contrast between Kaplan and Norton's (1992, 1996a, 2006) recommended BSC template and the Participative PMS model which emerged from the literature regarding the *levels of involvement* of Front-line Employees and Senior- Mid- and Low or Operational-level Managers in the BSC process. While the literature clearly highlights the importance of involving the Senior Mid- and

Low-level Managers and Front-line Employees in each respective stage of the BSC process, the Kaplan and Norton BSC template only contains what seems a trivial reference to employee involvement. Kaplan and Norton's BSC template clearly prescribes a top-down approach, with involvement of Mid- and Operational-level Managers and Front-line Employees in the PMS process an afterthought in the final step of their template. It is only in the very last stage of their design, development and implementation template that Kaplan and Norton suggest that the BSC should be incorporated into an organization's entire management system and values. This requires educating and involving the people who must implement it.

The disparity surrounding the level of employee involvement, in the BSC process, between the Kaplan and Norton's (1992, 1996a, 2006) BSC template and other PMS systems raises important questions about the extent to which Front-line Employees and Senior- Mid- and Low or Operational-level Managers are involved in the BSC process in practice, their roles in the process and the outcomes from their involvement. This disparity is compounded by the fact that many organizations use the BSC template as prescribed by Kaplan and Norton (1992, 1996a, 2008b) for designing, developing and implementing their PMS. This template excludes the majority of employees from any type of participation or active involvement in the PMS process. For the reasons cited above, and given that no study has examined this area as a factor contributing to the BSC's high failure rates, my study will systematically investigate the extent to which public sector Senior- Mid- and Low-level Managers and Front-line staff are involved in the design, development and implementation of their organizational, departmental and individual PMS or BSC, their roles at the various stages and the outcomes in four Canadian provincial-level public sector organizations.

For a number of reasons including the growing importance of internal factors such as intangible assets and employee empowerment to organizations, the rapid changes in the external environment, as well as greater demand for accountability and transparency, PMSs, particularly the BSC, are replacing traditional financial measures for assessing and managing the public sector organizations. Despite their prevalence and critical link to the success or failure of organizations, the vast majority of PMS have reportedly failed, which speaks directly to the significance and overarching need for organizations to better understand the inner-workings, intricacies and various components of their PMS. Essentially, this study focuses on enhancing

the design, development and implementation process of PMSs in public sector organizations, which collectively influences their ability to achieve their goals, objectives, vision and mission.

The significance of this study is also related to the implications it holds for governments and public sector organizations. For example, involving employees at all levels throughout the entire PMS process requires that both governments and organizations clearly articulate the goals and objectives of their PMS to all employees very early on in the process. They will also need to radically rethink and change their management structure from a top-down approach to a bottom-up orientation to incorporate the views of all employees in the PMS process. This requires valued long-term PMS training and education for all employees. They must also ensure that the PMS design and implementation process is subject to ongoing assessment and evaluation. Essentially, this study challenges the traditional top-down management styles that currently exist in public sector organizations and as such should have considerable impact on the manner in which public sector organizations are managed and operated. Although this study highlights the importance of involving employees at all levels in the PMS process, the results have significant implications when designing, developing and implementing other similar Senior Executive/Management initiatives and programs such as Just-in-Time (JIT) and Total Quality Management (TQM)).

Of significance, this study also revealed a number of potential barriers identified as impeding employees from actively participating in the PMS process. Recognition of the barriers should allow organizations the opportunity to investigate and mitigate the impediments to employee participation in their PMS processes, ultimately enhancing the likelihood of designing, developing and implementing a successful PMS and realizing its expected positive outcomes. Lastly, my research has motivated an agenda for future research in this area that will contribute to academia, policy and practice.

In summary, the adoption and use of PMSs (e.g., BSC) in public sector organizations is currently at an all-time high level. Essentially PMSs are seen by many as the means to achieving positive outcomes and organizational success. For this reason it is of the utmost importance that organizations investigate and consider many of the underlying themes identified in this study. Simply stated, this study has implications that could mean the difference between the success or

failure not only of public sector PMSs, but also of public sector organizations as a whole, which collectively are perilously linked to Canada's economic and social development.

1.5 Methodology

My research questions and philosophical assumptions, including my interpretivist/constructivist orientation, predisposed me toward using a qualitative case-study based grounded theory (GT) approach that employed semi-structured interviews, focus groups and document analysis as data gathering strategies. More specifically, I used a qualitative approach to investigate how individuals viewed their role in the PMS process, reflecting an assumption that their organizational 'reality' was socially constructed. I argue that using a qualitative research approach was necessary to investigate the existence of multiple *knowledge and perspectives*. I used semi-structured interviews (with both individuals and focus groups) in an effort to get close to the participants thus enabling me to better understand their perspectives. In total 115 individuals from the four Crown Corporations were interviewed. They were classified into four hierarchical levels:

- Level 1 – Senior-level Executives (senior decision makers)
- Level 2 – Senior-level Managers
- Level 3 – Low-level or Operational-level Managers/Supervisors
- Level 4 – Front-line Employees

Where possible I also analyzed corporate documents to assist with preparing for the interviews; documenting background information on the case study organizations; and to supplement, corroborate or refute the data/information collected, an important characteristic of the interpretivist/constructivist paradigm (Guba & Lincoln, 1994). I also followed various aspects of Yin's (2009) case study research process to: plan, design, and prepare my study; guide my data collection and analysis; and to describe, explain and provide an overview of each Crown Corporation's PMS. Lastly, I used elements of Glaser's (1992) grounded theory approach to assist with: planning, designing, and preparing my study; guiding my data collection, organization, coding and analysis; and developing the PMS theory that emerged from the research.

1.6 Positioning of the Researcher

According to Laughlin (1995) researchers are influenced by the epistemological position they hold. Similarly Crotty (1998) and Creswell (2003, 2007) suggested that there are a number of underlying assumptions that predispose researchers towards diverse research approaches, types, methods and methodologies. Based on the significance of the consequences that stem from a researcher's predispositions, Denzin and Lincoln (2005) noted the importance of discerning a personal philosophical position before a researcher begins to conceptualize their research study. Cooksey (2008) also noted that because a researcher's philosophical assumptions predispose them to a particular research approach, research types and methods it is important that they clearly state their assumptions. In summary, good research practice demanded that I make my assumptions, paradigms choices, and frameworks explicit in my writing of the research, and, at minimum, to be aware of how they influenced the conduct of my inquiry (Cooksey, 2008; Creswell, 2007; Crotty, 1998; Laughlin, 1995).

For the reasons cited above it is important that in addition to revealing my philosophical assumptions it is necessary to disclose my own positioning, background, beliefs and potential biases to the readers (Bridges & Higgs, 2009). In addition it should also be noted that my original motivation to study the role and impact of employee involvement in the PMS process influenced while attending a Masters level thesis presentation at the University of Saskatchewan by Marvin Soderberg, titled *The Balanced Scorecard: Structure and Use in Canadian Companies* (personal communication, November 17, 2006). Marvin's presentation revealed that the BSC was comprised of a number of different criteria or elements each of which led to different levels of scorecards for an organization. Following the presentation I spoke with Drs. Vaidyanathan and Kalagnanam (personal communication, November 17, 2006) who also recognized the importance of understanding employee involvement in the PMS process. Essentially the premise of our discussion was that because employee involvement in the PMS process was assumed to be a fundamental characteristic of a BSC, it would be good to know if and how the lack of employee involvement impacted an organization's BSC. A number of related questions emerged including the extent to which employees are actually involved in the PMS in public sector organizations, reasons for involvement or lack of involvement, and the outcomes from involving or not involving employees in the PMS process of their organizations.

Thus years later when the opportunity to pursue a PhD arose, the topic of employee involvement in the BSC process in public sector organizations immediately came to mind and served as the motivation for my personal curiosity and the basis of this study.

1.6.1 Development & Experiences of the Research along the Journey

In this section I briefly outline my academic education and practical work experience in an effort to demonstrate how they influenced, impacted and positioned me to conduct my research in the area of employee involvement in PMSs in the public sector. What is noteworthy at various times throughout my adult life, whether as a student or instructor/professor and President of a College, is that I simultaneously wore multiple hats all of which exposed me to, and provided valuable insight into the public sector.

From 1982 to 1995 I worked in the public service as a full-time Professional Firefighter for the Saskatoon Fire Department. While employed as a firefighter I attended the University of Saskatchewan (U of S) on a part-time basis earning both a Labour Studies Certificate and a Business Administration Certificate. From 1995 to 2001 I attended the University of Saskatchewan full-time earning both at Bachelor of Commerce (Majors in Accounting & Finance) and a Masters of Business Administration. After graduation I returned to the U of S where I again worked as a public sector employee serving as both a Sessional Instructor and Assistant Professor in both the Accounting and Finance departments from 2001 to 2003. Also from 2001 to 2009 I served as a Sessional Instructor for St. Peter's College (an affiliate of the U of S). From 2005 to 2011 I worked as both the Acting President and then President St. Peter's College, and from 2010 to 2011 I also served as the President of Carleton Trail Regional College – both of which were public sector positions. My practical work experience in the public sector was augmented or supplemented by my studies as a Doctoral student from 2003 to 2009 at the U of S, and then from 2011 to current at the University of New England (UNE). Lastly, my ability to conduct this study was enhanced by my experience:

1) participating in and authoring two publications:
   i) Alexitch, R., Kobussen, G., & Stookey, S. (2004). High school students' decisions to pursue university: What do (should) guidance counsellors and teachers tell them? *Guidance & Counselling, 19*, 4, 142-153.

ii) Kobussen, G. P., Kalagnanam, S., & Vaidyanathan, G. (2014). The impact of better-than-average bias and relative performance pay on performance outcome satisfaction. *Accounting Perspectives, 13*(1), 1-27.

2) preparing and presenting four academic presentations:

i) Kobussen, G. P., Kalagnanam, S., & Vaidyanathan, G. (2007). The influence of relative perceived contribution and rewards on performance outcome satisfaction. Presented to the Canadian Academic Accounting Association, June 2007, Halifax Nova Scotia.

ii) Kobussen, G. P., Kalagnanam, S., & Vaidyanathan, G. (2007). The influence of relative perceived contribution and rewards on performance outcome satisfaction. Presented at the American Accounting Association Annual Conference, August 2007, Chicago Illinois.

iii) Kobussen, G. P., Kalagnanam, S., & Vaidyanathan, G. (2007). The introduction, development and use of performance management systems in government owned (Crown) corporations: The role of involvement and awareness. Presented at the American Accounting Association Annual Conference, August 2007, Chicago Illinois.

iv) Kobussen, G. P., Kalagnanam, S., & Vaidyanathan, G. (2007). The introduction, development and use of performance management systems in government owned (Crown) corporations: The role of involvement and awareness. Presented to the Certified General Accountants / University of Manitoba Accounting Research Conference. May 2007, Winnipeg Manitoba.

In summary, I mention the above in an effort to demonstrate that my ability to undertake this study is not only the result of my academic training, education and exposure, but also my many years of practical experience working in, and managing public sector organizations. In their entirety I believe my training, education and work experiences have prepared and positioned me to conduct the research undertaken in this study.

Next I provide a number of definitions to the key terms used in this thesis.

1.7 Definitions of Terms

The following list of key terms is not intended to be comprehensive; rather it is designed to provide an introduction to a number of the key terms used in this thesis in order to facilitate the readers' understanding. Thorough definitions and discussions of each of the terms will be located throughout my thesis.

- Balanced Scorecard (BSC) – According to Kaplan (2006, 2009); Kaplan and Norton (1992, 1996a) the BSC is a PMS that combines nonfinancial and financial performance measures in order to focus employee attention on, and motivate behaviour for the ultimate purpose of implementing the organization's strategy. The BSC is intended to supplement traditional financial measures that are described as lagging indicators, with measures from three additional perspectives described as leading indicators. These are: customers, internal business processes, and learning and growth. By supplementing lagging indicators with leading performance indicators, the BSC is designed to enable companies to track financial results, while concurrently observing progress toward assembling the capacity and acquiring the intangible assets required to achieve long-term goals. Essentially the BSC is promoted as a PM tool that integrates both financial and nonfinancial measures.
- New Public Management (NPM) - Hood (1995) described NPM as a relatively generic brand name that fits the general shift in public sector management attitudes, practices, and styles. Hood also suggested that NPM has often been associated with seven dimensions of change: a movement toward breaking up public firms into separately managed *corporatized* units for each public sector *product* or *service* with each unit identified as its own cost centre; the swing towards increased competition within the public sector and between private and public sectors, which has driven public sector organizations to be more like the private sector; a move toward adopting more private sector management practices within the public sector thus importing private sector practices such as entrepreneurism, privatization, PMSs, and treating the citizen like a *customer;* a move towards emphasizing discipline and thrift in resource use and finding alternative, less costly ways to deliver public goods and/or services; a shift towards the adoption of more explicit and measureable performance standards; a trend toward more

hands-on-management; and a greater emphasis on output controls that are linked to the organization's long-term strategy against the traditional style of *orders of the day* which typically come on an ad hoc basis from the top.

- Performance Measurement (PMe) – Neely (2005); Neely and Powell (2004); Neely, Richards, Mills, Platts, and Bourne (1997) described PMe as the methodical assignment of numbers to entities—implying that performance is somehow being counted and/or measured. A performance measure is a metric used to quantify the efficiency, and/or effectiveness of an action, while performance measurement (PMe) is defined as the process of quantifying the efficiency and effectiveness of that action. Essentially PMe is the process of enumerating output from performance for assessment against goals. It provides financial and non-financial, internal and external measures, although it does not link the various dimensions of the measures.
- Performance Management System (PMS) – Neely, Gregory, and Platts (1995); Neely et al. (1997) indicated that a PMS incorporates a PMe system (PMe) as one piece of a complex process that requires the organization to develop agreement around its vision and strategy, enabling managers to cascade the organization's strategy throughout the entire organization. A PMS is founded upon a PMe, and contains the elements of a PMe, but is superior because it is a tool used by organizations to set goals that drive future performance, followed by the measurement of actual performance and comparison to planned performance. In contrast, a measurement system simply measures past performance. Neely et al. suggested that the goals of a PMS are directed at improving organizational performance by promoting the following: a stronger financial position, enhanced programming, better customer service, greater efficiency, greater focus on desired results, engaged employees, and retaining top performer; driving continuous improvement by identifying employee training and professional development needs, promoting accountability, and creating a framework for ongoing support and guidance; and fostering cultural change by empowering managers and motivating employees.
- Performance Management System Process– Adler (2011) and Kaplan and Norton (1992) noted that a PMS or BSC process is a theoretical model or template for conceiving, designing, developing and implementing a PMS.

- Public Sector Organizations - Public organizations are owned collectively by the public, relative to private organizations that are owned by entrepreneurs or shareholders. As a result of the differences in ownership, public sector organizations are typically funded by taxation compared with fees paid by customers in the private sector (Denhardt & Denhardt, 2000). In addition, the primary constraints imposed upon public sector organizations are political while those in the private sector typically derive from the economic system (Scott & Falcone, 1998). Public sector organizations normally have multiple goals imposed upon them by the diverse stakeholders, who push and pull them in multiple directions simultaneously (Boyne, 2002). Compared with the private sector, the public sector is far more susceptible to political constraints that result in frequent policy changes. This is a situation that imposes relatively short time-horizons on public sector managers. Public sector organizations often have less competition for their services relative to private sector organizations. Even where competition is present, public sector managers frequently enjoy a dominant position in the market. Public sector organizations have also been identified as being less flexible and more risk-averse than private sector organizations (Boyne, 2002).
- Systems Design Life-Cycle model (SDLC) – The SDLC model referenced in this thesis is a five stage approach that outlines the steps that organizations will likely go through in the design, development and implementation of an information system. I borrow from Romney and Steinbart's (2003) SDLC model which includes the following steps: systems analysis, conceptual design, physical design, implementation, and operations and maintenance.

1.8 Outline of the Thesis

Chapter two reviews the differences between PMe and PM systems including a discussion of their evolution and predominance in both private and public sector organizations. I demonstrate that although a number of PMSs are being used, the BSC and its design, development and implementation model is by far the most commonly used today. I then analyze the PMS literature to construct a literature based modified Participative PMS conception, design, development and implementation template or model (here after referred to as a Participative PMS template or model) that I compare to the BSC template prescribed by Kaplan and Norton (1992, 1996a). I

highlight the stark contrast between the two models with respect to the involvement and roles of Front-line Employees and Senior- Mid- and Low or Operational-level Managers in the BSC process. In order to provide additional support for my inquiry regarding the roles and involvement of all employees in the BSC process I also incorporate elements from the participative budgeting and employee involvement/participation literatures. My review of the literature highlights a number of criticisms of PMe systems and PMSs (including the BSC), emphasizing top-down control methods such as that prescribed by Kaplan and Norton. Lastly, I attempt to justify the need to study the contrast between Kaplan and Norton's BSC template and the literature based Participative PMS model regarding the role and impact of Front-line Employees and Senior- Mid- and Low-level Managers in the PMS's design, development, and implementation.

In Chapter three I continue to provide a foundation for this study by outlining the similarities and differences between the public and private sectors, which collectively impact the conception, design, development and implementation, and success or failure of PMSs in the public sector. In this regard, I identify a number of the major initiatives (e.g. legislative, statute and acts, and New Public Management (NPM) practices) that have led to the adoption and use of PMe Systems, PMSs including the BSC by various levels of Government in Canada. I then examine the adoption and usage rates of various PMSs in the public sector and note the prevalence of the BSC. Next I highlight some of the common issues arising as a result of adopting private sector practices such as the BSCs in the public sector, in an effort to emphasize the need to study the role and impact of involving or not involving the different employee-levels in the PMS design, development and implementation processes. Lastly, I summarize the literature and present my four primary research questions used to address the gaps identified in the PMe and PM literature, with a focus on the roles and level of involvement of Senior, Mid- and Low-level Managers and Front-line Employees in the PMS process.

In Chapter four I investigate the most appropriate research approaches, types and methods to address each of my research questions. To achieve this I provide a thorough description of my philosophical assumptions and the research approach, types, and methods used in my study. I explain my choice of a qualitative research approach that includes both case studies and grounded theory research types. The research method involved semi-structured interviews with

individuals and groups and document analysis. Lastly, I described my study's participants and the interview process.

In Chapter five I describe the process of drawing from both the literature and the interview data to identify and develop a theory on management and employee involvement in the PMS process in public sector organizations. The theory comprises a number of unique PMS categories, subcategories, properties and dimensions. Next, using the language surrounding each of the categories, subcategories, dimensions and properties I provide both a descriptive and explanatory case study overview of each of the four Crown Corporation's PMS. The cases describe how the PMSs were conceived, designed, developed and implemented, and the role and level of employee involvement in each Crown Corporation's PMS process. Drawing on all of the data and findings, I then present my interpretation of the findings as they pertain to each of the four research questions. Lastly, I coalesce and synthesize all of the data and findings into a summary or synopsis of the principal lessons learned.

In Chapter six I summarize the overall results of my research. This is followed by a discussion of the policy and practical implications of my research. Next I present the limitations at all stages of the research process. Lastly, I discuss a number of opportunities for future research that were identified throughout the research process.

1.9 Conclusion

This chapter introduced the study to the reader. I briefly described the background to the research, outlined the aim and objectives, and introduced the primary research problem as well as the research approaches, types and methods by which the research problems will be addressed. The research was justified and the structure of the thesis outlined. In the next chapters I provide a thorough description of the research and its related findings and implications.

Chapter 2: Critical Review of the Performance Measurement and Management Literature

2.1 Introduction

A significant number of organizations in all sectors, public private and not-for-profit, use a PMS especially the BSC. However, despite their popularity a significant number of PMe and PM initiatives fail although the causes of the high failure rate are unclear. There remain unanswered questions about the actual process of conceiving, designing, developing and implementing them in the public sector. It is the goal of this study to address some of these questions.

This chapter consists of six sections. Section 2.2 describes PMe and PMSs, outlines their evolution and presents a number of the common criticisms that have been levelled at them. Next section 2.3 provides an overview of the BSC and in section 2.4 I present two templates that outline the design, development and implementation stages of a BSC: the first is drawn from Kaplan and Norton's BSC and the second is derived from combining and merging information from all the PMS literatures including the BSC. In the section I compare the two templates highlighting the level of emphasis each places on the roles and involvement of Front-line Employees and Senior- Mid- and Low or Operational-level Managers in the PMS process. In this section I also introduce both the *participative budgeting* and *involvement* literatures which I add to the template for investigating the roles and involvement of Senior- Mid- and Low-level Managers and Front-line Employees in the various stages of the PMS process. The chapter concludes in section 2.5.

2.2 Performance Measurement and Performance Management Explained

This section explains the concepts of PMe and PM, and their similarities and differences. The evolution of and growth in the use of PMS and PMe systems are discussed and examples of the two systems are presented. The section ends with a discussion of the criticisms made against PM and PMe systems.

2.2.1 PM and PMe Systems Compared

Financial measures have a lengthy history as the main criteria used to assess the performance of organizations. However, according to Bourne, Kennerley and Franco (2005, p. 385),

"Traditional accounting-based performance measures have been characterised [sic] as being financially based, internally focused, backward looking and more concerned with local departmental performance than with the overall health or performance of the business."

In the mid-1980s academics and practitioners realized that due to the increasing complexity of organizations associated with growing intensity of competition and increasing development of intangible assets, it was no longer conducive to use financial measures alone to assess their performance. For example, Neely et al. (2000) and K. Nichols (1997) noted the failure of financial performance measures to adequately reflect changes in the competitive nature and strategies of modern day organizations. These writers explained that while profit is often the overarching goal of all for-profit organizations, by itself it is inadequate as a performance measure. Rather, appropriate measures should reflect the effectiveness by which organizations manage their resources in order to make a profit. H. T. Johnson and Kaplan (1987) and Kaplan and Norton (1992) affirmed that traditional financial measures do not provide sufficient information about what customers regard as important.

Since Kaplan and Norton (1992) first introduced the BSC, the topic of PM and PMe has grown increasingly prominent in the management literature (Neely, 2005). Neely reported that, between 1994 and 1996, approximately 3,615 articles on PMe and PM were published, and since then the number of PM and PMe articles has grown five-fold (Martinez & Kennerley, 2010). PMe and PM are concepts often discussed, but seldom defined. They are often used synonymously, although they are not the same (Kaplan & Norton, 1992, 1996a; Neely et al., 2000).

According to Neely et al. (2000), PMe is the process of enumerating action that leads to performance, and results in goal achievement. From a business perspective, organizations achieve their goals by fulfilling their customers' needs with greater efficiency and effectiveness than their competitors (Meyer, 2002), a critical element for both for-profit and public sector organizations. According to Hoggett (1996), effectiveness is the degree to which customer requirements are achieved, while efficiency measures how economically the organization's resources are employed to provide a product or service. This emphasizes the fact that efficiency and effectiveness serve as internal and external rationales for pursuing certain courses of action (Bovaird & Gregory, 1996). Therefore, the level of performance which an organization achieves

is a product of both their efficiency and their effectiveness. In this respect, a performance measure is a metric used to quantify the efficiency and/or effectiveness of an action, whereas PMe encompasses the processes that support the generation of those metrics. As such, a PMe system is a collection of measures used to quantify both the effectiveness and efficiency of actions (Neely et al., 1997).

Neely et al. (2000) explained that PMe is a system that provides financial and non-financial, internal and external measures, but fails to link the dimensions of measures to the organization's strategy. This is consistent with Dumond's position (1994, p. 17) that *"performance measures are established to support the achievement of goals and are provided with the intent to motivate, guide and improve an individual's decision-making."* Rouse and Putterill (2003, p. 795) extended the definition of PMe to include *"the comparison of results against expectations with the implied objective of learning to do better."* In their view, the primary reason for firms to adopt and use a PMe system is to improve their overall performance.

According to Fountain (1997) and Beer (2001), measurement is not an end in itself. Rather it is a tool for management to manage the organization. The results of PMe indicate what occurred, not why it occurred, or what should be done to rectify it. Kaplan and Norton (1992, 1996c) proposed that in order for an organization to make successful use of its PMe outcomes, it must be able to make the conversion from PMe to PM.

According to Kaplan and Norton (1996a, 2006), the primary distinction between a PMe system and a PMS is that the latter requires the organization to develop agreement around its vision and strategy, enabling managers to cascade the organization's strategy throughout the entire organization. This implies that a PMS encapsulates a PMe as one piece of a complex process. The BSC as first proposed by Kaplan and Norton (1992) was originally promoted as a PMe, but by 1996 it had grown into an all-inclusive PMS. Today, Kaplan and Norton describe the BSC as more than a measurement exercise or system. They define a successful PMS as a system that encourages improvements in such critical areas as product, process, and customer satisfaction (Kaplan, 2009; Kaplan & Norton, 2008b). Neely et al. (1997) also indicated that a PMS is founded upon a PMe system, and contains the elements of a PMe system, but is superior because it is a tool used by organizations to drive future performance whereas a measurement system

usually focuses on past performance. For the purposes of this thesis, PMe system is treated as an essential component of a PMS.

2.2.2 The Predominance of PMSs

Since the early 1990s, there has been a significant and steady increase in the number of organizations adopting and using PMSs, in particular the BSC. They include private, not-for-profit and public (i.e., federal, territorial / state / provincial, and civic / local) sector organizations (Kaplan & Norton, 2008c; Neely, Gregory, & Platts, 2005a). Some of the common PMSs are the *six sigma* developed in the 1970s by Motorola and popularized by Jack Welch in 1995; the *BSC* by Kaplan and Norton (1992, 1996a); the *performance pyramid* by Lynch and Cross (1991); Neely et al. (2000) with their *performance prism*; the *results and determinants* framework developed by Kuzel (1992); and the *French Tableau de bord (Tbd)*, developed in the 1930s by a team of process engineers and still in use today. Lawson, Hatch, and Desroches (2008) explained that although there are many popular PMe and PM frameworks in use, there are subtle differences among them, which will be discussed, later in this section.

In their survey of 382 organizations from 44 different countries, Lawson et al (2008) reported that 54% were using a type of scorecard system. Respondents who had implemented scorecards (adopters) were asked to state which framework they used. The researchers found that 62% of respondents had used Kaplan and Norton's BSC; 7% had used Malcolm Baldrige Award Criteria; Six Sigma was used by 5%; Stern Stewart's Economic Value Added (EVA) was used by 3% of respondents, both Accenture's Value Dynamics and the European Foundation for Quality Management's (EFQM) were used by 1% of respondents; 6% were using some other type of PMe or PM system; and 15% did not use a PMS at all.

Pollitt and Bouckaert (2004) also reported on the pervasiveness of PMSs in today's management paradigms, estimating that 60 percent of the US Fortune 1000 companies have employed or are managing their business with a BSC. Similarly, Eckerson (2006) reported that a study in 2004 by The Data Warehousing Institute (TDWI) showed that 51% of their sample already used a performance-oriented scorecard or dashboard and that another 17% were in the process of developing one. The TDWI study also showed that approximately one-third of organizations that already had a scorecard or dashboard used it as their primary system for reporting and analyzing

data. According to KPMG (2008), in 1999, 32% of firms within the Swedish engineering industry used some variation of the BSC concept, with an even higher adoption rate among large firms. Toivanen (2001) found that 23% of the top 500 organizations in Finland used a BSC and 15% were in the process of implementing it. Similarly, a survey by Nielsen and Sorensen (2004) of Danish manufacturing firms indicated that 82% of the respondents had experimented with selected elements of the BSC, while 32% were using what they felt was a comprehensive BSC. To demonstrate the range of PMe systems and PMSs I present a number of PMe systems and PMSs identified in the Performance Measurement and Performance Management literature in Table 2.1 and describe two of the more popular PMe systems and four common PMSs.

Table 2.1 – Performance Measurement and Performance Management Systems

Performance Measurement Systems		**Performance Management Systems**
PMe Matrix	Brown's Performance Perspective	Performance Pyramid
Rouse and Puterill's System	PMe Questionnaire	Performance Prism
AMBITE System	Integrated PMe system	Results and Determinants Matrix
Consistent PMe Process	Kanji's Comparative Business Scorecard	Balanced Scorecard
Qualitative Model for PMe Systems	EFQM Model	

Compiled by the author

The discussion of PMe systems includes Brown's (1996) *Performance Perspective* framework and the *European Foundation for Quality Management's (EFQM) Business Excellence Model*. The remaining PMe systems noted by Neely et al. are not discussed since they are seldom referred to in the literature, and are not commonly used in practice.

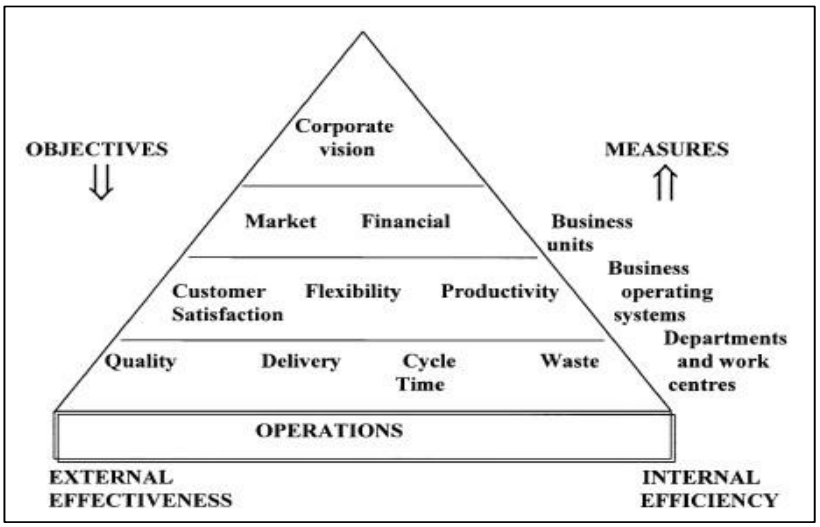
Brown's (1996) *Performance Perspective* framework is described as valuable because it highlights the difference between input, process, output and outcome measures, each building on the other in sequential flow to reach the firm's goals. He used the analogy of baking a cake to explain the process, suggesting that input measures would be concerned with quantity of flour and the quality of eggs; while process measures would deal with factors such as length of baking

time and the temperature of the oven; and output measures would focus on the quality of the resulting cake. Lastly, he explained that outcome measures would cover the overall satisfaction of the individuals eating the cake.

Another popular measurement framework highlighted by Neely et al. (2000) is the *EFQM's Business Excellence Model*. The EFQM model consists of two separate subsets of performance factors, broadly classified as enablers and results. The theory underpinning the EFQM model is that the enablers are the levers that management can pull in order to deliver results in the future. The EFQM model is designed as a non-prescriptive model that provides a framework allowing organizations to determine their areas of excellence and where they need to focus their improvement efforts. Essentially the model is intended to ensure that organizational decisions incorporate the needs of all stakeholders and are aligned with the organization's objectives.

The first PMS in Table 2.1 is the *Performance Pyramid* by Lynch and Cross (1991), which is an interrelated system of different performance variables, which are controlled at various levels within the organization. Strategic objectives cascade down and laterally through the firm, with a reverse flow of information travelling upwards. Lynch and Cross portrayed their *Performance Pyramid*, using a pyramid-shaped *map* for communicating and understanding the relevant objectives and measures at each level of the firm. The four levels of the *Performance Pyramid* symbolize the corporate vision, accountability of the business units, competitive dimensions for business operating systems, and specific operational criteria. The strengths of this framework are that it ties together the hierarchical view of business performance measures with the business process view. The *Performance Pyramid* also illustrates the difference between measures that are of interest to external parties (i.e., customer satisfaction, quality and delivery), and measures that are primarily of interest within the business (i.e., productivity, cycle time and waste). This is illustrated in Figure 2.1.

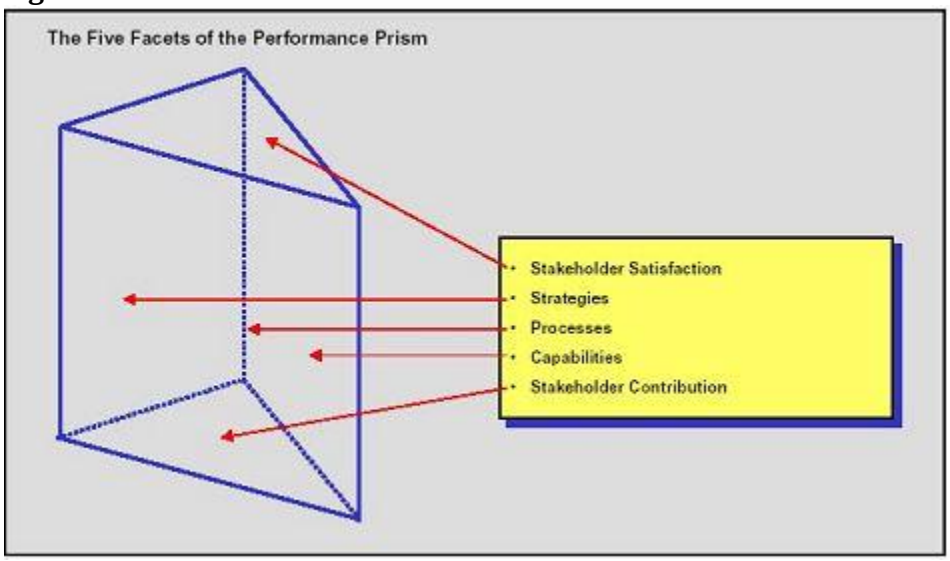
Figure 2.1 – The Performance Pyramid



Reprinted with permission from *Measure up - the essential guide to measuring business performance* by Lynch, R. L., & Cross, K. F. (1996, p. 64). Copyright © 1996 by the John Wiley & Sons; all rights reserved.

The second PMS is the *Performance Prism* by Neely, Adams, and Crowe (2001), which is organized around five different but linked performance perspectives: stakeholder satisfaction, strategies, processes, capabilities, and stakeholder contributions. These perspectives are visualised by a three-dimensional model in the shape of a prism, which can be seen in Figure 2.2.

Figure 2.2 – The Performance Prism



Reprinted with permission from The performance prism in practice in *Measuring Business Excellence 5*(2), 6-12. Neely, A., Adams, C., & Crowe, P. (2001, p. 12).

The *Performance Prism* is arranged in such a way as to highlight the complexity of an organization's relationships with its multiple stakeholders, given its specific operating environment. The *Performance Prism* presents a novel and holistic framework that directs management attention to what is important for long-term success. The top and bottom surface represent stakeholder satisfaction and stakeholder contribution, respectively and the three side surfaces are strategies, capabilities and processes.

The *Results and Determinants* (R&D) framework, developed by Kuzel (1992), is the third system identified by Neely et al. (2000) and classifies performance measures into two basic types: those that relate to results (i.e., competitiveness, financial performance) and those that focus on the determinants of the results (i.e., quality, flexibility, innovation, and resource utilization). According to Fitzgerald, Johnston, Brignall, Silvestro, and Voss (1991), the R&D framework reflects the concept of causality, indicating that the outcomes or results obtained are products of past business performance or are determinants of the results.

Although not mentioned by Neely et al. (2000), a less popular PMS occasionally cited in the literature is the *Six sigma* model which strives to improve the quality of process outputs by identifying and removing the causes of defects and by minimizing the variability in manufacturing and business processes. Processes that operate with *Six sigma* quality have long-term defect rates of less than 3.4 per million products or outputs. The *Six sigma* process involves the following steps: defining the problem, measuring the key aspects of the current process and collecting the relevant data, analyzing the data, improving the current process, and controlling the future state process.

The Tdb mentioned earlier in the chapter is another PMS occasionally cited in the literature. It is described as being similar to a 'dashboard' (i.e., the literal translation of 'Tableau de bord') used by 'pilots' (i.e., managers) *"to guide organizations to their destinations"* (Bessire and Baker, 2005, p. 650). Bessire and Baker stated that since its origin, the Tdb has been conceived of as a 'balanced' combination of financial and non-financial indicators. Lebas (1996, p. 89) noted that the Tdb *"emerged and evolved over time to meet the operational needs of managers."* According to Epstein and Manzoni (1998), the first objective of the Tdb is to provide managers a brief and

to-the-point overview of their department's or organization's key limits, in order to support them with their decision-making. Secondly, the different metrics used are not limited to financial indicators and thirdly, the Tdb should primarily contain Key Performance Indicators (KPIs) that are largely within the control of the individual, unit, division, or department. Lastly, they recommended that the individuals, units, divisions and/or departments should join forces on all interdependent tasks and projects. Studies have consistently shown that PMS adoption and usage rates are high (Chenhall, 2005; Ittner, Larker, & Meyer, 2003). Yet it remains unclear what exact elements an organization's PMS must contain in order to be effective as a PMS; and how the PMS is actually used in practice (Soderberg, 2006; Speckbacher et al., 2003). For example, reporting on German and Austrian firms, Speckbacher et al. (2003) established that of 26% of firms that used BSCs, the majority appeared to use only a limited or incomplete system. As I mentioned earlier, the BSC is the most widely-used PMS. Therefore, it was selected for study in this research and discussed in detail in section 2.3. Having described and highlighted the predominance of the more popular PMe systems and PMSs, I will use the next section to present an overview of the history and evolution of PMe and PM.

2.2.3 Evolution of Performance Measurement and Management

There is little doubt that Kaplan's and Norton's (1992) BSC has raised the profile of performance measurement and management to new heights, which may lead some to believe that these are relatively new concepts. However, Streib and Poister (1999) noted that PMe has long been an essential element of both private and public sector systems, dating back to the late 19th century (Charmaz, 2008). Early PMe systems were also evident in a factory production setting (Taylor, 1911) and were based primarily on the concept of scientific management; that is, promoting the vigilant scrutiny of workers' tasks and work arrangements, establishing work procedures according to a technical logic, and setting standards and production controls to maximize efficiency.

Julnes and Holzer (2008) reported that one of the earliest identifiable systematic attempts at measuring public sector performance can be traced back to 1906 in New York City. According to Julnes and Holzer, the city would collect accounting data, work records, outputs, outcomes, and social indicators, which were used subsequently for reporting, budget allocation and efficiency improvements.

Much of the recently published PMe and PM literature can be classified into five broad periods or phases. In the first phase, the early 1980s, the primary topic was researching the problems associated with PMe systems and their dysfunctional outcomes. Essentially, the first phase involved a process of *problem identification*, or recognizing and discussing the weaknesses of PMe and PM systems and their organizational impact. In the second phase, which covered the early 1990s, potential solutions were being sought to the problems identified in the first phase. For example, management frameworks such as the performance pyramid, performance prism, and BSC were proposed. The second phase can be characterised as the search for *frameworks* useful for addressing the previously identified problems. The *methods of application* followed in the mid-1990s, as the third phase, which involved the search for ways in which the various frameworks could be implemented. Moving to the late 1990s, or the fourth phase, processes and methodologies for populating measurement frameworks were being developed and discussed by both the research and practitioner communities.

Most recently in the fifth phase there has been a call for robust empirical and theoretical analysis of the effectiveness of performance measurement and management frameworks and methodologies. As increasing numbers of organizations have adopted the proposed measurement frameworks, particularly the BSC, it has become easier to gather empirical data on their impact (Adcroft & Willis, 2005; Banker, Potter, & Srinivason, 2000; Ittner, Larker, & Meyer, 2003; Ittner, Larker, & Randall, 2003; Kaplan & Norton, 2001b, 2008b, 2008c; Neely et al., 2000; Pollanen, 2005), which has resulted in questions about their effectiveness. Although there are many PM success stories, there are also a growing number of studies and reports addressing the difficulties of implementation. For example, it is claimed that 70 percent of PMe and PM initiatives fail (Hunter, 2003; McCunn, 1998). In addition, Ittner and Larker (1998b) reported that 25 percent of the organizations surveyed by Towers Perrin experienced major problems with the extra time and expense required to design, develop, implement and operate their BSC. A further 44 percent encountered problems in developing the extensive information systems needed to support the scorecard approach.

Ittner and Larker (1998a) also reported that 25 percent of the organizations in the Towers Perrin study found it difficult to decompose the goals for lower levels in the organization. Problems such as these raise important questions about the causes of their failures and the net benefits from

incorporating nonfinancial measures into PMSs, thus requiring both academics and practitioners to study PMe and PM systems. It is here in the fifth stage that my study is situated. I investigate and describe the actual process of designing, developing and implementing the BSC. In doing so, I examine the extent to which Senior- Mid- and Low- or Operational-level Managers and Front-line Employees are involved at each stage of the process, their roles and outcomes of their involvement.

In summary this section demonstrated the sizeable number of PMe systems and PMSs and highlighted the range of systems and templates that have been adopted and used by organizations to measure performance over the last 90 years. The PMe and PM frameworks discussed so far range in format, design, usage and support. This section also highlighted the fact that a large number of firms have not realized the anticipated benefits from their PMe systems and PMSs. Having identified and discussed the evolution of PMe and PMSs, next I present some of the general criticisms leveled at these systems.

2.2.4 Criticisms of PMe systems and PMSs

A summary of the significant criticisms of PMe systems and PMSs are organized and presented in Table 2.2.

Table 2.2 – Criticisms of PMe and PM Systems

Issue	Author(s)
Tendency to quantify as many variables as possible, thus becoming obsessed with measurement and the desire to quantify, with total disregard for their potential consequences, including diluting their overall impact.	Ridgway, 1956; Power, 1997; Barbusse and Seinfeld, 1997
The use of performance measurement systems provides managers with superfluous and unnecessary information, thus causing organizations to have a short-term outlook.	Hayes and Aberanthy, 2007
The time and expense required to adopt and implement a PMe or PM system place too much of a burden on the firm, and the organization, thus resulting in a flawed system.	Bierbusse and Siesfeld, 1997
The assumptions that the adoption and use of PMe systems and PMSs make a difference to organizational performance are challenged.	Ittner, Larker, & Randall, 2003; Nørreklit, 2000, 2003
Suggest that the impact of using PMe systems and PMSs is contingent on the way it is used.	Libby, 1999; Libby, Salterio, & Alan, 2004; Speckbacher et al., 2003

Compiled by the author

A common criticism of PMe systems and PMSs is that the measures are simply calculated with little or no connection to the organization's goals (Bierbusse & Siesfeld, 1997; Ridgway, 1956). Ridgway (1956) stated that many PMe systems simply tend to quantify as many variables as possible, with little or no connection to the organizational goals. Ridgway argued that the application of tools such as operations research, linear programming, and statistical decision-making, all of which require quantifiable variables, foster the idea that if progress toward goals can be measured, then organizations would seek to measure them. Ridgway reported, as an example, that performance at lower levels of the organization may be measured in terms of amount of work, quality of work, time required to perform a task, and so on. Ridgway believed that while quantitative measures of performance are useful tools, there is the likelihood that organizations may use them without fully understanding their effects and consequences, many of which he believed could be negative. Ridgway stated that effective use of a PMe tool requires awareness of all of its possible side effects and results.

In their article *Managing our way to economic decline*, Hayes and Abernathy (2007) explored the unintended consequences of business's obsession with the use of superfluous and unnecessary performance measures. Hayes and Abernathy blamed much of the short-term outlook of organizations on the use of inappropriate performance measures and of poorly designed incentive schemes which they felt were damaging the US's competitiveness. Bierbusse and Siesfeld (1997) also criticized PMe systems and PMSs for providing a short-term rather than long-term outlook. K. Nichols (1997) extended these arguments, claiming that not only did PMe systems result in unintentional consequences (e.g., satisfying short-term goals at the expense of long-term objectives), but also that the measurement systems many organizations used were inadequate. The systems were inadequate because they provided managers with superfluous and unnecessary information, since they were often based on assumptions that were outdated, given the changing nature of organizational cost structures. Power's (1987) book *The Audit Society: Rituals of Verification* referred to the interest organizations show in measuring their performance, following the rise of the 'Audit Society.' Power argued that practitioners and policy makers have become obsessed with measurement and with the desire to quantify, while totally disregarding the potential consequences of this obsession.

Bierbusse and Siesfeld (1997) and Benbasat et al. (1987) reported that the need for a highly developed information system is problematic for most organizations, resulting in inadequate PMe systems. These researchers found that for organizations using performance measures, adopting a large number of measures diluted the overall impact of those measures and that the time and expense required to adopt and implement a PMe system placed too much of a burden on the organization, resulting in an ineffective system.

Some of the emerging literature challenges the assumption that the use of PMSs, such as the Performance Pyramid, Performance Prism and the BSC, makes a difference to organizational performance (Ittner, Larker, & Randall, 2003; Nørreklit, 2000, 2003). Others have suggested that the impact of PMe and PM systems is highly contingent upon the way it is used (Libby, 1999; Libby, Salterio, & Webb, 2004; Speckbacher et al., 2003). In the PMe and PM literature several authors have referred to the impact of organizational culture and management styles on the success and/or failure of PMe and PM systems (Adler, 2011; Ittner, Larker, & Meyer, 2003). For example, Adler (2011) found that organizations that promoted a culture open to change were more likely to realize the benefits of a PMS than those that were not open to change.

The ever growing popularity of PMSs, particularly the BSC, combined with an analysis of their shortcomings raises a plethora of unanswered questions that require further research. These shortcomings must be minimized to enhance the value of PMSs to organizations. The most popular PMS, the BSC, and some of the criticisms that have been leveled at it, are discussed in the next section.

2.3 The Balanced ScoreCard

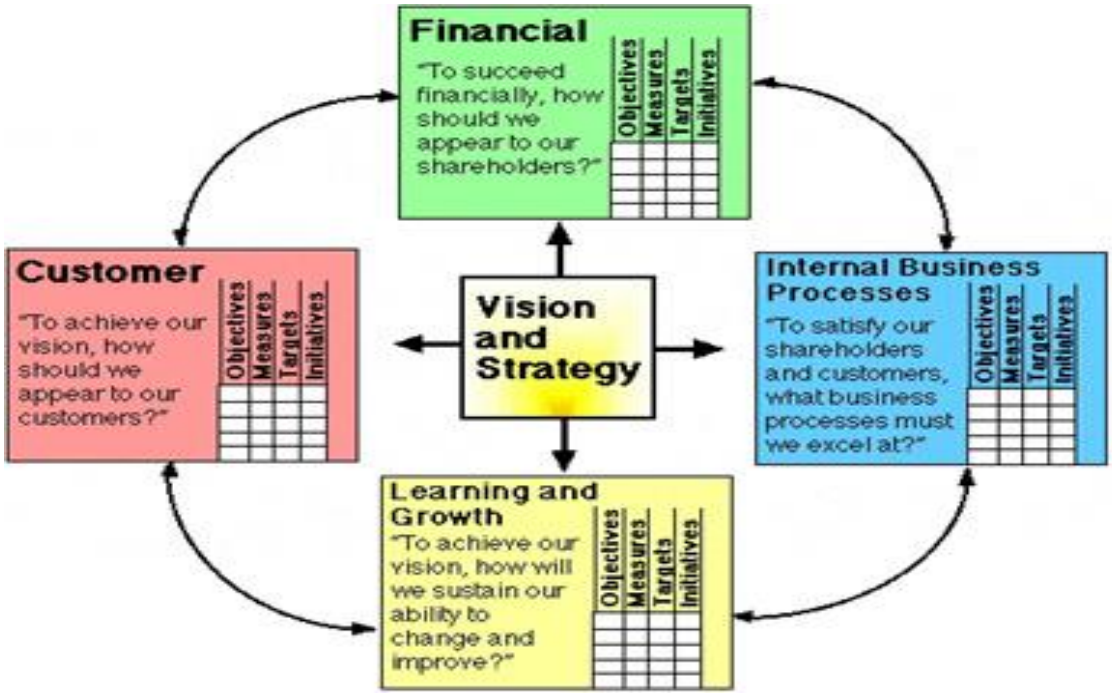
This section focuses specifically on the BSC as a PMS, and describes the BSC system; the various levels of BSC implementation; the theoretical building blocks for designing, developing and implementing a BSC; and concludes with the criticisms that have been leveled at the BSC.

2.3.1 What Is A Balanced Scorecard?

Presently much attention is given to strategic PMSs, with the BSC being by far the most highly used and recognized PMS (Bourguignon et al., 2004; Neely, 2005). The BSC, popularized by Kaplan and Norton (1992, 1993, 1996a, 2001a, 2004, 2008b) has been adopted and implemented

by many organizations around the world (see Fig. 2.3). The BSC is promoted as a grouping of nonfinancial and financial performance measures and is designed to focus employee attention on and motivate behaviour for the ultimate purpose of implementing the organization's strategy (Otley, 1999). Atkinson and McCrindell (1997) viewed the BSC as one of the most noteworthy advances in management accounting.

Figure 2.3 – Kaplan and Norton's BSC



Reprinted with permission from *Understanding the Balanced Scorecard as a Strategic Management System* by Kaplan, R. S., & Norton, D. P. Issue 74, January – February (1996). Copyright © 1996 by the Harvard Business Publishing Corporation; all rights reserved.

The BSC was initially promoted as a PMe system, but by 1996 it had evolved into an all-inclusive PMS. Similarly, the original 1992 BSC was intended primarily for use by for-profit organizations, whereas by 1996 the BSC, with minor modifications, was being promoted for use in for-profit, not-for-profit, and public sector organizations (Kaplan & Norton, 1996c). Analogous to the words of Thomson (Aka Lord Kelvin) (1883), Kaplan and Norton (1992, p. 172) stated that *"what you measure is what you get."* They advised that senior executives should recognize that their organization's BSC indirectly and directly impacts the behaviour of the organization's managers and front-line employees. Kaplan (2006, 2009) suggested that senior

executives should understand that relying only on conventional financial accounting measures is likely to produce misleading signals and that accurate signals are necessary for continuous long-term innovation and improvement.

Each of the four perspectives of Kaplan's and Norton's (1992, 1996a) BSC is explained next. First, the 'financial perspective' addresses how an organization meets its shareholders' goals of maximizing profit. Financial performance measures indicate whether the organization's strategy, implementation, and execution are contributing to its bottom-line, and define the long-run objectives of the business unit. Secondly, the 'customer perspective' deals with how customers view the organization. According to Kaplan and Norton (1992, 1996b), many organizations today have a corporate mission statement that focuses on the customer. How an organization is performing from its customers' perspectives has become, therefore, a priority for top management. The BSC requires that managers convert their mission statement on customer service into precise measures that reflect the elements identified as most important to their customers. The customer perspective should allow managers to identify the customer and market segments in which the respective business unit will compete, as well as the measures of the business unit's performance in each related segment. The customer perspective comprises the customer's value propositions which correspond to the benefits that the company provides through its products and services, in an effort to create loyalty and satisfaction from its customers. The customer perspective therefore enables business unit managers to articulate the customer and market-based strategy that will deliver superior future financial returns.

The third perspective of Kaplan and Norton's (1992, 1996a) BSC is 'internal business process,' which covers the core competencies, that is, the areas at which the organization must excel in order to succeed. Customer-based measures are important, but they must be converted into specific metrics of what the organization must do internally to meet the expectations of their customers. The internal-business-process measures focus on the internal processes that will have the greatest impact on customer satisfaction and on the achievement of the organization's financial objectives. Kaplan and Norton reported that one can meet customer's expectations by improving processes, decisions, and actions occurring throughout an organization. According to Kaplan and Norton, managers need to focus on these critical internal operations that enable them to meet their customers' needs. Here senior executives identify the significant internal processes

in which organizations must excel in order for the business unit to deliver on the value proposition and satisfy shareholder expectations for financial returns.

The fourth and final perspective of Kaplan and Norton's (1992, 1996a) BSC is 'learning and growth.' This perspective identifies how the organization is able to continue to improve and generate value. The customer-based and internal business process measures of the BSC identify the Key Success Factors (KSFs) that the organization considers most important. Given the increase in global competition, targets for success keep changing, thus requiring that organizations continually improve their existing products and processes. The learning and growth perspective also identifies the infrastructure that the organization must accumulate in order to grow and improve over the long-term. Organizational learning and growth can come from three principal sources: organizational procedures, systems, and people. The objectives of the financial, customer and internal business process of the BSC typically will reveal significant gaps between the existing capabilities of people, systems, and procedures and what will be required to enhance performance. To close these gaps, businesses will have to invest in reskilling employees, enhancing information technology and systems, and aligning organizational procedures and routines.

The four perspectives of the BSC, according to Kaplan and Norton (1992, 1996a), are designed to create an equilibrium between required outcomes and the performance drivers of those outcomes; between hard, objective metrics and more flexible, subjective measures; and between short- and long-term objectives (Kaplan & Norton, 1992, 1996b). Essentially the four perspectives work together to achieve not only increases to the individual performance, but their combined improvement as well.

2.3.2 Types of BSC Usage and the BSC in the Public Sector

Speckbacher et al. (2003) identified three primary types of BSC usage levels reflecting the successive phases in the evolution or design, development and implementation of the BSC system. The classification of these phases ranges from a simple multi-dimensional framework to a more advanced integrated strategic management system that describes strategy by a cause-and-effect framework that is linked to the firm's reward system. Speckbacher described a Type I BSC as a multi-dimensional framework to measure strategic performance that combines financial and

non-financial strategic measures. A Type II BSC is described as including all of the elements of a Type I BSC, as well as presenting strategy through cause-and-effect relationships. Lastly, the Type III BSC contains all of the elements of a Type II BSC and in addition, defines objectives, action plans, and results; and connects incentives with the BSC. Speckbacher's classification of the BSC levels will be an important characteristic to assess in each of the organization's participating in my study.

Similar to the three types of BSC usage levels identified by Speckbacher et al. (2003), Soderberg (2006) structured the BSC usage into four levels. Soderberg suggested that dependent upon the design and complexity of the BSC, organizations may have a BSC ranging from a Level 1 to Level 4. Soderberg noted that Level 1 BSC was the lowest level of usage. He described a Level 1 BSC as one that derives its performance measures from the business unit's strategy. Level 2 was delineated into two sub-levels, 2a and 2b. Level 2a included the Level 1 organizations that also have balance among their performance measures. Level 2b included Level 1 organizations that additionally have causal linkages between their performance measures. He described a Level 3 BSC as one that met the requirements for Levels 1, 2a and 2b or as possessing balanced measures with causal linkages and measures that were derived from the organization's strategy. Lastly, he suggested that Level 4 organizations have all of the requirements of a Level 3 BSC and also use their PMe system to compensate at least some of their employees and incorporates double-loop learning into their PMS. Soderberg (2006) suggested that double-loop learning and performance measurement was the result of establishing performance measures that led to both actions and consequences which were then used to evaluate and change the performance measures if necessary.

Since the early 1990s, a large number of public sector organizations have also adopted the BSC some as it was originally designed, while others have modified it to better suit the differences between the private and public sectors (Niven, 2003, 2005). The primary reason for modifying the for-profit BSC for use in the public sector is the differences that exist between the public and for-profit sectors (covered in Chapter 3). Many public sector organizations have modified the traditional BSC by developing their own perspectives, and/or replacing the financial perspective with an outcome perspective. For example Niven (2003) proposed the model in Figure 2.4 for public sector organizations.

Figure 2.4 – Sample Balanced Scorecard for Public Sector Organizations



Reprinted with permission from *Balanced Scorecard Step-by-Step for Government and Nonprofit Agencies* by Niven, P. R. (2003, p. 32). Copyright © 2003 by John Wiley & Sons, Inc.; all rights reserved.

In the for-profit BSC, all of the measures appearing on the scorecard should lead to improved financial performance. For profit-seeking organizations, shareholder value is the end game, and they are accountable to their shareholders to do just that. This is not the case in the public sector. Niven (2003) suggested that while public sector organizations are accountable for efficiently allocating funds and operating within their budgets, they typically have a higher purpose. For example, in the police service it might be 'to provide for a safe community.'

Strategy remains at the core of the scorecard system, regardless of whether it is a not-for-profit, for-profit or public sector organization. A clear distinction between for-profit and public sector BSCs is drawn as a result of placing mission at the top of the framework for public sector

organizations. Flowing from the mission is a view of the organization's customers, not financial stakeholders. Niven (2003) noted that public sector organizations do not necessarily pursue missions centered only on profit; rather they tend to place more of a focus on whom it aims to serve and how to best meet their needs. Flowing from the mission is a view of the organization's customers. In the public sector BSC, the 'customer' perspective is elevated to focus on serving their needs, in order to accomplish the mission.

'Financial measures' in a public sector BSC model can best be seen as either enablers of customer success or as providers of the constraints within which the group must operate. Both the 'internal process' and 'learning and growth' perspectives in the public sector BSC are similar to that of the for-profit sector.

Today the BSC provides senior executives with an all-inclusive framework that translates a company's strategic objectives into a reasoned and balanced set of financial and nonfinancial performance measures (Kaplan & Norton, 1996a, 2006, 2008a). Therefore the BSC is much more than a measurement exercise or system; it is best defined as a PMS *"...that can motivate breakthrough improvements in such critical areas as product, process, customer, and market development"* (Kaplan and Norton, 1993, p. 134). The BSC was designed to measure both current operating performance and the key drivers of long-term performance. Kaplan and Norton noted that the best BSCs are more than an impromptu collection of financial and non-financial measures. Instead the objectives and measures that make up a good BSC should originate from the corporate and/or business unit's strategy. Furthermore, the BSC should include outcome measures and the performance drivers of the outcomes for each of the four perspectives, in order to identify how the company can continue to advance and generate value. The theoretical process for designing, developing and implementing a BSC system is discussed in the next section.

2.4 Design,Development & Implementatin of a PMS

As with any management tool, in order to realize value from the BSC, it has to be conceived, designed, developed and implemented by the organization. Kaplan and Norton (1996a, 1996b) were not only the first, but were two of very few researchers (Eckerson, 2006; Micheli & Kennerley, 2005; Niven, 2003, 2006) to suggest a step-by-step design, development and implementation template. It was not until seven years after Kaplan and Norton first introduced

their BSC and their design, development and implementation template that Niven (2003) proposed an alternative template, which was followed by additional models by Micheli and Kennerley (2005) and Eckerson (2006). In light of Kaplan and Norton's first mover advantage with respect to the BSC and its related design, development and implementation template many practitioners equate PMSs with the BSC. Essentially Kaplan and Norton's BSC and its design, development and implementation template is regarded as the preeminent PMS, and a significant number of practitioners around the world have categorically and indisputably latched onto both its format and related recommendations (Bourguignon et al., 2004; Chenhall, 2005; Eckerson, 2006; Ittner, Larker, & Meyer, 2003; Lawson et al., 2008; Neely, 2005; Pollitt & Bouckaert, 2004). For this reason in the following two sections (2.4.1 and 2.4.2) this study differentiates between Kaplan and Norton's (1996b) theoretical BSC building blocks or template and a model I constructed by piecing together elements from the extant PMS design, development and implementation literature (including Kaplan and Norton) (Adler, 2011; Eckerson, 2006; Kaplan & Norton, 1992, 1996a; Lawson et al., 2008; Micheli & Kennerley, 2005; Neely et al., 2001; Niven, 2003, 2006). This was done to highlight the gaps in the BSC process, especially in relation to involvement of Low-level Managers and Front-line Employees, which are addressed in this research.

2.4.1 Kaplan and Norton's Theoretical Design, Development and Implementation Template or Model

Kaplan and Norton (1996b) proposed 10 building steps for designing, developing and implementing a for-profit or public sector BSC, as outlined in Table 2.3. Of significance to this study is Kaplan and Norton's (1992, 1996a) lack of employee involvement in their BSC's ten building blocks except in step 10. Their trivial reference to employee involvment in the PMS process is central to my study and will be discussed in more detail later in this chapter and again in Chapters five and six.

As previously noted there have been a number of studies suggesting that the BSC is of value to organizations and there is some consensus around the elements regarding its design, development, and implementation, yet the BSC is not without its critics, many of which are discussed in the following section.

Table 2.3 – Kaplan and Norton's BSC 10 Building Steps

Stage or Process	Phase or Building Step	Activity or Action
Design	1	Organization should choose a suitable organizational unit and BSC leader. Here, the BSC leader in conjunction with the senior executive team must identify a business unit for which a corporate-level scorecard is appropriate. In order for a corporate-level scorecard to work, the appropriate business unit should conduct activities across the entire value chain, including innovation, operations, marketing, selling and service.
	2	BSC leader should identify each Strategic Business Units' (SBU) corporate linkages, which requires the BSC leader to examine the relationship between the chosen SBU and the other SBUs and to analyze the overall organization. The resulting knowledge is necessary to channel the development process, so that the SBU does not develop measures that optimize the benefits for the SBU at the expense of other SBUs and/or the organization. Simply stated, the measures used by the SBU must cascade up to, and contribute not only to the SBU, but also the organization's BSC, in order to be effective.
	3	BSC leader prepares and organizes background material on the BSC, as well as all internal documents regarding the overall organization and specific SBU vision, mission and strategy. Once the leader has reviewed the information collected, individual interviews are held with each of the senior executives. The purpose of the interviews is to introduce the concept of the BSC and get feedback from senior executives about the organization's strategy and how this strategy can be converted into objectives and measures for the BSC.
	4	BSC leaders should synthesize the design based on the responses from the interviews in order to list and rank each of objectives in the four BSC perspectives. The discussion should identify any concerns and perform an exploratory inventory of objectives and measures that will provide the basis for the first executive workshop. A primary goal of the synthesis session should be to list and rank each of objectives in the four perspectives.
Development	5	At this stage, the BSC leader conducts a meeting with senior management to gain consensus on the BSC. During the workshop, top management is challenged by the BSC leader to question the organization's vision and strategy until an agreement is reached. Addressing each perspective sequentially, the group is then challenged to answer the following question: 'if I succeed with my vision and strategies, how will my performance make a difference to shareholders, customers, internal business processes, and to the organization's ability to grow and improve?'
	6	Here the BSC leader works with various subgroups, consisting of senior members of each unit or department in the SBU, over the course of several meetings to achieve four primary objectives: first, to refine the wording of the strategic objectives; second, to identify the measure or measures that best capture and convey the goal of each objective; third, to determine the source of information for each measure proposed; and fourth, to analyze the key linkages among the measures of each perspective and between the other BSC perspectives.
	7	Entails a second-round, executive workshop that includes the senior management team, their direct subordinates and a significant number of senior managers who come together to debate the organization's vision, strategies, and the exploratory objectives and measures for the BSC.

Table 2.3 – Kaplan and Norton's BSC 10 Building Steps

Stage or Process	Phase or Building Step	Activity or Action
Implementation	8	Here the newly formed team, made up of the leaders of each of the subgroups (from stage six), formalizes the stretch targets and develops the implementation plan for the BSC. The plan should show how the measures are linked to the organization's database and information systems, and how the BSC will be communicated throughout the organization. As a result of this process, an entirely new executive information system that links the top-level business unit metrics down through to the front-line employees and site specific operational measures should be developed.
	9	Involves a third-round, executive workshop. Here the senior executive team substantiates the stretch targets proposed by the implementation team to reach a final agreement on the vision, objectives and metrics developed in the first two workshops. In order to communicate the BSC to the employees, the senior executive team should also agree on the implementation program and finalize the needs of the information system that is required to support the BSC.
	10	Lastly, in order to create value for the organization, Kaplan and Norton advocate that the BSC must be incorporated into its entire management system and values. Kaplan and Norton described the implementation phase as educating and involving the people who must execute it. They stated that organizations that wish to have every employee contribute to the implementation of the strategy will share their long-term vision and strategy--embodied in the business unit's BSC--with their employees. Kaplan and Norton suggested that the development of the scorecard should be carried out by the executive team, by building commitment as an essential part of gaining benefits from the scorecard. To gain maximum benefit, the executive team should share its vision and strategy with the entire organization, and with key outside constituents. It is during this stage that Kaplan and Norton proposed that organizations should involve all employees and key constituents using communication, education programs, goal setting programs, and reward system linkage.

Compiled by the author

2.4.1.1 Criticisms of the BSC

Nørreklit (2000, 2003) explained that the BSC described by Kaplan and Norton (1992, 1996a, 2008b) is different from other strategic measurement systems, because it is promoted as being more than an impromptu collection of nonfinancial and financial performance measures, unlike other PMSs. Nørreklit also reported that the BSC is promoted as containing outcome measures as well as the drivers of outcomes, which are linked together in cause-and-effect relationships. Another advantage cited in the BSC to which Nørreklit draws attention, is its presentation as not only a strategic PMS but also as a strategic control system, designed to align departmental and

individual goals with the firm's overall strategy. Despite these strengths, the BSC has a variety of problems identified by several authors.

Understanding the criticisms that have been leveled at the BSC is important to its investigation, and contributed to my motivation for my study. For example a number of studies (Adler, 2011; Berman & Wang, 2000; Bolton, 2003; Bouckaert, 1993; Denhardt & Denhardt, 2000; Foltin, 1999; Ghobadian & Ashworth, 1994; Greatbanks & Tapp, 2007; Julnes & Holzer, 2001, 2008; Kloot, 1999; Kravchuk & Schack, 1996; McAdam, Hazlett, & Casey, 2005; Modell, 2001; Mwita, 2000; Niven, 2003, 2006; Perrin, 1998; Pidd, 2005; Pollanen, 2005; Radnor & McGuire, 2004; Sotirakou & Zeppou, 2004, 2006; Streib & Poister, 1999; Wholey & Hatry, 1992) have identified the important role that Senior- Low- and Mid-level Managers and Front-line Staff play in each of the design, development and implementation stages. This has not been directly addressed by the BSC and the gap has not been investigated in the literature, thus motivating my study. With this in mind, next I summarize some of the common criticisms of the BSC in Table 2.4 which is followed by a more detailed discussion. My detailed discussion begins by describing the primary or process criticisms that will be investigated as part of my study. This is followed by a description of the elements and composition criticisms that are of lesser importance to my investigation, and therefore are only briefly addressed in my study. What is noteworthy is that many criticisms of the BSC can be collapsed or classified into two primary areas: 1) the process of designing, developing and implementing the PMS or BSC (e.g., who should be involved (or not involved) in the PMS process), and 2) problems identified with the BSC's elements and/or composition (e.g., types of measures used, potential organizational constraints). Of significance is that the majority of the criticism regarding PMSs and the BSC and subsequent research has focused on issues or problems associated with the program's elements and composition and no study to my knowledge has investigated who to involve (or not involve) in the PMS or BSC process and its impact, if any.

Table 2.4 – Criticisms of the BSC

#	Criticisms	Author(s)
1	The organization's vision and strategy not being actionable as there are difficulties in evaluating the relative significance of measure and the problems of recognizing the true drivers.	Schneiderman, 1999

#	Criticisms	Author(s)
2	Measures included in an organization's BSC were typically negotiated or imposed, rather than based on stakeholder needs.	Schneiderman, 1999; Tyagi and Gupta, 2008
3	Not all stakeholders have been included in the design, development and implementation of the BSC.	Nørreklit, 2000, 2003
4	There is no cause-and-effect i.e., proof of a linkage between the four perspectives put forward in the BSC. For example, it does not show how increased learning will lead to improved business processes that are projected to result in increased customer satisfaction and growing profit.	Nørreklit, 2000, 2003; Oriot and Misiaszek, 2004
5	Question the flexibility of the BSC with respect to adding additional measures.	Nørreklit, 2000, 2003
6	Suggests that in order to achieve employee commitment, the BSC needs to be entrenched in the language of employees, which the BSC is not.	Nørreklit, 2000, 2003
7	The practical application of a hierarchical top-down control system does not allow for new strategy to arise at lower levels.	Nørreklit, 2000, 2003; Tyagi and Gupta, 2008
8	The top-down control is problematic for their relationship with internal stakeholders, making it difficult to get the BSC grounded in employees, particularly if they are not involved in the design, development and implementation stages.	Nørreklit, 2000, 2003; Tyagi and Gupta, 2008
9	Criticizes the BSC for not being more interactive and too top-down, and not involving mid- and low-level managers and front line staff in the design, development and implementation stages.	Nørreklit, 2000, 2003; Oriot and Misiaszek, 2004; Tyagi and Gupta, 2008
10	Management is too busy solving short-term problems thus taking away from their time and ability to properly implement the BSC.	Niven, 2003
11	Organizations typically lack the highly developed information systems necessary to support the BSC.	Niven, 2003; Oriot and Misiaszek, 2004; Sharma and Gadenne, (2011)
12	A lack of linkage between the BSC and employee rewards and little guidance on how the rewards should be determined and implemented.	Niven, 2003; Oriot and Misiaszek, 2004
13	Too time consuming to develop the BSC strategies.	Niven, 2003
14	Employees lacked the skills and know-how to make the BSC work.	Niven, 2003
15	Criticize the BSC as being a diagnostic control tool, versus an integrative control mechanism, as espoused by the BSC.	Oriot and Misiaszek, 2004

#	Criticisms	Author(s)
16	Kaplan and Norton claim that by using the BSC firms will increase their performance, yet they make no reference to what they mean by *performance.*	Oriot and Misiaszek, 2004
17	Suggest that the BSC does not allow for the time lapses between the implementation of operational actions and their financial translation.	Oriot and Misiaszek, 2004
18	Suggest that commonly used measures of employee attitudes, customer preferences, and research and development creativity, may not even be properly measured.	Oriot and Misiaszek, 2004
19	The BSC is culturally specific.	Oriot and Misiaszek, 2004
20	Suggest that the BSC was designed as a strategic management system and thus geared toward the organization's executive, instead of toward operations, thus suggesting the BSC is not useful at the operations level.	Tyagi and Gupta, 2008
21	Suggest that the BSC does not provide guidance for implementation at the process level.	Tyagi and Gupta, 2008

Compiled by the author

A - Process Criticisms

Nørreklit (2000, 2003), Oriot and Misiaszek (2004), and Tyagi and Gupta (2008) criticized the process of designing, developing and implementing Kaplan and Norton's BSC, noting that the lack of involvement of Front-line Employees and Mid- and Low-level Managers is problematic if the full-value of the BSC is to be realized. My study focuses on addressing this gap. Nørreklit (2000, 2003) and Tyagi and Gupta (2008) highlighted that ideas for a new strategy may arise at lower levels (i.e., Mid- and Low-level Managers and Front-line Employees) in the organization. The problem they identified is that this does not seem consistent with the control method proposed in the BSC, which is prescribed as hierarchical, top-down and highly mechanical. Nørreklit and Tyagi and Gupta suggested that for the BSC to be effective, the model has to be rooted in all management levels and include front-line employees of the organization. Thus given its top-down control design Nørreklit and Tyagi and Gupta believed that it may be difficult to get the BSC grounded in the employees, particularly if they are not actively involved in the design, development and implementation stages. Nørreklit and Tyagi and Gupta suggested that the BSC's hierarchical design disregards the importance of winning support for the system at lower

levels of the organisation, a situation that could create problems with implementation. Essentially Nørreklit and Tyagi and Gupta criticized the top-down construction of the BSC, suggesting it reduces transparency and involvement, which according to Kaplan and Norton should help unit managers make decisions. My study analyzes the extent to which the top-down method of the BSC promoted by Kaplan and Norton actually occurs in practice.

Oriot and Misiaszek (2004) criticized the BSC as being a diagnostic control tool rather than the integrative control system espoused by Kaplan and Norton (1992, 1996a). As a diagnostic control tool the ability of the BSC to engage employees is reduced. Nørreklit (2000, 2003), and McCunn (1998) also pointed out that in order to achieve employee commitment, the BSC needs to be entrenched in the language of the employees. Nørreklit, and Tyagi and Gupta (2008) concluded that if the BSC is to become accepted throughout the organization, then its top-down control methods need to be adjusted to meet employees' needs. Nørreklit, and Tyagi and Gupta recommended that the control processes should be more interactive and involve Mid- and Low-level Managers as well as Front-line Staff in the design, development, and implementation stages of the BSC. My research seeks to address some of the gaps in the literature by investigating the role of Mid- and Low-level Managers and Front-line Employees in the design, development, and implementation processes of the BSC in public sector organizations.

After reviewing the effectiveness of the BSC, Tyagi and Gupta (2008) reported a number of additional limitations. First, they noted that the BSC was designed as a strategic management tool and thus geared toward the organization's executive, instead of towards its operations. They therefore suggested that the BSC is not useful at the operations level. Secondly, Tyagi and Gupta claimed that Front-line Employees are not able to relate to the BSC, which makes its implementation impossible. The third criticism is that the BSC appears to be an imposed set of measurements. For example, they stated that no actual business is organized along the lines of Kaplan's and Norton's four perspectives, with clear responsibility assigned to each perspective. This makes successful implementation and performance of the BSC questionable. These criticisms are examined in this study.

B – Elements and Compositional Criticisms

Other BSC design, development and implementation problems have been identified in the literature and although not central to my study, are addressed below. For example, Niven (2003), and Oriot and Misiaszek (2004) reported that the BSC does not explain how performance measures are linked to employee rewards, a critical omission in Kaplan and Norton's BSC. Niven and Oriot and Misiaszek stated that Kaplan and Norton do not provide any indication as to how these rewards should be determined and implemented. Although not key to my study, whether or not rewards are attached to performance and the impact of this linkage will be consequential to the issues addressed in my study and reported in Chapters five and six.

Oriot and Misiaszek (2004) also criticized Kaplan and Norton's claim that by using the BSC, organizations will increase their performance, and noted the absence of a definition of 'performance' in this context. Moreover, Oriot and Misiaszek indicated that the BSC does not allow for the time lapses between the implementation of operational actions and their financial translation. For example, the researchers drew attention to the fact that aspects of performance, such as employee attitudes, customer preferences and research and development, may not be properly measured. They also criticized the BSC as being culturally specific and thus more suited for the United States than for other countries with different cultures, such as France. Furthermore, Oriot and Misiaszek suggested that the BSC is promoted as a turn-key framework for PMe and most of all as a tool designed for consultants, although it is neither. Finally, Oriot and Misiaszek highlighted a number of implementation problems with the BSC, including the following: i) whether the BSC will hinder the implementation of existing measurement programs in companies; ii) that successful implementation and use of the BSC requires the organization to produce a significant amount of performance information, with no reference as to how this should or could be achieved; and iii) lastly that target setting is a crucial feature of a well implemented BSC, yet Kaplan and Norton fail to mention how difficult this task is and pay very little attention to it.

While studying Analog Devices Incorporated, a US semi-conductor company, Schneiderman (1999), reported that the organization's vision and strategy were not actionable, which they suggested impacts the design, development and implementaiton of a organization's BSC. He

noted that there were difficulties in evaluating the relative significance of measures, in addition to problems of recognizing true drivers. He also found that measures included in the organization's BSC were typically negotiated rather than based on stakeholder needs. Problems such as these may surface in my study of the BSC in four public sector organizations.

Nørreklit (2000, 2003), Oriot and Misiaszek (2004) also questioned the extent of a cause-and-effect relationship among the four perspectives of the BSC and noted that, although Kaplan and Norton (1992, 1996a, 2008b) start from the premise that cause-and-effect exists, i.e. activities in each dimension affect outcomes in others, they do nothing to prove it existence. Nørreklit (2000, 2003) indicated that although Kaplan and Norton suggest that additional measures could be added to the BSC, they have not explained how or where they should be located in the cause-and-effect chain. Niven (2003) found that management were often too busy solving short-term impending organizational problems, thus taking away from their time and ability to properly implement the BSC. Niven (2003, 2005, 2006) and Sharma and Gadenne (2011) also reported that some of the main issues include motivation for performance management, leadership, communication mechanisms, goal-setting processes, measurement and lastly, that managers often reported that their organizations lacked the highly developed information systems necessary to support implementation of the BSC. Managers also found that it was too time-consuming to develop BSC strategies and employees lacked the skills and know-how to make the BSC work (Niven, 2006). On a related note Sharma and Gadenne (2011) noted that a major barrier to the implementation of the BSC in public sector organizations stems from the difficulty that they often have in articulating their mission and associated strategies.

In summary, despite the criticisms leveled at the BSC, it remains popular and has the power to potentially damage or improve an organization's performance, thus it is important that academics and practitioners continue not only to study it but also question it. Ittner and Larker (1998b); Ittner, Larker, and Meyer (2003); Ittner, Larker, and Randall (2003) call for further BSC research, noting that surprisingly little research has been carried out on the development and implementation of the BSC, despite widespread practitioner interest in the subject. Further research is necessary to unravel why: 25 percent of the organizations surveyed by the Towers Perrin research experienced major problems with the additional time and expense required to design, develop, implement and operate the BSC (Ittner & Larker, 1998b); 70 percent of PMe

and PM initiatives fail (Hunter, 2003; McCunn, 1998); and according to Venkatraman and Gering (2000) there have been as many unsuccessful BSC implementations as successful ones.

Similarly, Ittner and Larker (1998b) claimed that it would be instructive to study the design, development and use of business models, such as the BSC, in diverse organizations to determine the impact of the adoption and implementation of nonfinancial measures in a PMS. Ittner and Larker also noted that recent efforts to *reinvent* the government using PMSs such as the BSC provide further motivation to study them. Ittner and Larker found that although many organizations have adopted various iterations of the BSC very little research has been carried out in the area – that is on the design, development and implementation of the BSC in public sector organizations. These two critics fore-grounded the importance of communicating, cascading and implementing the BSC throughout the entire organization, but they suggested that little is known about this process, which is one of the primary goals of my research.

Okumus and Roper (1998) acknowledged that both PMS strategy and implementation have received limited attention in academia, referring to *". . . great strategy, shame about the implementation . . ."* (p. 218). Okumus and Roper (1998, p. 219) go on to observe that *". . . despite the importance of the strategic execution process, far more research has been carried out into strategy formulation rather than into strategy implementation and process. Yet the main weaknesses of strategic management practice are generally associated with the implementation stage."* Mintzberg (1994) declared that more than half of the strategies planned by organizations are never actually implemented. This raises questions about the implementation stage that once again motivate the need for further BSC implementation research. Although there are a number of theories of how the BSC should be designed, developed and implemented in an organization, little is known about how these processes actually unfold in practice, particularly in the public sector, which is the focus of this study.

In response to many of the shortcomings or criticisms identified with Kaplan and Norton's BSC, as discussed throughout this section and summarized in Table 2.4, a number of studies have recommended certain or specific steps as important to the PMS process, these are discussed next.

2.4.2 Participative PMS Model

Based on my review of the literature I constructed a modified PMS design, development and implementation model (Participative PMS Model) as presented in Table 2.5. It should be noted that my Participative PMS Model incorporates and adds to Kaplan and Norton's design, development and implementation model, particularly in the area of employee involvement. Table 2.5 also identifies the 21 BSC criticisms (identified in Table 2.4), that each of the stages the Participative PMS model seeks to address, thus adding value to or enhancing the BSC.

Table 2.5 – Participative PMS Model

Stage	Topic	Value/ Criticisms	Author(s)
Conceptualization	Led by the Senior Executive team PMS Conceptualization is a separate and distinct step or stage that precedes the PMS Design stage. PMS Conceptualization includes all activities surrounding the original conception, initial investigation, feasibility analysis and making a business case for an organization to adopt and implement a PMS such as the BSC.	15, 19, 20	Poulymenakou and Prasophoulou, 2004; Romney and Steinbart, 2003
Design	Following its conceptualization, the organization should provide the impetus or reason(s) for implementing a scorecard system. This should identify the benefits and be communicated to the entire organization.	3, 16, 20	Lawson et al. (2008); Niven, 2003 & 2006
	Identify an individual to be the PMS leader or champion.	1, 13	Adler, 2011; Neely, Adams, and Crowe, 2001
	Involve the key stakeholders (including mid- and low-level managers and front-line employees) and identify their wants, needs and their respective contributions to the design stage of the organizations PMS - include key member representatives on the design team.	2, 3, 6, 7, 8, 9, 12, 13, 14, 16, 20	Neely, Adams, and Crowe, 2001; Micheli and Kennerley, 2005; Lawson, Hatch, and Desroches, 2008; Adler, 2011; Niven, 2003 & 2006
	Analyze how external factors (natural environment, global economy, industry and national culture), internal elements (organizational size, leadership style, organizational life-cycle stage, and characteristics of organizational ownership), organizational culture, organizational structure, selection, training and development of employees, and operating systems and procedures impact the design, development and	1, 4, 12, 15, 16, 20	Adler, 2011

Stage	Topic	Value/ Criticisms	Author(s)
	implementation of an organization's PMS.		
	Ensure that the terminology surrounding the PMS is standardized throughout the organization and the PMS.	6	Micheli and Kennerley, 2005; Adler, 2011
	Have the design team identify the organization's strategies, objective processes and the competences needed to satisfy the needs and wants of their stakeholders, thus creating separate success maps for each of the stakeholders.	1, 2, 3, 4, 15, 16, 20	Neely, Adams, and Crowe, 2001; Micheli and Kennerley, 2005; Eckerson, 2006
	Collate the success maps for all stakeholder groups and identify links among them.	4, 8, 9	Nørreklit, 2000, 2003; Oriot and Misiaszek, 2004; Tyagi and Gupta, 2008
	Consider the key questions that the organization would like to be able to answer at their performance review meetings.	1, 2, 4, 10, 11, 15, 16, 20	Neely, Adams, and Crowe, 2001
Development	Involve the key stakeholders, including mid- and low-level managers and front-line employees, and identify their respective contributions to the development stage of the organization's PMS.	1, 2, 3, 4, 7, 8, 9, 12, 13, 14, 16, 20	Neely, Adams, and Crowe, 2001; Micheli and Kennerley, 2005; Lawson, Hatch, and Desroches, 2008; Adler, 2011; Niven, 2003 & 2006
	The development team, which is similar to the design team, but may include additional members, needs to focus on what measures and key performance measurement characteristics are required and also what data and resources are needed.	1, 2, 3, 4, 7, 8, 11	Neely, Adams, and Crowe, 2001; Micheli and Kennerley, 2005; Eckerson, 2006
	Integrate the unit-level and individual scorecard maps into a single scorecard or map for the entire organization.	1, 2, 3, 4, 10, 13, 15	Neely, Adams, and Crowe, 2001; Micheli and Kennerley, 2005; Lawson, Hatch, and Desroches, 2008
Implementation	Involve the key stakeholders including mid- and low-level managers and front-line employees and their respective contributions to the implementation stage of the organization's PMS.	1, 2, 3, 7, 8, 9, 12, 13, 14, 20, 21	Neely, Adams, and Crowe, 2001; Micheli and Kennerley, 2005; Lawson, Hatch, and Desroches, 2008; Adler, 2011; Niven, 2003 & 2006
	Motivate the entire organization by providing the impetus (including linking rewards to performance measure) for designing, developing and implementing the PMS.	10, 16, 21	Eckerson, 2006; Lawson, Hatch, and Desroches, 2008; Adler, 2011

Stage	Topic	Value/ Criticisms	Author(s)
	Educate and involve the staff and communicate the goals, objectives and purpose of the PMS throughout the entire organization.	1, 2, 3, 6, 14, 16, 21	Neely, Adams, and Crowe, 2001; Eckerson, 2006; Lawson, Hatch, and Desroches, 2008; Adler, 2011
	Pilot the PMS and its measures.	11, 17, 21	Micheli and Kennerley, 2005
	Subject the PMS to ongoing assessment and evaluation.	1, 2, 4, 5, 7, 8, 9, 17, 20, 21	Micheli and Kennerley, 2005; Eckerson, 2006; Adler, 2011

Compiled by the author

Lawson et al. (2008) reported that the BSC design stage should begin with the organization stating a reason for implementing a scorecard system which should emphasize the need to design and develop reasonable scorecard targets. The benefits of the BSC should be identified and communicated throughout the organization to motivate employees to commit to it. Lastly, the authors suggested that the measures adopted should align employees with organizational goals, including linking performance measures to compensation and rewards.

Adler (2011) and Neely et al. (2001) recommended that as part of the design stage the organization should identify an individual as the PMS leader or champion. They also recommended that this individual should be a member of the senior executive team. Lastly, they noted that early in the process the necessary resources must be identified and made available in order to ensure that the PMS is sustainable.

Neely et al. (2001) proposed the following five steps as necessary for organizations to design and develop a PMS. First, they highlight the importance of identifying the wants and needs of all stakeholders and their respective contribution to the business. The second step requires the design and development team to identify the firm's strategies, processes and competences that are needed to satisfy the needs and wants of each of their stakeholders. By the end of step two, separate success maps for each of the stakeholders should have been developed and the links among them identified. Step three requires the team to integrate separate success maps into a single success map for the entire business. By doing so, the team should have addressed all the questions posed in the PMS framework. Step four requires consideration of what questions they would like to be able to answer at their performance review meetings. Neely et al. (2001) suggested that the starting point has to be not what should be measured, but instead, what

questions should we be asking? Once the right questions have been identified, Neely et al. purported that it should be relatively easy to think about what should be measured. Lastly, in step five, the team needs to focus on what measures are required, and thus what data is needed to answer the questions which they identified in step four. The result should be a set of measures that are mapped onto the specific questions identified by the executive team. The organization then needs to plan and build the process, including educating staff, and noting the importance of regular communication between the executive team and all stakeholders.

Micheli and Kennerley (2005) expanded upon Neely et al.'s (2001) design and development of performance measures to include the implementation of those measures. Their model applies to PMSs, such as the BSC, which Micheli and Kennerley suggest should follow 10 phases. They begin by emphasizing that key stakeholders must be involved in each stage (or process) of the design, development, and implementation of the PMS. The second phase is to clearly articulate the program's purposes and goals. The third phase is to ensure the model's development. In the fourth stage, the design and development team must define standard terminology to be used throughout the entire PMS. Phase five requires the design and development team to identify the performance perspectives. In stage six, the team develops the universe of potential scorecard measures. Phase seven requires the team to identify the ability of the firm to collect the necessary data. In phase eight, the team must specify the criteria for selecting the various performance measures. Phase nine requires the organization to pilot and test the PMS and its measures. Lastly, in phase ten, the organization must subject the PMS to ongoing assessment and evaluation. In summary, Micheli and Kennerley's template has been incorporated into my Participative PMS design, development and implementation model as listed in Table 2.5.

Eckerson (2006) proposed a different four-step process for designing, developing, and implementing a PMS template, which has also been incorporated into my Participative PMS design, development and implementation model as listed in Table 2.5.. The first step involves strategizing, planning and communicating the organization's strategy. Here executives define the key drivers of the organization's value and ways to measure them. Eckerson defined the measures of the business drivers as its *Key Performance Indicators* (KPIs). He suggested that executives should use incentives to reinforce the value drivers. Step two involves planning, where the various groups within the organization meet to develop plans to carry out the business

strategy and allocate resources. In the third step, the firm must monitor and analyze the strategies and plans in order to successfully execute them. The fourth and final step is to act, thus measuring performance, and to adjust as deemed necessary. According to Eckerson, at this stage workers must take action to fix broken processes before they spiral out of control and/or to exploit new opportunities.

Adler (2011) developed a framework (see Fig. 2.5) that shares many of the characteristics of previous performance measurement and management taxonomies, the primary difference being that his template brings together many of the best practices of a number of previous frameworks and uses language more likely to make sense to practitioners.

Adler's model is founded upon previous research (Lin, 1998) that established the influence of external factors (operating just outside of the framework) upon a PMS. For example, Adler found that the natural environment, global economy, industry, and national culture operate outside his model. He identified the internal elements to his model as organizational size, leadership style, organizational life-cycle stage, and characteristics of organizational ownership, and their impact on organizations' processes, structures, and outcomes. Operating inside the structure is the organization's control system and strategy formulation. The system is presented as an interactive process. The internal factors identified in the model that affect the organization's strategic control process include: organizational culture; organizational structure; selection, training and development of employees; and operating systems and procedures. The four primary PM components are represented by four circles with arrows connecting these circles to strategy implementation. Adler explained that since the primary purpose of PM is to motivate and align employee behaviour with the goals of the organization, he intentionally displayed the arrows linking the elements of PM and strategy implementation as passing through employee behaviour, thus highlighting the important role of Senior- Low- and Mid-level Managers and Front-line Employees in the PMS process, an issue that is central to my study.

Figure 2.5 – Adler's Performance Management

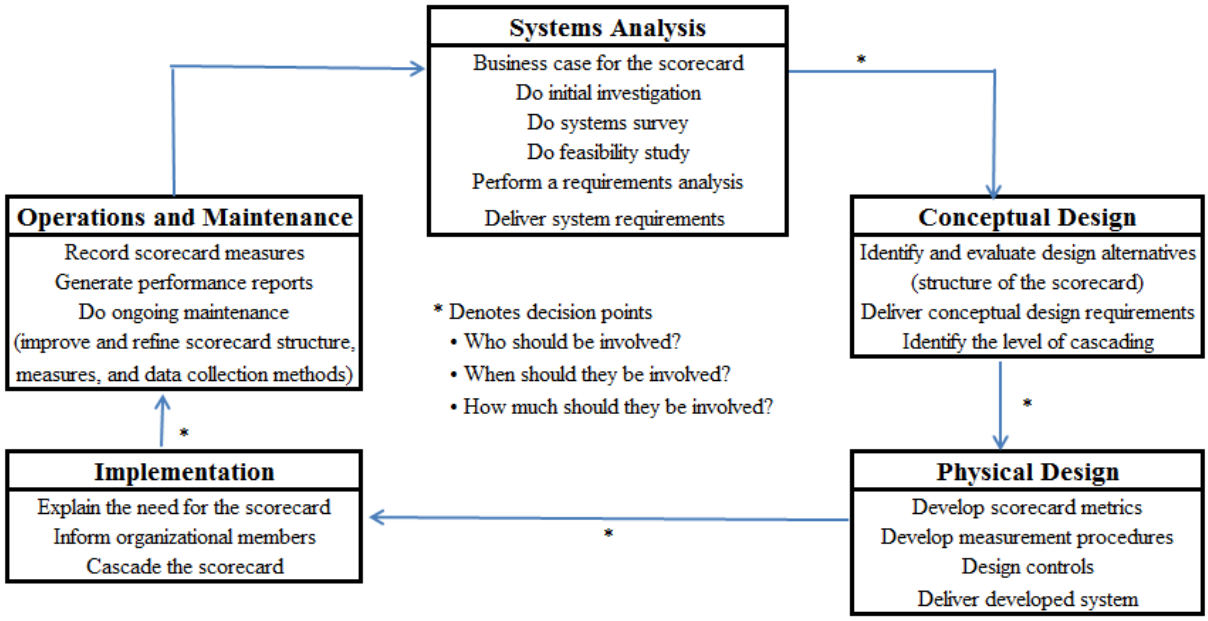


Reprinted with permission from Performance management and organizational strategy: How to design systems that meet the needs of confrontation strategy firms in *The British Accounting Review, 43*(4), 251-263. Adler, R. W. (2011, p. 253).

In addition to outlining the BSC process as described above, Micheli and Kennerley (2005), Neely, Gregory, and Platts (2005) and Niven (2003, 2006) identified a number of characteristics deemed important in a PMS. They recommended that the performance measures used should: be derived from strategy; provide timely and accurate feedback; be simple to understand; be reported in a simple consistent format; be clearly defined; provide a visual impact; focus on improvement while providing information; be relevant, consistent and maintain their significance with time; relate to specific goals (targets), and should be capable of being influenced or controlled by the user alone or in cooperation with others. In addition, both suppliers and customers should be involved in defining the measures which should be based on explicitly-defined formulas and sources of data, while consisting of ratios rather than absolute numbers. It is also important that the organization, in conjunction with their suppliers, use the data which are routinely collected as part of a process whenever possible, while providing fast and accurate feedback; having an unambiguous purpose; being based on trends rather than snapshots; and being impartial, specific and precise about what is being measured. Once again the elements that were unique to Micheli and Kennerley and Neely et al. were incorporated into my collective theoretical PMS design, development and implementation model (see Table 2.3).

The final area considered with respect to creating my literature based PMS design, development and implementation template was obtained from Romney and Steinbart's (2003) Systems Development Life-Cycle (SDLC) model (see Figure 2.6).

Figure 2.6 – A Systems Design Life-Cycle Model for a PMS



Reprinted with permission from *Accounting Information Systems (9th ed.)* by Romney, M. B. & Steinbart, P. J. (2002, p. 572). Copyright © 2002 by Pearson Education Inc., New York, New York; all rights reserved.

Romney and Steinbart's SDLC uses a five stage approach in their model which outlines the steps that organizations will likely go through in the design, development and implementation of an information system. Romney and Steinbart's SDLC model includes the following steps: systems analysis; conceptual design, physical design, implementation; and operations and maintenance. The two primary contributions of the SDLC model to the Participative PMS model are: 1) it reinforces the active involvement of employees throughout the entire process, and 2) the incorporation of a conceptual design stage precedes the design stage. The key to the SDLC model is that each of the five stages of the model involves a series of tasks that the organization must carry out. Moreover, at each stage there exists the opportunity to involve individuals belonging to different hierarchical levels. This process of soliciting involvement requires that the organization answer three questions: (1) Who should be involved in carrying out the different tasks? (2) When should they be involved? and (3) How much should they be involved? In

essence, answering these three questions will determine the extent and nature of involvement of individuals at different hierarchical levels within the organization.

Although it could be argued that each of the steps identified in both Kaplan and Norton's template and the Participative PMS model are important, my focus was on employee involvement. What stood out as noteworthy was the stark contrast between the two models regarding the *roles and level of involvement* of Front-line Employees and Senior- Mid- and Low or Operational-level Managers in the BSC process. While the Participative PMS model clearly highlights the importance of involving the Senior Mid- and Low-level Managers and Front-line Employees in each respective stage of the BSC process, Kaplan and Norton's BSC template only contains what seems to me as a very insignificant reference to employee involvement. Kaplan and Norton's BSC template clearly prescribes a top-down approach and their only reference to involving Mid- and Operational-level Managers and Front-line Employees in the PMS process seems to be an afterthought, showing up in the final steps of their template. It is only in the very last stage of their design, development and implementation template that Kaplan and Norton suggest that the BSC should be incorporated into an organization's entire management system and values which requires educating and involving the people who must execute it.

In my opinion the divergence between the two models is worthy of investigation given that most organizations use a BSC (Eckerson, 2006; Lawson et al., 2008; Pollitt & Bouckaert, 2004), and as such rely upon the design, development and implementation template prescribed by Kaplan and Norton's model (Kaplan & Norton, 1992, 1996a). This is despite the fact that their template appears to downplay or undervalue the role and involvement of Mid- and Operational-level Managers and Front-line Employees in the PMS process. The emphasis on employee involvement in the PMS process combined with the lack of research in this area moved me to consider related or similar research. My review of the literature revealed two potential sources: the influential and far-reaching participative budgeting literature; and the employee involvement/participation literature.

First I considered the participative budgeting research that originated when Nielsen and Sorensen (2004) published the first of many empirical studies on participative budgeting, the impact on organizations and the behavioural effects of budgeting on subordinate managers. Participative

budgeting is commonly referred to in the accounting literature as a process in which a manager is involved with, and has influence on, the determination of his or her budget (Birnberg, Shields, & Young, 1990; Brownell, 1982; K. M. Chong, Eggleton, & Leong, 2006; V. K. Chong & Chong, 2003; Hopwood, 1976; Young, 1988). The underlying presumptions highlighted in the participative budgeting research that I drew on in my study were those based on psychological theories (S. Becker & Green, 1962; Brownell, 1982; Hopwood, 1976; Murray, 1990; Ronen & Livingstone, 1975; Young, 1988) which consider three mechanisms by which the superior-subordinate relationship is enhanced in the participative budgeting process (or, as in my study, participative PMS design, development and implementation): *value attainment*, *cognitive*, and *motivation* (Locke & Latham, 1990; Locke & Schweiger, 1979). *Value attainment* is theorized to affect employee satisfaction and morale because the process of participation/involvement allows a subordinate to experience self-respect and feelings of equality arising from the opportunity to express his or her values. The other two mechanisms, *motivation* and *cognitive*, are theorized to affect performance. The *motivational* mechanism depicts the act of participation as increasing a subordinate's trust, sense of control, and ego-involvement with the organization, which then jointly cause less resistance to change and more acceptance of, and commitment to the budget decisions, ultimately leading to improved performance. Finally, the *cognitive* mechanism assumes that the process of participation improves subordinate performance by increasing the quality of decisions as a result of the subordinate sharing information with their superior(s). I theorized that active employee participation at all levels of the PMS process will contribute to increased levels of employee satisfaction that will subsequently lead to increased acceptance of their organizational, departmental or individual BSC thus contributing to increased motivation and performance. Essentially, my study draws from the participative budgeting literature to assist in understanding and explaining how employees at various organizational levels perceive their involvement (or lack of involvement) in the design, development and implementation of their organizational, departmental, and/or individual PMS.

Secondly, I examined the extant employee involvement/participation literature for any similarities that would contribute to explaining employee involvement levels in an organization's PMS process. I found that there is a long history of employee involvement studies dating back to the first century Roman farmer Columella (1941, p. 93) who stated that he consulted his slaves

because *"they are more willing to think that their opinion have been asked and their advice followed."* Argyris (1957) and Markey and Townsend (2013) noted that based on an individual's background and position, employee involvement may refer to engagement, voice, participation, or democracy. Bullock and Scontrino-Powell. (n.d., p. 1) defined employee involvement as *"the direct participation of staff to help an organization fulfill its mission and meet its objectives by applying their own ideas, expertise, and efforts towards solving problems and making decisions."* More recently numerous studies (Cotton, 1993; Jones & Kato, 2005; Marchington, Goodman, Wilkinson, & Ackers, 1991; Markey & Townsend, 2013; Pasmore & Friedlander, 1982) have investigated various elements related to employee involvement and how it affects both employees and organizational performance. For example, studies have considered the impact of employee involvement from the perspective of labor movements, unions, leadership, job design, total quality management, organizational performance, and even larger social issues. The early 20th century writings of Sidney and Beatrice Webb in Great Britain, John R. Commons in the United States, and other founders of the academic field of industrial relations frequently emphasized themes of industrial democracy and collective bargaining because of a belief in the importance of employee voice (Kaufman, 2004). Bryson, Charlwood, and Forth (2006) described employee involvement or *voice* as a multi-faceted, dynamic and complex topic that ultimately feeds through into productivity (Purcell & Geogiadis, 2007). A number of authors (Dietz, Wilkinson, & Redman, 2009; Poole, 1986; Sashkin, 1976; G. Strauss, 2006) concluded that employee involvement and participation are very broad terms with considerable width in the range of definitions. Some authors insist that participation must be a group process, involving groups of employees and their boss; others stress delegation, the process by which individual employees are given greater freedom to make their own decisions. Some refer to *informal participation* as embedded in the day-to-day relationships between managers and their subordinates in which subordinates are allowed significant input into work-related decisions. Lastly, there are those who view participation as a *process* and those who are concerned with participation as a result. For the purposes of my study I draw on the employee involvement/participation literature to aid in interpreting, understanding and describing how employees at various organizational levels perceive their involvement (or lack of involvement) in the design, development and implementation of their organizational, departmental, and/or individual PMS.

In summary, the participative budgeting and involvement literature provided additional support for my Participative PMS model. The Participative PMS model theorizes that active employee participation or involvement (at all levels) in the PMS process will contribute to increased levels of employee satisfaction that would subsequently lead to increased acceptance of their organizational, departmental or individual BSC, which ultimately contribute to increased employee motivation and performance.

2.5 Conclusion

This chapter began by reviewing the differences between PMe and PM, the predominance of PMe, the use of PMs by management, and the evolution of PMe and PM. These were followed by a review of a number of commonly used PMSs (other than the BSC) and the common criticisms of PMe and PM systems in general. The next major section covered an overview of the BSC including a review of the literature regarding its design, development and implementation, and the major criticisms levelled specifically at the BSC.

The literature review noted that although a number of PMSs are being used, the BSC and its design, development and implementation model is by far the most commonly used today, and so it was the focus for this study. My review and analysis of the PMS literature was then used to construct a Participative PMS conception, design, development and implementation model that I subsequently compared to the template prescribed by Kaplan and Norton (1992, 1996a). What stood out as noteworthy was the stark contrast between the two models regarding the roles and involvement of Front-line Employees and Senior- Mid- and Low or Operational-level Managers in the BSC process. In order to provide a foundation for my inquiry regarding the roles and involvement of all employees in the BSC process I incorporated elements from the participative budgeting and employee involvement/participation literature. Lastly my review highlighted a number of criticisms of PMe and PM systems (including the BSC). Noteworthy were the problems associated with top-down control methods, including the lack of Front-line Employee and Mid- to Low-level Manager involvement with the PMSs design, development, and implementation. Again this gap is the focus of this study.

In summary, the BSC is widely used and numerous studies have investigated issues regarding many of its elements and construction, yet there remain many unanswered questions about the

actual process of employee involvement in designing, developing and implementing it in the public sector, which is the focus of this project. For these reasons I investigated the process by which PMSs, including the BSC, are actually designed, developed and implemented, and more importantly the level of Senior- Mid- and Low-level Managers and Front-line Employee involvement in each of these stages, in four Canadian Provincial Crown or public sector corporations.

The next chapter continues to provide a foundation for this study by outlining the similarities and differences between the public and private for-profit sectors, and identifying a number of the major initiatives (e.g., legislative, statute and acts, and the adoption of New Public Management (NPM) practices) that have led to the adoption and use of PMSs and the BSC by various levels of Government in Canada. The next chapter also examines some of the issues arising as a result of adopting private sector practices, such as the use of PMe, PMSs and the BSC, in the public sector.

Chapter 3: Critical Review of the Public Sector Performance Measurement and Management Literature

3.1 Introduction

Over seventy years ago Clarence Ridley and Herbert Simon (1943) identified citizens, along with managers and city council members, as key beneficiaries of improved PMe. With proper measures, they claimed, citizens would have a *"simple yardstick"* by which to gauge whether they were getting *"efficient government or inefficient government"* (Ridley & Simon, 1943, p. ix). Despite its long lineage, PM received only a moderate level of attention until the early 1990s, after which it became an essential element of professional public management (Streib & Poister, 1999). Since the early 1990s a resurgence has been underway and countless public sector organizations have adopted the BSC both as it was originally designed (Kaplan & Norton, 1992, 1993) while some have modified it to better suit the public sector (Niven, 2003, 2006).

Notwithstanding the popularity of the BSC and its many success stories in both the private and public sectors, as mentioned in Chapter two, many organizations have not realized the professed benefits from the BSC (Hunter, 2003; K. Nichols, 1997). Although the causes of this disconnect may be attributable to many different factors one notable theme emerged when reviewing the literature described in Chapter two. My review showed a clear contrast between Kaplan and Norton's PMS template and my theoretical PMS design, development and implementation template regarding the roles and involvement of Front-line Employees and Senior- Mid- and Low or Operational-level Managers in the BSC process. This study seeks to address this gap by investigating the theory and actual practice of designing, developing and implementing the BSC in four Canadian Provincial level Crown (i.e., public sector) corporations.

This chapter is organized into seven sections. First section 3.2 compares the public and private sectors, identifying similarities and differences that have the potential to impact the design, development and implementation of the BSC. Section 3.3 describes the concept of New Public Management (NPM), which is seen as a general shift in public sector management attitudes, practices and styles towards private sector practices, including the adoption and use of PMSs such as the BSC (Hood, 1995). Section 3.3 also presents a number of the major legislations, statute and acts that have resulted in the adoption and use of PMe systems and PMSs especially

the BSC by various levels of government, including the Canadian public sector. Next, Section 3.4 describes the growth in the number of public sector organizations that have adopted, or are planning to adopt PMSs such as the BSC. This is followed in Section 3.5 with a discussion of the issues arising as a result of adopting private sector practices such as PMe systems, PMSs and the BSC in the public sector. Section 3.6 provides a summary and lists the study's four primary research questions. The chapter is concluded in Section 3.7.

3.2 Public and Private Sectors Compared

This section highlights the similarities and differences between the private and public sectors. Although the private and public sectors share certain similar characteristics they are quite different. For this reason careful thought needs to be given by public sector organizations when adopting private sector practices such as the BSC. The debate on the similarities and differences between private (for-profit) and public sector organizations has shaped the development of public administration. This debate has raised a number of questions that have the potential to impact my study. For example, do the differences (similarities) between the private and public sector organizations have implications for who should be involved (or not involved) in the conception, design, development and implementation stages of their PMSs? And if so, how?

3.2.1 Differences between the Private and Public Sectors

Antonsen and Jørgensen (1997) examined publicly owned organizations (i.e. as legally defined) and suggested that there are varying levels of *publicness* and that the degree of publicness creates differences among organizations. They described organizations with high levels of publicness as those that serve the public-at-large, subscribe to a public service ethos, and typically focus their interest on the many external actors by which they are heavily influenced, including the media. Antonsen and Jørgensen, and Boyne (2002) noted that the higher the level of publicness of an organization the more likely it would display characteristics such as a professional orientation, complex tasks, conflicting environmental demands, low managerial autonomy, many external stakeholders, more restrictive ministerial (i.e., parent governmental body) control and formal and distant relations with the ministry. They also found that the more publicness was associated with the organization the more unwilling it was to adopt organizational changes associated with the notion of NPM. On the other hand, organizations with low levels of publicness were usually

keen to adopt the new ideas associated with the NPM concept. Essentially Antonsen and Jørgensen refer to NPM as government policies, programs and initiatives that are intended to modernize and render the public sector more effective and efficient.

According to Antonsen and Jørgensen (1997) organizations with high levels of publicness subscribe to a number of public sector values. For example, they found that many tasks have long-term perspective and emphasis is placed on society's overall goals, which are seen as more important than the immediate satisfaction of stakeholder needs. They also found that organizations with high publicness serve the public-at-large, subscribe to a public service ethos, and typically focus their interest on the many external actors by which they are heavily influenced, including the media. These external actors are often seen as harmful when imposed by the parent organization. It is important to recognize that many high publicness organizations also have professional employees who approach their work with high levels of formality and professionalism.

Boyne (2002) and Rainey, Backoff, and Levine (1976) also reported that the primary difference between private and public sector organizations lies in their ownership structures. Whereas public organizations are owned collectively by the public, private organizations are owned by entrepreneurs or shareholders. As a result of the differences in ownership, public sector organizations are typically funded by government revenue from taxation compared with income from customers in the private sector (Denhardt & Denhardt, 2000). In addition, the primary constraints imposed upon public sector organizations are political while those in the private sector typically derive from the economic system (Scott & Falcone, 1998).

Boyne (2002) was also of the view that public and private sector management differ on several dimensions. First, he found that public sector managers have multiple goals imposed upon them by the diverse stakeholders, who push and pull them in multiple directions simultaneously. Second, compared with the private sector, the public sector is far more susceptible to political constraints that result in frequent policy changes; this situation that imposes relatively short time-horizons on public sector managers. Third, the public sector often has less competition for their services. Even where competition is present, public sector managers frequently enjoy a dominant position in the market. Boyne also suggested that public sector organizations are less flexible and

more risk-averse than private sector organizations (Thoits, 1985). Furthermore, the presence of red tape implies an unnecessary and counterproductive focus on rules than results, and with processes instead of outcomes. Fifth, the goals and objectives of public organizations tend to be vaguer than those of the private sector. This is because organizational purposes in the public sector are imposed through the political process rather than chosen by managers themselves. Boyne (2002) referred to the unique set of traits and values of public sector organizations as a *public service ethos*.

The primary differences between the private and public sectors are summarized in Table 3.1. At this stage it is important to consider how the primary differences between the private and public sectors may or may not impact the involvement of employees in the PMS process.

Table 3.1 – Differences between Private and Public Sector Organizations

Dimension	Private Sector	Public Sector
Organizational Complexity	Less Complex	More Complex
Number of Stakeholders	Smaller Number of Stakeholders	Larger Number of Stakeholders
Types of Stakeholders	Similar Types of Stakeholders	Diverse Types of Stakeholders
Number of Goals	Smaller Number of Goals	Greater Number of Goals
Types of Influences	Less Influence by External Events	Greater Influence by External Events
Political Constraints	Smaller Number of Political Constraints	Greater Number of Political Constraints
Time Horizons	Relatively Short-term Time Horizons	Longer-term Time Horizons
Competition for Services	Greater Competition for Services	Less Competition for Services
Strength of Market Position	Weaker Market Position	Dominant Market Position
Level of Bureaucracy	Less Bureaucratic	Greater Bureaucracy
Types of Procedures	Less Formalized Procedures	More Formalized Procedures
Operational Flexibility	Greater Flexibility	Less Flexible
Risk Tolerance	Less Risk Averse	More Risk Averse

Dimension	Private Sector	Public Sector
Fixation with Rules & Process	Less Fixated with Rules & Process	Greater Fixation with Rules & Process
Goals & Objectives	Greater Clarity	More Vague
Organizational Purpose	Imposed by Managers	Imposed Through the Political Process
Managerial Autonomy	Greater Managerial Autonomy	Less Managerial Autonomy
Attitudes & Aspirations of Staff Towards Life and Work	More Aspirational & Materialistic	Less Aspirational & Materialistic
Ownership	Owned by Entrepreneurs or Shareholders	Owned Collectively by the Public
Funding	Fees paid by Customers	Public Taxation
Staff Level Organizational Commitment	Higher Organizational Commitment	Lower Organizational Commitment
Link Between Performance & Rewards	Strong Link	Weak Link
Personal Systems	Less Centralized	More Centralized
Market Signals for Setting Public Goods and Services Production Levels	Stronger Market Signals	Poor Market Signals
Monetary Rewards	More Emphasis	Less Emphasis
Primary Constraints	Stem from the Economic System	Stem from the Political System

Adapted from Antonsen and Jørgensen (1997); Boyne (2002); and Hood (1995) – Complied by the author

3.2.2 Public and Private Sector Theoretical Frameworks

Scott and Falcone (1998) reported that even though the literature presents contradictory results regarding the differences between private and public sector organizations, three underlying theoretical frameworks have emerged or have gained a general consensus: the *generic approach*, the *core approach* and Bozeman's (1987) *dimensional approach*. These three approaches have a number of subtle differences, and as a result each provides distinct insights into how we understand organizational behaviour in the public sector. This may ultimately influence the design, development and implementation of their PMSs.

Using a variety of approaches, Scott and Falcone (1998) compared a number of private and public organizations in order to examine which types of organizational qualities are similar across sectors and which are unique to a given sector. Scott and Falcone reported that the *generic* approach overlooks any differences between the private and public sector. Essentially, the generic position proposes that organizational processes, managerial values, and management functions are basically the same in both public and private organizations (Glaser, 2001).

Scott and Falcone (1998) reported that the *core* approach stands in stark contrast to the generic approach. Proponents of the core approach emphasize a number of underlying differences between private and public sector organizations. Scott and Falcone suggested that the definitions ascribed to the generic and core approaches differ in terms of their legal status, the presence or absence of market structures, externalities, and ownership transferability (Andrews, Higgins, Waring Andrews, & Lalor, 2012). They recognized that although some similarities do exist, the inherent differences are, by far, more pronounced (refer back to Table 3.1). For example Andrews et al. (2012), Boyne (2002), and Scott and Falcone proposed that private sector managers benefit from the economic returns of the firm, which serves as an incentive to increase their personal gains by efficiently and effectively managing the firm's resources. Scott and Falcone (1998) also found that managers in the public sector do not have access to increased economic returns of the firm, thus are more willing to put up with the red tape and added bureaucracy. Public managers are believed to be less materialistic than their private sector counterparts, and are less likely to be motivated by financial rewards (Boyne, 2002; Scott & Falcone, 1998). Hence policies such as pay-for-performance, or promises of financial bonuses and other perquisites are unlikely to motivate staff commitment and/or improve organizational performance. This may also be due to the notion that the level of organizational commitment is believed to be lower in the public sector, primarily because of the rigidity of personnel procedures and the weak link between performance and rewards. Boyne and Scott and Falcone also found that public and private sector managers differ with respect to certain personality, value, and behavioural characteristics. For example, public sector managers place lower value than their private sector counterparts on monetary rewards (Heaton, 2004). One reason may be that it is often difficult for public employees to perceive any link between their contributions and the goals, objectives and outcomes of their respective organizations.

Core approach supporters are of the view that public sector firms do not have important market signals for setting public goods and services production levels (Scott & Falcone, 1998). For this reason, public sector managers are typically required to rely on budgetary increases or decreases for setting production levels. As such, they will usually produce goods and services beyond an amount that is deemed to be efficient (Glaser, 1963).

Followers of the core approach believe that personnel systems in the public sector are often far more centralized, externally managed (Brewer, 2006) and have high levels of formalization and complexity (Mead, 1982; Schwandt, 1998; Szabo & Strang, 1997) than those in the private sector. According to James (1995) it is due to these differences that public organizations are often portrayed as less performance-oriented, more risk averse, and less innovative than their private sector counterparts.

Bozeman (1987) proposed the *dimensional* approach to comparing the private and public sectors. The dimensional approach characterizes organizations according to a net outcome of political and economic power influences. The dimensional approach suggests that firms can be considered along several dimensions of publicness, which Bozeman suggests are independent of each other. All organizations can thus be considered as more private along some dimensions and more public along other dimensions, based on the extent to which they exercise or are constrained by political and economic influences. This approach concludes that organizations having a comparable mix of economic influences will display relatively similar configurations of behaviour, regardless of their sectoral identification. Essentially, the public-private sector divide could lead to differences in the conception, design, development and implementation of each sector's PMS. These will be addressed in the discussion of the results in Chapter five.

Next I will discuss some of the primary similarities between the private and public sectors.

3.2.3 Similarities between the Private and Public Sectors

Niven (2003, 2006), Streib and Poister (1999) and Tyagi and Gupta (2008) argued that the differences between the private and public sectors suggest the need to modify the for-profit BSC when it is used in the public sector. Nonetheless this begs the question as to whether or not the BSC should even be used in the public sector? Essentially the basis for using BSC in the public

sector is largely attributed to the similarities between the private and public sectors. For example, one of the primary reasons why private sector organizations adopt and use the BSC is to be more effective and efficient, an objective that also applies to the public sector. Both types of organizations strive to be more efficient and effective, both have stakeholders to whom they strive to be accountable (Niven, 2006; Poister & Streib, 1999). Niven (2005) also reported that in both the private and public sectors, managers have an interest in running programs and activities that are appropriately designed and directed to meeting their goals, which can be summarized as efficient use of organizational resources. In addition, both public and private managers are concerned with meeting their staffing needs, motivating subordinates, financing, and otherwise conducting their operations so as to promote maximum outcomes. Other similarities are that both sectors are regulated and affected by political laws and regulations; both have to fight for influence and funding; both answer to higher authorities and are held responsible for their actions; and lastly, both work within a set of rules determined by authorities above them. In summary, it is the similarities between the public and for-profit sectors that can be argued to stimulate the adoption and use of the BSC framework in the public sector, and it is the differences between the two sectors that have resulted in the modification of the for-profit BSC to better suit its application in the public sector (Niven, 2006).

In summary this section highlighted the key similarities and differences between the private and public sectors which are important to understanding how PMSs such as the BSC operate in the two different sectors. Many public sector organizations have adopted the BSC to become reformed and operate like their private sector counterparts. Given that the BSC was originally intended for use in the private sector, but is now commonly used in the public sector, the differences between private and public sector organizations raise important questions regarding the conception, design, development and implementation processes of the BSC in the public sector, which is the focus of this study. The differences between the private and public sectors are also important to understanding of the involvement (or not) of Low- Mid- and Senior-level Managers and Front-line Employees in the adoption of and use of the BSC in the public sector.

Having reviewed a number of the similarities and differences between the public and private sectors, the next section investigates the concept of NPM and how it has influenced the adoption and use of PMSs and more specifically the BSC in the public sector. The section ends with an

overview of various NPM-related regulatory, statute, acts and common movements associated with the adoption of PMe systems, PMSs and the BSC in the public sector.

3.3 What is the New Public Management (NPM)

3.3.1 NPM Dimensions of Change

NPM was seen as analogous with terms like *new right* (Endler & Parker, 1992), and the *new industrial state* (Parker, 1987), which were invented for similar reasons (Hood, 1995). Hood (1995) explained that the term *new* does not imply that NPM principles appeared for the first time in the 1980s. According to Hood, many NPM doctrines being promoted and/or practiced today are simply repackaged ideas and concepts which have been in public administration since its earliest beginnings.

According to Hood (1995) most academics and practitioners associated NPM with seven dimensions of change. First there was a movement toward breaking up public firms into separately managed *corporatized* units for each public sector *product* or *service* with each unit identified as its own cost centre. Second was the swing towards increased competition within the public sector and between private and public sectors. Essentially there has been a growth in the number of public sector organizations competing with one another, as well as an increase in intensity of competition between private and public sector organizations. This rise in competition has driven the public sector organizations to be more like the private sector putting pressure on public sector organizations to adopt PMSs such as the BSC, originally designed for the private sector (Box, 1999). Third, there was a move toward adopting more private sector management practices within the public sector thus importing private sector practices such as entrepreneurism, privatization, PMSs, and treating the citizen like a *customer* (Box, 1999). The fourth area of change was a move towards emphasizing discipline and thrift in resource use, and finding alternative, less costly ways to deliver public goods and/or services, instead of simply relying on institutional continuity. Fifth, there was a shift towards the adoption of more explicit and measureable performance standards, which again adds pressure on public sector organizations to adopt PM tools such as the BSC. Sixth, Hood pointed out that there was a trend toward more hands-on-management. By this he meant more active control of public organizations by visible top managers as opposed to relatively anonymous bureaucrats, as was the case in the past. Last,

there was greater emphasis on output controls that are linked to the organization's long-term strategy against the traditional style of 'orders of the day' which typically come on an ad hoc basis from the top. Amaratunga, Baldry, Sarshar, and Newton (2002) summarized Hood's seven principles into three areas: first a change from hierarchical to economically-based configurations, second from legally based to economically based values and third, from regulative to economically-based processes.

Box (1999) stated that the notion that government should imitate the market is not new, but the movement is currently exceptionally intense. The NPM seeks to emphasize efficiency and effectiveness. By this, they mean that it should be cost efficient, as small as possible relative to its tasks, competitive, entrepreneurial, and devoted to pleasing the customer. Box noted that despite the substantial success of market-like reforms in increasing the efficiency of government bureaucracies, there is a persisting awareness that something is wrong. He proposed that something about running government like a business does not feel right for people who are concerned about the quality of public service and attention to issues of social injustice, fairness in governmental action, environmental protection, and so on. For some, he stated, it seems to demean the dedication to public service, reducing it to a technical or instrumental market function similar to manufacturing and marketing a consumer product. Box suggested that under the guise of NPM the image of citizens determining public policy and its implementation is gone, because customers do not actively participate in governance but wait passively to respond to an *"agenda set by others"* (Schachter, 1997, p. 65).

Lapsley (1999) declared that the concept of NPM has played a dominant role in the transformation of the public sector. He maintained that NPM has been characterized as having a number of dimensions. First he believes that there is a displacement of old-style public administration with a new management *decentralization* and *decorporatization* [sic]. Second he stated that NPM brings with it the need for contracts and employee incentives in an effort to achieve greater efficiency in the public services. Lastly, he proposed that NPM has a more explicit role for the management (in a top-down, hierarchical, functional concept) of the public services.

Denhardt and Denhardt (2000) proposed a number of ideas associated with the old public administration that the NPM practices strive to overcome. They stated that the old public administration possessed the following characteristics: the best organizational structure was a centralized bureaucracy, with programs being implemented through top-down control mechanisms; was designed to limit citizen involvement, with the bureaucracies operating as closed systems to the extent possible; and that public administrators do not play a role in policy making and governance, rather, they are simply charged with the efficient implementation of public objectives. They were of the view that when comparing the principles of NPM with the principles of the old public administration, the NPM philosophy is the opposite and is clearly the preferred alternative.

According to K. Brown, Waterhouse, and Flynn (2003) since the mid-1980s the public sector has been under growing pressure to provide greater transparency and accountability, while at the same time improving their performance. This pressure has resulted in the implementation of various change strategies particularly the adoption of private sector management practices and strategies such as the BSC. They stated that while there is an increasing body of literature addressing the management of corporate change in the private sector there is little written about understanding this change in the public sector. In their study, they investigate whether a hybrid model of NPM delivers more favourable outcomes than a model focused on cost reduction and private sector bias for the bottom line. McNeill and Chapman (2005) purported that faced with an emerging public fervour that public sectors are too large and inefficient, and when they are faced with a more complex operating environment they tend to blindly adopt the practices espoused by the NPM. Laughlin (1995) described this trend as a practice of engaging in *isomorphic* behaviour. The degree to which the various private sector practices have been adopted by the public sector has varied significantly, between organizations and between countries (K. Brown et al., 2003). The problem as they see it is that private sector isomorphism comes with a set of risks (e.g., adopting programs that are not suited for their organization thus leading to reduced employee morale and organizational performance) that few organizations have considered, thus there is a need to modify the NPM as they have proposed. Essentially, by espousing NPM principles, public sector organizations are embracing many of the same practices as their private sector counterparts, often resulting in uncertain performance outcomes.

K. Brown et al. (2003) commented that in order to meet the challenges of a global economy and the increasing public demand for a smaller and more responsive government, public sector organizations have been required to transform. They stated that this transformation is greater than any shift experienced in the private sector starting, as it was, from a traditional bureaucratic base, where services were provided based on social values and equity. Brown et al. also noted that unlike their private sector counterparts, public sector organizations have not historically been required to be responsive to the ideals of a competitive market. Charmaz (2000) suggested that today this has changed and public sector firms are now being required to implement such practices as sub-contracting, the creation of internal markets, the adoption of PMSs, and performance-related pay.

According to K. Brown et al. (2003) it is these types of changes and differences that demand the modifications proposed in their NPM model. They contended that a hybrid model of public management will include the better qualities of a bureaucracy while motivating the market focus required to deliver more effective and efficient services. Their proposal includes three frames: aligning all of the people, systems and structures within the organization; building relationships both internal and external to the firm; and the adoption of a BSC. They suggested that all seven of Hood's (1995) principles have been incorporated under their three frames approach and that the primary objective of their modified model is to make the organization more inclusive of broader *"whole of government"* objectives in areas such as social justice, community relations, and the environment (Brown, et al., 2003, p. 235). Regulations and mandates based on NPM principles, especially those associated with the adoption of PMe systems, PMSs and the BSC in the public sector are discussed next.

3.3.2 NPM Principles Including PMe Systems and PMSs in the Public Sector

This section discusses a large number of regulatory, statutes and acts that were designed to encourage local / municipal, state / provincial and federal governments to adopt and implement PMe systems, PMSs and the BSC. This section together with section 3.4 explains the growth in the adoption of the BSC by public sector organizations. The regulatory, statutes and acts that have pushed the adoption of the BSC in various developed countries are discussed in order to highlight the prevalence of use of PMe and PM systems across the developed world. The Canadian situation is emphasized since the research reported in this thesis is based on Canada.

The adoption of NPM principles directly and indirectly accounts for the growing number of public sector organizations adopting and using the BSC (Hood, 1995). According to Hood, during the 1980s there was a notable shift by a number of countries in the Organization for Economic Co-operation and Development (OECD) towards adopting the practices of NPM. Essential to this change in modes of public management was a shift towards *"accountingization"* (a term coined by Power & Laughlin, 1992, p. 133) which involved increased public accountability and public administration.

For decades PMe has been an essential element of the public sector system, dating back to the late 19th century (Charmaz, 2008). Although not common place in the late 19th century, by early to mid-1990s PMe and PM in the public sector have become touted as the new way of ensuring a focus on the results or outcomes of public programs (Perrin, 1998). The milestone events in the United States (US) include the resolutions passed by the National Academy of Public Administration (in 1991) and the American Society for Public Administration (in 1992) encouraging PMe and reporting (Streib & Poister, 1999). Pollanen (2005) suggested that in the US, public-sector PMe and reporting has also been motivated by a number of federal and state regulations such as the Government Performance and Results Act (GPRA) of 1993, the National Performance Review (NPR) program, various state and local government benchmarking programs, and the Governmental Accounting Standards Board's (GASB) Service Efforts and Accomplishments (SEA) reporting program (Nyhan & Martin, 1999). In particular, the GASB has set a framework for establishing standards for reporting on performance in the US state and local governments.

According to Streib and Poister (1999) the importance of PMe and PM in the US has also been acknowledged by the International City/County Management Association (ICMA), which created a Comparative Performance Measurement Consortium of 44 cities and counties to work together on developing PMe systems and defining best practices. The primary goals of these initiatives are twofold: (1) to enhance 'performance-based' decision-making by implementing information systems that supplement traditional input-oriented performance measures (e.g. expenditures and staffing levels) with measures focused on results (e.g., output quantity, quality) and (2) to 'increase oversight and foster greater accountability' for achieving results. The GPRA requires managers of each government activity (i.e., project, program, or operation) to clarify

their missions and strategic objectives and to measure relevant outputs, service levels, and outcomes for each activity in order to evaluate performance toward these objectives.

Since New Labour was elected in 1997, there has been a campaign by the Government of the United Kingdom (UK) to improve the efficiency and effectiveness of public services through the adoption of private sector practices (Radnor & McGuire, 2004). In the UK, PMe and PM in local government is governed by the Local Government Acts of 2000 and 2001 (Pollanen, 2005). In 2000 the Public Services Productivity Panel (PSPP) was formed to modernize government with its aim to advise the government on ways to improve the productivity and efficiency of the public services (Hammersley, n.d.). The PSPP focused on productivity in the wider sense covering efficiency, effectiveness, and economy (the three Es) so that productivity was defined as the broad relationship between inputs and public service outcomes. The PSPP produced a series of White Papers dealing with PMe in public sector organizations such as social services, health, criminal justice, and welfare.

Sanderson (2001) noted that in the past two decades local government throughout UK/Western Europe there has been a focus on sweeping reform programs as part of a broader public sector improvement campaign. Sanderson stated that the movement led to a critique of traditional bureaucratic forms of organization as lacking flexibility and dominated by *producer* interests. The dominant thrust of policy in many Western European states is to reduce the size and scope of the public sector and to increase the efficiency of services and activities which remained in the public sector. These initiatives involved a significant agenda of privatization, the introduction of competition and attempts to make public services more responsive to their users or customers by applying private sector business and management techniques to the sector with a focus on the adoption of PMe systems and PMSs. The driving force behind these initiatives include the Citizen's Charter performance indicators which were seen as playing a key role in enhancing accountability (Kell, 2004).

PMe and PM have increasingly been implemented in local authorities with the encouragement of the Audit Commission (1995) and the Local Government Management Board (1993). According to Van Dooren, Bouckaert, and Halligan (2010) in 1999 British Prime Minister, Tony Blair, launched a *modernizing government* campaign that was the impetus for a reform agenda which

relied on the use of targets and performance measures to track their success or failure. The adoption of these systems has led to a strong *top-down* orientation (Sanderson, 2001). In addition in 2003 the UK House of Commons Public Administration Select Committee issued a report titled 'On target? Government by Measurement' which was also a major impetus for public sector adoption of PMe and PM (Van Dooren et al., 2010).

Guthrie and English (1997) explained that the push for PMe and PM information in Australia can be traced back to the Royal Commission on Australian Government Administration (RCAGA, also known as the Coombs review) inquiry and report (RCAGA, 1976). The review called for government administration to adapt significantly in order to be able *"to deal responsibly, effectively and efficiently with the tasks that confront it"* (p. 76). According to Hoque (2005), the major catalyst for public sector reforms in Australia was the National Competition Policy (NCP) from 1993 (Mackenzie & Knipe, 2009). The NCP was premised on the belief that the public sector must operate more like the private sector. Bourne et al. (2005) concluded that government regulatory policies such as the NCP, the Financial Accountability and Management Act, the Local Government Act, and the Local Government Finance Standards were the primary vehicles for a move to NPM ideals and the adoption of PMe systems and PMSs. They believed that such reforms resulted in a change in the accountability structures and financial management systems in the public sector. In Australia, the use of PMe systems and PMSs in local governments has also been attributed to regulations by different states and territories in response to the Competition Principles Agreement of 1994 (Elliot & Lukes, 2008). Kloot (1999) attributed the increased use of performance measures in Victorian local governments in the 1990s to the imposition of increased accountability requirements and competition, such as the Compulsory Competitive Tendering (CCT) process, the legislated restructuring and amalgamation of local governments, and the requirement for local governments to publish corporate plans. In 2007 the Rudd Government in Australia produced an agenda, termed Operation *Sunlight* designed to improve budget transparency via the implementation of PMe systems and PMSs (Van Dooren et al., 2010).

In Canada, PMe and PMSs reports have been wide-ranging, and have varied from being reported as highly regulated and adopted to very limited adoption and use. For example, Pollanen (2005) reported that mandatory PMe and external reporting in Canadian municipalities are very rare. He

identified Ontario as the only province that requires municipalities to report on selected performance measures to the province and to taxpayers (Ontario Ministry of Municipal Affairs and Housing, 2003). Pollanen reported that on average, the mandatory PMe and reporting requirements for municipalities in Canada lag those in the UK, the US, and Australia by at least a decade. At the other extreme, Atkinson and McCrindell (1997) noted that Canada has long been in the forefront of PMe and PM development and continues to be in this position. They report that as far back as 1995 the Canadian Government launched the Improved Reporting to Parliament project. This project was designed to ensure a more strategic approach by parliament itself to accept less, but more significant information that will enable it to assess the government's performance against its priorities and objectives. Kalagnanam (2004) reported that the Saskatchewan Crown Investments Corporation (CIC), as the parent body for all Saskatchewan public sector organizations, required that all Saskatchewan provincial-level public sector organizations adopt and use the BSC as a tool to measure their performance and report to their stakeholders.

The prevalence and growing adoption of the BSC in the public sector provides researchers with a rich and much needed venue by which to carry out PM research. The fact that numerous public sector organizations in various countries, including Canada, have adopted and are using the BSC motivates the need to study the actual practice of designing, developing, and implementing the BSC. No other study has investigated that actual practice of designing, developing and implementing the BSC in the public sector, and the role of Low- Mid- and Senior-level Managers and Front-line Employee in the processes.

In summary, the implementation of NPM practices has resulted in the public sector becoming similar to private sector organizations, which includes the adoption and usage of PMe systems and PMSs. Knowledge of these changes requires that both academics and practitioners understand how the BSC is actually designed, developed and implemented in the public sector which is the goal of my study. Evidence of the prevalence of PMe systems, PMSs, and the BSC in the public sector is the topic of the next section.

3.4 Prevalence of PMe and PM In the Public Sector

This section identifies a number of studies in an effort to demonstrate the large, and growing, number of public sector organizations that have adopted, or are planning to adopt, PMSs such as the BSC. Berman and Wang (2000) found that 33.6 percent of counties in the US use some form of PMe, but counties vary in the extent of their usage. Their study defined high intensity organizations as using PMe in at least 75 percent of functions. Based on this measure, they found that 20.1 percent of jurisdictions have *high use*, or 6.8 percent of all U.S. counties. If this usage benchmark is eased, so that PMe is used in 66 percent of all functions, then this percentage increases to 32.5 percent, or 10.9 percent of all counties. Thus, about 20 to 33 percent of all counties or 7 to 11 percent of counties with populations over 50,000 which use PMe can be said to have high use. They found that counties with populations under 250,000 use PMe in 69.9 percent of their functions, as compared with 84.2 percent of functions in counties with populations greater than 250,000. The above findings can be compared to those of cities in the US. In a recent survey of cities with populations over 25,000, Poister and Streib (1999) found that 38 percent use some form of PMe compared with 34 percent in Berman and Wang's survey.

Julnes and Holzer (2008) reported that the adoption and usage rates of PMe systems and PMSs in the public sector vary considerably depending upon the time period, source, location, and type of organization. Reporting on the results of their survey of US cities with populations greater than 25,000, Julnes and Holzer found that 15 percent reported that their cities use performance measures in selected departments and 23 percent reported that they have centralized, citywide PMe systems. In total approximately 38 percent of the respondents indicated their cities use performance measures. They also reported that the use of performance measures is more common in larger jurisdictions; 30 percent of cities with populations below 50,000 as compared with over half of cities with populations of 100,000 – 249,999 and over 75 percent of cities with a population of 250,000 or more.

Y. C. L. Chan (2004) conducted a random survey of 451 local governments in the US and 467 municipal governments in Canada. He received a response rate of 20 percent (a total of 184 with 132 from the US and 52 from Canada). In excess of 40 percent of the respondent administrators had heard about the BSC. However, his results show that only 14 responding municipal

governments (7.5 percent) had implemented the BSC. Pollanen (2005) surveyed municipalities (cities, towns, regions and districts) with populations greater than 5,000 in five Canadian provinces (Newfoundland, Nova Scotia, Ontario, Saskatchewan and British Columbia). Pollanen's results showed that the greatest degree of development of efficiency and effectiveness measures was in the areas of: waste management, road maintenance, municipal water supply services, and transit services. He also found that the most frequently stated purposes for which effectiveness and efficiency measures were used include resource allocation, budgeting, performance comparisons with targets, and reporting to elected officials. His results also found that, on average, external reporting requirements for Canadian municipalities exceeded those in US municipalities.

This section cited Chan's (2004) study which in addition to Kalagnanam (2004) and Pollanen (2005) is the only public sector BSC research in Canada thus highlighting the need for additional research in this area. Based on the large and growing number of Canadian public sector organizations using, or planning to use, the BSC there is an increasing demand to understand how the BSC is actually designed, developed and implemented in the public sector. Developing a better understanding of how four different public sector organizations have adopted and are using the BSC will add to the extant literature and provide academics and practitioners with valuable information that may aid in their use of the BSC. In the following section I will explore some of the issues arising as a result of adopting private sector practices such as the use of PMe and PM systems in the public sector.

3.5 Potential Issues from Adopting Private Sector Practices in the Public Sector

A number of the issues identified have the potential to influence the adoption, use and success of the BSC in the public sector, which make them worthy of further investigation. K. Nichols (1997) stated, *". . . seven out of every ten organizations hoping to reinvent themselves fail in the attempt . . . merely setting off on the road to reengineering does not guarantee reaching the destination"* (p. 405). According to K. Nichols (1997) and Sotirakou and Zeppou (2006) organizational change in the public sector will not be sustainable and changes are likely to be only temporary if modernization is not linked to PMe and PM. They found that the majority of

public sector change programs place a strong emphasis on PMe and PM regarding it as one of the primary drivers in the modernization process of public organizations.

Lapsley (2009, p. 1) investigated what he refers to as *"...one of the most significant phenomena of the late twentieth and early twenty-first centuries is the emergence of the NPM."* He proposed that the implementation of NPM practices is based on governments' belief that it has the power to change the public sector using private sector performance criteria. Lapsley (2009, p. 1) stated that the adoption and use of NPM is often a *"...cruel disappointment for governments."* He reported that many of these private practices have been blindly implemented by the public sector in an effort to transform their respective organizations. He concluded that the pressure to change is a challenging agenda for public sector organizations, but will not be achieved by simply adopting private sector practices. The adoption of NPM practices has resulted in increased use of the BSC which requires investigation so as to reduce its failure rate as a management tool in the public sector (Lapsley, 2009; Lapsley & Pallot, 2000; Lapsley & Wright, 2004).

Fielding and Lee (1998) identified *entrepreneurial values* as covering *"autonomy, a personal vision of the future, secrecy, and risk-taking"* (p. 393), along with *"domination and coercion, a preference for revolutionary change (regardless of the circumstances), and a disrespect for tradition"* (p. 394). According to Terry (1993) these values are at odds with values of *"democratic politics and administration,"* such as *"accountability, citizen participation, open policymaking processes, and 'stewardship' behavior"* [sic] (p. 393). The problem in seeking a reasonable balance between approaches in the face of demands to run government like a business is that operating with private sector entrepreneurial techniques in the public sphere can undermine values of fairness, public propriety and openness. Movement toward a private sector model thus may result in loss of citizen self-determination in the creation of public policy and the operation of public sector firms. Market-driven new managerialism can run counter to self-governance, as it is structured around the idea of content consumers rather than concerned citizens. One method of validating whether or not private sector practices will work in the public sector is to investigate the extent of success in their application in the sector, as I will do in my study for the BSC.

Box (1999) and K. Brown et al. (2003) reported that given the adoption of private-sector management practices into the public sector over the past 20 years, many public administrators are expected to be entrepreneurial, use the latest management practices (e.g., PMSs, total quality management, pay for performance) and offer great customer service. One would think that the adoption of such practices that have proven successful in the private sector would make the public service much more efficient, which would in turn please customers and citizens (as they get better service), elected officials (as they get credit for public agency efficiency), and career public-service practitioners (they get more approval and respect from citizens and elected people). Anecdotal evidence as well as scholarly research indicates that market-based reforms have produced some desired changes in the way government operates in the US, as well as significant changes in several other nations (H. S. Becker & Geer, 1960). There are, however, potential problems with making the public service more business-like because there is a difference in the operating norms of private- and public-sector organizations (Box). Boyne (2002) argued that the critics of NPM believe that the differences between private and public sector firms are so immense that private sector business practices should not be transferred to the public sector.

3.5.1 Issues Arising in the Public Sector Due to the Adoption of Private Sector Practices

According to K. Brown et al. (2003) although the adoption of private sector practices have been touted as leading to improved organizational performance there has been several examples of less than favourable organizational and political outcomes. Doyle, Claydon, and Buchanan (2000) suggested that the public sector experiences greater difficulties than the private sector when it comes to implementing corporate change due to the unique public sector environment that calls for the need to deliver bureaucratically impartial outcomes. Brown et al. (2003) also found that public sector organizations that adopt private sector practices such as the BSC are not typically focussed on using best practice to improve efficiency and effectiveness; rather they often do so as a desire to display an *ideological commitment*. One such entrepreneurial practice initially intended for use in the private sector, but commonly adopted for use in the public sector, is BSC. The issues discussed raise important questions about transferability of the BSC particularly with respect to the involvement of Senior- Mid- and Low-level Managers and Front-line Employees in its design, development and implementation stages.

Sanderson (2001) and Meyer (2002) reported that a PMe industry has emerged which has resulted in measurement efforts falling short of expectations in public organizations because they are flooded with indicators. Bovaird and Gregory (1996), Hoggett (1996), and Sanderson (2001) argued, this has resulted in excessive formalization and new layers of bureaucracy that divert the energy of public staff away from program delivery towards form filling, procedures following and a superficial paper chase. They also argued that centralization and top-down control is the outcome of the external imposition of performance indicators and of measurement systems in public sector organizations. Whether or not public sector organizations and in-turn employees have too many indicators and/or top-down control as a result of PMSs is worthy of investigation.

Maddock (2002) concluded that the principal problem with the practices of NPM, particularly regarding PMe and PM systems, is how to involve marginalized stakeholders including Front-line staff and Low- and Mid-level managers. He argued that the problem is how to do this and how to overcome the huge professional and cultural gaps between stakeholders, particularly between policy makers and public sector staff. Lawson et al. (2008), Maddock, Micheli and Kennerley (2005), and Neely et al. (2001) claimed that successful implementation of PMe and PM systems requires the involvement of all stakeholders, and to do this, internal change and bottom-up channels of communication were essential and were not typically found in the public sector.

Another barrier identified by Y. C. L. Chan (2004) and Maddock (2002) was the reality that very few public managers were able to make the change from transactional to transformational leadership, which is a significant problem with respect to involving their subordinates in designing, developing and implementing organizational programs and initiatives. A manager's inability to adopt more of a transformational leadership style, which is founded upon active employee involvement, will likely be a considerable impediment to successfully implementing a PMS. Innovation in the private or public sector requires finding new and creative ways of working together, this requires involving Mid- and Low-level Managers and Front-line staff, something that is not often done in the public sector (Boyne, 2002; Maddock, 2002). They also pointed out that even though public sector managers may not be resistant to change, they may lack the knowledge base to work in a way different than they have become accustomed to. He suggested that public sector Mid- and Low-level Managers have typically become accustomed to

a *task-finish* mentality that has evolved from the rule *book* culture which has not disappeared and is not likely to do so. Lastly, Adcroft and Willis (2005) argued that the likely consequence of public sector PMe systems is the *commodification* of services which will be delivered by an ever more *deprofessionalized* public sector workforce.

This section identified a number of potential issues that may negatively impact the successful implementation of the BSC in the public sector. It highlighted the study by Maddock (2002) who pointed out that innovation in the public sector requires finding new and creative ways of working together, which entails involving Mid- and Low-level managers and Front-line staff, something that is not often done in the public sector. The findings reported in this section are important, but investigating if they are reflective of actual practice in four public sector organizations, as I will do in my study, will contribute to the extant literature on the BSC. The research questions addressed in the thesis are reiterated and explained in the next section, drawing from the literature review above.

3.6 Research Questions

Chapter one presented an overview of the research environment, and Chapters two and three provided a critical review of the literature on PMe and PM systems. In summary, the literature suggests that NPM, PMe and PM systems, (i.e., the BSC) have infiltrated the public sector, and are growing at an alarming rate. Few people would argue that the public sector should be wasteful on purpose or negligent to the needs of its stakeholders (Box, 1999). In this sense, reinvention, the adoption of private sector practices, entrepreneurialism, customer service, PMSs such as the BSC and other such techniques are good things, bringing a breath of fresh air, challenge, and positive change to the public sector. Despite this, research also suggests that the growth of NPM, PMe, PM and the BSC has raised numerous questions and concerns regarding their effectiveness in the public sector, particularly in Canada, which are cause for concern and further investigation. One common denominator that many studies have pointed to, yet no study has researched, is the role that Senior- Mid- and Low-level Managers and Front-line staff play in the design, development and implementation of PMe systems, PMSs and the BSC in the public sector. For example, Denhardt and Denhardt (2000; p. 556) stated that *"public servants are people whose motivations and rewards are more than simply a matter of pay or security"* rather

he argued *"they want to make a difference in the lives of others."* For the reasons cited above and given there is a gap in the current literature I propose to study the role and outcomes of involving (or not involving) Senior- Mid- and Low-level Managers and Front-line Employees in the process of designing, developing, and implementing the BSC in four Canadian provincial-level public sector organizations. My review and analysis of the literature revealed the theoretical importance of involving Senior, Mid- and Low-level Managers and Front-line Employees in the design, development and implementation of an organizational, departmental and individual PMS or BSC. Whether or not this actually occurs in practice and its consequences or outcomes have not been investigated in the literature. My study focuses on addressing these gaps with the following four research questions:

i) Do public sector organizations involve their Senior, Mid- and Low-level Managers and Front-line Employees in the conceptualization, design, development and implementation stages of their organizational, departmental, and/or individual PMS, and if so what are their roles at each stage? And what are the outcomes from their involvement?
ii) What do public sector Senior- Mid- and Low-level Managers and Front-line Employees believe their level of involvement should be with respect to each of the stages of the PMS process? And, do these views differ across various employee-levels? And what are the outcomes of the different views?
iii) What, if any, are the actual and perceived barriers to involving public sector Senior- Mid- and Low-level Managers and Front-line Employees, in the conceptualization, design, development and implementation of their organizational, departmental, and/or individual PMS?
iv) How does the level of involvement of public sector Senior, Mid- and Low-level Managers and Front-line Employees align with current theory and research with respect to the conceptualization, design, development and implementation stages of their organizational, departmental, and/or individual PMS?

3.7 Conclusion

This chapter began by comparing the public and private sectors, noting their similarities and differences, which I proposed collectively impacts the conception, design, development,

implementation and success or failure of the BSC in the public sector. This was followed by listing a number of the major initiatives that have contributed to the adoption and use of PMe systems, PMSs, and the BSC by various local, territorial/state/provincial and national level governments. Next was a discussion of NPM which also served to motivate the adoption and use of the BSC by various public sector organizations. This was followed by an examination of the prevalence of PMe and PM adoption and usage rates in the public sector. Then I highlighted some of the issues arising as a result of adopting private sector practices such as the use of PMe and PM systems in the public sector which motivate the need to study their design, development and implementation. Lastly, I tapered the literature review to that which was most relevant to my study, ending with the four primary research questions that I used to address the gaps identified in the PMe and PM literature, regarding the level of involvement of Senior, Mid- and Low-level Managers and Front-line Employees in the PMS process.

Chapter 4: Research Methodology

4.1 Introduction

The three previous chapters discussed the research environment, and reviewed the literature on PMe and PM systems. They emphasised the BSC as a PMS and its use in both the private and public sectors. My review and analysis of the literature revealed the theoretical importance of involving Senior, Mid- and Low-level Managers and Front-line Employees in the design, development and implementation of an organizational, departmental and individual PMS or BSC. Whether or not this actually occurs in practice, and whether it leads to meaningful outcomes, has not been investigated. As a result of these gaps my study focused on the actual practice and impact of the involvement (or lack of involvement) of Senior- Mid- and Low-level or Operational-level Managers and Front-line Employees in the design, development and implementation of their PMS or BSC in four Canadian public sector organizations. To address these gaps I developed and engaged in the research process that I describe in this chapter.

The remainder of this chapter is organized into four main sections as follows. In section 4.2 I illustrate the development of my research that extends from my research questions and philosophical assumptions through to the research approaches, research types and methods that were used to shape my study. In section 4.3 I discuss the numbers and types of participants and the interview process used in my study, followed in section 4.4 by my concluding comments.

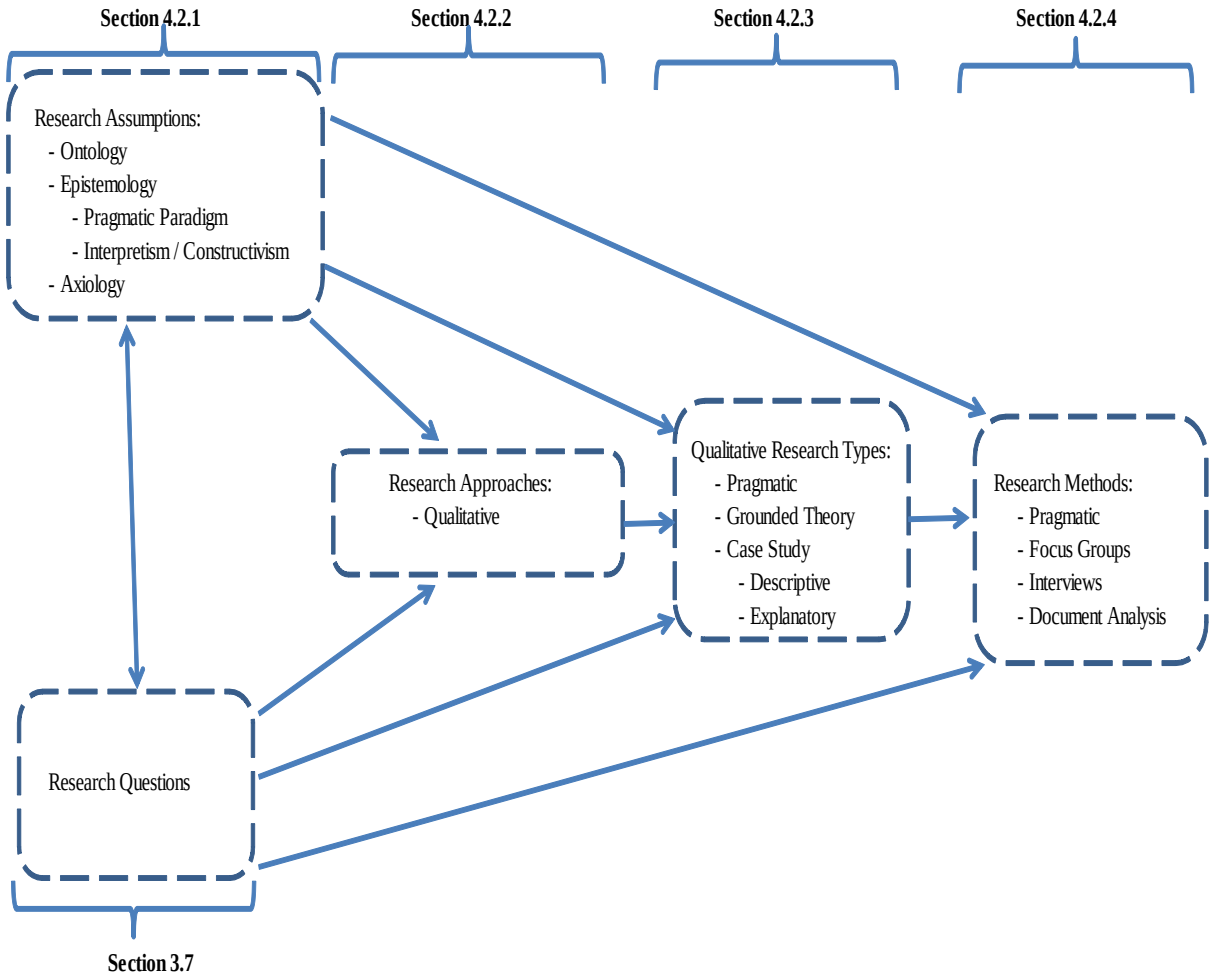
4.2 Research Process

Merriam (2009) stated that in its broadest sense, research is a systematic process by which we know more about something than we did before engaging in the process. Research has been also described as a systematic investigation (Charmaz, 2000) or inquiry whereby data are collected, analysed and interpreted in some way in an effort to *"understand, describe, predict or control an educational or psychological phenomenon or to empower individuals in such contexts" (Mertens, 2005, p. 2).* In my study the principal research goal is to improve my understanding of the roles and impact of involving, or not involving, Senior Executives, Senior Managers, Low- or Operational-level Managers and Front-line Employees in the design, development and implementation stages of their organizations PMS or BSC.

According to Weber and Cobaugh (2008) research can be classified and executed in a number of different ways. For example: on the basis of the approach, type, methods employed; the methodology of the research; the knowledge it creates; the user group; and/or the particular research problem it is investigating (Aliaga & Gunderson, 2000; Cooksey, 2008; Creswell, 2003, 2007; Crotty, 1998; Salkind, 2012; Van Manen, 1979). Given the variety of ways that research can and has been classified there is often a considerable amount of confusion amongst readers regarding the definitions and applications of some of the common research related terminology. For example, terms such as: *research approaches*, *research types*, and *research methods* are often used synonymously or interchangeably. In an effort to limit and/or avert any unnecessary confusion, this chapter will systematically define, describe and explain the primary research terminology while providing a detailed roadmap of the research steps employed throughout my study. I begin by graphically illustrating my research process in Figure 4.1, which is followed by a thorough description of my philosophical assumptions and the research approaches, paradigms, types, methods and methodologies, used in my study. It should be noted that although I created Figure 4.1 its individual elements or components were derived from a number of academic sources commonly referenced in the research process literature (Bogdan & Biklen, 2007; Bogdan, Biklen, & Knopp, 1998; Cohen & Manion, 1994; Cooksey, 2008; Creswell, 2003, 2007; Denzin & Lincoln, 2005; Lincoln & Guba, 2000; Mertens, 2005; Yin, 2009).

Figure 4.1 illustrates my research process extending from my study's primary research questions and philosophical assumptions through to identifying the research approach, types and methods used to shape my study. Although the process may not be entirely linear, the arrows in Figure 4.1 denotes that it was the combination of my research questions and my philosophical assumptions and paradigms that influenced my choice of a research approach which collectively shaped my choice of research type(s), and method(s) (Salkind, 2012). Section 4.3 describes how my research questions and philosophical assumptions, including my interpretivist/constructivist orientation, predisposed me toward using a qualitative research approach that included case studies and GT research types, and semi-structured interviews, focus groups and document analysis as research methods.

Figure 4.1 – Research Development Process



More specifically, I used a qualitative research approach to investigate how individuals view their role in the PMS process, which is one example of their reality being socially constructed. I believe that using a qualitative research approach was necessary to investigate the existence of multiple *knowledges* and multiple perspectives. I used semi-structured interviews in an effort to get close to the participants thus enabling me to better understand their positions. Where possible I also analyzed corporate documents to assist with preparing for the interviews, and to supplement, corroborate or contradict the data/information collected, which was also an important characteristic of my interpretivist/constructivist paradigm (Guba & Lincoln, 1994). In addition, I used selected elements recommended by Yin (2009) to: plan, design, and prepare my study; guide my data collection and analysis; and to briefly describe, explain and provide an overview of each Crown Corporation's PMS or BSC. Lastly, I also used elements of Glaser's

(1992) GT research type to assist with: planning, designing, and preparing my study; guiding my data collection, coding, organization and analysis; and contributing to the development and potential elaboration of the existing PMS theory.

Next, in Section 4.2.1 I describe my philosophical research assumptions (the upper-left quadrant of Figure 4.1) and explain how they predisposed me toward using a qualitative research approach that included both case studies and GT research types, and semi-structured interviews, focus groups and document analysis as research methods.

4.2.1 Research Assumptions

Laughlin (1995) reported that researchers are influenced by the epistemological position they hold. Crotty (1998) and Creswell (2003, 2007) went further suggesting there are a number of underlying assumptions that likely predispose researchers towards diverse approaches, types, methods and methodologies. Based on the significance of the consequences that stem from a researcher's predispositions, Denzin and Lincoln (2005) noted the importance of discerning a personal philosophical position before a researcher begins to conceptualize their research study, stating:

> *All research is interpretive; it is guided by the researcher's set of beliefs and feelings about the world and how it should be understood and studied. Some beliefs may be taken for granted, invisible, only assumed, whereas others are highly problematic and controversial. (p. 22)*

Cooksey (2008), and Creswell (2003, 2007) also noted that because a researcher's philosophical assumptions predispose them to a particular research approach, research type(s) and method(s) it is important that they clearly state their assumptions. Not only do I believe that my philosophical assumptions influenced my decision to use a particular research approach, research type(s), and methods, but I also believe that my philosophical assumptions influenced the types of research questions that I asked, which predisposed me toward a particular research approach, research type(s) and method(s). These emphasize the importance of disclosing my assumptions.

Essentially my underlying assumptions had implications for the way in which I investigated and obtained *knowledge* about the social world that I was studying (Cooksey, 2008; Creswell, 2007; Crotty, 1998; Laughlin, 1995). When discussing how a researcher's assumptions influence their research choices, McNeill and Chapman (2005) stated that *"there are no perfect solutions to any*

research approach, only a series of compromises and for that reason a thorough explanation is required" (p. 114). In summary, I believe that **g**ood research requires making your assumptions, paradigms, and frameworks explicit in the writing of a study, and, at minimum, to be aware that they influence the conduct of inquiry (Cooksey, 2008; Creswell, 2007; Crotty, 1998; Laughlin, 1995). Creswell (2007) and Creswell and Plano Clark (2007) identified three philosophical assumptions: *ontology, epistemology and axiology* that likely predisposed, or influenced me a-priori, to using a qualitative research approach, case studies and GT research types, and interviews, focus groups and document analysis in my study. Each of Creswell's three assumptions is discussed next (in sections 4.2.1.1 to 4.2.1.3).

4.2.1.1 Ontological Assumption

Creswell's (2003, 2007) ontological assumption referred to how I as the researcher viewed the nature of reality and its characteristics. When conducting my research I embraced the idea of multiple realities, which is a characteristic of using a qualitative research approach, case studies and GT research types and an interview method, all of which were used in my study. I recognize that different researchers embrace different realities as is reflected by the variation in the literature, as do the individuals being studied and lastly the readers of the study. Not only do I believe that there are multiple realities, but I exemplify this by providing a detailed review of the PMS literature which can be viewed as presenting a number of realities. Secondly, I present a brief descriptive and explanatory case outlining each participating Crown Corporation's PMS followed by using the participants' responses to speak to each of the research questions which collectively represents the realities as expressed by the participants. Employing this format provides the reader with the opportunity to reflect on the data and analysis presented. Lastly, I provide my analysis of the data; I believe a-priori that following this format was important as it exposes the readers to the realities as expressed by the participants and interpreted by me.

4.2.1.2 Epistemological Assumption

I interpreted Creswell's (2003, 2007) epistemological assumption as referring to my understanding of what knowledge is and how it can be acquired, and ultimately how this predisposed me as the researcher to a particular research approach, type(s) and/or method(s). According to Creswell, how an individual understands the world and their distinctions about the nature of knowledge can be broken into two fundamentally distinct world views: quantitative and

qualitative. Essentially this idea is linked to what are seen as the different underlying philosophies or world views of researchers in the two 'paradigms' (often referred to as 'epistemologies') (Bogdan & Biklen, 2007; Bogdan et al., 1998; Cohen & Manion, 1994; Mertens, 2005). The term *paradigm* may be defined as *"a loose collection of logically related assumptions, concepts, or propositions that orient thinking and research"* (Bogdan et al., 1998, p. 22) or the philosophical intent or motivation for undertaking a study (Cohen & Manion 1994, p. 38). Although a number of theoretical paradigms are discussed in the literature such as: *positivist*, *post-positivist* and *experiential realism*; *transformative*; *pragmatic; and interpretivist/constructivist* (Cohen & Manion, 1994; Creswell, 2003, 2007; Mertens, 2005; O'Leary, 2004), in order to better understand and situate or locate my pragmatic and interpretivist/constructivist paradigm next I provide a brief discussion of my personal orientation with respect to what knowledge is and how it can be acquired.

A - Pragmatic Paradigm

The term *pragmatic* as described in the literature captures my reference to the following terms, pragmatic: *paradigms*, *research types* and *research methods* (Bogdan & Biklen, 2007; Creswell, 2003; Creswell & Plano Clark, 2007; Mertens, 2005; Somekh & Lewin, 2005). In this section, I describe and explain how I interpreted and applied these concepts in my study. Essentially, the concepts are related in large part because of the common term, *pragmatic*, which precedes and subsequently influences their respective meanings and applications. *Pragmatic* refers to using the guiding assumptions that make the most sense and are most relevant and practical to employ. Essentially pragmatic is defined as *"dealing with problems that exist in a specific situation in a reasonable and logical way instead of depending on ideas and theories"* (Pragmatic, n.d.).

Early pragmatists *"rejected the scientific notion that social inquiry was able to access the 'truth' about the real world solely by virtue of a single scientific method"* (Mertens, 2005, p. 26) thus defining pragmatism as a paradigm that provides an underlying philosophical framework for using multiple-methods research (Somekh & Lewin, 2005; Tashakkori & Teddlie, 2003). Hoernle (1905) and Walker (2012) suggested that pragmatists strongly oppose absolutism which they see as a key part of most other philosophical beliefs. According to Gorard (2004), pragmatic or mixed-methods research has been identified as a *"key element in the improvement of social*

science, including education research" (p. 7) with research strengthened by the use of a variety of methods. Gorard argued that mixed method research:

> *...requires a greater level of skill, can lead to less waste of potentially useful information, provides researchers with an increased ability to make appropriate criticisms of all types of research, and often has greater impact, because figures can be very persuasive to policy-makers whereas stories are more easily remembered and repeated by them for illustrative purposes.* (p. 7)

Creswell (2003) suggested that a pragmatic research paradigm does not necessarily mean that one uses a mixed approach/types/methods, rather it refers to the view that a researcher is not committed, a-priori, to any single research approach/type/method, system of philosophy or reality, and is open to using the (or multiple) research approach(es), type(s) and method(s) best suited to investigate and answer their research questions. Creswell stated that pragmatist researchers focus on the *what* and *how* of the research problem. Essentially, the pragmatic paradigm places *"the research problem"* as central and applies all approaches to understanding the problem (Creswell, p. 11). With the research question central, data collection and analysis methods are chosen as those most likely to provide insights into the question with no philosophical loyalty to any alternative paradigm. This may lead to using more than one research approach, method and/or type.

Based on my analysis of the literature regarding pragmatism as a paradigm, I do not equate pragmatism simply with using mixed research approach, types or methods. I believe that pragmatism refers to the thought process and enquiry that a researcher undertakes when identifying and selecting the dominant or best research approach(es), type(s) and method(s) based on their ability to investigate and answer the study's research questions and problems. I believe that every research approach, type and method has its limitations and that the different approaches, types and methods can be complementary. For these reasons I consider myself a pragmatist, in the sense that I was not predisposed to a particular research approach, type or method, rather I chose each based on their ability to provide a thorough understanding of the research problems and given their ability to furnish answers to my research questions. In summary, I chose to use a qualitative research approach involving GT and case study research types and semi-structured interviews, focus groups and document analysis research methods

because I believe that collectively they would provide the most insight into answering the research questions.

B - Interpretivist/Constructivist Paradigm

Schwandt (1994) described interpretivism and constructivism as approaches related to research characteristic of particular philosophical world views that ultimately steer researchers toward a particular outlook. According to Schwandt (1994) interpretivism and constructivism are sensitizing concepts that steer researchers towards a particular position:

> *Proponents of these persuasions share the goal of understanding the complex world of lived experience from the point of view of those who live it. This goal is variously spoken of an abiding concern for the life world, from the emic [is a description of behavior or a belief in terms meaningful (consciously or unconsciously) to the actor] point of view, for understanding meaning, for grasping the actor's definition of the situation, for Verstehen [interpretive or participatory]. The world of lived reality and situation-specific meaning that constitute the general object of investigation is thought to be constructed by social actors* (p. 118).

According to Mertens (2005) the interpretivist/constructivist paradigm *"grew out of the philosophy of Edmund Husserl's phenomenology and Wilhelm Dilthey's and other German philosophers' study of interpretive understanding called hermeneutics"* (p. 12). Interpretivist/constructivist approaches to research have the intention of understanding *"the world of human experience"* (Cohen & Manion, 1994, p. 36), suggesting that *"reality is socially constructed"* (Mertens, 2005, p. 12). According to Creswell (2003) the interpretivist / constructivist researcher tends to rely upon the *"participants' views of the situation being studied"* (p. 8) and recognises the impact on the research of their own background and experiences.

I contend that through the subjective interpretations of realities, contextualized knowledge can be more sensitively and richly assembled. I recognize that all participants involved, including me as the researcher, bring their own distinctive interpretations of the world or construction of the situation to the research and that the researcher needs to be open to the attitudes and values of the participants or, more actively, suspend prior cultural assumptions (Hammersley, n.d.; Mackenzie & Knipe, 2009). I also adopt a social constructivist approach, initiated by Vygotsky (1978), thus focusing on the social, collaborative process of bringing about meaning and knowledge (Elliot & Lukes, 2008; Kell, 2004; Torrance, 2005).

My view is that we are all part of the world we are observing and as a result we cannot completely detach ourselves from what we are researching, which ultimately impacts our understanding of the *human* experience that is socially constructed. I also believe that *"multiple knowledges can co-exist when equally competent (or trusted) interpreters disagree"* (Guba and Lincoln, 1994, p. 113). For these reasons as a researcher I am predisposed and ascribe to the outlook and practices rooted in an interpretivist/constructivist paradigm or orientation. As a result of my constructivist orientation I assume that the meaning of experiences and events are constructed by individuals, and therefore people construct the realities in which they participate (Charmaz, 2006). I adopt a constructivist viewpoint that concepts and explanations are assembled by researchers out of stories that are constructed by research participants who are trying to explain and make sense out of their experiences and/or lives, both to the researcher and themselves. It is out of these multiple constructions that I endeavoured to assemble what is referred to as knowledge. Schwandt (1998) says:

> *In a fairly unremarkable sense, we are all constructivists if we believe that the mind is active in the construction of knowledge. Most of us would agree that knowing is not passive—a simple imprinting of sense data on the mind—but active; the mind does something with these impressions, at the very least forms abstractions of concepts. In this sense, constructivism means that human beings do not find or discover knowledge so much as construct or make it. We invent concepts, models, and schemes to make sense of experience and, further, we continually test and modify these constructions in light of new experience.* (p. 237)

In addition, although I begin with a theory as constructed from the literature, I am not locked into it but remain open to different pathways and interpretations. My goal is to accurately describe people's encounters and patterns of their experiences with their PMS, which is consistent with a constructivist paradigm (Charmaz, 2006). Lastly, although a constructivist paradigm is not limited to using qualitative data, this is the primary source of data used in my study, which is also consistent with a constructivist world view.

In my study, the goal was to understand the complex world of lived experience from the point of view of those who live it, which is consistent with an interpretivist/constructivist paradigm. This goal is variously spoken of as an abiding concern for the life world, for the *emic* point of view, for understanding meaning or for grasping the participant's definition of a situation (Creswell, 2003, 2007). I reject the notion of theory-neutral observations and the idea of universal laws as in

science. I believe that knowledge consists of those constructions about which there is a relative consensus (or at least a general consensus) among researchers to interpret the substance of the construction. I argue that meanings are dynamic and subjective and are constantly being changed, modified and developed through interaction between me as the researcher and the participants (commonly referred to as symbolic interactionism) (Mead, 1934, 1982). An important element of symbolic interactionism that was incorporated into each stage of my data collection and analysis required that I regularly put myself (as the researcher) in the position of the other person (participant) in order to better interpret and understand the participant.

In summary, my study was based on an qualitative interpretivist/constructivist research philosophy, which influenced the way in which my data was gathered, analyzed and used (Cooksey & McDonald, 2011). For example interpretivism/constructivism oriented me toward using semi-structure interviews with both individuals and focus groups which ultimately allowed for as many perspectives to be recorded as was possible.

It should also be noted that interpretivist/constructivist paradigms are not without their critics and/or potential weaknesses. For example, a common criticism of the interpretivist/constructivist paradigms is that they do not allow for generalizations because they typically involve the study of a small number of cases that do not apply to the whole population (Hammersley, n.d.). However, I would argue that the detail and effort involved in interpretive inquiry allowed me as the researcher to gain valuable insight into particular events as well as a range of perspectives that may not have come to light without that level of scrutiny (Macdonald et al., 2002; McMurray, Pace, & Scott, 2004).

4.2.1.3 Axiological Assumption

Creswell's (2003, 2007) axiological assumption indicates that researchers must clearly state their values and how they position themselves in the study. Similarly Miles, Huberman, and Saldana (2014) stated, *"It is good medicine, we think, for researchers to make their preferences clear"* (p. 4). I believe that Creswell and Miles, Huberman and Saldana are advocating, that it is the exercise of identifying and reflecting about your values (as a researcher) that enables the researcher to discover what is truly important to their research. Following this and having worked through the exercise of identifying my individual values, at this stage it is important that

I disclose some type of précis or synopsis of my core values that likely predisposed me to a particular research approach, type(s) and/or method(s).

I believe that one of my key overarching values is providing service to others (including organizations), which is a function of being selfless, philanthropic, community minded and generous. For this reason I believe that my primary value of providing service to others is best satisfied by getting close to the participants and providing them with a voice. In summary, it is my axiological assumptions that motivate me to endeavour to bring about change that enhances organizational performance while improving the lives of employees, all of which may be directly or indirectly realized by assisting organizations to better understand and improve their PMSs. The next section describes both the qualitative and pragmatic research approaches used in my study in order to justify their use.

4.2.2 Research Approaches

The four main research approaches in the literature are: *quantitative*, *qualitative*, *pragmatic or mixed methods*, and an *advocacy/participatory* approach (Bryman, 2001; Burke Johnson & Onwuegbuzie, 2004; Crotty, 1998; Yates, 2004). Miles and Huberman (1994) and Miles et al. (2014) stated that it is important that researchers position or locate their research approach among other forms of research in order to justify or rationalize their choice(s). For this reason next I discuss the primary research approach (i.e., qualitative) used in my study.

4.2.2.1 Qualitative research

My qualitative research approach, is well described by Van Manen (1979) as *"an umbrella term covering an array of interpretive techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomenon in the social world"* (p. 520). I believe that my qualitative research approach is aligned with my social interpretivist/constructivist paradigm which emphasises the socially constructed nature of reality (Mertens, 2005; Schwandt, 1998). I adopted a qualitative research approach given that my research is about recording, analyzing and attempting to uncover the deeper meaning and significance of human behaviour and experience, including contradictory beliefs, behaviours and emotions (Guba & Lincoln, 1994). I was interested in

gaining a rich and complex understanding of people's experiences, which is consistent with a qualitative research approach.

Also consistent with using a qualitative research approach my reasoning was inductive, which means that I attempted to develop explanations or to look for patterns of meaning on the basis of the data that I collected. My inductive reasoning involved moving from the specific to the general which is sometimes called a bottom-up approach (Charmaz, 2000, 2006, 2008; O'Leary, 2004). Essentially my examination and analysis of the PMS literature revealed that although each of the steps in the BSC process is important to the success of a public sector's PMS, what stood out as vital is the role and impact of involving (or not involving) Senior-level Executive, Senior- and Low-level Managers, and Front-line Employees in their design, development and implementations stages. This was the focus of my study.

Employing a qualitative research approach enabled me to use methods which gave participants a certain degree of freedom and permitted spontaneity rather than forcing them to select from a set of pre-determined responses. None of the predetermined responses might be appropriate or accurately describe the participant's thoughts, feelings, attitudes or behaviour. A qualitative research approach also created the right atmosphere to enable people to express themselves. This meant that I adopted less formal and less rigid practices than typically used in quantitative research. In addition, given that I believe people are constantly trying to attribute meaning to their experience it made no sense to limit my study to reporting only my view or understanding of the situation. Rather my goal was to expose readers to multiple realities. For example, I attempted to accentuate the multiple realities by: 1) providing a detailed review of the PMS literature, which can be viewed as presenting a number of realities; 2) presenting a comprehensive case outlining each participating Crown's experience with their PMS from the perspectives of the realities as expressed by the participants; which 3) also provided the reader with the opportunity to analyze the data, and 4) providing my interpretation and analysis of the data which is but another reality. Consequently, the methods used may be more open-ended, less narrow. Using a qualitative research approach that relied in part on semi-structured interviews allowed me to go beyond the initial response that the participants provided and to ask *why*, *how*, *in what way* etc. type questions. In this way, subsequent interviews and questions were tailored around the preceding responses.

A characteristic of a qualitative research approach that is commonly criticized in the literature is the small sample sizes and ensuing lack of generalizability (Polit & Hungler, 1991). Although some view small sample sizes commonly associated with qualitative research as a potential weakness, I view it as a strength. I believe that using a smaller sample size allowed me as the researcher to conduct in-depth interviews thus acquiring information that may not be accessible when using only a quantitative research approach. According to Adelman, Kemmis, and Jenkins (1976), the knowledge generated by qualitative research is significant in its own right. I argue that one of the greatest strengths of the qualitative approach is the richness and depth of explorations and descriptions (Kemmis, 2010). Adelman, Kemmis and Jenkins argue that, while the aggregation of single studies allows theory building through tentative hypotheses culled from single findings, the generalizations produced are no less legitimate when about a single finding. The smaller number of people typically involved in qualitative research studies and the greater degree of flexibility do not make the study in any way *less scientific* than a typical quantitative study involving more subjects and carried out in a much more rigid manner. The objectives of the two types of research and their underlying philosophical assumptions are simply different.

In summary, I embrace the principle that realities cannot be studied independently from their contexts, and I support the position that qualitative methodology is legitimate and valuable. It possesses distinctive characteristics that make it ideal for my investigation of the roles and impact of Senior-Executives, Senior-Managers, Operational-level Managers and Front-line employees involvement in the design, development and implementation of their organization's PMS (Denzin & Lincoln, 2005). Essentially the topic being investigated requires a rich, thorough and in-depth understanding of human behaviour and the reasons that govern such behaviour. Lastly, although a goal of my research was to give a voice to employees and bring about positive change regarding their roles in the design, development and implementation of their organization's PMS I do not believe that the participants in my study were marginalized or vulnerable thus I do not view my research as emancipatory or empowering. In addition, I do not have a political agenda, nor do I expect that my research will result in any type of major reform. For these reasons I do not use an advocacy/participatory research approach for my study.

The next section describes the three research types employed in my study: pragmatic, case studies and GT in order to justify their use.

4.2.3 Research Types

In Section 4.2.1, I broadly defined a research type as a form or format of inquiry that describes either explicitly or implicitly, the purpose of the study, the role of the research, the stages of research and the method of data analysis. More specifically A. Strauss and Corbin (1998), Bryman (2001), Stanovich (2007) and Salkind (2012) identified eight common qualitative research types (see Figure 4.1): Ethnographic, Critical, Foundational, Historical, Phenomenological, Pragmatic, Grounded Theory and Case Studies from which I will thoroughly describe the three specific research types used in my study: Pragmatic, Grounded Theory and Case Studies. It is worth noting that a number of studies (Arshad, Ahlan, & Ibrahim, 2013; Eisenhardt, 1989; Lehmann, 2001a, 2001b) have commented on the value of combining case studies and GT as I have done in this thesis.

My decision to use a pragmatic research type simply meant that I chose a research type or types that made the most sense and were most relevant and practical (also see Section 4.2.1.2 A). For this reason I used both the case studies and GT research types (see Table 4.1). As a result of using this dual approach (i.e., case study and GT) there were times when I used elements unique to case studies, and there were other instances when I used aspects exclusive to a GT research type, and lastly there were occasions when I used characteristics consistent with both research types (see Table 4.1). In sections 4.2.3.1 and 4.2.3.2 I describe how the unique and/or often simultaneous elements of both the case studies and GT research types were used in my study (also see Table 4.1). It should be noted that in those instances where the two research types required similar or overlapping practices I only provided a detailed explanation in one of the two respective sections. Next I discuss my use of case studies.

4.2.3.1 Case Study Research Type

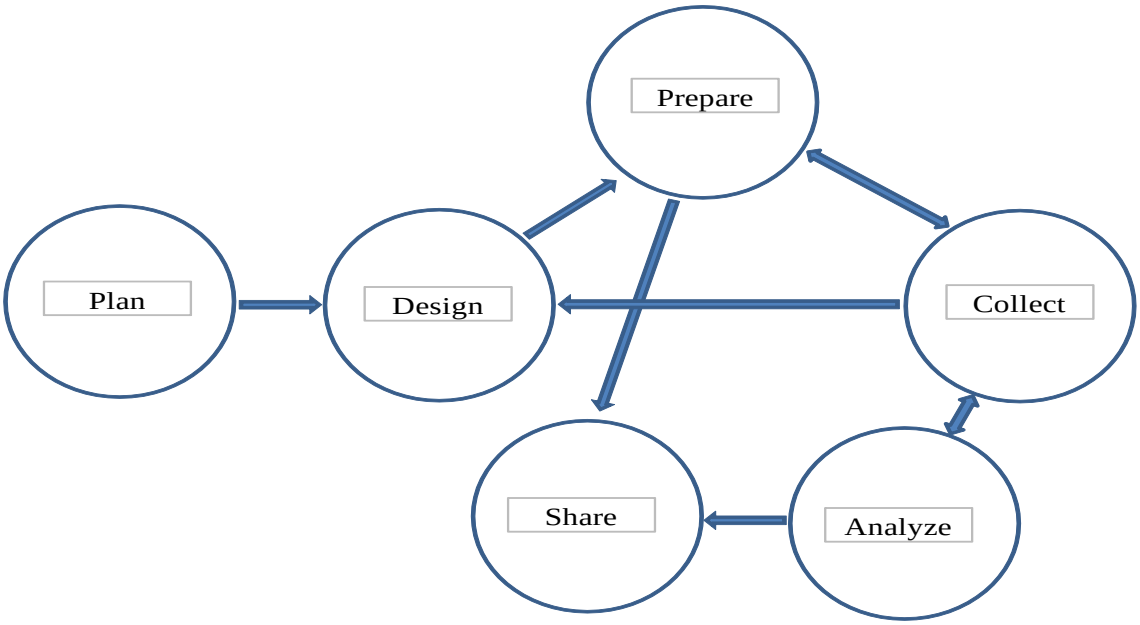
The first qualitative research type used in my study was a case study. According to Bromley (1990), a case study is a *"systematic inquiry into an event or set of related events which aims to describe and explain the phenomenon of interest"* (p. 302). Yin (2009) stated, *"A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context"* (p. 18). In Chapter five, I used elements of both a descriptive and explanatory case study to provide a brief summary of each Crowns' background including a general overview of their PMS or BSC. I interpreted Yin's definition to mean that case study research is an all-encompassing

approach—covering the logic of the design, data collection method, detailed approaches to data analysis and presentation of the findings.

According to Merriam (2009), qualitative case studies can be defined by their special features: *particularistic*, *heuristic*, and *descriptive* each of which is illuminated in my study. In my study, I adopted elements of both Merriam and Yin's (2009) definitions. For example, I incorporated Merriam's concept of a study's particularistic feature by focusing on how the BSC process actually unfolds in four public sector organizations. I also integrated Merriam's heuristic (from the Greek, meaning to *discover*) feature by attempting to ensure that my case studies illuminated the reader's understanding of the role of Mid- and Low-level Managers and Front-line Employees in the BSC process. These were used to bring about the discovery of new meaning, confirm what was already known, and extend the reader's experience. Lastly, I incorporated Merriam's notion of a descriptive attribute by ensuring that the end product of my case study provided a rich literal description of the BSC in each of, and across, four public sector organizations. My study targeted the use of the BSC, which was the phenomenon of interest in public sector organizations (i.e., context), and the unit of analysis was the different employee levels (i.e., Front-line Employees, Mid- and Low-level Managers and Senior Executives). Having briefly described what a case study is and how they are defined I will now report the process I followed for planning, conducting and reporting using a case study research type.

The most commonly cited process for preparing, using, and presenting a case study that contributes to enhancing its reliability is by Yin (2009), which I followed in this study. My study's use of case studies included the following steps/stages: plan, design, prepare, collect, analyze and share (see Figure 4.2). As a reminder it should be noted that because I followed the common practices prescribed to both case studies and GT they often resulted in using similar or overlapping practices. For this reason and for the purposes of brevity I only provided a detailed explanation in one of their two respective sections (sections 4.3.3.2 and 4.3.3.3). Next I describe the process as prescribed by Yin and as followed in my study (see Table 4.1).

Figure 4.2 Case Study Model



Reprinted with permission from *Case study research: Design and methods (4th ed.)* by Yin R. K. (1996, p. 1) Copyright © 2009 by Sage; all rights reserved.

A - Plan

My research plan was the overall program of research being undertaken, and involved the procedures that I carried out in my study in order to provide me with sign posts to proceed in the right direction (Yin, 2009). Planning what type, or types of case study to use was my first step. Yin identified three different purposes for which case studies could be employed: *descriptive*; *explanatory*; and *exploratory*. I determined that both descriptive and explanatory cases were most appropriate for use in my study, and will present them next in order to justify their use.

- Yin (2009) suggested that explanatory case studies are intended to study and explain the characteristics of phenomenon in more depth by asking 'how,' and 'why' type questions. I determined that using an explanatory case study was best suited to answer my first and fourth research questions given its ability to explain the extent to which Canadian provincial public sector organizations involve and follow the theory (i.e., how and why) regarding the levels of involvement of Senior, Mid- and Low-level Managers and Front-line Employees in the conception, design, development and implementation stages of

their BSC. More specifically I used a combination of an inductive GT and explanatory case study to explain the extent to which each of the participating public sector organizations involves their employees in the conception, design, development and implementation of the BSC. I used a GT research type to code, organize and analyze the data that was then used to explain the actual role of Senior- Mid- and Low-level Managers and Front-line Employees while comparing this to the current theory. The logic for combining these two research types is that there are indiscriminate references in the extant literature regarding the roles of Senior- Mid- and Low-level Managers and Front-line Employees in the PMS process to which my study will contribute.

- Yin (2009) noted that if the research is done using interviews and case studies and describes contemporary events (i.e., the role(s) of employees in PMS process in the public sector) and if the research questions focus on 'what,' type questions then descriptive case studies are most effective and are the preferred research type. Given that the objectives of my second and third research questions were to describe (i.e., what are/is): 1) the roles that Senior, Mid- and Low-level Managers and Front-line Employees expect to have in the design, development and implementation of the BSC in the public sector; 2) the outcomes (including barriers) from involving, or not involving Senior, Mid- and Low-level Managers and Front-line Employees in the conception, design, development and implementation of their BSC; and 3) the differences in perceptions between the different organizational levels regarding their roles in the design, development and implementation stages of their BSC, all of which are currently unclear, thus I determined that a descriptive case study research was well suited for my study.

Yin (2009) stated that the three types of case studies are not mutually exclusive and that a study's explanatory power can be increased by adopting and using multiple types as I did in my study. For example, I used both descriptive and explanatory case studies in conjunction with a GT research type in order to investigate, describe and explain the levels and impact of involving (or not involving) Mid- and Low-level Managers and Front-line Employees in designing, developing and implementing a public sector organization's BSC. I also used the case study types to determine whether or not there are differences in perceptions between the various organizational levels and/or organizations, and to assess whether or not public sector

organizations follow the BSC theory or process. It should be noted that I chose not to use exploratory case studies given that I did not believe my research was an entirely new field of research, which is common goal of exploratory case studies.

Yin (2009) also noted the importance of identifying any secondary research questions that may have evolved from the primary research questions during the planning stage. For example, some of my secondary research questions that further motivated me to use descriptive and explanatory case studies included: Who was involved at each level of the BSC process? How were they involved? How and/or by whom was it determined which employee levels would or would not be involved in the BSC process? Do the different levels (i.e., who) within and across organizations differ with respect to their perceptions regarding employee involvement in the BSC process? And if so, how and why did they differ? Answers to these questions would provide additional insight, depth and breadth to the answers provided by the study's four primary research questions. The next section discusses Yin's (2009) case design stage.

B - Design

According to Yin's (2009) case study model (see Figure 4.1) after deciding to use explanatory and descriptive case types it was important that I design them. According to Yin the *"…design is the logical sequence that connects the empirical data to a study's initial research questions, and ultimately, to its conclusions"* (p. 26). Basically the research design stage was a blueprint for my research or a logical plan for getting from A to B. Nachmias and Nachmias (1996) described the research design as a plan that *"guides the investigator in the process of collecting, analyzing, and interpreting observations. It is the logical model of proof that allows the researcher to draw inferences concerning causal relations among the variables under investigation"* (p. 98).

Next I describe the four primary steps as well as their individual components as illustrated in Figure 4.2 that Yin (2009) identified as important for me to consider during the case study design stage.

Table 4.1 Steps in the Research Design Stage

Design Stage Model - Yin, 2009 identified four primary design stage steps each containing a number intermediate components that I adopted for use in my study:

I) Five components for an effective research design (Yin, 2009)
- 1) Importance of the form of the research questions
- 2) Identify the study's propositions
- 3) Define the unit(s) of analysis
- 4) Linking the data to the propositions
- 5) Contemplate the criteria for interpreting the study's findings

II) Consider the level at which generalization of the case study results will occur (Yin, 2009)

III) Consider the criteria for judging the quality of the research
- 1) Yin, 2009:
  - Construct Validity
  - Reliability
- 2) In addition Cooksey, 2008: Convincingness:
  - juxtapositioning with other research
  - Researcher positioning
  - Positioning of the participants and other data sources
  - Contextual sensitivity
  - Internal coherence
  - Analytical integrity
  - Extensional reasoning
  - Value for learning
  - Ferilisation of ideas
  - Handling of unexpected outcomes
  - Acknowledgement of limitations
  - Presentational character
- 3) In addition Lincoln & Guba, 1985:
  - Transferability
  - Credibility
  - Dependability
  - Confirmability

IV) Determine whether to use a single or multiple case design and whether or not they should be embedded (Yin, 2009)

Adapted from Yin (2009), Cooksey (2008), and Lincoln and Guba (1985) and compiled by the author

i) Five Components for an Effective Research Design

Yin (2009) identified five components (see step I in Table 4.1) as necessary when designing a case study:

1. First, Yin suggested that choosing the most relevant research approach should be a function of the form of the research question(s). He noted that case studies are best suited for answering 'how', 'what' and 'why' type questions. These were the primary types of questions in my study. Yin also noted that a common practice for developing research questions is to review the literature, which is what I did in Chapters two and three.
2. The second component of the research design stage identified by Yin pertained to identifying the study's propositions. Yin suggested that the propositions should speak directly to the primary research questions while focussing attention on those items that should be examined. For example, my study's propositions were derived from my primary research questions, as stated in section 4.2. Thus the 'what', 'who' and 'why' type questions capture what I am interested in answering, but they do not point to what I should study. Drawing from the PMSs and BSC design, development and implementation models; the participative budgeting; and employee involvement/participation literature (as described in Chapter two), my study's propositions are as follows:
    a. Senior-, Mid- and Low-level Managers, and Front-line Employees will have different perceptions and expectations regarding who should or should not be involved in the design, development and implementation of their organization's PMS.
    b. Senior-, Mid- and Low-level Managers, and Front-line Employees are likely to have differing views regarding what actually constitutes as employee involvement in the PMS process.
3. The third component of the research design stage identified by Yin involved determining the unit of analysis. In my study the unit of analysis was multiple and nested in that it included the role and outcome of involving different levels of employees in their organization's PMS process. Essentially, I analyzed the levels and outcomes of Senior-Mid- and Low-level Managers and Front-line Employees involvement (or lack of

involvement) in their organization's PMS process and compared them to one another, within and between other public sector organizations.

4. Linking the data to the propositions is Yin's fourth component of the research design stage. This component foreshadows the data analysis process in case study research. Basically, my primary concern during the design stage was simply to be aware of the primary analytic choices (i.e., pattern matching, cross-case synthesis, explanation building, and logic models) and consider how they might impact upon my case study. The types of analysis in my study included *cross-case synthesis,* discussed in section 4.2.3.1 E.
5. Yin's fifth and final design stage component suggested that I begin to contemplate the criteria for interpreting the study's findings. A major and important alternative strategy that Yin recommended for interpreting the findings is to identify and address potential rival explanations. This I would argue is positivist thinking, not interpretivist, thus did not apply to my study.

Next I will discuss the concept of generalizing the results of a study.

ii) Level at which Generalization of the Case Study Results will Occur

The second step in Yin's (2009) design stage, highlighted the importance for a researcher to consider the level at which *generalization, transferability* or *fittingness* (Guba & Lincoln, 1994; Tashakkori & Teddlie, 2003) of the case study results will occur (see step II in Table 4.1). According to Polit and Hungler (1991) and Ryan and Bernard (2000) generalizability refers to the degree to which research findings are applicable to other populations or samples. It involves *"the usefulness of one set of findings in explaining other similar situations"* (Grbich, 1999, p. 66). King, Verba, and Keohane (1994) argued that *"the hallmark of scientific research is the goal of making inferences that go beyond particular observations"* (p. 8), which they describe as the essence of generalization – making knowledge that is transferable, with external validity. According to Falk and Guenther (2006) most consumers of research have a high demand for 'evidence' where it seems that many people are more swayed by 'numbers' than words, and generally feel that quantitative or statistical research is the only kind that allows confidence in the generalizability of the results. Typically the consumers of statistical research conclude that the findings can be generalized from the sample to the universe. I argue that generalization as

described above was not the goal of my study, rather transportability, and/or transferability of the findings was my objective.

Cooksey (2008) and Hammersley (1990) argued that qualitative research represents a distinctive paradigm and as such should not be judged by conventional measures of generalizability, or validity and reliability. They suggested that qualitative and quantitative studies are not in opposition but are suited for different purposes in a research program. According to Creswell (2005, p. 47) *"In quantitative research, the purpose statement, research questions, or hypotheses are specific and narrow... In qualitative research the purpose statement and research questions are general and broad."* Essentially my dilemma was, 'What level of transportability or transferability was appropriate for my study?' To address these criteria I attempted to provide the highest degree of confidence in my study's findings, thus contributing to the consumers' ability to extend the results beyond the immediate sample. I made every effort to satisfy a number of criteria and standards that have been identified in the literature as contributing to the ability to transport and/or transfer my study's findings. For example, I provided a sufficiently detailed research report enabling the reader to judge whether or not the findings apply in similar settings (Mays & Pope, 1995, 2000); conducted my research at multiple levels and multiple sites and provided a thick and rich description (Schofield, 1993) thus showing that I was immersed in the setting and provided the reader with sufficient detail to make sense of the situation (Firestone, 1987); carefully designed, selected and analyzed the data and cases (Merton, 1967); developed a thorough understanding of the prior theory (B. Johnson & Christensen, 2004), and lastly utilized a number of analytical criteria identified by Cooksey (2008) and Yin (2009) as important for judging the quality of the qualitative research. These are discussed next.

iii) Criteria for Judging the Quality of the Research

The third step in Yin's (2009) design stage model required that I consider the criteria for judging the quality of the research (see step III in Table 4.1). According to Seale (1999, p. 43) *"The urge to generate criteria for judging good-quality studies seems irrepressible."* Stige, Malterud, and Midtgarden (2009) noted that in excess of one hundred different sets of qualitative research criteria have been identified in the literature. Differences in emphasis tend to mirror the commitments of different researchers. Taken as a whole, however, Finlay (2006) noted that there is some degree of agreement amongst researchers that qualitative research needs to be

trustworthy (a term often commonly used in place of *validity* in the qualitative researcher's lexicon), in the sense of being able to demonstrate both *rigour* (process) and *relevance* (end product). In an effort to enhance the overall quality of my research, I viewed it as a function of its transparency, trustworthiness, convincingness and transportability/transferability. With this in mind I reviewed and drew from a synthesis of the different tests and criteria suggested by Yin's (2009) four tests of quality (i.e., construct validity, internal validity, external validity and reliability); Cooksey's (2008) twelve meta-criteria (juxtapositioning with other research, researcher positioning, positioning of the participants and other data sources, contextual sensitivity, internal coherence, analytical integrity, extensional reasoning, value for learning, fertilisation of ideas, handling of unexpected outcomes, acknowledgement of limitations, and presentational character); and the four interpretivist/constructivist paradigm-specific trustworthiness criteria of: *transferability, credibility, dependability,* and *confirmability* suggested by Lincoln and Guba (1985). Cooksey (2008) argued the following:

> *...the ultimate test of research quality and contribution lies in its power to convince those who stand to be influenced by it. 'Convincingness'' emerges from the confluence of the research act and telling of the story about that act and therefore forms the central meta-criterion to be satisfied. Judgements of 'Convincingness' are influenced by a set of 12 inter-connected meta-criteria, each targeting an aspect of research act or story.* (p. 4)

In summary Table 4.2 (below) highlights the various quality tests and meta-criteria including their applications that I utilized in the present study. The table is intended to serve as an explication of my (self-) research evaluation as well as providing the appropriate criteria for the reader's evaluation of my work.

Table 4.2 Evaluation Criteria and Application to the Present Study

Evaluation Criteria	Application to the present study
Construct Validity (Yin, 2009); Credibility (Lincoln and Guba, 1985)	To ensure that my study accurately and consistently measured the role of employee involvement in the PMS process, as purported, I used multiple sources of evidence, including numerous employees from similar levels and employees from different levels, which was also supplemented and augmented by corporate documents. I also personally participated in all of the interviews, and I taped, transcribed, coded and analyzed all of the data.
Reliability (Yin, 2009); Confirmability (Lincoln and Guba, 1985)	To ensure that my study produced stable and consistent results I used the same data collection, question format, transcription, coding and analysis procedures for all of the data. In addition, all of the transcribed data was subsequently reviewed by each participant in order to ensure its accuracy and reliability.

Evaluation Criteria	Application to the present study
Juxtapositioning with other research (Cooksey, 2008); Dependability (Lincoln and Guba, 1985)	I made effective use of other research to set the stage and problem for the context of my research. Part of this criterion was satisfied as a result of conducting a thorough literature review as reported in Chapters two and three, that was used to motivate the research questions described in section 3.7. In addition, I used my findings to build upon and link to the extant literature and fill gaps observed within the literature.
Positioning of the participants and other data sources (Cooksey, 2008)	I carefully identified, selected and organized the participants and corporate documents in the context of the research. I also gave special consideration to the participants' expectations and concerns regarding the research, which included contemplating and considering their role and place within the organization. Lastly, I carefully identified and selected both the organizations and individual participants used in my study. For example, I selected organizations and individuals based on varying characteristics such as age, size, and length of experience with their BSC.
Contextual sensitivity (Cooksey, 2008)	By providing background information on each of the Crown Corporations in each of the case studies, I attempted to reflect the appropriate sensitivity to both the substance and dynamics of the context in which the research was conducted.
Internal Coherence (Cooksey, 2008)	I believe that the logical order by which the entire paper was organized and presented provides clear evidence that my research hangs together as a coherent process. Also contributing to the internal coherence were a number of steps that I followed, as discussed in the upcoming sections: 4.2.3.1 (C) and 4.2.3.1 (D).
Analytical integrity (Cooksey, 2008); Transparency (Guba and Lincoln, 1989 & Lincoln and Guba, 1985)	In order to fulfill this meta-criterion throughout my entire research process I constantly showed how and why analytical choices were made and argued for their appropriateness to the task at hand.
Extensional reasoning (Cooksey, 2008); Transferability (Lincoln and Guba, 1985)	In an effort to transfer the information across similar levels and between organizations, I employed multiple case studies, and within each organization I studied employees from multiple levels.
Value for learning (Cooksey, 2008)	Given that my primary audience is PMS and BSC practitioners and academics I made every effort to ensure that my paper was relevant to practice while filling a gap in the current PMS literature. I worked hard to motivate the need for my research by arguing that the BSC is commonly used in the public sector. This is at a time when many organizations are failing to realize its potential benefits, and there is no Canadian research available in the areas that I am studying, which I believe will fill an important gap for both practitioners and academics.

Evaluation Criteria	Application to the present study
Fertilisation of ideas (Cooksey, 2008)	I attempted to show how my research stimulated further follow-up research. I believe that each of my research question has only touched the surface of what should be deemed as critical to the success of PMSs (i.e., BSC). To my knowledge no studies have investigated, the actual practice regarding the role of mid- and low-level managers and front-line employees in the BSC process. My study will be the first, and as such will pave the way for future studies in this field. For example, additional research questions that come to mind include, What levels and types of employee involvement are necessary for a PMS to succeed? How should the BSC be cascaded throughout the organization? Is the BSC, or Participative PMS template, appropriate for use in the public sector given the differences between the public and for-profit sectors? and, What is the role of culture (i.e., societal and organizational) regarding the BSC process? A number of areas for future research are presented in Chapter six.
Handling of unexpected outcomes (Cooksey, 2008)	In an effort to fulfill this criterion I attempted to remain open minded during the data collection and analysis stages of my research. For example, I was open to, and reported, any and all contradictory information. I searched for and discussed elements of the data that did not support, or did contradict, patterns or explanations that emerged from the data analysis. Negative case analysis is central to the degree of rigour employed in my study. Negative case analysis is a significant component of the constant comparison process, as discussed when describing the GT research type employed in my study, and an example of what Agar (1982) referred to as *breakdown* and *analysis*. Unexpected outcomes will be reported in the results sections of my paper.
Acknowledgement of limitations (Cooksey, 2008)	In Chapter six I presented a number of potential limitations to my study and discuss how they might be overcome in future research.
Presentational character (Cooksey, 2008)	I attempt to satisfy this criterion by ensuing that the presentation of my data and findings were suitable for both practitioners and academics.

Compiled by the author

Next I will discuss the specific research design used in my study (Yin, 2009).

iv) Case Study Design

The fourth and final step in Yin's (2009) design stage, required that I consider whether to use a single or multiple case design and whether they should be embedded or not (see step IV in Table 4.2). For my study I used elements of both a descriptive and explanatory case study to provide a brief summary of each Crown Corporation's background including a general overview of their PMS or BSC. The cases investigated a phenomenon (i.e., roles and impact of involving (or not involving) different levels of employees in the BSC process) where the unit of analysis was

different employee levels (i.e., Front-line Employees, Mid- and Low-level Managers and Senior Executives) in four public sector organizations. My application of studying a phenomenon at various organizational levels in four different organizations is consistent with Yin's (2009) description of an embedded multi-case study.

In summary, the five components of the design stage as discussed enabled me to construct a preliminary descriptive explanation regarding the level of Senior- Mid- and Low-level Managers and Front-line Employees involvement in the BSC process. At this stage I focused on the following: the purpose of the descriptive effort; the full but realistic range of topics that will be considered, or essentially a complete description of what I planned to study; and the likely topic(s) that will be the soul of my description. The design section also highlighted the different tests and meta-criteria that were used to enhance the quality and convincingness of my study. Lastly, this stage required me to identify my use of embedded multiple case studies.

Next I will discuss the third stage of Yin's (2009) case study model as it applied to my study.

C - Preparing to Collect Case Study Evidence

The third stage of Yin's (2009) case study model relates to preparing to collect the case study evidence (see Figure 4.2). Yin identified five commonly required skills that I incorporated into my study:

- I must be able to ask good questions and then interpret the answers.
- I must be a good listener and not ill-advised by any personal ideologies or preconceptions.
- I must be adaptable to the situation at hand.
- I must fully understand the issues being studied, thus reducing the relevant events and information to be sought to a manageable size.
- I must be impartial with respect to any preconceived notions, including those derived from theory.

To satisfy the necessary criteria for collecting case study evidence, prior to any interviews, I prepared a number of questions surrounding these factors/themes: 1) the level and role of Senior- Mid- and Low-level Managers and Front-line Employees in the BSC process; 2) the description

of the BSC process in their respective public sector organization; and 3) the differences between the various levels of the organization regarding the BSC process (See Table 4.7), thereby ensuring that I had a number of relevant and high-quality questions. Also in preparation for this stage, I read Yin's (2009) textbook 'Case Study Research: Design and Methods' and participated in a one day seminar that focussed on enhancing an interviewer's question/dialogue and listening skills. I used semi-structured interviews and allowed the participants to take the discussion in a direction and tone set by them, within the general area of the research. These enabled me to be both flexible and adaptive to the situation at hand. During the interviews I also made every effort to remain unbiased and open minded, and if necessary I recorded field notes. In addition, I researched the status of the BSC in each of the organizations prior to the interviews.

In preparation for collecting the case study evidence I also applied for and received permission from the University of Saskatchewan's (U of S's) Research Ethics Committee (Ethics approval Beh #05-46). I subsequently inquired with the University of New England's (UNE's) Human Research Ethics Committee and received permission to use the data collected under the umbrella of the U of S's permission. I also applied to and received permission from the UNE's Human Research Ethics Committee to collect more data from either the participating, and/or new Canadian public sector organizations (Ethics approval HE13-100).

While preparing to collect the case study evidence I spent a considerable amount of time reflecting, both a-priori and throughout the study period, on any items that might impact the study's credibility and developing potential strategies to address them. Two items that came to mind related to the authenticity of the data collected. If the participants did not provide honest answers during the interviews the data would be seriously impaired, thus fatally impacting the credibility of the findings. This required that I think about 'What might cause a participant to provide untrue or misleading data?' One issue that I contemplated was if participants might perceive a power imbalance between themselves and myself they might be inclined to provide biased answers. A second issue that I considered related to the participant's perceptions, expectations or inclination regarding the research outcomes, which could also bias their responses. For these reasons I tried to anticipate potential participant perceptions and expectations, and developed a number of contingencies to deal with the possible scenarios.

Next I will discuss the fourth stage of Yin's (2009) case study model as it applied to my study.

D - Collecting Case Study Evidence

Yin's (2009) fourth stage deals with collecting case study evidence. Yin identified six sources of evidence: *documentation*; *archival records; interviews (i.e., individual and focus groups); direct observation; participant observation;* and *physical artifacts*. Two of the sources were applicable to my study, namely participant interviews and organizational documentation. The participants and interviews will be discussed in detail in sections 4.3 and 4.3.1 respectively.

The case study information in my study was collected by interviewing participants and analyzing corporate documents. The analysis of corporate documents included reviewing both publicly assessable annual reports and any PMS or BSC information that was supplied by the participants at the time of the interviews (e.g., sample performance measures and reports). Using both interviews and corporate documentation I was able to address a broader range of issues by triangulating the data. Next I will discuss the fifth stage of Yin's (2009) case study model as it applied to my study.

E - Analyzing Case Study Evidence

Data analysis, or Yin's (2009) fifth stage, consists of examining, categorizing, tabulating, testing, or otherwise recombining evidence in order to draw empirically based conclusions. Yin (2009) identified four possible strategies for analyzing the evidence: relying on theoretical propositions; developing case descriptions; using both quantitative and qualitative data; and examining rival explanations. To assist with coding and analyzing the data I used a computer software package, NVivo10 (QSR International, 2011). The NVivo10 program helped in the management of the large volumes of data that resulted from the transcripts. The key advantage of using NVivo10 was that it allowed me to instantly retrieve all of text that was coded under a particular category (Bazeley & Richards, 2003). This enhanced my ability to manage the codes and provided greater efficiency than manually having to search codes. A further advantage of NVivo10 was that I was able to generate models and diagrams (Bazeley & Richards, 2003) at various stages that I subsequently used to interpret the data. I also used the models and diagrams as a record of the different decisions throughout the data analysis process which provided an audit trail of my decision-making and the development of my thought processes throughout the project.

It should also be noted that, in part my study's original objectives and design were based on my theoretical propositions as listed in section 4.2.3.1 B (i) (2), which reflected my research questions, and also shaped my review of the literature. The purpose of my propositions was to narrow or focus my attention on certain data and to ignore other data. The propositions also helped to organize the entire case study and to define alternative explanations that I examined. I also developed a case description in order to assist with the analysis. My case description was basically a descriptive framework for organizing the case study that was in part guided by my review of the literature. The descriptive framework also assisted me in organizing the case study, thus ensuring that relevant data was collected about specific areas of my study.

Yin (2009) suggested that any of the above strategies could be used in practicing five specific techniques for analyzing case studies: *pattern matching, explanation building, time-series analysis, logic models, and cross-case synthesis*. Of the five analytic techniques identified, I employed cross-case synthesis to analyze the data. This is recommended when there are multiple cases, as in my study. Essentially analyzing the data across multiple cases made it possible for me to identify similarities and differences that I then used to build a logical chain of evidence (Miles & Huberman, 1994). Next I discuss the sixth stage of Yin's (2009) case study model as it applied to my study.

F - Sharing or Reporting Case Studies

The sixth and final stage of Yin's (2009) case study model was sharing or reporting a case study, which means bringing the results and findings to a finish. I argue that the primary difference between the case study and other types of research is that the case study report itself can be an important communication device. As described in section 4.2 I used elements of both explanatory and descriptive case studies. Given that the goal of my first research question was to investigate the extent to which Canadian provincial public sector organizations involve (how and why) their Senior, Mid- and Low-level Managers and Front-line Employees in the design, development and implementation stages of their BSC I determined that using an explanatory case study was most fitting. I also used a descriptive case study to answer the first research question given its capacity for describing contemporary events (i.e., the roles of employees in PMS process in the public sector) particularly when the research questions focused on 'what,' type questions. For example, I determined that a descriptive case study research was well suited

for my second and third research questions which involved ‘what are’ questions: i.e., 1) the roles of Senior, Mid- and Low-level Managers and Front-line Employees in the design, development and implementation of the BSC in the public sector. In summary, I report the results of my study using a combination of descriptive and explanatory cross-case analysis.

Given that the participants, both at the organizational and individual level, were promised anonymity as one of the conditions of their involvement in my study, disclosing either was not an option. Rather I decided that it was possible to report the findings at both the organizational level without disclosing the actual organization and at the employee level without identifying any specific participants.

An important consideration when preparing, and/or sharing the results was to regularly ask myself, ‘Did I get the story right?’ (Stake, 1995). This type of thinking was important to ensure that my research stayed focussed, on track, relevant to and reflective of the research questions. The final consideration with respect to sharing the results was to ensure that my case study final report provided readers with a rich (i.e., vivid and detailed) and holistic (i.e., describes the whole and its parts) description of the case and its context. Next I discuss my use of a GT research type.

4.2.3.2 Grounded Theory (GT) Research Type

The GT qualitative research type was developed in sociology in 1967 by two researchers, Barney Glaser and Anselm Strauss. They elaborated on their ideas through several books (Glaser, 1978; Glaser & Strauss, 1967; A. Strauss, 1987; A. Strauss & Corbin, 1990, 1998). Despite the initial collaboration of Glaser and Strauss that resulted in such works as *Awareness of Dying* (Glaser & Straus, 1965) and *Time for Dying* (Glaser & Straus, 1968), in the end the two authors disagreed about the meaning and procedures of GT. For example, Glaser later criticized Strauss’s approach to GT as too prescribed and structured (Glaser, 1992). Given the flexibility required in my study with respect to the forms and methods of inquiry and the analysis of the data I was swayed toward adopting Glaser’s somewhat more adaptable approach to a GT research type. For example, I adopted Glaser’s perspective that the literature review should be done prior to collecting and analyzing the data, which was different from the original view of Glaser and Strauss, where this practice was discouraged. I believe that reviewing the literature prior to conducting and analyzing the interview data broadened my knowledge and perceptions of PMSs

and PM in the public sector that contributed to both my interviews and analysis. In addition, I also adopted Glaser's stance that the research questions should be established prior to collecting the data and should be narrow enough to establish boundaries to my research, whereas Glaser and Strauss originally stated that the research questions should flow or emerge from the data collection. I believe that it was critical to narrow the scope and scale of the data collection by developing the research questions prior to collecting the data in order to stay focused on the primary topic being investigated (i.e., the role of employees in the design, development and implementation of their organization's PMS).

According to Fassinger (2005) and Glaser (1992, 1998, 2001, 2008) a GT research type consists of two distinct parts, both of which were germane to my study: 1) a complex *iterative* process for planning, designing, collecting, coding, organizing and analyzing the data, and 2) the creation or development of theory or explanation[1] that emerges from an analysis of the data collected about the phenomenon being investigated. On the topic of theory development Bunge (1967); Hunt (1991) and Reynolds (1971) noted that it must include four components: 1) definitions of terms or variables, 2) a domain where the theory applies, 3) a set of relationships of variables, and (4) specific predictions. Poole and Van De Ven (1989) and Wacker (1998) described a theory as a well-established principle that has been developed to explain some aspect of the natural world, which arises from repeated observation and testing and incorporates facts, thorough explanations and predictions. A goal of using a GT research type in my study is the generation of concepts that explain the way that people resolve their central concerns (e.g., regarding their involvement and its impact in the PMS process) regardless of time and place. I used description generated by a GT research type to these illustrate concepts.

According to Glaser and Strauss (1967) *"Grounded theory can be presented either as a well-codified set of propositions or in a running theoretical discussion, using conceptual categories and their properties"* (p. 31). As do Glaser and Strauss, I prefer and adopt the discussional form, because it is often easier to comprehend and tends not to *freeze* the theory in a set of propositions. I used comparative analysis to generate substantive[2] theory from data that

[1] Explanation has been defined as "the act or process of making something clear or easy to understand: the act or process of telling, showing, or being the reason for or cause of something" (Explanation, 2013).
[2] A substantive theory may be constructed within the process of identifying differences and similarities of contextualized instances, and patterns, across and within case studies focused on a similar theme. The content of

facilitated formal[3] theory or revisions to existing formal theory that emerged from substantive theory instead of using logic to deduce substantive theory from formal theory. Ultimately, future studies investigating PMSs in the public sector will generate additional substantive theory that over time will stimulate and improve formal theory.

The intent of using a GT research type in my study was to move beyond description, that will result from using a case study, and to add to the existing theory regarding the roles, and impact of various levels of employees in their organizations PMSs (Glaser, 2008). As previously stated I used elements of Glaser's (1992) GT research type to assist with: planning, designing, and preparing my study; guiding my data collection, coding, organization and analysis; and contributing to the development of the existing PMS theory. Next I will describe and explain the concepts of GT: data, sampling and sample size (in Section A); and data coding and analysis processes (in Section B) as they relate to my study.

A - Grounded Theory Data, Coding, Sampling and Sampling Size

The significance of data used for conceptualizing[4], coding, organizing and analysis, and/or developing or adding to existing theory or explanation is the essence of Glaser's (1998) well known dictum *"All is data"* (p. 9). Basically it means:

> *Exactly what is going on in the research scene is the data, whatever the source, whether interview, observations, documents, in whatever combination. It is not only what is being told, how it is being told and the conditions of its being told, but also all the data surrounding what is being told. It means what is going on must be figured out exactly what it is to be used for, that is conceptualization, not for accurate description. Data is always as good as far as it goes, and there is always more data to keep correcting the categories with more relevant properties.* (p. 145)

I argue that data constitutes not only what is being seen, felt, heard and told, but also all their surrounding contextual nuances. It should be noted that although researchers do not create data,

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substantive theory is mainly descriptive, focused on the essence, or substance, of the numerous case instances in a parsimonious relational structure. Substantive theory is developed for a specific area of inquiry, such as an individual's or group's experience(s) with their organization's PMS.

[3] A formal theoretical conversation offers an explanation of a set of phenomena that have broad social applicability. The theory emerges from the analytical examination of the phenomena in a variety of disparate situations (A. Strauss & Corbin, 1990) and its robustness comes from its simultaneous use in many different contexts (A. Strauss, 1987). Formal theory, consequently, is not specific to a group or a place. Instead it applies to a wide range of concerns and problems across situational contexts (A. Strauss & Corbin, 1998).

[4] Conceptualization is the process of development and clarification of concepts (Glaser, 1998)

if it is properly used, then I believe that researchers *"…are not speaking for our participants but rather are enabling them to speak in voices that are clearly understood and representative"* (A. Strauss and Corbin, 1998 p. 56). To give voice to the participants means that I must know what is going on, what the data is to be used for, (that is, for conceptualization). My thesis used a combination of research methods including: semi-structured interviews with both individuals and focus groups and analyzing organizational documents (BSC related materials and annual reports collected at the time of the interviews) as sources of data to aid in answering the research questions. I also believe that the literature was extremely useful as a source of data for making comparisons and to foster conceptualization (A. Strauss & Corbin, 1998).

Also on the topic of data, Glaser (1998) noted the importance of identifying its origins when using a GT research type. I believe that all interview data collected and used in my study was primary data[5], which is recommended when using a GT research type. The initial participants were chosen based on their history, knowledge and experience with their organization's PMS and because they were the primary individuals responsible for their respective PMS. The majority of the subsequent participants and interview questions were determined as a result of my analysis of the data collected from previous interviews.

I employed theoretical sampling, which is a common type of GT sampling, and is a form of non-probability sampling that is considered to be a defining property of GT (A. Strauss & Corbin, 1998). The basic question that confronted me in theoretical sampling was where to go next with respect to data collection in order to further develop the theory. Glaser and Strauss (1967) originally defined theoretical sampling as *"The process of data collection for generating theory whereby the analyst jointly collects, codes, and analyzes his data and decides what data to collect next and where to find them, in order to develop his theory as it emerges"* (p. 45). In my study, theoretical sampling refers to the process of choosing new research sites (i.e., Public sector organizations, different employee levels and additional employees within a specific level) or cases (i.e., phenomenon, individual or groups of employees) to compare with ones that have already been studied (Glaser & Strauss, 1967). My goal of sampling is not the representative

[5] Primary data refers to data being collected or obtained from a first-hand experience. Primary data can be received first hand from things like interviews where a person collecting the data sits face to face with the respondent.

capture of all possible variations; rather it is to gain a deeper understanding of the analyzed cases and to facilitate the development of an analytic frame (i.e., an outline of the PMS experiences and processes) and concepts used in my research. Essentially the participants, events, sites and other sources of data used in my study were selected on the basis of theoretical purpose and relevance, as opposed to structural circumstances (Glaser, 1998).

Also on the topic of data is the issue of sample size and collecting sufficient evidence of the phenomenon being studied. Within GT, there is no set sample size, or limits on the number of participants or data sources, only sampling for completeness and saturation (Charmaz, 2000, 2008; Glaser, 1998; A. Strauss & Corbin, 1998). Rather it should be determined based on reaching adequate saturation (Glaser, 1998; A. Strauss & Corbin, 1998). I interpreted adequate saturation as a point in time where the researcher learns nothing new from subsequent interviews that would cause him or her to further evolve, refine or extend the theoretical story that has emerged (Glaser, 1998; A. Strauss & Corbin, 1998). Essentially, the categories, subcategories and properties identified and used in my study were saturated when additional data did not contribute anything new to the development of the properties and/or categories (Glaser & Strauss, 1967). Glaser pointed out that although the sample needs to be representative, it is unnecessary and perhaps defeating to collect large amounts of data. He stated that although there is no way of knowing with certainty beforehand, how many individuals should be interviewed, data should be collected until the point of saturation of the concepts, categories, subcategories, properties and dimensions. It was at this stage that I ceased collecting further data at each employee level and organization in my study. Glaser and Strauss (1967) noted that the process of collecting data in a GT research type study could continue indefinitely given that GT does not have a clearly demarcated point for ending a study. Essentially, the project ends when the researcher decides to quit, or as in my study when I was convinced that the concepts, categories, properties and dimensions were saturated.

After the participants were selected and interviewed it was necessary to code and analyze the data collected, which will be explained next.

B - Grounded Theory Data Coding and Analysis Processes

According to A. Strauss and Corbin (1998) two operations are absolutely vital when using a GT research type: 1) asking good questions (see Table 4.7); and 2) making comparisons that result from extensive coding and analysis. Asking good questions required that I was prepared to ask questions that get to the heart of the research questions or problems. Making comparisons on the other hand required me to code the data and compare the incident (i.e., participant's responses) to incident, incidents to codes, codes to codes, codes to categories, and categories to categories in order to classify them. Incidents were compared at both the property[6] and dimensional[7] level for similarities and differences, after which each incident was grouped or placed into a category[8] (Glaser & Strauss, 1967). Properties, dimensions and categories will be described in more detail in this and in the following sections. Comparisons at the property and dimensional levels provide participants a way of knowing or understanding the world. People do not invent the world anew each day. Rather, they draw on what they know to try and understand what they do not know (A. Strauss & Corbin, 1998). Developing this understanding was important for me as the researcher in order to better position myself to understand, analyze and interpret the participant's responses to the research questions.

Using the comparisons brought out properties, which in turn enabled me to examine them more thoroughly. Although I used both my experience and the literature as data, I also used the properties and dimensions derived from the comparative events and occurrences to examine the data. I drew on what I knew to help me understand what I did not know. Essentially, theoretical comparisons are tools (a list of properties) for looking at something somewhat objectively rather than naming or classifying it without thoroughly examining the object for its properties and dimensions**.** In comparative analysis, different groups or subgroups of people were compared and their differences built into theory. The theory was then tested and refined by considering it with other comparison groups. Looking at the data I was able to begin identifying patterns in the data/behaviour which led to general concepts about it. These concepts were built into broader

[6] Properties are characteristics of a category or subcategory, the delineation of which defines and gives it meaning. Anything under a specified classification has one or more recognizable properties/characteristics, such as shape, size, or mass. Identifying the properties of a category or subcategory include identifying its general, and/or specific characteristics or attributes.

[7] The dimensions of a category involve locating its properties along a range or continuum.

[8] Categories are concepts derived from the data, that stand for phenomena, which are important analytic ideas that emerge from the data.

theoretical propositions which could then be evaluated and tested with other comparison groups. *"In discovering theory, one generates conceptual categories or their properties from evidence, then the evidence from which the category emerged is used to illustrate the concept"* (Glaser & Strauss, 1967, p. 23) The conceptual categories that resulted from coding the data were used in other comparison groups, which at times supported the categorical concept or alternatively suggested modifications to make it more transportable / transferable.

Coding has been described by Lewis-Beck, Bryman, and Futing Liao (2004) as a heuristic – an explanatory problem-solving technique without specific formulas to follow. What is probably the first sustained use of the term *coding* to refer to the analysis of qualitative data appears in the methodological writing associated with *Boys in White*, a study of the University of Kansas medical school in 1956 (H. S. Becker & Geer, 1960). In this publication, Becker and Geer adopted the term coding for the qualitative research tradition, whereby it meant relating text segments in field protocols to certain predefined codes. Coding was my first step toward an even more rigorous and evocative analysis and interpretation required for a report (Saldana, 2013). I argue that coding is not just labeling, it is linking: according to Richards and Morse (2007), *"It leads you from the data to the idea, and from the idea to all the data pertaining to that idea"* (p. 137).

I believe that coding played a central and critical role with respect to my understanding of the data (Fielding & Lee, 1998). It was the first step in my analysis (Miles & Huberman, 1994; Miles et al., 2014; Saldana, 2009, 2013). Coding in my study refers to the analytical process of classifying and categorizing the qualitative in order to facilitate analysis (Fielding & Lee, 1998). Essentially, coding was the transformation of data into a form that I used to interpret meaning. I believe that a code can be used to summarize or condense data, not simply reduce it (Fielding & Lee). In my study a qualitative code was derived from an inquiry used to represent a work or short phrase that symbolically assigned a collective, salient, essence-capturing, and/or suggestive attribute to a portion or segment of my data (Saldana, 2009). Saldana described a number of coding methods of which I used an amalgam including: descriptive[9] (Miles & Huberman, 1994;

[9] Descriptive Coding summarizes in a word or a short phrase – most often as a noun – the basic topic of a passage of qualitative data.

Saldana, 2003; Wolcott, 1994), in vivo[10] (Charmaz, 2006; Corbin & Strauss, 2008; Glaser, 1978; Glaser & Strauss, 1967; A. Strauss & Corbin, 1998), initial[11] (Charmaz; Corbin & Strauss; Dey, 1993; Glaser; Glaser & Strauss; A. Strauss, 1987; A. Strauss & Corbin), holistic[12] (Dey, 1993) and provisional coding[13] (Dey; Miles & Huberman).

My analysis involved reviewing a set of transcribed interview notes, and dissecting them meaningfully, while keeping the relationships between the parts intact. The codes that I used were typically attached to *chunks* of varying size, whether it was words, phrases, sentences, or whole paragraphs, connected or unconnected to a specific setting (Miles & Huberman, 1994).

In my study I used coded materials to build analytic propositions about the basic elements of the role and impact of employee involvement in the conception, design, development and implementation of their organization's PMS that were relevant to the theory (Fielding & Lee, 1998). My aim was to use the systematic procedures described above to turn up all items of relevance to each of my propositions.

Although coding and analyzing GT data is comprised of a number of segments, it should be noted that in practice many of the individual components can be done concurrently. For explanatory purposes I will describe each of the five components i.e., microanalysis, open coding, axial coding, selective coding and writing memos. I begin by describing the concept and practice of microanalysis, which was my first step of coding and analysis.

i) Microanalysis

My first task was conducting a microanalysis, which involved a detailed line-by-line, sentence-by-sentence, or paragraph-by-paragraph analysis (A. Strauss & Corbin, 1998). Microanalysis, therefore, includes open and axial coding and makes use of the many analytic techniques. For the purposes of my study microanalysis involved a very careful and minute examination and interpretation of the data (e.g., interviews, written reports and documents). Included in my

[10] In Vivo Coding refers to a word or short phrase from the actual language found in the qualitative data record.
[11] Initial Coding is breaking qualitative data down into discrete parts, closely examining them, and comparing them for similarities and differences.
[12] Holistic Coding is an attempt to grasp basic themes or issues in the data by absorbing them as a whole.
[13] Provisional Coding establishes some codes using a predetermined list derived from literature reviews and the study's research questions.

microscopic examination were the following three major aspects of analysis: 1) the data, be they participants' recounting of actual events and actions as they are remembered, or texts and the like gathered by the researcher (i.e., emic); 2) the observers' and actors' interpretations of those events, objects, happenings and actions (i.e., etic); and 3) the interplay between data and me as researcher in both gathering and analyzing data. Interplay, by its very nature, means that I was actively reacting to and working with data. Doing microanalysis compelled me to listen closely to what the interviewees were saying and how they were saying it (i.e., consider the context), which necessitated my full attention and consideration regarding how the participants interpreted certain events. Next I will describe the initial steps in data analysis: open and axial coding, both of which occur during the process of microanalysis.

ii) Open Coding

Open coding involved fracturing and breaking the data apart analytically (Fielding & Lee, 1998; Saldana, 2013). The purpose was to force open the research encouraging me as the analyst to get into the data, to make some initial, even if only tentative, interpretations and to gain a sense of where to go and what do to next with the data. It was here that I identified important words or groups of words in the data and then labelled/coded them accordingly. In open coding, I examined and coded the text (i.e., interview transcripts and organizational documents) based on its salient concepts and categories of information supported by the text. Open coding consisted of conceptualizing which involved abstracting and breaking the data down into discrete incidents, events, ideas, and acts that are then given a representative name or label (Saldana; A. Strauss & Corbin, 1998). I then analyzed the codes and those that related to a common theme were grouped together in a higher order commonality called a concept (Allan, 2003). The name of the concept may be one placed on the objects by me as the analyst, because of the imagery or meaning they evoke when comparatively examined and in context, or alternatively the name may be derived from the words of the respondents themselves (i.e., in vivo codes) (Glaser & Strauss, 1967; Saldana; A. Strauss & Corbin, 1998). Holloway (2008) defined a concept as a *"descriptive or explanatory idea, its meaning embedded in a work, label or symbol"* (p. 43). Essentially the first stage in my theory building process is conceptualizing, where a concept is a phenomenon that I have labeled. It is an abstract representation of an object, event, or action/interaction that has been identified by me as being important in the data. The purpose for naming phenomenon is to

enable me as the researcher to group similar objects, events, and happenings under a common heading or classification. When concepts are used in interaction, they often provoke familiar cultural imagery. This is because the concepts share certain properties, which are characteristics of a category the delineation of which defines and gives it meaning. Therefore, a concept is something that can be located, placed in a class of similar objects, or classified. Anything under a specified classification has one or more recognizable properties/characteristics, such as shape, size, or mass.

As the process of identifying, coding and labelling continued if I came across another object, event, happening, or act identified through a comparative analysis as sharing some similar characteristic(s) with a previously identified object or happening, then it was given the same name or code. At some point in the data analysis process it became apparent to me as the researcher/analyst that certain concepts could be grouped under a more abstract higher order concept or category based on their ability to explain what is going on (Saldana, 2013; A. Strauss & Corbin, 1998). This grouping of concepts into categories is important, because it enabled me to reduce the number of units with which I was working with. In addition, categories have analytic power, because they have the potential to explain and predict. According to Birks and Mills (2011) categories are theoretically saturated when new data analysis returns codes that only fit in existing categories, and these categories are sufficiently explained in terms of their properties and the dimensions.

Essentially, categories are an accumulation of concepts derived from the data that stand for phenomena, which are important analytic ideas that emerge from the data. They answer the question, *'What is going on here?'* They depict the problems, issues, concerns, and matters that are important to those being studied. The label or name chosen for a category usually is the one that seems the most logical descriptor for what is going on. The names that I chose should be graphic enough to quickly remind me as the researcher of its referent. Once concepts begin to accumulate, I should begin the process of grouping or categorizing them under more abstract explanatory terms, that is, categories. The names for the concepts and/or categories may be based on the participants (i.e., in vivo codes), or the literature (A. Strauss & Corbin, 1998).

I propose that the very act of naming concepts fixes attention on them (Saldana, 2013; A. Strauss & Corbin, 1998). Once my attention was fixed, I was able to examine the concepts comparatively and ask informed questions about them. The labels that I came up with were, in fact, the result of my in-depth analysis of the data. As a result of labelling I started to understand some concepts, but at this stage I had learned only minimally from the data. Therefore in order to learn more from the data I needed to do a more detailed microanalysis. It was here that my analysis used the procedures of comparative analysis, the asking of questions, and making use of analytic tools to break the data apart and dig beneath the surface. Basically, it was here that I wanted to discern the range of potential meanings contained in the words used by the respondents and to develop them more fully in terms of their specific properties and dimensions (A. Strauss & Corbin, 1998).

Developing the properties and dimensions of a category included identifying its general and/or specific characteristics or attributes and locating them along a range or continuum. At this stage I compared each event against itself and other events in the data, noting what these objects have in common (A. Strauss & Corbin, 1998). Here I wanted to give a category specificity by defining its particular characteristics. I was interested in how these properties vary along their dimensions. It is through the delineation of properties and dimensions that I differentiated one category from other categories and gave it precision. Positioning of a category by specifying its particular properties and dimensions was important, because it was then that I began to formulate patterns along with their variations (Saldana, 2013). Patterns were formed when groups of properties aligned themselves along various dimensions. Whenever I come across a property of a category in the data, I attempted to locate it along its dimensional continuum. Once I had specified a pattern of combined attributes I grouped the data according to those patterns. It should be noted that when grouping data into patterns according to certain defined characteristics, not every event, happening, or object may perfectly fit the pattern, which is permissible within limits (A. Strauss & Corbin, 1998). Using the constant comparative approach, I attempted to saturate the categories—to look for instances that represented the category and to continue looking until the additional information obtained did not provide further insights into the category (Creswell, 1998). Next I describe axial coding, which is also part of the process of microanalysis.

iii) Axial Coding

The purpose of axial coding was for me to begin reconstructing the data that was splintered during open coding. In axial coding, I related categories to their subcategories to form more precise and complete explanations about phenomena. Basically, subcategories specify a category further by denoting information such as where, when, why, and how a phenomenon is likely to occur. Subcategories like categories also have properties and dimensions. Axial coding required that I have specified some categories and must now begin to show how the categories relate. Procedurally, axial coding is the act of relating categories to subcategories along the lines of their properties and dimensions (Saldana, 2013). It looks at how categories crosscut and link. A subcategory is also a category; however, rather than standing for the phenomenon itself, subcategories answer questions about the phenomenon such as when, where, why, and how, and with what consequences, which gives the concept greater explanatory power. It is important to note that the relationship between categories does not occur descriptively; rather it occurs at a conceptual level.

During the process of axial coding I examined relationships between categories at a dimensional level, thus looking for answers to questions such as why or how, when, where, and with what results, and in so doing uncovering relationships among the categories (A. Strauss & Corbin, 1998). Answering these questions aided in contextualizing the phenomenon; that is, to locate it within a conditional structure and in implying the 'how' or the means through which a category is manifested. For example, answering the who, what, where, why and how questions enabled me to relate structure with process. Relating structure with process was important, because structure or conditions set the stage for identifying the circumstances in which problems, issues, happenings, or events pertaining to a phenomenon are situated or arise. On the other hand, process denotes action/interaction over time of persons, organizations, and communities, in response to certain problems and issues. In looking for phenomena, I was looking for repeated patterns of happenings, events, or actions/interactions that represent what people do or say, alone or together, in response to problems and situations in which they find themselves.

During the process of axial coding and the building of categories, coding for properties and dimensions involved coding for themes and processes (Saldana, 2013). Here I was looking for action/interaction and noting movement, sequence, and change, as well as how coding evolved

(changed or remained the same) in response to changes in conditions or context. Process can be thought of as the difference between a snapshot and a moving picture, where each static picture presents a different perspective and provides insight. But if I want to see what happens or how things evolved, then it was important to look at the moving picture. Analyzing the data for process helps to integrate and discover variations. By examining the data for how action/interaction changes over time and space, I looked for patterns and connecting categories. Similar to open coding, when axial coding, data analysis involves using the constant comparative method. Basically, using the constant comparative method required that I compare one segment of data with another, to determine similarities and differences, thus grouping data together on a similar dimension. The dimension is given a name; it then becomes a category. The overall objective of this analysis is for me to identify patterns in the data. These patterns are arranged in relationships to each other in order for me to begin the process of building GT. Next I describe selective coding, which flows from microanalysis (i.e., open and axial coding).

iv) Selective Coding

Selective coding involved the process of integrating and refining the categories. Integration was an ongoing process that occurred over time throughout my analysis. It started with the first fragment of my analysis and did not end until the final piece of writing. Integration is the interaction between me as the analyst/researcher and the data. The first step in integration required that I decide on a central or core category, which represented the primary theme of the research. This primary theme was an abstraction that evolved from the research. Integration is what the research is all about, or what the salient issues or problems of the participants seem to be. Essentially, selective coding was the process that required me to choose one category (ideally) to be the core category, and relating all other categories to that category. The essential idea is for me to develop a single storyline around which everything else is draped. According to Glaser and Strauss (1967) and A. Strauss and Corbin (1998), there is a belief that such a core concept always exists.

En route to identifying a central or core category it was necessary to engage in the process of writing memos, which I describe next.

v) Writing Memos

Memos have been described by Clarke (2005) as *"intellectual capital in the bank"* (p. 85). Essentially memos are written records that tracked my thinking as a researcher during the process of undertaking a GT study. My memos included records of my thoughts, feelings, insights and ideas in relation to my research project (Birks & Mills, 2011). Memos are short documents that I wrote to myself as I analyzed the data. Birks and Mills stated that memos are the cornerstone of quality in research. According to Glaser and Strauss (1967) and A. Strauss and Corbin (1998), memos must be made as part of the data analysis process that I used to record what I thought about the data, and the concepts, categories and coded data that appeared to cluster together, thus assisting in deriving the primary problem. During the process of memo writing I analytically interpreted the data by sorting, analyzing, and coding the raw data in memos, whereby social patterns emerged, thus rooting me as the researcher in the analyses of the data, while simultaneously intensifying the level of abstraction of my analysis (Charmaz, 2006). According to Clarke my memos were not intended to describe the social worlds of my data; instead, they were intended to conceptualize the data in the narrative form. Remaining firmly grounded in the data, I used memos to create social reality (Richardson, 1998), by discursively organizing and interpreting the social worlds of the participants. Memos also served a useful function in keeping any of my preconceptions separate from the data and coding.

A. Strauss and Corbin (1998) pointed out that data provide the building blocks of theory and that memos are the mortar that joins them together. The aim of *memoing* was to provide me with a structured forum within which to develop theoretical ideas. Memo writing has been described by Lempert (2007) as the methodological link, the distillation process, through which I transformed data into theory. I argue that memos are a means by which to begin and pursue raising descriptive material to theoretical significance. In other words, I used memos to situate, categorize, dimensionalize, hypothesize and integrate theoretical ideas. As a general rule when doing GT work it was necessary that I as the analyst was always prepared to break off from the coding process to record a memo.

In summary, my memo writing was an ongoing activity that assisted from the very early stages of planning my study until its completion. My memos contributed throughout the course of my research to transform the raw data into my GT findings. Writing consistently and copiously was

valuable in building my intellectual assets, thus providing a context for the emergence of theories.

C - GT Conclusion

My GT analysis started with open coding, where my primary concern was generating categories and their properties and then determining how the categories vary dimensionally. Next during axial coding I systematically developed and linked the categories with subcategories. Next, I engaged in selective coding which involved the process of integrating and refining the categories. Then, once the categories were integrated to form a larger theoretical scheme, the research findings began to take the form of theory. This process is captured in one of the most famous quotations from *The Discovery of Grounded Theory*: *"Clearly a grounded theory that is faithful to the everyday realities of the substantive area is one that has been carefully induced from the data"* (Glaser & Strauss, 1967, p. 239). It should be noted that, although I described the GT coding process sequentially, this is not the case in actual practice, where many of these steps actually take place concurrently.

I believe that using GT research type was of value to my study because the questions and problems pointed to the need to develop a sound theoretical foundation in order to investigate the level of involvement of Senior- Mid- and Low-level Managers and Front-line Employees in the design, development and implementation of the BSC. Grbich (2007) proposed that GT methodology is appropriate *"when there is a need for new theoretical explanations built on previous knowledge to explain changes in the field"* (p. 70), as applies to the current BSC's design, development, and implementation process. Skeat and Perry (2008) stated, *"Grounded theory is considered to be an appropriate choice for a research study when a phenomenon has not been adequately described, or when there are few theories that explain it"* (p. 97). This is the case with respect to the actual role of Senior- Mid- and Low-level Managers and Front-line Employees in the design, development and implementation of the BSC, which is presently lacking in the extant literature. In the following section, I summarize the qualitative research methods used in my study.

4.2.4 Research Methods

As previously stated a research method is a tool or procedure used to collect data. At various points throughout section 4.2 I presented information regarding the research methods used in my study i.e., pragmatic (see Section 4.2.1.2 A), semi-structured interviews (with both individuals and small focus groups), and document analysis as well as the rational for using each of them. Table 4.3 summarizes the primary strengths and weaknesses of the three qualitative research methods used in my study (Bogdan & Biklen, 2007; Brewer, 2006; Bryman, 2001; Burns, 1997; Creswell, 2007; P. Nichols, 1991; Yin, 2009) in an effort to rationalize and situate my use of interviews, focus groups and document analysis. More information on the specifics of each of the research methods used will also be discussed in section 4.3.

Table 4.3 Research Methods

Source of Evidence	Strengths	Weaknesses
Documentation / Document Analysis	stable - repeated review	retrievability - difficult
	unobtrusive - exist prior to and after case study	biased selectivity
	exact - names etc.	reporting bias - reflects author bias
	broad coverage - extended time span	access - may be blocked
Interviews	targeted - focuses on case study topic	bias due to poor questions
	insightful - provides perceived causal inferences	response bias
	attitude to explore topics in detail	incomplete recollection
	ability to record as many variables as possible	reflexivity - interviewee expresses what interviewer wants to hear
	latitude to explore unexpected avenues	
	ability to give a voice to the participants	
	allows the participants to take the discussion in a direction and tone set by them, while keeping in mind the general area of the research	
Focus Groups	targeted - focuses on case study topic	same as above
	access to a larger number of participants	loss of individual response
		group think - snowball effect
		not as in-depth as individual interviews

Adapted from: Nichols (1991); Burns (1997); Bryman (2001); Brewer (2006); Bogdan & Biklen (2007); Creswell (2007); Yin (2009) and compiled by the author

4.2.5 Research Processes Summary

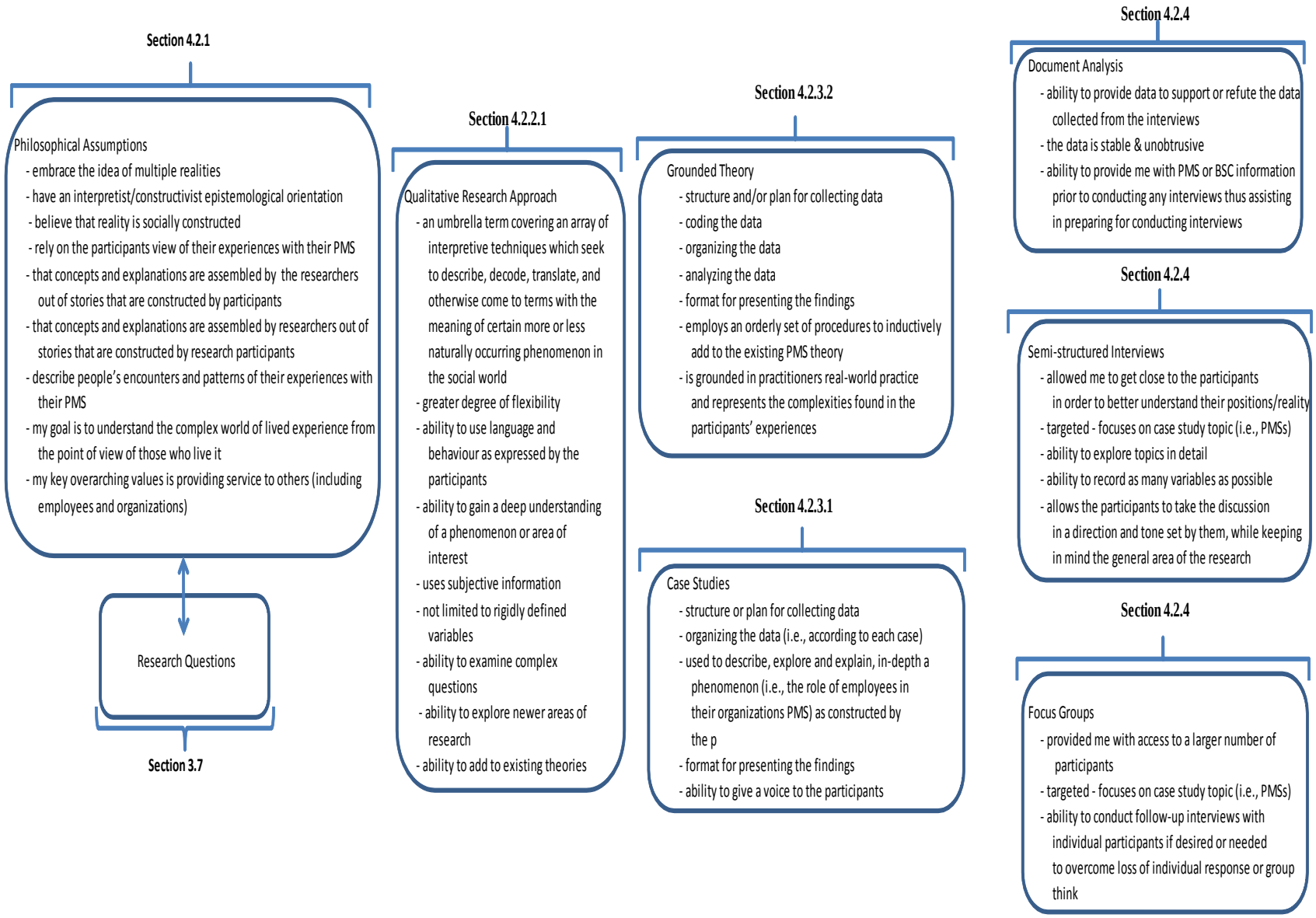
Throughout section 4.2 I defined, described and explained my decisions to use each of the steps in my research process. It should be noted that I went to great lengths to describe my research process which I believe contributed to the overall quality of my research. I began by graphically illustrating my research process in Figure 4.1, which was followed by a thorough description of my philosophical assumptions and the research approaches, types, methods and methodologies used in my study. After analyzing all of the common research approaches, types and methods I determined that a qualitative research approach including both a GT and case study research types including semi-structured interviews (for individual participants and focus groups) and document analysis research methods were best suited for my study. Figure 4.3 provides a summary of my methodologies and justifications, for the research approaches, types and methods employed in my study. In the following section I discuss the study's participants.

4.3 Participants

Originally I approached six Canadian provincial public sector organizations (three located in Saskatchewan and three in Manitoba) given that they had implemented a BSC in the mid- to late-1990s[14]. The original six public sector organizations were identified as a result of consultation with their parent organization i.e., the Crown Investments Corporation (CIC) in Saskatchewan, and the Manitoba Crown Corporations Council (MCCC) in Manitoba. Based on my initial inquiry I was provided with the names of primary contacts (i.e., Senior-level Executives who were responsible for their organization's PMS or BSC) in six public sector organizations (i.e., three in Saskatchewan and three in Manitoba). I contacted each of the primary contacts, explained the research objectives and provided each with a written proposal outlining the research (see Appendix I). After approximately two weeks I contacted each of the six primary contacts and was granted permission to carry out the study in four organizations (one in Saskatchewan and three in Manitoba). Two of the Saskatchewan public sector organizations that declined to participate explained that they were undergoing a Senior Executive management change.

[14] These four organizations implemented the balanced scorecard (BSC), which is a specific version of PMS. Moreover, one organization came into existence only in 2000 and was mandated to implement the BSC right from its inception.

Figure 4.3 Research Processes Summary



It should be noted that I was interested in public sector organizations with varying characteristics such as age, size, and length of experience with their BSC. This was necessary to better understand the entire spectrum of the BSC process in the public sector. The final set of four corporations met this criterion (Yin, 2009). Of the four public sector organizations two corporations provide a product and a service to their customers, with one processing the product to the finished stage. The remaining two organizations were service providers. The four corporations differed considerably in size (270 to 5,600 employees; $50 million to $2.4 billion in revenues); age (7 to 82 years); and length of experience with a BSC (3 to 10 years). See Table 4.4.

Table 4.4 – General Information about the Participating Crown Corporations

	Crown A	**Crown B**	**Crown C**	**Crown D**
Provides a Product	No	Yes	Yes	No
Provides a Service	Yes	Yes	Yes	Yes
Length of Time as a Crown Corp	7 years	55 years	82 years	26 years
Length of Time Using the BSC	7 years	10 years	3 years	4 years
Number of Employees	270	5600	750	1800
Revenues	$50 Million	$2.4 Billion	$500 Million	$700 Million

All four Crown Corporation's organizational structures were compacted into four distinct levels (i.e., Senior Executive (Level I), Senior Management (Level II), Operational-level Managers (Level III) and Operational-level or Front-line Employees (Level IV)) (see Table 4.5). Typically Senior Executives oversaw the Senior Managers who were responsible for a number of departments within a particular division. The Senior Managers normally managed a number of departments that were administered by Operational-level Managers who supervised the Front-line Employees. In all four Crowns the majority of the Senior Executive and Senior management were professionals and held university degrees. The educational levels of the Operational-level managers and Front-line Employee's varied from one division/department to the next, with only a small number having any post-secondary education. The majority of each Crown Senior Managers, and all Operational-level Managers and Front-line Employees were in scope (i.e., belonged to the union), while the Senior Executive were out-of-scope (i.e., did not belong to the

union). It should also be noted that although each of the Crowns utilized a number of part-time employees and temporary positions the majority of their employees were full-time.

Table 4.5 Participant List (by level)

Level	Description
Senior Executives	Those responsible for setting and developing strategy and direction that the organization should be pursuing.
	Individuals that were out-of-scope (not part of the union).
	Examples included: CEO, Strategic Planning Team members, and typically the BSC Champion.
	Most had a post-secondary degree.
Senior-Level Managers	Those individuals responsible to and reporting directly to the Senior Executive level.
	Those responsible for managing a specific set of departments, and overseeing a select group of Operational-level Managers.
	Typically included individuals that were in-scope (part of the union).
	Typically promoted on the basis of seniority.
	Many who had some-level of post-secondary education.
Operational-level Managers	Those individuals responsible to and reporting directly to a Senior Manager.
	Those responsible for overseeing the day-to-day operations of a specific department, and/or select group of Front-line Employees.
	Always included individuals that were in-scope (part of the union).
	Always promoted on the basis of seniority.
	Very few of whom had any post-secondary education.
Front-line Employees	Those individuals responsible to and reporting directly to an Operational-level Manager.
	Those individuals directly responsible for carrying the organization's primary daily functions.
	Included full-time individuals all of whom were in-scope (part of the union) and part-time employee who may or may not belong to the union.
	Always promoted on the basis of seniority.
	Very few of whom had any post-secondary education.

Compiled by the author

The data collection occurred over two distinct time periods: the first lasted approximately 12 months (including periodic analysis) during which time 88 individuals were interviewed by myself and Drs. Vaidyanathan and Kalagnanam, followed by 12 months of detailed analysis by myself. This was followed by a second round of data collection that lasted approximately 6

months during which 27 individuals were interviewed by myself, after which I conducted a second detailed analysis. Essentially Drs. Vaidyanathan and Kalagnanam participated in the first set of interviews, but I alone contacted and organized all of the participating organizations, interviews and conducted the second set of interviews and analyzed and summarized all of the data and results (from both sets of interviews).

The process followed for collecting the data was done by completing a small number of interviews in each organization starting with the most Senior-level Executives (including the CEOs) and BSC Champions and then progressed to meetings with the Senior Managers and then to Operational-level Managers and then to the Front-line Employees. At times, based on the information collected it was also necessary to back track and meet with additional upper-level employees after meeting with some of the lower-level employees. After this the data were transcribed and a cursory analysis of the data was performed in order to determine the next step and what type of information to solicit. During this first stage of data collection 88 individuals were interviewed, from all four organizations at all organizational levels. I conducted a comprehensive analysis of all of the data for approximately 12 months. It was at this point that I recognized the need to collect additional data. I interviewed 27 additional participants (see Table 4.6) in order to satisfy the requirements for using both the GT and case study research types. Individual and focus group participants were selected as described in section 4.4.1.

Table 4.6 Number and Levels of Individuals Interviewed

Level	Position	Crown A	Crown B	Crown C	Crown D	Total # of Individuals Interviewed
Level 1	Senior-level Executive	1-1-2*	1-1-2	1-1-2	3-3-6	6
Level 2	Senior-level Mgt	14-4-7* & 1-1-2**	6-6-11 & 1-1-2	3-3-5 & 1-1-2	3-3-5 & 1-1-2	30
Level 3	Operational-level Mgt	11-4-7 & 2-2-4	2-2-3 & 2-2-3	6-6-11 & 2-2-4	7-7-12 2-2-4	34
Level 4	Front-line Employees	18-3-9 & 4-4-6	0-0-0 & 3-3-5	3-3-5 & 4-4-6	9-9-15 & 4-4-6	45
Total # of individuals interviewed		51 individuals	15 individuals	20 individuals	29 individuals	115 individuals
Total # of interviews		19 interviews	15 interviews	20 interviews	29 interviews	83 interviews
Total interview time		37 hours	26 hours	35 hours	50 hours	148 hours

* Number of individuals interviewed - Number of interviews - Total interview time (during the first research period lasting 12 months)
** Number of individuals interviewed - Number of interviews - Total interview time (during the second research period lasting 6 months)

Essentially, data were collected in each participating organization and level until: 1) the point of saturation had been reached (Yin, 2009), which was when I was convinced that the concepts, categories, properties and dimensions were saturated (Glaser & Strauss, 1967); and 2) there was sufficient evidence to provide a rich and detailed explanation of each Crown's, and employee-level's experience with their BSC.

4.4.1 Interviews

Consistent with the interpretivist research philosophy (Cooksey & McDonald, 2011), semi-structured interviews were used to collect data from both individuals and focus groups. The questions followed a list of broad themes (Yin, 2009) (see Table 4.7 and Appendix I). It should be noted that although the research questions were based on a relatively broad list of themes, there were times when the directions and topics were established by the participants, which at times required that I attempted to keep them focused on the main topic of interest. A structured questionnaire would have made it impossible to extract the information required from the range of participants and organizations. Semi-structured interview questions were consistent with my interpretivist research philosophy (Cooksey & McDonald, 2011).

Participants at the various levels were purposively (Kuzel, 1992; Morse, 1989) and dimensionally (J. C. Johnson, 1990) selected from a list of eligible candidates, in consultation with Senior-level Executive(s) responsible for each organization's PMS or BSC. Purposive sampling was used to ensure the representative sample was well-informed (i.e., more knowledgeable, reliable and accurate in reporting events). According to Patton (2002, p. 230) purposive sampling is employed in order to select *"information rich cases."* Maxwell (2005, p. 88) described purposive sampling as *"a strategy in which particular settings, persons, or events are selected deliberately in or to provide important information that can't be gotten from other choices."* Lastly, I used purposive sampling because it was consistent with the interpretivist approach in that it *"does not suppress deviant or extreme cases"* but increases *"likelihood that the full array of multiple realities will be uncovered"* (Lincoln & Guba, 1985, p. 40). The use of

dimensional sampling ensured that the final sample was uniformly represented with respect to: gender, age group, employee-level and length of work experience. It is also important to note that identifying the successive participants and determining the theme and nature of the interview questions asked, was often based on the type of information collected from the previous interviews, which was consistent with the tenets of a GT data collection and analysis process (A. Strauss & Corbin, 1998). It also provided a rich description of each organization's experience with their respective PMS in consonance with the case study research type (Yin, 2009).

Table 4.7 Interview Questions Guide/Themes

Level	General Nature or Overall Theme of the Questions Asked
Senior Executive level	What prompted or motivated your organization to adopt a PMS such as the BSC?
	Who was involved in the design, development and implementation of the BSC? And, why, or why not?
	Did you plan to cascade the BSC throughout the organization? And why, or why not? And if so, how did you cascade the BSC throughout the organization? And/or to what levels?
	Can you explain how the BSC currently operates in your organization?
	What are your future goals regarding the BSC?
	How did (do) you derive the measures for your respective organizational, unit-level, and employee-level BSCs?
	Does your organization use the BSC measures? And if so, how? And if so, at what levels? And if not, why not?
	Is there anything else that you would like to tell me about your organization's PMS or BSC?
Senior- & Operational-level Managers	Can you describe what types of duties your job entails?
	Have you heard about your organization's BSC and if so what have you heard?
	Were you made aware of your organization's goal to adopt and implement the BSC? And if so how?
	Were you involved in the design, development and/or implementation of your organizational/unit/individual BSC? And if so how?
	If you were not involved in the design, development and implementation of your organizational/unit/individual BSC would you have been interested in being involved?
	How was the BSC cascaded throughout the organization?
	Can you tell me how the BSC works?
	Did you cascade the BSC to your respective front-line employees? And if so, how? And if not, why not?
	Does the BSC impact your day to day operations? And if so, how?
	Are the BSC measures used? And if so, how? And if not, why not?
	Is there anything else that you would like to tell me about your organization's/unit's/individual PMS or BSC?
	Do you believe that your daily activates/duties contribute to the overall goals of the organization? And if so how? And if not, why not?

Level	General Nature or Overall Theme of the Questions Asked
Front-line Employees	Can you describe what types of duties your job entails?
	Have you heard about your organization's BSC and if so what have you heard?
	Were you made aware of your organization's goal to adopt and implement the BSC? And if so how?
	Were you involved in the design, development and/or implementation of your organizational/unit/individual BSC? And if so how?
	If you were not involved in the design, development and implementation of your organizational/unit/individual BSC would you have been interested in being involved?
	How was the BSC cascaded throughout the organization?
	Can you tell me how the BSC works?
	Were the BSC measures cascaded to you as a front-line employee? And if so, how? And if not, why not?
	Does the BSC impact your day to day operations? And if so, how?
	Are the BSC measures used? And if so, how? And if not, why not?
	Is there anything else that you would like to tell me about your organization's/unit's/individual PMS or BSC?
	Do you believe that your daily activates/duties contribute to the overall goals of the organization? And if so how? And if not, why not?

Compiled by the author

In total 115 individuals from the four Crowns were interviewed. They were classified into four hierarchical levels (See Table 4.6):

- Level 1 – Senior-level Executives (senior decision-making body)
- Level 2 – Senior-level Managers
- Level 3 – Low-level or Operational-level Managers/Supervisors
- Level 4 – Front-line Employees

Crown A's PMS or BSC penetrated deeper into the organization than any of the other three public sector organizations, and therefore resulted in the largest number of individuals being interviewed. In Crown A, 51 individuals were interviewed, lasting 37 hours, over the course of 19 interviews. Seven were small focus groups (three to six individuals) and 12 were individual interviews. It should be noted that when meeting with the participants in each of the focus groups they were comprised only of individuals from a single employee level. For example when meeting with the focus group comprised Senior-level Managers there were only Senior-level Managers present, and the same was true when meeting with both the Front-line Employees and

Mid-level Mangers. The benefit of using focus groups in Crown A was that it enabled me to maximize the number of participants, which would not have otherwise been possible. Utilizing focus groups in Crown A also allowed me to study and measure the reaction(s) of the larger population when other participants responded to different questions. Although focus groups are commonly criticized as increasing the possibility that participants may not express their honest and personal opinion about a given topic, my experience was that my use of focus groups had the reverse effect in that it encouraged the participants to be very honest.

In Crown B, I conducted 15 individual interviews lasting a total of 26 hours. Although the largest of the public sector organizations, Crown B's BSC existed only at the most senior levels, and the Mid- and Operational-level Managers and Front-line Employees were not involved in their organization's BSC. Consequently, I only interviewed 4 Mid- and Operational-level Managers and 3 Front-line Employees. In Crown C, I conducted 20 individual interviews, lasting 35 hours. In Crown D, I conducted 29 individual interviews lasting 50 hours. It is worth noting that although my study focused on the roles of Senior- Mid- and Low-level Managers and Front-line Employees in the BSC process, the reason that I interviewed more people at the lower-levels was because there were more employees at the lower-levels (Operational-level Managers and Front-line Employees) relative to the upper-levels (Senior Executive and Senior Managers). Of the 115 individual participants, 48.7 percent (56 individuals) were female and 51.3 percent (59 individuals) were male.

During and following the interviews, I also reviewed a number of documents provided by the participating organizations that were used to supplement, and/or to corroborate any data collected. In total over 1,800 pages, single spaced (approximately 1,000,000 words), of interview data and 1,200 pages of organizational data (i.e., annual reports and PMS and BSC documents) were collected, coded and analyzed from the four participating public sector organizations.

On average, the interviews lasted between 45 and 120 minutes. For the convenience of the participants all except one interview were held at the employees' organization although not necessarily at the location where an individual employee worked. Prior to each interview, participants were provided with information sheets that explained the objectives of the study and the importance of their participation in the study. In accordance with the requirements of the

Research Ethics Board of the University of Saskatchewan and the University of New England's Human Research Ethics Committee, I asked for each participant's consent to participate in the study and to record the interviews. They provided this by signing a Participant Consent form (see Appendix II – which was modified in the second round of data collection to reflect my studies at the University of New England (UNE) for the second set of interviews). Participants were made aware that their participation was voluntary, that the specific contents of the interview would not be shared with any other individual, that no individual names would be identified and that they would not be quoted without their approval. It should be noted that in an effort to ensure the highest degree of confidentiality for all participants, throughout the remainder of this paper, I will not use any individual names or use any type of a coding schemata that would attach specific statements to select individuals. Finally, it was also conveyed to the participants that they had the right to withdraw from the study at any time. Each interview was tape recorded and subsequently transcribed.

Following each set of interviews the recordings were then transcribed by me as the sole researcher. I rejected the notion of having the transcriptions prepared by someone else because I want as much familiarization with the data as possible. After transcribing the interviews I sent copies of the transcribed interviews to each respective participant, to verify the accuracy of the interview and provide another opportunity to withdraw from the study, if they so desired (see Appendix III – which was again modified to reflect my studies at the UNE for the second set of interviews). Sending a copy of the transcribed interview to each of the participants enabled participant verification, and enhanced authenticity of the data. In order to ensure that all data was accurately captured I transcribed the entire interview by question and answer. Given that the majority of the interviews were conducted with individual participants it was easy to assign the comments to a specific individual. When interviewing, focus group participants were asked to begin their responses by stating their names in order to ensure that their individual comments were captured. Only one participant did not give permission to tape record the interview, but allowed notes to be taken throughout the interview. Moreover, one (a different) participant decided to withdraw from the study, for unknown reasons, after the interview was transcribed and sent to the individual.

4.4 Conclusion

This chapter began by describing the process that I followed in order to identify and select the most appropriate research approach, types and methods to address my study's research questions. To achieve this, I provided a graphical illustration and thoroughly described my philosophical assumptions and research approach, types, and methods used in my study. Lastly, I provided a thorough description of both my study's participants and the interview process.

My analysis revealed that using a qualitative research approach including elements of both a GT and case study research type consisting of semi-structured interviews (with both individuals and focus groups) and document analysis research methods were best suited for my study. I believe that my interpretivist/constructivist qualitative research approach enabled me to understand how participants make sense of their experiences with respect to the use of BSC in their organizations. Next I present the findings in Chapter five.

Chapter 5: Results & Discussion

5.1 Introduction

This chapter presents the findings in relation to each of the research questions that emanated from using both a GT and descriptive and explanatory case studies to analyse the levels, roles and impact of involving (or not involving) Senior Executives, and Senior- and Operational-level Managers and Front-line Employees in the design, development and implementation of their organizational, departmental and individual BSCs. In Section 5.2, I describe the results of the coding process including an overview of how the data were organized, which is followed by a discussion of the different, categories, subcategories, properties and dimensions that were identified, developed and used in my study. In Section 5.3, I used the distinct categories, subcategories, properties and dimensions to provide a descriptive and explanatory case outlining how each of the four Crown Corporations conceived, designed, developed and implemented their respective PMS or BSC. This is followed in Section 5.4 with a recap of my primary research questions, then a detailed analysis of the data with respect to each individual question. Lastly, I conclude in Section 5.5 by synthesizing, into a single précis, areas of commonality and uniqueness across all four cases and research questions.

It should be noted that the results obtained from the second distinct round of data collection (as described in section 4.3) in each of the four Crown Corporations confirmed and corroborated the results from the first round of data collected. For this reason all of the data were subsequently merged which enabled me to provide richer case studies and more insightful answers to my research questions.

5.2 Data Coding and Organizing Process

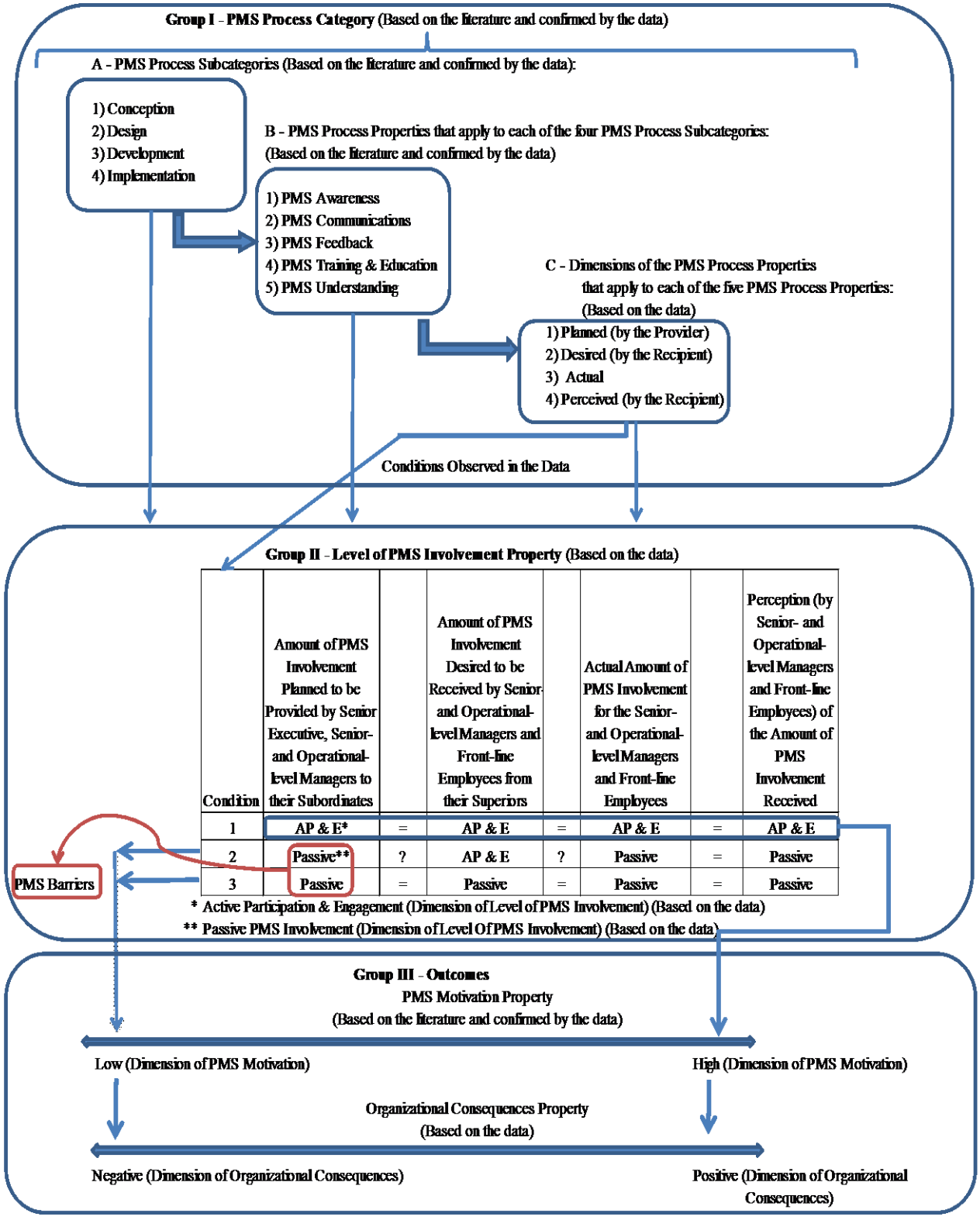
This section summarizes the process (as described in Chapter 4) used to code and organize the data, which followed the tenets prescribed when using a GT research type (as described in Section 4.3.3.2). Essentially my analysis employed an amalgam of coding methods including: micro-analysis, open, axial and selective coding and memo writing. I used the different coding mechanisms to assist with identifying, analyzing and developing each of my study's primary categories and subcategories including their properties and dimensions. Using this format

enabled me to reassemble the data for further analysis in an effort to identify the highest-level of abstraction.

The iterative nature of grounded theory meant that the coding frame emerged and was developed as the interviews progressed. Once all the interviews were coded, the initial interviews were revisited and recoded using the developed coding framework. The framework focused on the way in which people made sense of their level of involvement in the PMS process. The PMS category, subcategories, properties and dimensions that were identified and developed were subsequently used to guide my analysis and discussion regarding the involvement of the Senior Executive, Senior- and Operational-level Managers and Front-line Employees in the PMS process. The PMS category, subcategories, properties and dimensions shown in Figure 5.1 will be thoroughly explained in Section 5.2.1, all of which were developed by assembling and analyzing information and data from the following sources:

1) Group I (bounded by the large rectangle located at the top of Figure 5.1) – PMS Process is the overarching category that was motivated by: the participative budgeting literature (Birnberg et al., 1990; Brownell, 1982; K. M. Chong et al., 2006; V. K. Chong & Chong, 2003; Hopwood, 1976; Young, 1988); the employee involvement literature (Cotton, 1993; Jones & Kato, 2005; Marchington et al., 1991; Markey & Townsend, 2013; Pasmore & Friedlander, 1982) (as discussed in Chapter two); and the interview data. Group I consists of three distinct sections (Boxes A, B & C):
    A) Located in the upper left quadrant of Group I (Box a) are the four PMS Process subcategories: 1) PMS Conception, which was situated in the Systems Development Life Cycle (SDLC) literature (Poulymenakou & Prasophoulou, 2004; Romney & Steinbart, 2003), as discussed in Chapter two, and supported by the interview data; and 2) PMS Design, 3) PMS Development and 4) PMS Implementation that were each referenced in the PMS's literature (Adler, 2011; Bourne et al., 2005; Kaplan & Norton, 1996a; Lawson et al., 2008; Micheli & Kennerley, 2005; Neely et al., 2001), as discussed in Chapters two and three, and reinforced by the interview data.

Figure 5.1 – Research Category, Subcategories, Properties & Dimensions



Created by the author

B) Located in the middle of Group I (Box B) are the five PMS process properties: PMS Awareness, Communications, Feedback, Training and Education and Understanding, which although alluded to in the PMS's literature (Adler, 2011; Bourne et al., 2005; Kaplan & Norton, 1996a; Lawson et al., 2008; Micheli & Kennerley, 2005; Neely et al., 2001), as discussed in Chapters two and three, were primarily based on the interview data.

C) Located in the lower right quadrant (Box C) of Group I (and illustrated and expanded upon in Group II (bounded by the large rectangle in the middle of Figure 5.1)) are the four PMS Process dimensions: Planned, Desired, Actual and Perceived PMS involvement, all of which were derived from the interview data.

2) Group II shows that the Level of PMS Involvement (located in the middle of Figure 5.1) is a property of the PMS Process with dimensions ranging from passive to active participation and engagement. The data also revealed that the Level of PMS Involvement should be considered from four unique, and potentially competing, and/or, at times, complimentary perspectives (i.e., Planned, Desired, Actual and Perceived PMS Involvement). Group II also illustrates the three primary conditions and related outcomes observed in the data. The final component of Group II, also born out of the data, is PMS Barriers (located in the bottom left corner of Group II).
3) Group III (bounded by the large rectangle located at the bottom of Figure 5.1) – Outcomes shows the final two properties of the PMS Process category: PMS Motivation that ranged from low to high; and Organizational Consequences with dimensions ranging from negative to positive. PMS Motivation and Organizational Consequences were both located in the employee involvement literature (S. Becker & Green, 1962; Brownell, 1982; K. M. Chong et al., 2006; V. K. Chong & Chong, 2003; Hopwood, 1976; Locke & Latham, 1990; Locke & Schweiger, 1979; Young, 1988) (as described in Chapter two and three), and reinforced by the interview data.

In summary, the identification and development of each of the subcategories, categories, properties and dimensions mentioned above was based on my analysis of both the literature, as described above, and the data collected from the interviews as referenced above and which will

be discussed throughout the remainder of this chapter (see Figure 5.1). In effect, the emerging theory from my analysis is an extension of the literature.

Next I describe and provide support from the interview data that speaks to the identification and development of each of the PMS categories, subcategories, properties and dimensions as distinct and unique components. It should be noted that throughout the remainder of this paper, when quoting participants, I indicated both the organization and level of their employment, but did specify an exact employee. This was done to provide the highest degree of anonymity and confidentiality as promised to the participants as a condition of their participation in the study. The process of identifying, developing and interpreting each of the categories, subcategories, properties and dimensions also facilitated my investigation, analysis, language and findings for each of the descriptive and explanatory cases (as presented in Sections 5.3.1, 5.3.1.1 and 5.3.2) and research questions (as presented in Section 3.7 and answered in Section 5.4).

It should be noted that there were often times when the participants' statements could be viewed, and/or interpreted as speaking to the identification and development of multiple categories, subcategories, and/or properties. When this occurred I attempted to identify only one category, subcategory or property that I interpreted as the best fit for the data. Similarly, throughout the course of identifying and developing each of the unique categories, subcategories and properties, the participants' statements often went beyond their identification and development. Although it was not necessary to include their full comments, there were occasions where I did so in order to provide additional information, context and support in an effort to shape and enhance the reader's understanding of the descriptive and explanatory cases and the answers to each of the research questions.

5.2.1 Categories, Subcategories, Properties and Dimensions

The four subcategories (located in the upper left quadrant of Group I in Figure 5.1) are as follows:

1) *PMS Conceptualization* – The PMS Conceptualization stage was born out of the Systems Design Life Cycle (SDLC) model literature, and reinforced by the participants who clearly delineated a separate and distinct step or stage that preceded the PMS Design stage. PMS Conceptualization included any activities surrounding the original

conception, initial investigation, feasibility analysis and making a business case for an organization to adopt and implement a PMS such as the BSC.

Most Senior Executives and Senior Managers, and the majority of the Operational-level Managers and all Front-line Employees were of the opinion that it was ultimately and solely the responsibility of the Senior Executive to make the original business case (i.e., conception stage) for adopting and implementing a BSC. In addition to the literature, further support for defining, developing and coding the PMS conceptualization stage as described above, and for identifying it as a distinct subcategory, was the result of a number of the statements made by different participants. For example one Senior Manager in Crown A stated:

> *...although I was invited to participate in a number of meetings very early on in the creation of our PMS it was the job of the Senior Executive to initiate the need for such a program. It was not my job as a Senior Manager, nor should it be expected of those lower in the organization, as there are some things that fall entirely under the umbrella of the Senior Executive. That being said, I would also suggest that once the program or initiative is first envisioned then we as the Senior Managers need to get involved.*

Similarly an Operational-level Manger in Crown D commented:

> *It's the job of the Senior Executive to visualize the need for new programs, such as our PMS, but it's at that point that they need turn the program over to those of us on the frontline to work out the operational details.*

Lastly, one Front-line Employee in Crown C also noted:

> *We (Front-line Employees) don't have the degree of exposure and access to new organizational initiatives rather that is the role of our Senior Executive. It is up to them to bring new ideas and programs to our attention, and then in an ideal world turn the process over to us to determine its viability and how to make it work.*

2) *PMS Design* – The PMS Design stage originated in the performance measurement and management literature, and was corroborated by the participants throughout the data collection process. This subcategory involved any activities that were included in preliminary planning and creation stages of an individual, departmental and/or organizational-level PMS such as the BSC. PMS design stage activities included any references to activities suggested by the participants that immediately followed the

conceptualization of the PMS, but preceded its development. For example, activities such as the introduction, formation and creation of performance measures, planning its rollout and identification of its goals and objectives for inclusion in an organizational-level PMS were all considered part of the design stage. Other design related activities included defining the scope of the PMS including the creation of a plan to monitor its effectiveness and outcomes.

Most Senior Managers, Operational-level Managers and all Front-line Employees were of the opinion that the design stage was a separate and distinct stage in the PMS process. In addition to the literature, reinforcement for defining and coding the PMS design stage as described above, and for identifying it as a distinct subcategory, was evident in a number of the statements made by different participants. For example one Front-line Employee in Crown A reported:

> *...recently our office manager provided our department (Front-line Employees) with the opportunity to provide input into the creation of our PMS. We (Front-line Employees) appreciated the opportunity to be involved early in the process of planning our PMS, because normally these types of programs are simply imposed upon us with little or no input...thus this experience was valued and appreciated, and it makes us feel like we're part of the organization, which I had not previously experienced. Did they listen to us, not necessarily, but at least we had a little bit of input by providing our opinions.*

One Operational-level Manager from Crown D stated:

> *Let the Executive team propose programs, but leave it to those of us who work in the trenches to build the programs. This is not to criticize the Senior Executive, but for those of us closest to our customers, we are the ones best suited to determine the viability of a given program and ultimately to craft the details on how to make it work.*

Similarly, an Operational-level Manager in Crown C stated, *"I think it's also important to know how we truly fit into the picture. It is critical that we are involved early in the PMS process, versus simply be told after the fact."* A different Operational-level Manager from Crown D noted:

> *They need to have some dialogue with us (the Operational-level Managers) early on, and throughout the process, in order to determine what's measurable and what a reasonable target is. Yes we certainly should be consulted before any metrics are put in place. We need to be accepted as equals to those higher up in the organization.*

A different Operational-level Manager in Crown D reported

> *I think when you start measuring specific items of people's specific work they see a need to be involved right from the onset. It would be preferable if there was some type of dialogue between our level and the upper levels. This would ensure that the performance measures chosen resonate with you and your activities, and engage you.*

Highlighting the distinction between the design and the other stages of the BSC process most Senior Managers who reported being involved in the PMS process typically identified their participation as starting very early in the PMS process. One Senior Manager in Crown A commented:

> *Shortly after it was announced that we (our organization) were planning to adopt a BSC I was invited to participate in a number of meetings where a group of approximately twelve employees, representing all different levels and departments were tasked with identifying and developing our performance measures. Later I was also asked to sit on a committee established to investigate how to go about implementing the BSC.*

3) *PMS Development* – The PMS Development stage had its origins in the PMS's literature, and was subsequently substantiated by the participants' comments during the interview process. This subcategory included any reference by the participants to any activities, and/or actions that advance an individual's, and/or unit's/department's, and/or organization's PMS or BSC beyond its original design. PMS development referred to the segment of the PMS process that follows the design stage, and may or may not necessarily operate independently. The design and development stages of the PMS process can operate in isolation, consecutively, and/or concurrently. For my study PMS development included any activities by employees at any level, intended to further develop the PMS and its related measures and processes beyond its original format and measures identified, and/or prescribed during the initial design stage.

It should be noted that the primary basis used in my study to differentiate between coding an individual's, department's and/or level's participation as either belonging to the design or development stage of a PMS, related to the timing of their respective involvement. For example reference to plans to create a PMS or BSC was coded as a design activity, whereas plans to develop and expand the PMS or BSC beyond its original design was coded as a development level activity. In addition to the literature, support for defining

and coding the PMS development stage as described above, and for identifying it as a distinct subcategory, was evident in a number of the statements made by different participants. For example one Senior Manager in Crown C clearly delineated between the design, development and implementation stages of an organization's PMS noting:

> *According the literature, the ideal BSC starts with the organization's strategy then goes into planning, then into milestones, timing, actions, then the monitoring of those plans, and most importantly invites the input and involvement of all staff, none of which occurred in our organization.*

Also speaking to the development of their BSC one Senior Manager in Crown A commented:

> *Our PMS continues to evolve, and now that we (as Senior Managers) are involved we are always looking for the best ways to get the things done. There are always things out there that we may not be aware of: new best practices, or new learning, or anything that brings or adds value to what we are currently doing. We are in the early- to mid-stages of our PMS, thus there is always opportunities for improvement.*

Similarly a different Senior Manager in Crown A commented, *"we have not yet perfected our PMS, but believe that progress is being made."* A different Senior Manager from Crown C reported, *"in an effort to better understand how to involve more employees in the PMS process we have spent a fair amount of time looking at what some of the other Crowns were doing in this area."* Lastly, a number of Senior Managers suggested that development of their PMS system was a process. For example one Senior Manager from Crown D noted, *"our PMS is, and likely always will be, a work in progress."*

4) *PMS Implementation* – The PMS implementation stage also had its origins in the PMS's literature, and was subsequently validated by the participants' comments during the interview process. This subcategory included any reference by the participants to activities undertaken in the process of putting a decision or plan, regarding their PMS, into effect at either the organizational, divisional/departmental, and/or individual level. PMS implementation included any activities that followed its design and development and were intended to initiate, execute and result in the use of a PMS or BSC. PMS implementation stage activities could be at the organizational, departmental, and/or individual levels. In addition to the literature, further corroboration for defining and

coding the PMS implementation stage as described above, and for identifying it as a distinct subcategory, was evident in a number of the statements made by different participants. For example, one Senior Manager from Crown B said:

> *There is and always will be a need to involve Senior Managers in both the development and implementation phases of our BSC. It is us (the Senior Managers) who are in the best position to implement the key performance measures that will ultimately contribute to increasing our organizational performance.*

Further support for delineating between the design, development and implementation stages of their PMS was clear in one Front-line Employee's from Crown B comment:

> *We were not involved in designing or implementing the PMS and we are not sure how the measures were derived, which has really contributed to a lot of people's overall level of dissatisfaction. All we have been asking for is the opportunity to provide input....all we would like to do is participate in every stage of the process, particularly its implementation.*

Next I discuss the five properties: PMS Awareness, Communications, Feedback, Training and Education and Understanding as shown in the middle rectangle of Group I (in Figure 5.1), that are associated with each of the four subcategories (described above). It should be noted that these five properties are presented in ascending order, as they pertain to an employee's level of involvement in the PMS process. For example PMS Awareness was interpreted as an employee simply being aware, at a very basic level, of their PMS (e.g., may have overheard someone talking about their PMS). Relative to PMS Awareness, PMS Communication was identified as a more formalized type of information (e.g., where an employee may have been the recipient of an official or formal type of PMS Communications, such as a PMS newsletter sent by their superior). Next was PMS Feedback, which included instances where superiors used the information or measures included in their PMS to provide their subordinates with feedback about their performance. The fourth PMS process property, PMS Training and Education, included formal PMS training and workshops provided to employees. Lastly, PMS Understanding referred to an employee's ability to comprehend and use the information and measures included in their PMS.

1) *PMS Awareness* – PMS Awareness referred to the overall level of awareness regarding their organizational, divisional/departments, or individual PMS. PMS Awareness included any reference to an individual's general familiarity, both actual, and/or desired

regarding their organizational, departmental, and/or individual PMS or BSC. PMS Awareness was commonly described as a basic or general awareness about organizational, departmental, and/or individual PMS. For example PMS awareness was commonly described as having heard something relatively informal (e.g., hearing something about performance measurement in the course of a casual conversation with another employee) about their PMS, but this did not mean they actually knew anything about it. PMS awareness also included any reference to the consequences, and/or outcomes of an individual's, and/or department's actual or desired level of awareness.

In addition to the literature, further support for defining, developing and coding the PMS Awareness stage as described above, and for identifying it as a distinct property, was evident in a number of the statements made by different participants. For example one Front-line Employee in Crown A stated, *"They (Operational-level Managers) don't understand our BSC, yes they are aware of it, they don't understand it thus how can they be expected to educate us about it, or even properly use it."* Similarly an Operational-level Manager in Crown B stated, *"Yes I am have been told that our organization has a BSC, but I have never received any training or education, thus honestly I don't understand it even though I am expected to use it – go figure."* Likewise, one Front-line Employee remarked, *"I have heard other individuals talk about our department having a BSC, thus I am aware of it, but I have never once received any formal communication about it."*

2) *PMS Communications* – Although PMS Feedback, Awareness and Training & Education are forms of PMS Communications, given that both the literature and the participants' comments clearly delineated and differentiated these five properties from each other, I developed and used each individual property for the purposes of coding and analysis. With this in mind PMS Communications included any reference(s) regarding the desired or actual PMS-related messaging, and/or performance-related communications occurring in the organization. The communications could be desired, achieved, planned, intentional or unintentional (e.g., saying one thing and then doing something else). PMS communications also referred to cascading PMS related information to levels and individuals either up or down the organization. An example of PMS communications

includes instances where Senior Level Executives shared performance-related information with employees in the lower levels of the organization. PMS Communications also included reference to PMS related information in company newsletters or other types of organizational, and/or departmental communications tools (e.g., company e-mail). It also referred to any instances where lower level employees and managers shared or conveyed their PMS related input/information with individuals at higher levels. PMS communications also included the desire to communicate or receive PMS related information. Lastly, PMS Communications included any reference to the effectiveness and outcome(s) of the communications, whether real or perceived.

In addition to the literature further support for defining and coding the PMS communication stage as described above, and for identifying it as a distinct property, was evident in a number of the statements made by different participants. For example:

The CEO of Crown A noted:

> *We send out Key Performance Indicator (KPI) reports to all employees each month. The KPI reports identify performance-related activities that have been identified as important to the organization, which then become part of the employees (affected) personal or individual work plans. We also send out periodic newsletters, via e-mail or hardcopy, that highlight various aspects regarding our corporate performance... these are all mechanism that we use to communicate and involve our employees in our PMS.*

Similarly the CEO for Crown D stated:

> *One of our employee communications or involvement initiatives includes events such as lunch with the president and Front-line staff where everyone is invited to come, and I'll talk to them about the various activities that are going on in the organization. Some of the areas I will touch on from time to time are our strategic planning, performance management and business planning processes that are taking place. We are trying to involve the employees by talking to them about what has been successful, or not, or if there are things we should be doing to try to improve them. That's probably the most effective employee involvement tools that you have, is to be seen to be out in the organization and talking to people.*

The CEO for Crown C also commented:

> *We have our talk to the CEO sessions twice a year, where all staff are invited to come and talk about our strategic plan and performance plans. We also talk about our business plan and activities that are going on in the corporation and what we want to try and accomplish. In addition we have a progress management meeting where all the managers from across the corporation meet on a quarterly*

> *basis. We also have a person that works in our corporate marketing area that spends a lot of time going and talking to individual departments within the company. So, communication is very important tool for involving our employees in order to assist in making our BSC successful.*

One Senior Manager in Crown A stated, *"I provide regular performance-related communications and feedback to all of my employees."* Another Senior Manager in Crown D stated:

> *I try to provide our front-line staff with the necessary information about the linkages between individual and organizational performance measures. For example we provide monthly copies of our performance management plan to every office so all employees can see how they as individuals contribute to the measures identified as important to the organization.*

Also on the topic of using PMS communications as a form for involving their subordinates in the PMS process one Senior Manager in Crown C commented, *"we have tried to communicate more with staff at lower organizational-levels in order to engage them in the PMS process."* A different Senior Manager in Crown C reported, *"increased communication regarding the creation of our performance measures should result in greater buy in by lower-level employees, which will provide them with opportunities to provide input into what the organization, and/or department is doing."* Another Senior Manager in Crown D stated, *"the goal of providing opportunities for increased communications, both up and down in the organization, is so that those individual closest to the front-lines will talk amongst themselves and plan within their respective teams."* Lastly, one Senior Manager in Crown D reported,

> *I am always trying to communicate with people closest to the front, closest to the work, closest to the customer, given that they tend to know more of the answers and have more ideas than we think they do. So our goal is that they become very engaged.*

3) *PMS Feedback* – This property covered any type of performance-related feedback mentioned by the participants that may have been provided, planned or desired, to individuals, and/or units/departments. PMS Feedback included both formal and informal performance reviews, typically involving a senior level manager communicating performance-related feedback to a subordinate. PMS Feedback also captured any performance-related feedback provided to employees, at any level, that may be generated

automatically by the organization, and/or system (e.g., electronic PMS dashboard type information). It also encompassed any reference to the real, and/or perceived, effectiveness, and/or outcomes from the performance-related feedback.

In addition to the literature, additional support for defining and coding the PMS feedback stage as described above, and for identifying it as a distinct property, was present in a number of the statements made by different participants. For example one Senior Manager in Crown A stated, "*The only way that our organization can effectively execute our performance plan is if we provide performance feedback and tie rewards to achieving the plan."* A different Senior Manager in Crown C stated, *"I use individual-level work plans that link individual performance measures with organizational measures and then when I talk to my staff I provide feedback on both their achievements, and/or any areas requiring attention."* In addition, one Senior Manager in Crown D reported:

> *Performance-related communications as a form of feedback to the lower-levels is important because the staff need to see the linkages from where they sit and how this relates to the organization. I think they (the Operational-level Managers and Front-line Employees) need to see the linkages all the way back. They need to know what their part is and how it contributes to the organizational goals and objectives. To me that only makes sense, but I think because so many folks in our organization came from executive government where you didn't see the connections and linkages, the whole culture is different in a Crown Corporation.*

Performance feedback as a unique subcategory was evident in one Front-line Employee's statement from Crown A who reported:

> *Yes some performance information is shared with us, but usually they are in a rush given that they (Senior Executive and Senior Managers) are on a road trip and have to make it to a number of the offices. And it is always on your mind that you are also with all of the other staff that you work with and your manager in room. For these reasons you're walking on eggshells and unlikely to ask too many questions.*

A different Front-line Employee in Crown D also stated:

> *Sometimes the CEO or other high-level Managers come to our office and shares performance-related information with us, but it's more of a presentation, and even if there is time to ask questions, if you start to ask a question, you often get the distinct impression from your immediate manager that you should shut up.*

Further support for PMS feedback as a separate property was manifested in a statement made by one Front-line Employee in Crown A:

> *In my opinion our immediate manager is a very weak link in our office. As far as performance reviews, there are none, and any performance type information that we share with our manager falls into a black hole. Although we were told about three years ago by our Senior Manager that we would be receiving regular performance information and feedback, to date we have not received anything.*

Another Front-line Employee in Crown C reported that although they do receive some feedback

> *..it's kind of ironic that our immediate manager is telling us what we are doing wrong given that they themselves have no idea how our PMS works. And more importantly they do not provide us with any feedback on how to improve.*

One Senior Manager in Crown B reported:

> *Performance feedback has no consequences, and as a result I rarely if ever provide performance feedback, ... if there are no consequences for performance, whether good or bad, then people simply don't care, ... so why should I provide them with any performance feedback.*

Similarly a different Senior-level Manager from Crown C suggested *"...the only way to effectively execute our BSC is if you link performance feedback to rewards, which is impossible in a unionized environment."* Another Senior Manager noted:

> *If there are no consequences for performance, whether good or bad, then people simply don't care. If you want individuals (us) to care, then performance reviews need to be tied to merit increases, and/or some type of structured bonus pay. Essentially people need to see what's in it for them.*

4) *PMS Training & Education* – This property included any references by the participants to PMS training, and/or PMS education that was offered, or not offered, by the organization, and/or was received, or not received, and/or was desired by employees at any organizational level. PMS Training & Education was a relative term, referring to an elevated degree of PMS information, beyond simply being the recipient (via PMS communications or awareness) of PMS related information (i.e., as captured in the PMS Communications and Awareness properties). PMS Training and Education, was often formal in nature and may have been actual, and/or desired, and included its related consequences and outcomes.

In addition to the literature, further support for defining and coding the PMS training and education stage as described above, and for identifying it as a distinct property, was evident in a number of the statements made by different participants. For example the CEO for Crown A stated, *"we provide regular informational and training workshops with the Senior Managers, and annually we also have day long workshops for our Operational Managers which are designed to involve them."* Similarly one Front-line Employee in Crown A reported, " *In order to participate at this level it would require us to take additional training, which all of us would welcome the opportunity."* Another employee in Crown A stated, *"We (the Front-line Employees) should be amongst the first ones to receive the performance-related training given that we have the most to contribute to achieving their outcomes... but unfortunately that is not likely to happen in our department."*

Lastly, an Operational-level Manager from Crown B commented:

> *Training about our BSC is not the same as someone telling us that we have one, or reading about it in a newsletter, rather it means real and actual commitment to teaching and educating us. It means that our Executive need to be committed to properly educating us, not just paying lip service to it.*

5) *PMS Understanding* – PMS Understanding referred to an individual's, department's, and/or organization's overall level of understanding or lack of understanding regarding their PMS. PMS Understanding tended to vary in accordance with whether their PMS knowledge was derived as a result of PMS related communication, awareness or training and education. For example, many participants referred to PMS Awareness and communications as a basic or general familiarity about organizational, departmental, and/or individual PMS, whereas increased PMS Understanding was often described as associated with more formalized PMS Training and Education. PMS Understanding referred to the overall level of information, knowledge and comprehension that individuals possessed, or did not possess, regarding their organizational, departmental, and/or individual PMS. PMS Understanding also included its consequences and/or outcomes.

In addition to the literature, further support for defining and coding PMS Understanding as described above, and for identifying it as a distinct property, was manifested in a number of the statements made by different participants. For example, one Operational Level Manager from Crown C commented:

> *The organization brings all of the staff from the entire organization together once a year for a day long workshop that covers a variety of topics including performance management. Although the Senior Executive believes this is educational and provides managers and staff with an opportunity to provide input, the format and environment is not conducive to such, and as a result it is highly ineffective. I could safely say that these days long workshops are a waste of everyone's time, I know I did not learn anything new.*

Similarly another Operational-level Manager in Crown D noted:

> *I can think of one strategic planning (BSC) meeting that we did two years ago, there were 63 of us in the room who were told to be there. You can't strategically plan when you don't know everybody's name in the room as far as I'm concerned. And if they (Senior Executive) believe that 63 people meeting in room for one day is educational, then they are only fooling themselves.*

Also on the topic of PMS understanding a different Operational-level Manager from Crown A pointed out:

> *I have tried to talk with my staff about the organization's PMS, BSC, corporate goals and how it all winds together. It's all part of one big picture and I'm trying to get it straight, but I find it very confusing, and if I don't understand it, how effective can I be at explaining it to my staff.*

Similarly another Operational-level Manager from Crown B stated:

> *If you don't have a real clear understanding of it works how do you teach it to somebody else. Like you know if you have to stand in front of your staff and say well this is this, and this is what this means, and this is where we are going, but when you don't truly understand it yourself, how can you be expected to educate the rest of the people in your office?*

A different Operational-level Manager in Crown B commented:

> *It is difficult to pass along any type of performance information, or to answer questions related to our BSC for the Front-line Employees, because I don't really understand a lot of the information that is provided to us in the first place.*

Lastly, one Operational-level Manager noted:

> *I think anytime you take schooling it's going to advance your thinking. Unfortunately we often go to training sessions and meeting with our Executives,*

> *but we don't speak up and say I don't understand. There's assumptions made by the Senior Executives and Senior Managers that we are all on the same playing field when it comes to understanding. You don't want to look like the one guy sitting at the back room that says, oh god I don't want to tell them that I don't know what the hell they're talking about. There are a lot of folks in that boat and most of us are pretty shy and timid about stepping up and saying okay you can't go any further because I don't understand what you're talking about. I think in some ways we have hurt ourselves by not stepping up and saying we didn't understand when they carried on making the assumption that we did understand.*

Next I discuss the property, Level of Employee Involvement (the large rectangular box located in the middle of Figure 5.1), which is a function of Planned (by the provider), Desired (by the recipient), Actual, and Perceived (by the recipient) PMS Involvement, as shown in the rectangular box located in lower right corner of Group I in Figure 5.1, and expanded upon in Group II. When investigating employee involvement in the PMS process, the data revealed that every level of employee desired to be actively involved throughout the PMS process, but not every employee level was of the opinion that their subordinates should be actively involved. For example, even though all Senior-level Managers believed that managers at their level should be actively involved in every stage of the PMS process, they were divided regarding the need to involve their subordinates in the PMS process. And even for those Senior Managers who believed that their subordinates should be involved in the PMS process, they were generally of the opinion that Operational-level Manager involvement should only include: 1) periodic participation in PMS workshops, training sessions and information sessions; and, intermittent PMS related communications such as newsletters and reports; and 2) Front-line Employee involvement should be limited to: attending periodic PMS or BSC related informational sessions; and receiving performance-related communications such as newsletters. Thus as the providers of PMS involvement, the Senior Managers were of the opinion that they had actively involved their subordinates in the PMS process, but from the perspective of the recipients (Operational-level Managers and Front-line Employees) they viewed their involvement as passive, rather than the active participation and engagement they had desired. This was but one example that led to the need to investigate an employee's level of involvement in the PMS process from multiple perspectives. The idea that employee involvement should be considered from multiple perspectives is a significant contribution to this study, the literature and the theory surrounding the level of employee involvement throughout the PMS process.

Next I describe and provide support for identifying and developing Planned, Desired, Actual and Perceived PMS Involvement as distinct components that I used throughout my investigation and discussion of employee involvement in the PMS process.

1) *Planned PMS Involvement* included any reference to the amount of involvement in the PMS process that a superior planned to provide to his or her subordinates. The notion of Planned PMS Involvement was observed in the following statements: For example, one Senior Executive in Crown A noted, *"historically very few employees below the Executive level have been involved in establishing and identifying our performance measures, but I plan to involve all of my employees."* Similarly the CEO of Crown C stated, *"I have always planned to involve as many employees, as are interested, in creating and implementing our performance-related measures and programs."* Lastly, one Senior Executive in Crown A stated, *"Although I had planned to involve my managers in creating our BSC, I don't believe they really care, which made me think – why even try."*

2) Secondly the data showed that the Level of PMS Involvement should be considered from the perspective of the *Amount of PMS Involvement Desired* by each employee-level. Desired PMS involvement included any mention of an individual's desired level of involvement in the PMS process. Most employees were unwavering in their opinion that they wanted to be, and should be, actively and directly involved in each the design, development and implementation stages of the PMS process. Most employees expressed a desire to be actively involved in all Senior Executive and Senior Management performance-related training and education sessions/workshops; regular meetings with their superiors and peers regarding the design, development and implementation of their BSC; and two-way or mutual conversations and communications and feedback with their Superiors regarding their PMS. Essentially, every level of employee believed that they should have a direct role to play in every stage of the PMS process. For example, one Senior Manager noted, *"... we (Senior Managers) have continually expressed an interest to participate in every aspect of our performance system, including any workshops, and/or meetings etc. in an effort to reduce the number, and correctly identify the types of performance measures needed to improve our BSC."* Commenting on their desire and

value of their participation in the PMS process one Front-line Employee commented, *"Yes it would definitely be a benefit if staff at our level was more involved in the development and implementation of our performance system or tool."* Also commenting on the desire to be involved in the PMS process one Senior Manager, who was involved in developing his/her departmental BSC, stated:

> *There is and always will be a desire and need to involve the Senior Managers in the process of developing performance measures for future use. Because there is no shortage of data available, we (Senior Managers) are the ones best suited to determine how to package the data in order to figure out what story it's telling you – that's where we are right now – figuring out what that story is, and is it the right story.*

3) The third dimension contributing to the Level of PMS Involvement was the *Actual Amount of PMS Involvement*. Actual PMS Involvement included any activities described by individuals who believed that they had involved their subordinates in the PMS process, and/or were of the opinion that the activity they had participated in, or had been informed that the activity in which they participated in, was part of the PMS process. Essentially, Actual PMS Involvement was a measure of what actually occurred. For example one Senior Executive from Crown D commented, *"I involve all of my managers and their staff. I send out periodic performance newsletters, and once a year I try to meet with them to talk about our BSC."* One Senior Manager from Crown C reported:

> *Over the past year I have cascaded, or rolled out our PMS, to every department's Operational-level Manager. This included work plans for in-scope employees, which were designed to help our Front-line Employees understand how they contribute to the organization, but at the end of the day it is primarily their immediate supervisor (Operational-level Manger) who is responsible for providing them with the necessary information.*

Also on the topic of involving their subordinates in the PMS process, one Senior Manager in Crown D recounted:

> *We recently gathered all of their Operational-level Managers, without any Senior-level Executives being present, and challenged them by saying, the world is changing and as a result you've got to change the way you do your work. And, you're maybe going to have to do some things differently, and/or change the things you do.*

A different Operational-level Manager in Crown A, who was of the opinion that they had been involved in the PMS process, reported that their involvement included activities such as *"...attending a day long workshop where all of the staff from the entire organization are brought together once a year. We are presented with information covering a variety of topics, one of which has to do with organizational performance."* Also from Crown A, one Operational-level Manager commented that he/she had involved his/her subordinates in the PMS process stating, *"I tried to talk with my staff about the organization's PMS, BSC, corporate goals and how it all winds together."* Similarly, one Front-line Employee from Crown C stated, *"Quite some time ago I was invited to attend a number of meetings regarding our BSC, but then just as quickly as the meetings came up, they stopped, and I haven't heard anything since."*

4) The fourth and final dimension that contributed to development of the Level of PMS Involvement property was *Perceived PMS Involvement,* which included an individual's perception regarding how he or she viewed his or her level of involvement in the PMS process. For example, even though a superior may have believed that he/she had actively involved his/her subordinate in the PMS process, if the level of involvement was not consistent with the subordinate's desired level of involvement, the subordinate often perceived his or her involvement as passive. A Senior Manager from Crown A stated, *"we (Senior Managers) have attended a number of presentations regarding our BSC, and we also receive monthly performance newsletters, but this is not involvement... we were not involved at any time in the creation, adoption and implementation of our BSC."* Similarly, a Front-line Employee from Crown C commented:

> *... all of the staff from the entire organization are brought together once a year, for a day long workshop that covers a variety of topics, one of which is our BSC. Unfortunately our Senior Executives believe this is a form of employee involvement, when in fact it couldn't be further from the truth.*

In addition, a Front-line Employee in Crown D reported:

> *Just because they (Senior Management) talk to us about the BSC and its measures, that doesn't mean they involved us. At times they judged us on measures that we didn't even know what the criteria were until we were judged on it, and that was very frustrating. I don't know if everybody else experienced that but I've found it very frustrating. And I don't understand where these measures are coming from or how they were established. I am not naive enough to believe*

> *that we would all agree to a specific set of performance measures, but it would go a long way toward engaging us, if we could just participate in the process. It is not necessarily just about the outcome, a lot of it has to do with the perceived fairness of the process.*

A different Front-line Employee in Crown D stated:

> *We attended a number of BSC presentations, but we were not consulted or involved in the process, nor told what the process was going to be for quite some time, which was very frustrating, given the uncertainty that it caused. Treating us the way they did caused a fair amount of anxiety amongst the staff and left a bad taste in everyone's mouth. In addition none of us were even consulted or involved at any stage of the PMS, rather it was simply imposed upon us, and we were supposed to be grateful that we had a job.*

In sharp contrast to the lack of employee involvement in the PMS process as reported above, every level of employee and every employee from one department in Crown A reported that they had been actively engaged throughout the entire PMS process. This single department is systematically described in section 5.3.1.1.

In summary, the four PMS Process dimensions (Planned, Desired, Actual and Perceived involvement in the PMS process) resulted in (as illustrated in Group II of Figure 5.1) three different conditions that were present in the data. It should be noted that although Group II illustrates the three primary conditions, if one were to assume that employee involvement was simply a dichotomous variable (i.e., passive or active), which it is not, then there could be as many as 128 possible conditions. That said, I only described and explained the three conditions that were actually present in the data, which led to the Outcomes described in Group III. Conditions one and two were observed in the data, whereas condition three was included because it was commonly described by superiors.

Group III shows the Outcomes associated with the different Levels of PMS Involvement. It shows PMS Motivation as a property of PMS Process with dimensions that ranged from low to high; and Organizational Consequences with dimensions that ranged from negative to positive.

In condition one, when superiors planned to, and did actively, involve their subordinates who desired to be actively involved in the PMS process, and who perceived their involvement as active, this led to positive PMS Motivation and Organizational Consequences (as illustrated in

Group III) . Condition two describes those instances where the superiors did not plan to, and did not actively involve their subordinates who desired to be actively involved in the PMS process, and as a result perceived their involvement as passive, which led to negative PMS Motivation and Organizational Consequences (as illustrated in Group III). Lastly, condition three describes those cases where the superiors did not plan to, and did not actively involve their subordinates who did not desire to be actively involved in the PMS process, and as a result perceived their involvement as passive, again leading to negative PMS Motivation and Organizational Consequences. Next I describe and provide support for identifying and developing the two PMS Process properties: PMS Motivation and Organizational Consequences and their respective dimensions as distinct components that I used throughout my investigation and discussion of employee involvement in the PMS process.

1) *PMS Motivation* – The data revealed that employee involvement (or lack of) in the PMS process had a significant impact on an employee's or department's motivation to adopt and use their PMS or BSC. For example an Operational-level Manager in Crown B reported, *"we were not asked for our input – never – not even once was I asked to sit in on any meetings related to the creation of our BSC, this is how they hope to inspire me – well it's not working."* A different Operational-level Manager in Crown C noted:

> *We (Operational-level Managers) would really appreciate the opportunity to participate in creating and implementing our BSC. If we were asked we would participate – that would excite me, but when you aren't invited, you can't, which unfortunately has really soured my view toward our BSC.*

Many Operational-level Managers commented that their lack of input, motivation and overall dissatisfaction with their BSC process was a factor in their decision not to involve their subordinates (Front-line Employees) in the PMS process. One Operational-level Manager in Crown A commented:

> *We (Operational-level Managers) have virtually no input into what is going on with our BSC, rather we are simply made aware of the changes after they are implemented, which is well after the fact. If I have no input and am only made aware after the fact, how on earth can I be expected to involve my staff? If I'm not motivated, how can I be expected to motivate my staff?*

Similarly a different Operational-level Manager in Crown B remarked:

> *The senior leadership need to learn that it would be of value for them if they would involve us managers who are closest to the work. They need to involve us*

> *very early in the design and development stages. They have to understand that we as Operational-level Managers are expected to motivate the Front-line Employees about the PMS.*

In stark contrast to the negative employee motivation reported above, every level of employee, and every employee, from one department in Crown A reported that they had been actively engaged in the entire PMS process, and as a result they were highly motivated to adopt and use their BSC which led to a number of significant organizational outcomes. This is thoroughly described in the case study described in section 5.3.1.1.

2) *Organizational Consequences* – Also noticeable throughout my analysis of the interview data was the link between PMS Motivation and Organizational Consequences. Essentially the property, Organizational Consequences, captured any comments made by a participant referring to a consequence or outcome, whether positive or negative, real or perceived, resulting from their involvement (or lack of) in the PMS process. Apparent from the discussion regarding PMS Motivation, was the negative organizational impact resulting from an employee's lack of motivation when they were not actively involved in the PMS process. For example, one Senior Manager in Crown B stated:

> *I was never once asked to participate in any part of our BSC.... rather it was an exclusive group of Senior-level Executives who created and controlled the implementation of our BSC.... for these reasons not only do I openly resist using the BSC, but in all honesty my frustration has often caused me to covertly sabotage many of our BSC initiatives, thus undermining the success of this organization.*

Similarly one Operational-level Manager in Crown C commented:

> *...because we had no input people didn't know what we did or who planned the system or what was expected of us. The end result was a lot of bitching by us. To be honest let's get right down to it, there was a large group of staff that just finally had enough, and we told Senior Management we should be involved in the process when the leadership changes the PMS. ...somebody has to listen, we've been telling you for three or four years and you're not listening.*

A different Operational-level Manager an Crown A noted:

> *I think at our level we need to be setting our own goals, because I think sometimes the goals they (Senior Executive and Senior Managers) set for us are not realistic, thus we're working to achieve goals that they've set for us knowing that it is impossible... I don't really think it matters what new metrics the corporation comes up. I think we must have input into developing and determining how we're*

> *going to use and meet those metrics, and if not the organization will ultimately bear the brunt of our frustration.*

Further support for the development of Organizational Consequences as a unique property was evident in one Front-line Employee's (from Crown B) comment, *"...if we could just participate in the process. It is not necessarily just about the outcome, a lot of it has to do with the perceived fairness of the process."*

Most Front-line Employees also suggested that their lack of involvement in the PMS process had a number of potentially negative consequences or outcomes. One Front-line Employee in Crown A commented, *"... to be quite honest, if they don't start listening to us and involving us pretty soon it's going to come back to bite them badly, which some offices are already realizing."* A different Front-line Employee in Crown B remarked, *"My personal opinion is that the front-line people are actually vital and all too often organizations get in trouble by ignoring that particular level."* Lastly, one Front-line Employee in Crown C noted, *"Even when we do try to give input you often aren't listened to, which is unfortunate. I believe that our input is critical, but it is hard to be motivated to provide any level of input when it seems that nobody above us cares."*

In direct contrast to the negative Organizational Consequences reported above, every level of employee, and every employee, from one department in Crown A reported that they had been actively engaged in the entire PMS process, thus were highly motivated to use their BSC, and as a result reported a number of positive Organizational Consequences or Outcomes. This is thoroughly described in section 5.3.1.1.

It was also observed that passive PMS involvement witnessed in conditions two and three (of Group II) resulted in the identification of a unique PMS property, PMS Barriers, which emanated from the impediments suggested by many individuals explaining why they chose not to get involved, and/or why they did not include their subordinates, in the PMS process (as illustrated in the red rectangular box located in the lower left corner of Group II (in Figure 5.1)). Next I describe and provide support for identifying and developing the final PMS Process property, PMS Barriers, as a distinct component that I used throughout my investigation and discussion of employee involvement in the PMS process.

1) *PMS Barriers* – PMS Barriers were identified as obstacles or impediments to involving employees, at any level, in the PMS process, whether real or perceived. The barriers were described by employees at different levels as impediments explaining why they themselves did not get involved, or why they did not include their subordinates, in the PMS process. The barriers or impediments described by each employee level either were seen as directly affecting a particular group of employees, and/or indirectly influencing one groups willingness, and/or ability to involve their subordinates in the PMS process. For example, a number of Senior Executives suggested that because their organizations were unionized it limited their ability to involve Operational-level Managers and Front-line Employees in the PMS process. One Senior Executive employee from Crown D mentioned:

> *Historically I tried to take small groups of front-line managers and employees out for luncheon meetings in order to pick their brains, and just to talk about what we were doing well, and what we could be doing better, but unfortunately the union frowned upon this practice, thus we had to stop.*

Also on the topic of barriers to employee involvement in the PMS process a number of Senior Executives were of the opinion that many of their subordinates (Operational-level Managers and Front-line Employees) did not really care about the organization and as a result did not want to participate in the design, development and implementation of the BSC, thus they did not see the need to try and involve them. One Senior Executive in Crown C noted, *"many of the Lower-level Managers and Front-line Employees do not want to be involved with top level goals, rather they only want to work to their individual work plan."* Similarly a Senior Executive from Crown D remarked, *"some of our Front-line Employees simply want to come to work to get a paycheck, they really don't care about the organization, particularly our PMS – so why would I try to involve them."*

A number of Senior Managers cited the difficulty of educating their subordinates as a barrier to involving them in the PMS process. For example, one Senior Manager in Crown A commented:

> *Ideally when setting performance targets you're engaging as many of the Front-line Managers in helping you develop the action plan so that there is increased accountability and ownership....but the training is very difficult to conduct, given that historically the Operational-level Managers have never been involved in this*

> *type of training or education, which made it a very steep learning curve. Given the difficulties associated with training and educating them I find it easier not to involve them in the process, rather it's easier just to tell them about it when it's over.*

Similarly, a different Senior Manager from Crown A, who had been involved in conducting the training for the Operational-level Managers reported:

> *I'll be honest, even when we bring in 48 Operational-level Managers, there's a lot of those people there going, this is over my head, and I don't know if I really care, I just want to go to work and do my job. I even see it sometime at levels higher than the Operational-level Manager. I think it's because it's been such a cultural change for the organization. I think what we need to do, and what we are trying to do, is we will try as hard as we can, but there will be a point where you just say we are going to move it back up a level, and/or reduce the degree of involvement, and/or expectations. Simply stated there is no point trying to force or push a BSC down to people who really don't care.*

Also on the topic of PMS training, education and knowledge as a barrier to involvement and the participation of their subordinates in the PMS process one Operational Manager from Crown D stated:

> *Well I think we've had some, we've been involved in some of the performance-related meetings and those types of things, but I think we all sort of struggle with that whole concept. It's fairly new and we are sort of working our way through it, it starting to make a little more sense, but it takes time, you know there's a learning curve as with anything else I think – it's all very confusing, which really makes it hard for me to participate in the process.*

Some Senior Managers viewed their PMS or BSC as nothing more than a Senior Executive fad or craze thus expressed their reluctance to get involved, and/or adopt and implement the BSC, which served as a significant barrier to both their involvement and that of their subordinates. For example, one Senior Manager in Crown C noted, *"I suspect that this BSC program is not different than any of the past management initiatives that had been introduced and then quickly became obsolete and superseded by the next fashionable program or initiative."* Likewise, one Senior Manager in Crown A stated:

> *Given that our BSC was imposed upon us by the government of the day and our parent body, there is no doubt in my mind that this is just another one of those mind numbing exercises, which come and go, and for this reason I chose to simply ignore it, as I saw it as a waste of my time and energies.*

Lastly, a barrier identified by some Senior-level Managers as impeding their ability to cascade their BSC to, and/or, involve their subordinates related to the size and geography of their respective departments. For example a Senior Manager in Crown D commented:

> *Some Senior Managers may have only one or two Operational-level Managers who are centrally located, while other departments may be comprised of eight or nine Operational-level Managers located in different cities across the province. Thus given the small size and close proximity of the staff in some departments it's easier for some Senior Managers to regularly meet with their respective Operational-level Managers, which makes implementing programs such as a BSC much easier.*

Barriers or impediments to adopting and using a PMS will be discussed in more detail in Section 5.4.

In summary, this section identified, developed, described and provided support for each of the unique categories, subcategories, properties and dimensions that I used, throughout the remainder of my thesis, to provide a framework and structure for the descriptive and explanatory cases and the study's four research questions. My analysis of the literature and interview data revealed that the category, *PMS Process*, was comprised of four PMS subcategories: *PMS Conceptualization, Design, Development* and *Implementation,* each consisting of five properties: *PMS Awareness, Communications*, *Feedback, Training and Education,* and *Understanding,* each of which entailed the dimensions, *Planned, Desired, Actual and Perceived PMS Involvement*. My analysis of these four dimensions led to the development of Level of *PMS Involvement* property, which resulted in the identification and development of three related properties: *PMS Motivation, Organizational Consequences, and PMS Barriers*.

Next I present three descriptive and explanatory cases that utilize the language and findings revealed throughout the process of identifying and developing the unique PMS categories, subcategories, properties and dimensions (as described above in section 5.2). The cases describe how each Crown Corporation conceived, designed, developed and implemented their respective PMS, including a discussion regarding the level of employee involvement in the PMS process, and the resultant PMS motivation, outcomes and barriers, some of which was touched on in the previous section.

5.3 Description of Each Crown's PMS

In sections 5.3.1 and 5.3.1.1 I present two case studies describing Crown Corporation A's (located in Saskatchewan) PMS. Crown A's case study was broken into two distinct segments: 1) the first case study covers all of the departments and employees, from Crown A, other than one department which actively involved all of their employees in all stages of the PMS process (see section 5.3.1), and 2) the second presents the BSC of the one department from Crown A that had actively involved all of their employees in its PMS process (see section 5.3.1.1). Lastly, in section 5.3.2 I combine and present a case study encompassing all three Crown Corporations located in Manitoba.

5.3.1 Crown A

Shortly after confederation in 1905, Saskatchewan established its earliest public enterprise to help farmers diversify their operations and market their new products. Over the years, as the province's circumstances and needs changed, Crown Corporations were created in response to the prevailing conditions and challenges of the times. In 1945, Saskatchewan passed *The Crown Corporations Act* to provide a broad legal basis for the government to create Crown Corporations. The Act provided the basis for the creation, operation and control of Saskatchewan Crown Corporations.

A 1947 amendment established the Government Finance Office (GFO) as a central agency to oversee Crown Corporation operations. As economic planning became more sophisticated in government, the GFO was given a new analytical and evaluative mandate. In the early 1970s, the Saskatchewan Government established a Planning Bureau to take responsibility for long-term planning, resource policy, intergovernmental affairs and statistics. In 1978, the GFO was renamed as the Crown Investments Corporation (CIC). It became the holding company for 17 Crown Corporations in existence at that time. The CIC is the holding company for the province's commercial Crown Corporations and Crown A is one of these corporations Essentially, the CIC oversees the Crown Corporations' strategic direction and manages a framework designed to strengthen governance, performance and accountability of Crown Corporations and to assist in discharging their responsibilities. The CIC has all the powers and roles and responsibilities normally associated with a holding company, and they exercise this right through governance.

A review of the Crown Corporations was undertaken to protect the investment of Saskatchewan people by helping the province and Crown Corporations prepare for the opportunities and challenges of the 1990's and beyond (Crown Investments Corporation, 1996). Organized by the CIC a situational analysis was performed by a group of independent financial experts from across Canada as part of the review. The overall conclusion was that the Crown Corporations were generally well operated and viable. The consultants also concluded that in order to meet the challenges of the future, all Provincial Crown Corporations should adopt and use Kaplan's and Norton's (1992, 1996a) BSC to aid in both measuring and managing their performance (Crown Investments Corporation, 1996). The Provincial Government and the CIC were quick to mandate that all Saskatchewan Crown Corporations adopt and implement a BSC as part of their PMS.

Crown A was born in 2000 out of the division of an organization that had existed since the late 1800s and now reported to the CIC. Crown A is a service provider whose primary role is to provide information to their customers which include: individuals and businesses such as real estate agents, home builders and municipalities, governments, financial institutions, insurance companies, car and equipment dealers, land developers, and resource, utility and pipeline businesses as well as established intermediary customers such as legal, survey and engineering firms. Crown A employs approximately 270 workers and has revenues of about $50 million per year. At the time of this research Crown A had been using the BSC for approximately 7 years.

Shortly after the requirement that all Provincial Crown Corporations adopt the BSC Crown A appointed two of its Senior Executives to research, study and become the champions for Kaplan and Norton's BSC. As BSC champions, they were responsible for training and educating approximately ten members of their Senior Executive team who were subsequently charged with the BSCs design, development and implementation. No additional resources, outside those normally targeted for performance measurement and management programs were allocated in Crown A for the adoption and implementation of their BSC.

Right from their inception in 2000 Crown A was mandated by the Provincial Government, through the CIC, to use the BSC as a performance reporting tool. At the time of their creation Crown A had an existing PMS that consisted of an amalgamation of components from each of the National Quality Institute (NQI) management program, an Integrated Planning Process (IPP)

and the Canadian Management Center training program. Given their mandate to use a BSC they decided to add the BSC to their existing program mix rather than abandon the systems that were currently in place. One of the Senior Executives noted:

> *..,in the end I would say that we have an ad hoc collection of performance management programs that have now been combined with the BSC.... This was achieved using a haphazard, unsystematic and unconventional pattern of adoption and implementation.... Simply stated our overall organizational-level PMS did not follow a structured design or implementation process.*

With the exception of one department (which will be discussed later in section 5.3.1.1) Crown A's PMS was conceived, designed, developed and implemented by approximately 10 members of their Senior Executive team working with their Board of Directors. Crown A utilizes a BSC format to report on its performance to the Government, the CIC and ultimately in the preparation of annual reports for their stakeholders.

Generally speaking the Senior Executive-level participants reported that PMS participation and engagement at all organizational levels was important to them. One Senior-level Executive stated, *"we highly encouraged all levels of employees to be involved in the design, development and implementation of our BSC."* In contrast, the majority of Senior Managers, Operational-level Managers and Front-line Employees were all quick to point out that the organization's BSC and related performance measures had been designed, developed and implemented by a select small group of individuals from the Senior Executive level, without their involvement. For example, one Operational-level Manager reported:

> *I have no idea where a large number of our organization's performance measures came from, or how they were determined. So why would I want to be involved now, when I had no input into our performance measures in the first place."*

A different Operational-level Manager stated:

> *...there are a number of measurement and metrics that the company has used and has brought to us over the past couple of years, but I don't feel like this group (Operational-level Managers) was really involved at any level. I mean the measures were simply imposed on us when the Senior Executive came out and said thou shalt use this method. I don't think we had any involvement at any time in developing what should be measured and how it should be measured, so from my point of view I refuse to work with it.*

The majority of employees in Crown A, at all levels, expressed a strong desire to actively participate in the PMS process at the organizational, and/or departmental level, but most levels

did not see the need to involve employees at the other levels. For example one Operational-level Manager commented:

> *It would be of value for the organization to involve us (Operational-level Managers) in creating and implementing our BSC. The Senior Executive must understand that it is us front-line managers are best suited to manage our BSC. I know that I would appreciate the opportunity to participate in creating and implementing our BSC, and although there may be some individuals who don't want to participate I believe that most would welcome and appreciate the opportunity, but I do not see the need to involve my staff given that most don't likely care.*

On the topic of PMS education and knowledge most employees suggested that they were not adequately prepared, which negatively impacted both their ability to be involved in the PMS and their ability to involve their subordinates. In a focus group session with the Operational-level Managers one commented:

> *...because we've been such detail people for so many years that when it comes to big picture thinking, we're not at the same level as our executives who have not been exposed to 30 years working in the public sector. We've (Operational-level Managers) never been involved in any of the big picture thinking, and now all of a sudden we're in positions where there is an expectation of us that we should know how to manage, know how to think strategically and how to apply that knowledge, yet if the truth be known most of us are far from prepared.*

A number of employees in Crown A expressed a fair amount of resentment or bitterness as a result of their lack of involvement in the design, development and implementation stages of their organizational, departmental and individual level BSCs. For example, one Senior Manager noted:

> *We were always complaining to the Executives, telling them that we were not happy about not being involved in the creation and implementation of the BSC. We often told them that we were upset that we did not have any input into the types and numbers of performance measures that were part of our PMS, particularly given that we were the ones expected to deliver the performance.*

On the topic of PMS feedback, one Operational-level Manger commented:

> *Most of us (Operational-level Managers) don't take our performance measures serious because when our Senior Executives provide feedback to us about our performance, they talk – we listen – we have no input – and then we never hear about it again. I don't view that type of one way feedback as way to involve me in our PMS.*

When discussing the motivational affects related to employee involvement in the PMS and its related outcomes, one Front-line Employee reported that participation in the PMS process

"would certainly make us at the bottom feel as though we were part of the company and contributing to the corporation." A different Front-line Employee stated, *"... if we were involved you would then believe they are finally listening to what we have been requesting for the past five years."*

Similarly, on the topic of motivation and outcomes, it was overwhelming reported by the Front-line Employees that even though there may be a small number of them who do not want to be engaged in the organization's PMS, or who do not care about the organization, most do care and would like to be involved. For example one Front-line Employee commented:

> *...yes we likely do have some employees that don't care, but they would be the minority. It's not fair to lump most of us in with a very small number of employees who hide behind the union or job description, or just want to come here to get paid and go home. It's simply not fair, because most of us care about contributing and want to make a difference.*

The majority of the Front-line Employees indicated that they care about their PMS and the organization. Most wanted to actively participate and be fully engaged in the organization's strategic planning and related PMS processes, but because they had not been involved early and throughout the entire PMS process they currently lacked any desire or motivation to get involved in, and/or utilize their PMS. One Front-line Employee reported:

> *Unfortunately our Senior Executives and Senior Managers did not feel that we were important enough at the time to be involved in the design and implementation of our organization's PMS, so why on earth should I get involved today. Basically the BSC was their idea, and if they think they know it all then I would love to see how they can deliver on their performance measures without us.*

When asked how their lack of participation affected them, one Front-line Employee answered by saying, *"how would you like it? – I mean would you feel appreciated and want to help them (the Senior Executive) achieve some mysterious targets that you were never consulted about?"* A different Front-line Employee reported participation in the PMS process *"would certainly make us at the bottom feel as though we were part of the company and contributing to the corporation. Unfortunately, we aren't provided with the chance to participate, so most of us feel very disenfranchised – I know I do."* Another Front-line Employee remarked:

> *... if we were involved you would then believe they are finally listening to what we have been requesting for the past five years.... to be quite honest, if they don't start listening to*

> *us and involving us pretty soon, it's going to come back to bite them badly, which some offices are already realizing.*

A different Front-line Employee stated, *"My personal opinion is that the front-line people are actually vital and all too often organizations get in trouble by ignoring that particular level."* Lastly, another Front-line Employee noted:

> *Even when we do try to give input you often aren't listened to, which is unfortunate. I believe that our input is critical, but it is hard to be motivated to provide any level of input when it seems that nobody above us cares, thus why should I care.*

Lastly, there were a number of barriers suggested by managers at every level of Crown A, explaining why they themselves were not using their PMS, and/or chose not to involve their subordinates in the PMS process. One Senior Manager reported:

> *...because the performance measures included in our BSC were chosen by our parent Crown Corporation, and not those of us who best understand what measures we should be using, thus I simply refuse to have anything to do with our BSC.*

Likewise, a different Senior-level Manager reported:

> *I mean people have been going through change, including changes to the performance measurement and management systems for the last five years, and every indication is that's not going to stop and that change will be continual. Quite frankly peoples are tired of it, they would like to be stable over a period of time, and we just have not had any opportunity where things have actually slowed or stopped.*

A final barrier identified as impeding the involvement of Front-line Employees in the PMS process in Crown A related to the perception held by a number of Operational-level Managers, that their subordinates did not really care about their PMS, BSC, and/or organizational performance. For these reasons many of the Operational-level Managers felt that they would be wasting their time to try and engage them (Front-line Employees) in the PMS process. For example, one Operational Manager stated, *"when I attempt to share performance information with my staff, their eyes glaze over and they have no interest."* A different Operational-level Manager commented:

> *I find a lot of the performance information that we share with them they don't even want to hear, they are not interested in the stuff. I find a lot of the performance-related stuff, although you give it to them they're not interested in, it's just kind of an exercise. They tend to care more, only if the information impacts them directly.*

Lastly, one Operational-level Manager remarked, *"Unfortunately at the end of the day most staff do not want to be involved, they simply want to come to work, go home and get paid."*

5.3.1.1 A Department in Crown A that Involved all levels of their Managers and Front-line Employees in each stage of the PMS Process

There was one department in Crown A that by all accounts successfully involved all of their employees in every stage of the PMS process. As reported above, both the CEO and the Senior Executive member responsible for this department expressed their desire to involve their Senior Managers, Operational-level Managers and Front-line Employees throughout the PMS process. That being said, neither the CEO nor the Senior Executive did anything different for the department discussed in this section that was not made available to other departments in the organization. For example they did not provide any additional resources to this department to support the design, development and implementation of their BSC. Next, using the language revealed throughout the process of developing the different PMS categories, subcategories, properties and dimensions (as described above in section 5.2) I describe the involvement of the employees in the PMS process, and its impact and outcomes, according to each employee level.

i) Senior Managers

The Senior Manager in this department indicated that they were part of the original design team for their organization's overall PMS after which time they worked hard to involve all of their employees throughout the entire PMS process for their department. The Senior Manager stated:

> *Throughout the process of designing our organizational-level PMS I regularly solicited performance-related input from my Operational Managers and Front-line Employees. I would say that our entire measurement system was built from our employees telling me what they could achieve against some objective(s) and then we figured out how we were going to measure it.... the participation of all of our managers and staff in the PMS process was critical, and any operational improvements would have been impossible without their input... To me that is powerful. It is a powerful example of – if you give the team the freedom to be involved in the PMS process and create their own objectives, and you give them the feedback throughout the year and everybody is focused on the goal, then that team is going to achieve that goal.*

When talking about the involvement of their Operational Managers and Front-line Employees in the PMS process the Senior Manager commented:

> *I think in terms of the expectations of the clients, and given that the people on the floor are the ones who are talking directly to the clients, they know firsthand what their expectations are, thus it would be foolish on my part not to involve them....it was*

> *imperative to make the people on the front-lines aware of, and educated about the BSC, and work with them to develop the measures that applied to their specific performance, which had been identified as important to the organization.*

The Senior Manager indicated that their department had dedicated a considerable amount of time from very early in the PMS process to ensuring that everybody in their department had a good understanding of the BSC. He/she reported:

> *... although we devoted a lot of resources to training and educating all of our employees very early on, it has paid for itself countless times over. The performance successes and outcomes that our department has realized would not have been possible if we had not properly trained and educated everyone involved.*

The Senior Manager indicated that regular performance-related communications and feedback was essential to the ongoing development and success of their PMS. He/she noted:

> *The other thing that we do is we provide performance feedback to all of our staff, we provide it – it is tailored for the individual – we don't share individual results with other individuals, we share team results. Some people respond to receiving information with data, and some people respond to receiving information graphically, so we provide it in both manners, and this is more team based. So it gives them a visual of what their objectives were, what the plan for the team was, and lastly what they have achieved to date.... We have a very open relationship with the group out here. I mean – how do I want to say this – when we do quarterly reviews with people as a group – they (Operational-level Managers and Front-line Employees) will say 'you know we are hearing from the customers, that something is not good enough' or 'we're hearing from the customers that they don't really care about turn-around time, they just want to know when. If they're told its 20 day turnaround then commit to the 20 days, but they don't necessarily need it in 10 days.' So there's multiple channels – we have one-on-ones with them to review their individual performance, we have group meetings. I have meetings with all of our employees so there's not just one type of communication, rather there are many forms.*

The Senior Manager noted that his/her employees appreciated knowing how their individual activities were linked to, and contributed to, achieving the unit and organizational goals. He/she remarked:

> *Everybody has an individual work plan that contributes to the team work plan, which is ultimately based on the organization's performance measures. The linkages between all of the plans are regularly discussed with all employees. In addition, every day there is an Excel data base where they are able to input every piece of work that they do, it tracks the time that it came into the system to the time that was closed, which tracks our service level, and ultimately it tracks the number of pieces of work that they achieve on a daily basis. They can go into the system at any time that they want to see their results. We also provide them with individual and itemized reports of their actual achievements relative to*

> *their targets. So we provide them with feedback as often as they wish about their contribution relative to the goals they set. They have developed a level of maturity within that group that they are not focused necessarily on the individual objectives, but they are more focused on team objectives.*

When discussing employee motivation and the outcomes related to their PMS, the Senior Manager reported:

> *...they (Operational Managers and Front-line Employees) are so focussed and committed they will manage vacations by themselves, they will just make sure that they have got enough coverage in their workgroup that if someone wants to go on vacation they will adjust their own schedules to accommodate that. It is amazing how focused they are on achieving the team objectives.*

Also on the topic of employee motivation the Senior Manager reported that his/her staff were very motivated to contribute to achieving the organization's performance measures. He/she suggested:

> *They get recognized for their work, we do a lot of celebrating out here, and because we are not in head office we have quite an advantage. We have a little bit more flexibility in terms of – we will bring in pizza or have a barbeque out here. Little things like that mean lot to the people, and I think they are motivated, because they are receiving feedback, and to me the key was getting them to develop the plan, not me developing the plan for them.*

The Senior Manager also reported that even though there is a high-level of engagement in their PMS, by his/her employees, they also recognized that the Operational Managers and Front-line Employees were primarily interested only in those performance measures that directly impacted them. For example, he/she noted:

> *Many of our staff likely care very little about the entire PMS or BSC, but they sure do understand what they are doing, and whether or not it effects their departments, and/or individual targets. If the employees want more detailed information we are always willing to share it with them and grow their understanding, but what is most important is that they understand their individual goals and objectives and how these contribute to the organization's success.*

The Senior Manager reported that there were a number of significant outcomes that have resulted from their PMS. They noted, *"as a result of our PMS the employees are very highly engaged in achieving the organization's goals."* As a result of the increased employee engagement it was also reported that their department has realized a number of significant operational goals. For example the Senior Manager commented:

> *When I got involved with this department one of our key performance measures was turn-around time for one of the services that we provide, for which our turn-around time was 200 days. Our target was 10 days. So somehow I had to set some objectives within that group to get them focused on achieving a 10 day turn-around time. I said to them we all have to focus on achieving a 10 day turn-around time. Are you able to do that? And, if so how? I need you guys to help me figure out what you need in order to achieve a 10 day goal. And I also need to know what you as a group are going to deliver daily, weekly, monthly, quarterly, in terms of production metrics and in terms of quality standards, and what does all that translate into with respect to your individual contributions to achieving those objectives. I presented that challenge to them in a meeting, and asked them to come back to me with a solution, I didn't mandate that solution. I told them that both the Operational-level Managers and I were here to support them in any way that we can in order to achieve our goals. I asked what resource they need in order to achieve the 10 day turnaround. Is it more staff, how much overtime are you going to need, if it is only our current staff what are the assumptions that you are making? I really left it open ended for them to come back to me with their proposal. The objectives were set by the team. We gave the group about two weeks to come up with their proposal. Two weeks later they came back to us and reported on what they thought the team could do, and how this would impact their individual work plans. The outcome was that within six months a process that used to take approximately 200 days had been reduced to 10 days, and they did so without incurring any additional costs or resources.*

ii) Operational-level Managers

All of Operational-level Managers in this department reported that they welcomed the opportunity to be involved early on and throughout the design, development and implementation of their departmental and individual BSCs. They were also of the opinion that their Front-line Employees wanted to be, and needed to be, involved throughout the entire PMS process. The Operational-level Managers reported that they were actively involved in both the design and the ongoing development of their departmental and Front-line Employee's PMS. One manager reported:

> *Our group is pretty enthusiastic about the opportunity to be involved in the performance management process. I think they've (the Front-line Employees) been able to see that what we're doing is working and can see how this helps the organization. You've always got one or two that aren't entirely on board. For example in some other parts of the corporation I've seen that they're not quite as willing, but we've been working with this for a while and everyone appears to be fully committed and engaged.*

On the topic of the participation of the Front-line Employees in the PMS process one Operational-level Manager noted, "*... it is critical that all of our staff are actively involved."* A second Operational-level Manager stated:

> *For the continuous improvement of our PMS the staff have been actively involved in the entire process. They (the Front-line Employees) are actively participating with minimal encouragement or direction from us, and/or from senior management. They have taken the initiative and have been self-motivated to lead the change process.*

With respect to PMS training, education and knowledge, one Operational-level Manager reported, *"we were provided with ample performance measurement and management training and education, very early on, and regularly throughout the PMS process."* Similarly, a different Operational-level Manager commented:

> *Our (referring to both the Operational-level Managers and Front-line Employees) PMS training started shortly after the topic of the BSC was first mentioned at one of our regular meetings with our Senior Manager. The training was not forced on us, but rather it was explained to us that the training would provide us with the opportunity to be involved in developing the key performance measures for our department. Our involvement in the PMS process was seen as a tremendous opportunity and was something that we were all very excited about.*

On the topic of PMS awareness in their department, one Operational-level Manager remarked:

> *Not every one of them, but a large majority – 80 to 90 percent of the front-line staff are aware of the measures or metrics used. They don't necessarily watch it every day, but they know exactly what it's about. And then I have five or six employees, that as soon as something gets a little bit abnormal or a bad formula – I hear about it right away – so I know they are watching and understand.*

All of the Operational-level Managers reported that they frequently communicated performance-related information to their staff. One manager commented:

> *I regularly communicate performance information in the form of PMS feedback to all of their Front-line Employees.... I take all the work plans, and I build reports around what they're (the Front-line Employees) working towards so that they can see the objective they had, and they can see the results. Then we print that all off, and then the department's Senior Manager distributes that to everybody with comments on it including work improvement plans. We do this type of report and feedback every week. At the end of each quarter I also put together a quarterly performance report that is also sent to the Senior Manager who reviews it, comments on it, and then sends it to the various departmental teams and individuals. At year end it is the same thing, I prepare the report for the Senior Manager who reviews it, and comments on it, prior to sharing it with the Senior Executive team, departmental teams and individuals.*

Related to the topic of PMS communications and performance feedback with their Front-line Employees one Operational-level Manager noted:

> *When talking to our Front-line Employees about performance-related information I don't like to talk about the numbers, rather I like to talk about employee conditions, and*

> *employee initiatives and more qualitative items. If the employees want quantitative information regarding their performance they can look at the performance reports and numbers on the computer any time they want.*

A different Operational-level Manager reported:

> *So when it comes to the individual, our department's Senior Manager has met with every individual and talked to them about their individual work plan and what they have achieved, which is viewed very positively by all of our employees. The department's Senior Manager listens to what everyone has to say, and as a result all of the employees are fully engaged in our PMS.*

Lastly, on the topic of PMS communication and performance feedback one Operational Manager commented:

> *The department's Senior Manager might ask us as the managers or the Front-line Employees to push our performance a little bit higher. Generally speaking, he/she recognized that you don't want to push too hard, and you might even have to ask them to back off a little bit – so there is that conversation going on. That is where the department's Senior Manager was letting them know about the BSC, and engaging them in a mutual two-sided conversation.*

When talking about the motivation to be involved with their PMS it was reported by one Operational-level Manager:

> *One of the primary reasons why we (the Operational-level Managers and Front-line Employees) want to be involved with the adoption and use of our PMS is because we have a great relationship with our Senior Manager. Our manager listens to us and pays attention to what we have to say.*

Similarly, a different Senior Manager stated:

> *It was very important for us, and the front-line staff, to know that we had the power and ability to suggest changes. This empowerment has resulted in our staff not having to be asked twice to do anything, they just do it. The staff comes from a very old culture that was very different than now. I can remember some of them saying we have always been told what to do, and now you have just left it to us. I think they feel empowered – I am sure they do.*

Also on the topic of employee motivation resulting from their involvement in their PMS one Operational-level Manager commented:

> *When working with some of the front-line staff they are now so highly motivated that it has been totally their input and ideas that drives the agenda....and when they started seeing their data reports and saw their performance increasing, that's when it really started to mean something. I could see the trust starting to come – so much that they kept going even though some of them were potentially working themselves out of a job.*

When the Operational-level Managers were asked about what motivated the Front-line Employees to participate in the PMS process it was reported:

> *... because they were provided with the opportunity to be involved, and the information was available, and they began to trust that being measured doesn't mean catching heck. So then it became, not something to fear, but something to be interested in.*

iii) Front-line Employees

Front-line Employees in this department were quick to point out that they had participated in the PMS process from a very early stage. One Front-line Employee stated:

> *I don't remember the specific date that I first heard about the BSC, but I do remember receiving an e-mail announcing that the organization was planning on adopting and using a BSC. I believe that the e-mail was sent by the Senior Executive to all employees. It was shortly after that we (Front-line Employees) were invited to a departmental meeting where we were all asked to give our opinion and input on any performance-related metrics that pertained to our individual and department's performance.*

A different Front-line Employee commented:

> *.... following the original e-mail announcing the adoption of the BSC we were asked for our input regarding the various measures that could be used to best track our daily performance. It was our general opinion that this request made sense and we welcomed the opportunity to provide input, which was something that had not occurred prior to the BSC announcement.*

One Front-line Employee remarked:

> *We have continually been asked, and have had input, right from day one with respect to what types of measures should be tracked. If we had an opinion it was always listened to. So basically our BSC is an evolving process, it continues to improve and we're regularly involved.*

Contrasting their past and current involvement and importance of their role in the PMS process one Front-line Employee commented:

> *The one thing that Senior Executive should understand - is that if they are planning to put a new program in place, the front-line staff want to know why, its purpose, who it benefits, why - the pros and cons, and most importantly make sure that everyone who is going to be affected by the change is brought on board before they put it in. It is critical that any organization or department share information and work closely with those most impacted when making changes – this is the only way it is likely to succeed. Our department's Senior Manager is the first to admit that they don't know exactly what we do all of the time. So unless they have our input, which they have had ever since our department's new Senior Manager came into the picture, change is unlikely to succeed. Since the arrival of our new Senior Manager it's like all of a sudden we matter and it really does matter what we have to say and how we do things.*

A different employee reported on the stark contrast in the level of involvement in the PMS process between the different departments in Crown A. They observed:

> *... in the department that I used to work in (which was also part of this organization) we did not have any type of input, nor were we part of the creation of any type of a measurement system. Essentially in my previous department we were simply told what our performance should be, we had no input whereas now we truly have input, wow what a welcome difference.*

The majority of Front-line Employees also reported that since their new Senior Manager took over not only have they been actively involved in the ongoing development of their PMS, but now they are also held accountable for their decisions and input. One employee reported:

> *... in a very good way we are held accountable for our input into our BSC, which has really served to engage us. Having significant input shows that management trusts us and for that reason we should be accountable, which has served to ensure that all of our input is well thought out. The entire process of having input, being held responsible and ensuring that our decisions are well thought out is seen by many as a challenge to us and as a result we want to prove that we can deliver.*

Likewise, a different Front-line Employee stated:

> *If you don't do things well around here we will hear about it, because these numbers have go to our customer relationship managers who in turn notify our clients about what we are promising, so if we don't deliver the measures promised we will hear about it. It's possible that our errors could result in significant lawsuits. Our manager keeps us posted on those items that our customers are reporting to him/her. He/she is always briefing us about how our customers responded to our performance reports when they come back from customer meetings. Basically the feedback can be positive in which case we get full credit. Alternatively the feedback can be negative in which case we are not disciplined, but rather we are expected to resolve any problems identified.*

The majority of Front-line Employees in this department reported and demonstrated a high-level of understanding regarding their BSC. One Front-line Employee reported:

> *Shortly after we were first notified that our organization planned on adopting and using the BSC we were approached by our department's Senior Manager and performance management or BSC facilitator (who is also considered to be an Operational-level Manager) who met with each of to figure out how to best track our performance in order to keep stats on each of respective positions. It was also at this time that our BSC facilitator started training us about the BSC. Since that time we have all been involved in a number of formal and informal performance-related training sessions.*

Their knowledge and understanding of the BSC was also evident in a number of well-informed and scholarly comments they made when discussing their BSC. For example, one Front-line

Employee commented, *"…. our BSC is not only used to measure performance but more importantly it is used to manage performance…. and its performance measures are derived from the organization's strategic objectives."* Another employee remarked, *"I believe that all of the employees in this department understand the relationships between our performance metrics and the corporate goals, objectives and strategies."* A third employee stated, *"… it is absolutely critical to involve multiple stakeholders in the PMS process and work together as a team."* And a different employee stated:

> *It's important that you don't stop with involving the front-line workers, you have to take it one more step and go to the customer as well...they can give us goals and numbers to shoot for. If we as front-line staff think we know what the customer really wants, imagine how much the actual customer knows about what they expect.*

Basically a number of Front-line Employees commented on the need to involve all levels of employees in the entire PMS process. Each of these was relatively profound statements that one would typically only expect from an individual with a very mature or high-level of PMS understanding. Their statements also provided evidence of their PMS knowledge which had culminated in a heightened degree of PMS awareness and understanding that collectively contributed to the creation of a strong team culture that dominated this department. Essentially, their heightened level of PMS comprehension demonstrated their advanced level of understanding, which was considerably different from the majority of the other participants, at all levels, from the other departments. For example, most employees from the other departments tended only to speak about the need to involve themselves in the PMS process, and made no mention of including their peers or superiors. In the other departments most participants (at all levels) were relatively self-centered and primarily only concerned about their individual involvement in the PMS process, rather than the involvement of all stakeholders.

It was universally reported by all Front-line Employees in this department that they appreciated and valued their PMS related training. One employee noted:

> *I would like to comment on how valuable the various types of training have been to me. It is important, because the performance training focuses not only on what you do, but it identifies and teaches us what we can do better. We have multiple opportunities to access performance training. It is important for individuals to get performance type training so that we can learn something new in order to improve ourselves and be more effective in our jobs. Training not only improves each of us, but it also demonstrates that the organization cares about us.*

Virtually every Front-line Employee expressed their satisfaction with the amount and different types of PMS related communications. One employee remarked:

> *At a macro-level the organization brings together all of the staff from the entire organization once a year for a day long workshop that covers a variety of topics including performance management, but at the departmental level we meet with our Senior Manager and our supervisors weekly.*

Similarly, it was also reported that there were a number of mechanisms used to communicate performance-related information and feedback to all employees in their department throughout the year. For example, one Front-line Employee stated:

> *With respect to our performance statistics they are regularly made available to us. The stats compare us to the average, and they do matter – they are important to me. The stats are available at any time that someone wants to go in and look at them, and they are also shared with us in weekly, monthly, quarterly and annual performance reviews with our management team.*

When asked about the flow of PMS related communication one Front-line Employee reported:

> *When our Senior Manager first came to this department it was a mess, turnaround times were huge, backlogs were out of control and customers were angry, screaming and yelling. Our Senior Manager came in and he challenged us by communicating some very specific goals. Originally we laughed at him, but within 12 months we achieved those goals that we didn't think were achievable. We know for a fact that our department's Senior Manager communicated the results of our performance to the entire organization by posting them on the wall, and he/she also reported them to the Senior Executive team. We know that our performance results and achievements have been shared with those at the top, and that is exciting and motivating. I don't know if they actually see our individual stats, like on an individual level or if they just see it on a business unit level, but what is important to us is knowing that they are aware of our department's overall performance.*

When discussing PMS outcomes a number of the Front-line Employees reported that they were originally somewhat skeptical about participating in the PMS process and adopting and using a BSC. One employee stated:

> *At first I was quite nervous about the organization tracking my performance, but with some coaching by management and some fellow co-workers I was able to work through and get over my nervousness. Essentially a lot of our fears were overcome when we saw that that management was so approachable and willing to talk and work with us.*

Likewise a different employee commented:

> *When first hearing about the BSC and the need to track the various performance variables I recall thinking here we go again, the CEO picked up another textbook and*

> *read this is how you are supposed to run a major corporation. We have been exposed to a number of these types of fads over the years. Today I have a completely different view. Everything they've done has worked wonderfully and the change in the cooperation has been very noticeable. This department it is a much better and happier place to work. Today there is much more involvement at all levels. We all participate in regular performance communications – we all have greater flexibility, and finally someone is providing us with an opportunity to provide input into our jobs.*

Also on the topic of the Front-line Employee motivation, engagement and outcomes in their PMS it was noted:

> *As far as I am aware we are the only department to be tracking and reporting performance in the way that we do. I like the fact that we are measuring and reporting performance, I appreciate it. I like it because then we know where we're at, and that we're accountable. It tells you that you've got certain standards to meet up to. If they see those slipping, the manager or even other team members will discuss it with you, but if there's no reason and you just can't do the work, I'm sure that there'd be something done. It's never gotten to that point.*

Similarly a different employee remarked:

> *I think that the BSC gives you something to work towards because you see how you're doing. It brings it right down to the individual work plan and you see how you contribute to the organization goals and objectives. You get to see how you're doing and it challenges you. You get to see if your error rate is up or down, and what actions are necessary to fix any discrepancies. It's as if this department made a total turn around.*

A different Front-line Employee commented:

> *Originally I did not realize that our individual scorecards were going to impact the organization's scorecard, but in time I learned this was the case. Now I know that I have a significant role to play in fulfilling and delivering the organization's goals. I know that my performance matters and that is a great feeling.*

Also on the topic of PMS outcomes it was commonly reported by the Front-line Employees that due to the many successes that had been realized as a result of this department's BSC that they were often resented by other employees in the organization. For example it was stated:

> *Our department is looked at very enviously by other people. We are hated by the rest of the other departments. In our department all of the staff have input into their jobs, we are all happy at work, we have all kinds of team signs up, whereas no other department has these things, thus are envious of what we have and they're miserable as a result. I would assume that their productivity suffers and as a result costs the organizations operationally, and financially. It would be hard to be in any other unit in this organization.*

In the same way a different Front-line Employee noted:

> *When I was in a different department, most people over there have been working there 25, 30 years and the culture is totally different over there. They're very bitter - it's just incredible the difference between there and here."*

It was also reported:

> *Originally when moving to this department it was a nightmare, we had all heard nightmare stories and how tough it was. But in a matter of 18 months, under the direction of a new Senior Manager they have taken us from everyone being grouchy across the board to being wonderfully happy and everyone else looking at us with scowls on their face because we have it so good.*

Lastly, a number of Front-line Employees spoke about the difference between intrinsic and extrinsic motivation with respect to being involved and engaged in the PMS process. One Front-line Employee in Crown A suggested, *"Money is not the sole incentive for employees to contribute. Personally I value having input into my work plan as more important than performance pay to my overall job satisfaction."* A number of other Front-line Employee indicated that their motivation was linked to the fact that they do care about the organization. One Front-line Employee in Crown D remarked:

> *With respect to reporting our department's performance, I do understand it is important to the corporation, and given that I plan on spending a great many years here, I have to believe that there is potential for good things to happen, so yeah I do care – I do care a lot. Basically if it's important to the organization then it should be important to me, otherwise I shouldn't be here. I want to know what it means for the corporation, you know if the corporation is going to benefit, then I am willing to sacrifice a little for the benefit of the corporation.*

5.3.2 Crowns B, C and D

In 1989 *The Crown Corporations Public Review and Accountability Act* was enacted to ensure that public confidence in Manitoba's Crown Corporations was maintained and to strengthen the accountability mechanisms for Manitoba's Crown Corporations. The Manitoba Crown Corporations Council (MCCC) was established as part of the accountability framework under this Act. Essentially the MCCC is responsible to the Government of Manitoba, for overseeing and developing all Manitoba Crown Corporations, including the three that participated in my study.

The MCCC provides support to Manitoba Crown Corporations and advice to the Government related to their Crown Corporations. The MCCC also enhances public board governance through

training programs and workshops for Manitoba public sector Agencies, Boards, Commissions and Crown Corporations B, C and D. In cooperation with each Crown, the MCCC: facilitates the development of a clearly defined mandate and a clear statement of purpose for each Crown Corporation; reviews the long-term corporate plans and capital expenditure proposals while ensuring consistent practices among two or more corporations where appropriate; and facilitates the development of consistent and effective criteria for measuring each Crown's performance, including their PMSs such as the BSC.

In terms of the number of employees, 5,600 with revenues of $2.4 billion per year, Crown B was by far the largest Crown Corporation in my study. Crown B provided both a service and a product, which they also produced. Crown B also sold a portion of their final product, in bulk, to customers in Eastern Canada and the United States. Prior to the adoption of the BSC, the decision to choose and utilize a particular PMS in Crown B had always been a departmental-level decision. For this reason Crown B's PMS included a wide range of performance measurement and management programs that varied from one department to the next. Crown B's current BSC Champion was the Manager of Corporate Planning and Relations Department. One Senior Manager commented: *"If you were to poll every department in this organization you would likely find bits and pieces of every conceivable performance program ever established."* At the time of this research which was ten years after the adoption of their BSC, the choice of a PMS in Crown B was still a departmental-level decision. Essentially, the BSC was primarily promoted as a tool for the Senior Executive. The result was that some departments chose to adopt the BSC while others continued to use existing, or other PMSs.

At the time of this study, Crown C had been in operation for 82 years, thus was the oldest Crown Corporation in my study. Crown C's offices were located across the entire province through which they provided both a service and a product, serving both individuals and businesses. Crown C employed 750 employees and had revenues of approximately $500 million per year. Of the four Crown Corporations participating in this study, Crown C had shortest history or least amount of experience with the BSC, which at the time of this study was 3 years. The current BSC Champion was the Chief Financial Officer. Prior to the adoption of the BSC Crown C was using a customized PMS that they had created, designed and developed over a number of years. Their previous PMS focused on nine key results areas that were derived from their strategic plan.

One of their primary reasons for switching to the BSC was because they did not believe that their previous PMS adequately addressed all of the themes or perspectives included in the BSC. The BSC Champion commented *"Our previous PMS was focused primarily on financial and regulatory measures and results, with no consideration for items such as learning and growth and internal processes, and very little consideration for the customer experience."*

Lastly, Crown D had operated for 26 years at the time of this study, and was primarily a service provider to the residents and visitors to Manitoba. Crown C had approximately 1,800 employees and annual revues of $700 million per year. Crown C had been using the BSC as their primary PMS for 4 years at the time of this study. One of the primary factors reported, by the CEO, for adopting and implementing the BSC was that the organization was *"experiencing some very difficult times regarding management accountability and the lack of a standardized or fundamental PMS."* Crown D's current BSC Champion was the Vice-President of Finance. Prior to the adoption of the BSC Crown D's PMS included an ad hoc array of measurement programs, with an emphasis on the corporation's financials. The BSC Champion noted, *"Prior to adopting the BSC our PMS only measured one thing, financial performance. It was all that mattered."*

In each of the three participating Manitoba Crowns the initiative to adopt and implement a BSC originated from a single Senior Executive, who had attended a conference where they were exposed to, and learned about Kaplan's and Norton's BSC. Essentially each of the Senior Executive Executives initiated the idea to adopt and implement a BSC on their own, and subsequently convinced their CEO and Senior Executive team of the merits and benefits of such a system. Each of the original Senior Executives was charged with the responsibility of championing the BSC initiative and tasked with overseeing the adoption and implementation of the BSC in their respective organization. Of the three participating Manitoba Crowns only Crown D allocated additional resources toward the adoption and implementation of their BSC outside of the funds normally targeted for their current performance measurement and management programs. For example, Crown D paid to bring in an outside consultant to assist with the design, development and implementation of their BSC.

When discussing the rational for adopting the BSC most Senior Executives provided explanations similar to the CEO of Crown C who stated:

> *The BSC adoption and usage highlighted that not only do we have an obligation to serve the public, but that our stakeholders also have financial expectations for us to behave like a private business ... the BSC enabled our employees to be more aware of, and focus on, those elements that our stakeholders expect from the organization.... we believe that the BSC has become a tool for the organization to provide perfect clarity on what our stakeholders expect from the organization and provides a mechanism for the organization to report back on what we are achieving in select areas.*

The BSC Champions for Crowns B, C and D reported that PMS participation and engagement at all organizational levels was important to them. For example, the BSC Champion for Crown C commented, *"In an ideal world every one of our employees would be educated about, and actively participate in creating and implementing, our BSC."* With the exception of Crown B, the CEOs and the majority of Senior Executive noted their support for encouraging all employee-levels to be involved in the design, development and implementation of their organization's PMS. The CEO of Crown B viewed the BSC as *"a tool for the Senior Executive"* thus did not see the need or value of cascading it or involving any of the lower-level managers and Front-line Employees in the PMS process.

The majority of Senior Managers, Operational-level Managers and Front-line Employees in all three Crown's regularly commented that although they would have liked to participate in the PMS process, they had not been involved in the design, development and implementation of their organization's BSC. One Operational Level Manager in Crown B commented:

> *They (referring to the Senior Executive) want us to care about our performance and they want us to contribute to the organizational goals, but they deliberately choose not to allow us any opportunity to participate. I would welcome the opportunity to have a real say in what our performance measures should be, and how we could improve our performance.*

Likewise a Front-line Employee in Crown C noted:

> *We (referring to Front-line Employees) have told our supervisor and their manager countless times that we care about the organization, and that we would really like to have input into our BSC. We have repeatedly told them that given our BSC is all about measuring our (Front-line Employees) performance, and given that we are the ones that interact on a daily basis with our customers, does it not make sense that we should have input? Yet it has now been over three years since we officially adopted the BSC, and still they (their superiors) have not involved us. I don't think that we should have to beg them to get involved, doesn't it just make sense?*

Many Senior Managers indicated that because they were not invited to participate in the PMS process they were frustrated and discouraged, and as a result resisted using the BSC. Their dissatisfaction was also cited as a common reason for not involving their subordinates (Operational-level Managers and Front-line Employees) in the PMS process. One Senior Manager suggested, *"... it's simple, if I'm not involved in creating a program intended for use in my department, then I simply won't use it – and the BSC is a perfect example."*

The frustration resulting from the lack of involvement in the PMS process by Operational-level Managers was also evident in a statement by an Operational-level Manger in Crown D who noted:

> *The management books and gurus tell us that managers are a critical element of any organization's PMS and as such they must be part of the process, but for some reason our Senior Executives think they know better and have decided not to solicit our input.*

Similarly a Senior-level Manager in Crown C explained:

> *Our PMS process did not follow the format prescribed in the literature as being ideal. This was evident based on the lack of participation by employees at different levels, and by the shotgun approach used to select the large number of performance measures contained in the initial PMS, which were primarily quantitative and not qualitative,. .... and for reasons such as these a number of us Senior Managers question the soundness and validity of our PMS....and as a result many have chosen not to adopt, and/or use the performance measures.*

When discussing PMS communication one Front-line Employee in Crown B remarked, *"I think there are many times that we were deliberately not told because they didn't want us to know. It's as if nobody cares what we think. We're pretty much way out in left field."* Employees' perceptions of PMS related communications as ineffective were also cited as a impeding the level of involvement of the Operational-level Managers and their willingness, or ability to involve their Front-line Employees in the PMS process. Most employees did not even view performance-related communications as a form of involvement in the PMS process. One Operational-level Manager in Crown C reported:

> *Let me be clear, sending me a newsletter that describes my, or our department's performance is an insult. First of all whoever prepares the report knows that the information will likely be open to the public, thus they likely overstate or inflate our performance – so the report is not even accurate. And I, as the person in charge of the department have never been asked to contribute to the report – that's not involvement –*

> *that's just job security which is a common problem inherent in Crown Corporations who have a monopoly power.*

Similarly, a significant number of Operational-level Managers reported a lack of performance-related information being shared with them, thus they did not feel the need, or believe they possessed the necessary skills, and/or had sufficient performance-related information to share it with their staff. For example, one Operational-level Manager commented that *"we're typically not made aware of anything to do with our BSC."* Another Operational-level Manager stated, *"In light of the many organizational changes that have been occurring recently we are unsure of what our roles and responsibilities are, and in the future we will have to wait and see whether or not we will be included, and if so to what degree."*

Related to the consistency of performance-related communications from the Senior-level Managers to the Operational-level Managers one Operational-level Manger in Crown C reported:

> *There is a real inconsistency between departments, where some Senior Managers share far more information with their managers and departments. Unfortunately in this department information is not made available to us. This group of managers (Operational-level Managers) here manages 80% of the revenue that comes into this company, yet we only get about 2% of the communication, so that's a big issue. ...I suspect that the primary reason we are excluded from being part of the PMS process is because we are in-scope (i.e., belong to the union).*

On the topic of motivation and outcomes most employees reported that their lack of active involvement in the PMS has left them feeling *"upset, lacking motivation and not willing to contribute to the organization's goals and objectives"* as reported by one Operational-level Manager in Crown B. Likewise, it was reported by a number of Senior Managers that because they were not involved in any stages of the PMS process, yet the PMS appeared to be fairly well established, they tended to resent or begrudge receiving any performance-related communications. One Senior Manager in Crown D commented:

> *...when they don't involve us in setting and establishing our performance measures and then they send me information about our BSC, which is a fait accompli, via a newsletter or bulletin, it's like they're rubbing salt in the wound. It's like they're saying we really don't care what you say, here is some information and you should be happy that we shared it with you.*

Lastly, there were a number of barriers suggested in each of the Crown Corporation, by every level of management, explaining or rationalizing why they themselves were not using their PMS,

and/or chose not to involve their subordinates in the PMS process. One Senior Manager commented that their desire to educate their Operational-level Managers was compounded by their willingness and capacity to learn about their PMS. They indicated, *"...you can have communication with your Operational-level Managers, but if they aren't on-side, or don't understand, how that communication makes its way down to the front-line staff breaks down at this point. Basically you don't know what's being communicated to the staff."*

Belonging to the same union as the Front-line Employees was also commonly cited as a barrier by a number of Operational-level Managers for not using their BSC, as either a form of employee communications or feedback. For example it was noted:

> *... how can I be expected to use the measures included in our BSC to measure the performance of my staff when those very measures might be used for disciplinary purposes and subsequently raised at union meeting where we are both present, given that we both belong to the same union.*

The relevance of performance measures was another barrier identified to adopting and using the BSC, being involved with or involving others in the PMS process. For example, one Senior Manager in Crown C was of the opinion that:

> *Due to the large number of performance measures and the ambiguity of the performance measures in our PMS it is confusing to Operational-level Managers and Front-line Employees. The goal of the scorecard or PMS should be to clarify the performance goals for our employees and show them how they are performing relative to the plan. Whereas simply reporting seventeen or eighteen Key Performance Indicators (KPIs), as we do every month, does very little to show how we/they are performing relative to the plan, and does nothing to show how to mitigate any discrepancies, and/or make the necessary improvements. This disconnect has resulted in many managers questioning whether or not these are the best, or even the correct measures. For these reasons most of us believe it was broken from the start and therefore don't want anything to do with it.*

Similarly another Senior Manager in Crown A noted:

> *When we originally created our organizational level BSC it contained upward of 80 measures. It appeared as though the designers were trying to do everything – there were way too many measures, many of which were not measurable. It was simply a laundry list of measures that were not linked in any way to the organization's strategy, thus it was way too confusing and many just decided to ignore it – pretend it didn't exist.*

A different Senior Manager in Crown D believed that the lack of qualitative measures also contributed to the lack of acceptance of their BSC. They were of the opinion that:

> *Measuring and managing qualitative performance is as important, if not more important than measuring and managing only quantitative performance... and although I don't know whether it was intended or not, our BSC tends to be quantitative and not qualitative. As a result when our organization designed their performance measures it was decided that if it can't be measured by a number, or it causes potential measurement and reporting problems, the design team did not consider it for inclusion in our PMS.*

Many Senior Managers cited issues with the process used to determine the performance measures included in their BSC as one of the reasons for not using the BSC. For example, one Operational-level Manager in Crown A suggested, "*given the lack of process for selecting our performance measures, I question the soundness and validity of our entire BSC, therefore I refuse to use it."* A few managers also cited concerns related to the process of identifying measures for inclusion in either their organizational or departmental as problematic, thus contributing to resistance to use it. A different Operational-level Manager in Crown A explained:

> *If we identify performance measures for our organization or department, we would then be accountable for achieving it, and/or justifying any future changes to it, thus why would we ever do that to ourselves, rather it's easier for everybody if we don't create the measure(s) in the first place.*

Lastly, a number of Senior and Operational-level Managers suggested their ability to involve their subordinates in the PMS process was impeded because their subordinates did not really care about the organization, and for this reason they were of the opinion that they would be wasting their time to try and engage them in the PMS process. For example, one Senior Manager in Crown C indicated:

> *The organization is always going to have employees at all levels who just want to do their job, and who are resistant to any type of change, or they simply don't care no matter what you tell them, thus involving them in our performance program would be virtually impossible.*

A different Senior Manager in Crown C remarked:

> *Many of our Front-line Managers and employees simply do not care. I believe that you can put out a whole lot of information to your staff but unless somebody's there to help them interpret it and understand it, and they're in a receptive mood to actually receive it and understand it- yeah you're just not going to get there, so why bother even trying.*

Likewise, a Senior Manager from Crown D reported, *"I am not going to kill myself to try and get someone, whether an Operational-level Manager or Front-line Employee, who does not care, to care."*

5.3.3 Summary of the Cases

In this section I presented three descriptive and explanatory cases to portray how the model developed in section 5.2 applies in practice and the barriers to its effective application. The cases used the structure provided by the unique categories, subcategories, properties and dimensions, that were identified and developed earlier in this chapter, to describe and explain each Crown Corporation's PMS (i.e., BSC) with an emphasis on employee involvement in the PMS process, and the resultant PMS motivation, organizational consequences and barriers.

Generally speaking, with the exception of Crown B, most Senior Executives in Crown's A, C and D indicated that they planned to involve all levels of employees in their PMS (i.e., BSC), but did not distinguish between passive and active participation, and they did not specify which, if not all, stage (i.e., conception, design, development or implementation) they were referring to. Crown B's Senior Executive was divided on the topic of involving all levels of employees in the BSC process. Whereas the CEO of Crown B believed that *"the BSC is a tool only for the Senior Executive and Senior Managers,"* the organization's BSC Champion believed that the BSC process *"must involve and be used by employees at all levels."*

The majority of employees, in all of the Crown Corporations, were of the view that it was the sole responsibility of the Senior Executive to conceive programs such as the BSC. That said, every level, and every employee believed that they should be actively involved in the entire PMS process, other than its conception. Most employees indicated that they cared about the organization and its PMS and as a result expressed a strong desire to be actively involved throughout the entire PMS process. With the exception of the single department in Crown A (as described in Section 5.3.1.1), the majority of employees did not feel as though they had been actively involved in their PMS process. For this reason, most employees reported that they were very dissatisfied, and subsequently put forward a number of barriers or reasons explaining or justifying their decision not to use or cascade their BSC to their subordinates.

At the other extreme was the one department (as described in Section 5.3.3.1) who had involved and went to great lengths to educate and train all of their employees throughout the entire PMS process. Like the other departments, every employee in this department believed that they should be actively involved in the entire PMS process. Similar to most employees from the other

departments, every employee in this department reported that they cared about the organization and its PMS, and as a result expressed a strong desire to be actively involved throughout the entire PMS process. In stark contrast to the other departments (as described in Sections 5.3.1 and 5.3.2) every employee in this department reported that they had been actively involved in their PMS process. And as a result of their active PMS involvement, education, training and understanding the employees reported that they were highly motivated and reported a number of positive individual, departmental and organizational consequences or outcomes. It should be noted that I do not have an independent assessment regarding the successful implementation and outcomes experienced in this department, rather what I have are testimonials of its managers and employees.

In their totality, the cases highlight the three distinct conditions and outcomes as identified in Level II of Figure 5.1. The cases described in sections 5.3.1 and 5.3.2 were similar in the sense that the majority of the data is best described by the second condition of Level II (in Figure 5.1). For example, the cases described in section 5.3.1 and 5.3.2 revealed that the majority of the Crown Corporations' superiors did not plan to, and did not actively involve their subordinates who desired to be actively involved in the PMS process, and as a result perceived their involvement as passive, which led to negative PMS Motivation and Organizational Consequences.

The single case that stood out as unique was described in section 5.3.1.1 and is best explained by condition one as shown in Level II of Figure 5.1. For example, the data revealed that there was one department in Crown A whose superiors planned to, and did actively involve their subordinates who desired to be actively involved in the PMS process, and who perceived their involvement as active, which ultimately led to a number of positive PMS related Motivational and organizational consequences.

The third and final condition, identified in Level II of Figure 5.1, was considered because it was commonly described, but was never actually observed. The reason for including and describing this condition in my model was primarily due to the numerous times that superiors suggested that they chose not to involve their subordinates in the PMS process because they were of the opinion that their subordinates did not really care about the PMS or organization. Essentially, lack of

employee interest was often put forward by superiors as a reason for not involving their subordinates in the PMS process, but not once did I interview a participant that suggested they did not want to be actively involved in the PMS process. Thus condition three described those occasions where the superiors did not plan to involve their subordinates because they assumed their subordinates did not care, and did not actively involve their subordinates, who in reality wanted to be actively involved, in the PMS process. The result was that subordinates perceived their involvement as passive. Similar to condition two I believe this would have resulted in negative PMS Motivation and Organizational Consequences.

In summary, the results suggested that any type of planned and actual involvement that does not meet the criteria of being perceived as active/engagement, which virtually every employee in my study desired, is likely to be perceived as passive involvement, which will likely lead to uninspired and uninterested employees thus resulting in negative PMS motivational and organizational outcomes.

Next, I repeat the four primary research questions including my analysis, interpretation and explanation of their individual results in the context of the information provided above.

5.4 Research Questions and Findingss

It should be noted that the findings to the research questions, as reported below, are essentially a summary of the information provided throughout the process of analyzing, identifying and developing the PMS categories, subcategories, properties and dimensions, as described in Section 5.2 and the presentation of the three descriptive and explanatory cases, as presented in Section 5.3.

5.4.1 Research Question #1 & #2

Do public sector organizations involve their Senior, Mid- and Low-level Managers and Front-line Employees in the conceptualization, design, development and implementation stages of their organizational, departmental, and/or individual PMS, and if so what are their roles at each stage? And what are the outcomes from their involvement?

What do public sector Senior- Mid- and Low-level Managers and Front-line Employees believe their level of involvement should be with respect to each of the stages of the PMS process? And, do these views differ across various employee-levels? And what are the outcomes of the different views?

The answers to these two questions are related and were interpreted from the perspective of both the provider, and the recipient, of the level of PMS involvement. Virtually every employee and employee level was of the opinion that they should be actively/engaged in every stage of the PMS process other than the conception stage which was seen as the sole domain of the Senior Executive. In their capacity as managers (i.e., Senior Executive, Senior-level and Operational-level Mangers) most of the participants were of the opinion that they had implemented a number of initiatives that they considered as actively involving their subordinates in the PMS process. Unfortunately, in their capacity as subordinates, whether managers (i.e., Senior-level and Operational-level Managers) or Front-line Employees, the majority did not view their PMS involvement initiatives as providing opportunities for active involvement in the PMS process. Rather most perceived their involvement in the PMS process as passive, and as a result felt disenfranchised, unmotivated and unwilling to contribute to achieving the measures contained in the PMS or BSC. This is interesting in the sense that when the same PMS involvement initiatives used by managers to actively engage their subordinates, were used by their superiors to involve them (the managers) in the PMS process, they were virtually always viewed (by the managers) as passive and unsatisfactory.

In stark contrast to the level of PMS involvement, motivation and outcomes, described above, were the employees from the single department in Crown A (as described in Section 5.3.1.1) who had involved all of their employees throughout the entire PMS process. Not unlike the other departments, every employee in this department believed that they should be actively involved in the entire PMS process other than the conceptualization stage. Similarly, every employee in this department reported that they cared about the organization and its PMS. Every employee in this department also reported that they had been actively involved in their PMS process, which they suggested had motivated them, and contributed to achieving a number of very positive individual, departmental and organizational outcomes.

Next I investigate question three.

5.4. Research Question #3

What, if any, are the actual and perceived barriers to involving public sector Senior- Mid- and Low-level Managers and Front-line Employees, in the conceptualization, design, development and implementation of their organizational, departmental, and/or individual PMS?

The answer to this question was partially addressed in the cases (described in Sections 5.3.1, 5.3.2) and when identifying and developing the PMS Barriers property (in Section 5.2.1). PMS Barriers were described as anything, real or perceived that could potentially prevent or stand in the way of an employee (at any level) actively participating in the PMS process. The barriers were described by employees at different levels as impediments explaining why they themselves did not get actively involved, or why they did not actively involve their subordinates, in the PMS process.

Again with the exception of the one department in Crown A (that did actively involve all of their employees in the PMS process) most Senior Executive, Senior- and Operational-level Managers identified a number of reasons why they themselves chose not to get involved in the PMS process, and/or obstacles standing in the way of involving their subordinates in the PMS process. Table 5.1 identifies the primary barriers identified.

Table 5.1 – Barriers to Active Employee Involvement in the PMS Process

Reasons or barriers commonly cited, by managers (i.e., Senior Executives, Senior- and Operational-level Managers), for not involving their subordinates (Senior- and Operational-level Managers and Front-line Employees) in the PMS process:	**Reasons or barriers commonly cited as contributing to Senior Executive, Senior- and Operational-level Managers and Front-line Employees reluctance, or outright refusal to use or participate in the PMS process:**
In their capacity as managers they had not been asked to, or encouraged to actively participate in the PMS process, as a result they did not feel the need to actively involve their subordinates.	Most employees noted that because their involvement in the PMS process to date had only been passive, not active, they were no longer motivated to get involved.

Reasons or barriers commonly cited, by managers (i.e., Senior Executives, Senior- and Operational-level Managers), for not involving their subordinates (Senior- and Operational-level Managers and Front-line Employees) in the PMS process:	**Reasons or barriers commonly cited as contributing to Senior Executive, Senior- and Operational-level Managers and Front-line Employees reluctance, or outright refusal to use or participate in the PMS process:**
Many superiors were of the opinion that their subordinates did not care about the organization, or their PMS, thus did not believe their employees wanted to participate in the PMS process and as a result chose not to involve them.	The majority of employees noted that their lack of participation in the PMS process was because they had never been invited to actively participate.
Many superiors commented that because their employees belonged to the union, their contracts prevented them from using and or involving their subordinates in the PMS process.	A number of employees suggested that because their PMS did not follow the process suggested in the PMS literature regarding both the process for determining their performance measures and for actively including the employees throughout the PMS process, they have chosen not to have anything to do with their PMS.
Given that most Operational-level Managers and Front-line Employees belonged to the same union it made performance measurement, feedback and the possibility of disciplinary action virtually impossible.	A number of employees at all levels questioned the need to adopt and use a BSC, suggesting that the general public was not concerned about whether or not Crown Corporations are adopting, and/or using the BSC, thus there was no reason for them to go to the trouble and work of adopting and using a PMS.
Many managers cited their lack of PMS training, education and knowledge as a reason for not involving their subordinates in the PMS process; a number of managers also claimed that because many of their subordinates lacked the aptitude and capacity to understand their PMS they chose not to even try and involve them in the PMS process.	Front-line Employees (Operational-level Managers) blamed their lack of participation in the PMS process on their immediate superiors' lack of PMS training, education and understanding.
Some managers viewed the BSC as nothing more than a Senior Executive fad that would soon fade or disappear, thus did not see the need to get involved or cascade it to their subordinates; a number of managers cited the lack of relevance of their PMS's measures as the reason for not using or cascading their PMS's measures.	Many Front-line Employees and Operational-level Managers attributed their lack of participation in the PMS process to their immediate superiors' apathy about their PMS.

Reasons or barriers commonly cited, by managers (i.e., Senior Executives, Senior- and Operational-level Managers), for not involving their subordinates (Senior- and Operational-level Managers and Front-line Employees) in the PMS process:	**Reasons or barriers commonly cited as contributing to Senior Executive, Senior- and Operational-level Managers and Front-line Employees reluctance, or outright refusal to use or participate in the PMS process:**
A number of managers claimed that because individuals and departments underestimated the importance of their performance and contribution to the organization's goals, they did not see the need for them to get involved or involve others in the PMS process.	Most employees, at all levels suggested that the lack of linking performance to rewards was an impediment to their adopting, using, and/or being engaged in their PMS.
Many managers noted that they were hesitant to use the BSC because there were no consequences to providing their subordinates with performance-related feedback; many of the Senior-level Executives and Managers relegated their responsibility, to actively/engage the Front-line Employees in the PMS process, to their Operational-level Managers – while simultaneously being aware that most of their Operational-level Managers were not likely to do so, thus did not see the need to involve their managers in the PMS process.	
A number of Senior- and Operational-level Managers suggested that because many of their Senior Executives did not have a background working in the public sector they often lacked the necessary experience, and understanding of the public sector which hindered their ability to implement and cascade their PMS to all levels.	

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In summary, the data showed that most CEOs and BSC Champions wanted to actively engage their employees in the PMS process, and at some point virtually every employee wanted to actively participate in the PMS process. Essentially there was a desire to involve the employees, and there was a desire by the employees, at all levels, to be actively involved in the PMS process. What then were the barriers that prevented all employees from actively participating in the PMS process? Although a number of potential barriers to using and cascading the BSC were

identified by the different employee levels, I believe that root cause was the lack of, and inadequate, PMS education and understanding for both Senior- and Operational-level Managers.

Although PMS education and understanding was recognized as important by employees at all levels, it appeared that additional or advanced PMS training and education was generally restricted to the Senior Executive-level. As a result the majority of Senior- and Operational-level Managers, through no fault of their own, lacked managerial and PMS education and understanding. The findings showed that PMS education and understanding for the Senior- and Operational-level Managers were critical given that the majority of their superiors viewed them as the link to cascading, educating, involving and engaging their subordinates in the PMS process.

A factor that was identified as contributing to the lack of PMS education and knowledge for both the Senior- and Operational-level Managers was the seniority based promotional system used in each of the Crowns. It was commonly reported by a number of Senior- and Operational-level Managers that they had been promoted to their current managerial position as a result of their seniority and not because they were necessarily well-trained managers. One Operational-level Manager summed it up quite well saying, *"Just because I was promoted to the position of office manager, doesn't mean that all of a sudden I know how to manage – and I suspect this holds true for many of my peers as well."* The implications and significance of this statement should not be underestimated, as it is objective, constructive and in many ways prescriptive. It should also be noted that the candour in this statement was validated a number of times throughout my study.

After establishing a rapport with the Senior- and Operational-level Mangers most openly admitted that they lacked the necessary management instruction and were not prepared to actively participate in the PMS process and/or to effectively educate, communicate and actively involve their subordinates in the PMS process. Most indicated that they lacked both the managerial skills and PMS knowledge to actively participate and engage their Front-line Employees in the PMS process. For this reason many Senior- and Operational-level Managers were not able to actively involve their subordinates in PMS process, and those who attempted to involve their subordinates were often ineffective and unsuccessful.

Not to diminish or undervalue any of the barriers identified (as presented in Table 5.2), while I believe that a small number of the barriers were put forward in an attempt to rationalize their actions most were actual impediments caused by inadequate knowledge and understanding.

Next I investigate question four.

5.4.4 Research Question #4

How does the level of involvement of public sector Senior, Mid- and Low-level Managers and Front-line Employees align with current theory and research with respect to the conceptualization, design, development and implementation stages of their organizational, departmental, and/or individual PMS?

My approach to addressing this question involved investigating whether or not any of the public sector organizations involved in my study adhered to either of the two existing theories as presented in Chapter two (and summarized below), regarding the timing and type of involvement of their Senior, Mid- and Low-level Managers and Front-line Employees in the BSC process (i.e., conception, design, development and implementation stages). Although it could be argued that there may be multiple theories regarding the level of employee involvement in the PMS process, in Chapter two I argued there were two primary theoretical models or templates. At one extreme I presented Kaplan and Norton's (1992, 1996a) proposed ten building steps for designing, developing and implementing a for-profit or public sector BSC (see Section 2.4.1 and Table 2.3). In Kaplan and Norton's BSC template it is really only during their final stage (i.e., implementation stage) that they make reference to involving any employees below the level of Senior Executive in the PMS process. At the other end of the continuum was the modified or Participative PMS template (see Section 2.4.2 and Table 2.5) derived from both Kaplan and Norton's (1992, 1996a) proposed ten building steps and my review of the other literature, which emphasized the importance of actively involving employees at all levels in each of the design, development and implementation stages of their PMS.

For the convenience of the reader and in an effort to provide the proper context for investigating the fourth research question, I begin by summarizing the degree or level and timing of employee involvement in the PMS process as described in each of the two theoretical PMS or BSC

templates presented in Chapter two. In the first template (i.e., BSC), Kaplan and Norton's (1992, 1996a) only reference to employee involvement, below the Executive level, was during the final stage of their ten building blocks template. In the tenth and final stage of their BSC template Kaplan and Norton make reference to finalizing the BSC, which triggers the implementation phase. During the implementation phase Kaplan and Norton suggested that in order to create value for the organization, the BSC must be incorporated into its entire management system and values. Kaplan and Norton described the implementation phase as educating and involving the people who must execute it. Kaplan and Norton suggested that the implementation of the scorecard should be carried out by the executive team, by building commitment as an essential part of gaining benefits from the scorecard. Basically, it was not until the tenth stage of their BSC template that Kaplan and Norton proposed that organizations should involve employees (below the level of Senior Executives) and key constituents using communication, education programs, goal setting programs, and reward system linkage.

My Participative PMS template presented in Chapter two was based on the BSC and the other leading PMSs in the literature. My template listed the steps in a large number of the PMS studies that were identified as important, in addition to the ten building blocks of Kaplan and Norton (1992, 1996a), for conceiving, designing, developing and implementing a PMS and emphasizes employee involvement. In addition to the PMS literature I further validated and extended the improved BSC template by adding elements from Romney and Steinbart's (2003) Systems Development Life-Cycle (SDLC) model (see Figure 2.6). Romney and Steinbart's SDLC model recommended a five stage approach to the development of any system covering: systems analysis; conceptual design, physical design, implementation; and operations and maintenance.

There were two primary contributions to my Participative PMS template developed from the literature (as illustrated in Table 2.5) and the SDLC model. First it reinforced the importance of involving employees in the PMS process, and secondly it identified a conceptual stage that precedes the design stage. Both elements from the SDLC were incorporated into the final version of my Participative PMS template.

Additional support for my Participative PMS template was also drawn from both the participative budgeting (Birnberg et al., 1990; Brownell, 1982; K. M. Chong et al., 2006; V. K.

Chong & Chong, 2003; Hopwood, 1976; Nielsen & Sorensen, 2004; Young, 1988) and involvement literatures. The participative budgeting literature is commonly referred to in the accounting literature as a process in which a manager is involved with, and has influence on, the determination of his or her budget. It therefore supports the importance of employee involvement. Second, I drew upon the extant employee involvement/participation literature (Cotton, 1993; Jones & Kato, 2005; Marchington et al., 1991; Markey & Townsend, 2013; Pasmore & Friedlander, 1982) which described how employees at various organizational levels were likely to perceive their involvement (or lack of involvement) in the conception, design, development and implementation of their organizational, departmental, and/or individual PMS.

Essentially both the participative budgeting and involvement literature provided additional support for my modified BSC template. In their totality the two streams of literatures theorized that active employee participation or involvement in the PMS process will contribute to increased levels of employee satisfaction, subsequently leading to increased acceptance of their organizational, departmental or individual BSC, and ultimately contributing to increased employee motivation and performance.

Although each of the steps identified in both Kaplan and Norton's BSC template and my literature based Participative BSC model are important, at the heart of my study was the stark contrast between the two models regarding the level of employee involvement in the BSC process. Essentially it was the disparity between the two BSC templates or models regarding the level of employee involvement that provided insight into which of the two theories Crown Corporations adhered to. At the heart of my fourth research question was whether or not the Crown Corporations involved their employees in the PMS process, and if so when, and to what degree?

It could be argued that all four Crown's PMS or BSC conceptual, design, development and implementation processes were closely aligned with Kaplan and Norton's (1992, 1996a) BSC template. For example, the findings in questions one, two and three illustrated two general themes that in many ways were consistent with Kaplan and Norton's BSC template. First, the data showed that with respect to conceiving, designing, developing and implementing their BSC each of the four Crown Corporations (other than the one department in Crown A as described in

Section 5.3.1.1) relied primarily on their Senior Executives and chose not to involve the lower-level managers and Front-line Employees. Second, even in those instances where select lower-level Managers and Front-line Employees were involved their involvement occurred very late in the process, usually during the implementation stage of their PMS or BSC process.

Although it may not be possible to state with certainty whether or not the Crowns rigorously adhered to Kaplan and Norton's BSC template, it was evident that none of the Crown Corporations (other than the one department in Crown A as described in Section 5.3.1.1) followed the theory prescribed in my Participative PMS model (see Table 2.5). There was considerable evidence in the answers to questions one, two and three that none of the Crowns (other than the one department described in Section 5.3.1.1) actively involved their employees in each of the stages of the PMS process.

In summary, the Senior Executives and BSC champions from Crown's A, C and D indicated that they planned to involve all levels of employees in their PMS (i.e., BSC), whereas Crown B's Senior Executive was divided on the topic of involving all levels of employees in the BSC process. And even though the majority of employees, in all four Crown Corporations, were of the view that it was the sole responsibility of the Senior Executive to conceive programs such as the BSC, all employees were of the view that they should be actively involved in the design, development and implementation stages of their BSC. The majority of employees indicated that they cared about the organization and its PMS, and as a result expressed a strong desire to be actively involved throughout the entire PMS process. With the exception of the single department in Crown A (as described in Section 5.3.1.1), even in those instances where select lower-level Managers and Front-line Employees were involved, their involvement was typically passive and not until very late in the process, which was inconsistent with their desired level of involvement. For this reason most employees (other than the employees in the single department describe in Section 5.3.1.1) reported that they were very dissatisfied and disenfranchised with their PMS. The results also showed that only one department in one of the Crown Corporations followed the theory identified in my Participative PMS model.

Next I provide a summary of both the chapter and the results based on each of the cases and the findings for all four research questions.

5.5 Conclusion

The collective results indicated that the three of the Crown Corporation's CEOs (other than Crown B) and all four BSC Champions wanted to actively involve their Senior- Lower-level Managers and Front-line Employees in the PMS process. The data also revealed that all employee levels wanted to be actively involved in the design, development and implementation of their PMS, but this only occurred in one department. A tabular summary of the results is provided in Appendix IV. The question then became, why were the lower-level employees not actively involved in the PMS process? And, what may have contributed to this disconnect?

Although a number of potential barriers had been identified by the participants (as discussed in the answer to question three and summarized Table 5.2) that may have contributed to why they were not, or did not believe that they had been involved in the PMS process, after considering all of the findings I determined that the root cause could be traced to the lack of adequate PMS education and knowledge for both Senior- and Operational-level Managers. Most Senior- and Operational-level Managers lacked the necessary managerial and PMS education and knowledge, which ultimately prevented them from actively participating in the PMS process, and also impeded their ability to actively involve their subordinates in the PMS process.

In their entirety I interpreted the results as providing support for my Participative PMS model and the notion of actively involving all employees in the PMS process. Support for actively involving employees in the PMS process was evident in the stark contrast in the levels of employee satisfaction, engagement and PMS and organizational success, between the one department that involved all employees in the PMS process (as described in Section 5.3.1.1), and the other departments. Those Crowns and departments whose employees were not actively involved throughout the PMS process tended to be more dissatisfied, discouraged and lacked any type of motivation to contribute to either the organization's performance measures or goals, and as a result their PMS tended to be ineffective. At the other extreme was the one department, described in Section 5.3.1.1, that did involve all employees in all stages (other than the conception) of the PMS process, and consequently had employees who were extremely satisfied, motivated and engaged in both the PMS and organization. Ultimately this led to a number of positive operational outcomes.

I believe that the data and results of this study provide support for the both the value and legitimacy of my Participative PMS model. My Participative PMS model advocates that in order for a PMS to succeed it is necessary that all employees at every level participate and be engaged in the design, development and implementation of their organizational, departmental and individual PMS or BSC. The results of my study demonstrated that it is the active participation and engagement of all employees at all levels in every department that is necessary if an organization expects to realize the anticipated or potential benefits and outcomes of its PMS. My findings also revealed the importance of considering employee involvement from multiple perspectives (Planned, Desired, Actual and Perceived), which is a significant contribution to this study, the literature and the theory.

I believe that at the time that Kaplan and Norton first introduced their BSC and prescribed their ten steps for designing, developing and implementing the BSC in the early 1990s, a top-down management style was more acceptable than presently. In the early 1990s I suspect it was more acceptable to involve only the Senior Executives in the process of designing, developing and implementing their BSC, with very limited concern for involving their subordinates. Nonetheless, this mindset is not consistent with managing today's public sector organizations where employees at all levels expect to be actively involved throughout the entire PMS. The data clearly suggested that with respect to involving employees in the PMS process, in today's public sector organizations particularly given many of their unique features and characteristics (as discussed in Section 3.2.1 and summarized in Table 3.1), Kaplan and Norton's BSC template is lacking, and that my literature based Participative PMS model (as outlined in Table 2.5) is more consistent with the times. I also believe my Participative PMS model addresses a number of the BSC criticisms identified in Table 2.4.

My interpretivist/constructivist view of the data led me to believe that active employee participation or involvement in the PMS process will lead to increasing a subordinate's trust and sense of control with the organization. These then will lead to less resistance to change and more acceptance of and commitment to the PMS decisions, ultimately leading to improved performance. I also believe that the process of active participation in the PMS process serves to improve a subordinate's performance by increasing the quality of decisions as a result of the subordinate sharing information with the superior and vice-versa. I theorize that active employee

participation (at all levels) in the PMS process will increase employee satisfaction, which will subsequently lead to increased acceptance of their organizational, departmental and/or individual BSC, eventually contributing to improved performance outcomes.

Chapter 6: Conclusions and Implications

It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.
Megginson (1963) Interpreting Charles Darwin's Origin of Species (1859)

6.1 Introduction

In Chapter one of the thesis, I introduced the study and located the central focus of the research problem within the broader field of literature. I provided an introduction of the history of PMe and PM in organizations including their importance. My introduction also defined the purpose, aims and objectives of the research, as well as the methods by which my aims and objectives would be achieved.

In Chapter two, I explained the differences between PMe and PMSs including a discussion on their evolution and predominance in both private and public sector organizations. My review of the literature revealed that although a number of PMS are being used, the BSC and its design, development and implementation model is by far the most commonly used today, thus it was selected for this study. I then constructed a Participative PMS conception, design, development and implementation model from the PMS literature that advanced the BSC model as proposed by Kaplan and Norton (1992, 1996a). What stood out as noteworthy was the stark contrast between the two models regarding the roles, levels and timing of involvement of Front-line Employees and Senior- Mid- and Low or Operational-level Managers in the BSC process. Essentially, my Participative PMS model highlighted the importance of involving the Senior Mid- and Low-level Managers and Front-line Employees in each stage of the BSC process, while Kaplan and Norton's BSC template only contained what seems to me as a very trivial reference to employee involvement.

In Chapter three I continued to provide a foundation for this study by outlining the similarities and differences between the public and private for-profit sectors, and identifying a number of the major initiatives (e.g., legislative, statute and acts) that have led to the adoption and use of various performance measurement and performance management systems and the BSC by various levels of government in Canada. I explained the concept of NPM and its influence on

PMS in the public sector. Lastly in Chapter three I listed the four primary research questions that were motivated by my review of the literature.

Essentially Chapters one to three revealed that the BSC is commonly used throughout the public sector in Canada as a tool to measure and manage performance. The literature also showed that despite the popularity of the BSC there remain many unanswered questions, particularly about something as fundamental and foundational as employee involvement in the process of designing, developing and implementing PMSs in public sector organizations. This was the focus of my study. For these reasons I investigated the process by which the BSC was actually conceived, designed, developed and implemented, and more importantly the role of Senior Executive and Senior- and Operational-level Managers and Front-line Employees in each of these stages, in four Canadian Provincial Crown Corporations or public sector organizations.

In Chapter four I described the research approach, types and methods used in my study. This included a detailed description of my use of a qualitative research approach including elements of both case studies and GT research types comprising semi-structured interviews with individuals and focus groups as well as document analysis research methods.

Lastly, in Chapter five I presented the findings in relation to each of the research questions that emanated from using both a GT and descriptive and explanatory case studies to analyse the levels, roles and impact of involving (or not involving) Senior Executives, and Senior- and Operational-level Managers and Front-line Employees in the design, development and implementation of their organizational, departmental and individual BSCs. I described the results of the coding process including an overview of how the data were organized, which was followed by a discussion of the different categories, subcategories, properties and dimensions that were identified, developed and used in my study. I then used these distinct categories, subcategories, properties and dimensions to provide a descriptive and explanatory case outlining how each of the four Crown Corporations conceived, designed, developed and implemented their respective BSC. This was followed by recapping my primary research questions including a detailed analysis of the data with respect to each individual question. Lastly, taking into account each of the cases and all four research questions, I concluded Chapter five with a summary of the results.

Next I provide some general and closing comments regarding the results.

6.2 Conclusions about the primary research questions

Analysis without context can be meaningless, thus before analyzing and summarizing the results of my research it was important to place current regimes of management in the public sector into a broader context. For this reason I briefly summarize the information form Chapters one, two and three, below.

The literature illustrated that PMe and PMSs such as the BSC are widely used in public sector organizations today. I also argued that the rapidly changing business environment has contributed to the recent adoption and usage of PMSs such as the BSC. Today, organizations operate in a dynamic environment where competitors, technology and regulations can change seemingly overnight. Globalization creates opportunities and competition from all corners of the globe. Organizations need performance-related information to effectively deal with these challenges. The changing business environment has also brought about dissatisfaction with relying solely on traditional financial measures for PMe (Ittner & Larker, 1998a); Ittner and Larker (2003). Financial measures have been criticized as being so far removed from the Front-line Employee that they provide little guidance, if any, to operations. As a result employees do not typically know how their day to day activities translate into financial results and managers are unable to tell them. Financial measures fail to capture most of the intangible value that an organization has or can create. In response to the shortcomings identified with relying totally on traditional financial performance measures I presented a number of PMS that have been created to fill this gap, one of which was the BSC.

I also reasoned that organizational performance management and measurement are two of the most popular terms in today's private, public and not-for profit sectors' management terminology. In Chapters one, two and three I argued that Kaplan and Norton's (1992) BSC raised the profile of PMe and PMSs to new heights. The BSC was, and continues to be seen by many as a response by organizations to the need to find new ways to measure and manage their performance within the changing business environment, beginning in the late 1980s and early 1990s. In the early 1990s Kaplan and Norton introduced the BSC in an effort to overcome many

of the deficiencies that had been leveled at using traditional financial measures to measure and manage performance in the rapidly changing business environment.

In Chapters one, two and three the literature also showed that managing organizational performance is currently widely accepted all over the industrialized world. It has spread rapidly from the private sector to the public sector in the developed world and has recently found its way in many developing countries. New initiatives and legislations continue to be issued as a result of governments' insistence on following the focus on performance.

I reasoned that in the face of new and growing challenges driven by demographics, technological advances, global economic change and public attitudes there is now a greater emphasis on accountability and transparency, and for this reason there is a need to take a closer look at how public sector organizations measure and manage their performance in order to adapt current and future needs. Recent changes to the current business environment have also included employee empowerment which has pushed decision-making further down the organizational chart to the shop floor. Front- line employees are being called upon to make decisions that used to be the sole domain of upper management. To do this Front-line Employees need ready access to information that is actionable and relevant to their tasks. There requirements are not met by traditional financial measures.

It was against this backdrop and context that my study's findings were situated and interpreted. The data clearly revealed that the majority of the CEOs and all BSC Champions wanted to actively involve their Senior- Lower-level Managers and Front-line Employees in the PMS or BSC process. The data and findings also showed that virtually every senior- mid- and low-level manager and Front-line Employee wanted to be actively involved in every stage of the PMS process. It might appear as though this is where this story should end, that is on the one hand you have the CEOs and BSC Champions who wanted to involve the lower-level employees, and on the other-hand you have lower-level managers and employees who wanted to be actively involved. But, as the data revealed there was only one department where the employees were actively engaged throughout the entire PMS process, felt empowered by the involvement and were motivated to contribute to the outcomes of their department. The study showed that this is contrary to the norm which is passive to no employee involvement.

As a whole the results provided support for actively involving all employees in the PMS process. Support for actively involving employees in the PMS process was evident in the stark contrast in the levels of employee satisfaction, engagement, PMS and organizational success, between the one department which involved all of their employees in the PMS process (as described in Section 5.2.1.1), and the majority of the other departments that did not actively involve their employees. Those Crowns and departments whose employees were not actively involved throughout the PMS process tended to be more dissatisfied, discouraged and lacked any type of motivation to contribute to either the organization's performance measures or goals, and as a result their PMS tended to be ineffective.

The data also clearly illustrated that the majority of the Crown Corporation's PMS conception, design, and development and implementation stages did not follow a well-defined and logically ordered set of steps as prescribed in the PMS literature. For the most part, the level and role of employee involvement in the PMS process were often limited, randomly applied and were often irrational. On the other hand, the one department that did involve their employees throughout the PMS process did appear to follow the steps described in the Participative BSC model with respect to employee involvement. Essentially only one department approximated the steps as prescribed in the literature for designing, developing and implementing a PMS. This appeared to have contributed to the success of their PMS's adoption, usage and outcomes. In my opinion the results of this study support my Participative PMS model which advocates that in order for a PMS to succeed it is necessary that all employees at every level actively participate and be engaged in the design, development and implementation of their organizational, departmental and individual PMS or BSC.

The results illustrated that the concept of employee involvement is multi-dimensional and must be considered from the perspectives of both the provider and the recipient of the activities associated with involvement. It is not enough for managers to simply say, or believe that they have involved their employees in the PMS process; rather their employees must feel as though they have been actively involved. Essentially employees at all levels must actively participate in every stage of the PMS process if the organization expects to realize its anticipated or potential benefits, and outcomes.

I believe that in the early 1990s when Kaplan and Norton first introduced their BSC and prescribed their ten steps for designing, developing and implementing the BSC a top-down management style was more acceptable than presently. In the early 1990s I suspect it was seen as reasonable and more acceptable for Senior Executives to take sole responsibility for designing, developing and implementing their BSC, with very limited concern for involving their subordinates. Nonetheless, this mindset is not consistent with managing today's public sector organizations where employees at all levels expect to be actively involved throughout the entire process of adopting and implementing any new organizational programs or initiatives such as the BSC. For this reason, with respect to involving employees in the PMS process in today's organizations, Kaplan and Norton's BSC template needs to be updated or modified to conform with the changing times. The Participative PMS model that I developed from the literature, which was subsequently reinforced by the data, is more reflective of the environment that exists in public sector organizations today.

In summary, upon reflection of my findings and recommendations they seem so straightforward and obvious, and given the upside significant potential, I question why every organization would not actively involve their employees throughout the PMS process, and/or address the primary barrier(s) identified. However, although the recommendations may appear straightforward they are far from simple to put into practice. They require planning, commitment and resources and a relinquishment by managers of some of their authority and decision-making powers. All the Crown Corporations and departments, with the exception of one department, in my study were not willing to provide or commit these resources.

Next I will discuss the implications of my research for theory, policy and practice.

6.3 Implications of my findings

In light of this study's findings that support my Participative PMS template, which encourages the active involvement of every employee in each the design, development and implementation stages of their PMS, there are a number of potential policy and practical implications. At the policy level, the results clearly revealed that setting and mandating performance measurement and management policy at the Provincial Government level without clear directives for employee involvement is likely to be met with a high degree of employee resistance at all levels. For

example, there appeared to be a lack of direction from the Provincial Government when it mandated Crown A to adopt and use the BSC. As a result Crown A adopted the BSC reluctantly and used it only as a reporting tool, and not in its full capacity as a comprehensive management system. The very idea that the Provincial Government imposed the BSC upon Crown A without their active involvement, is in many ways analogous to Senior Executives imposing the BSC upon their subordinates with little or no opportunity for them to be actively involved. This resulted in a tremendous amount of resistance to adopting and using the BSC. This resistance is consistent with the old adage, *"A man maie well bring a horse to the water, but he can not make him drinke without he will"* (Heywood, 12th Century). Basically you can tell people, and/or organizations what they should do (i.e., adopt a BSC), but in the absence of a clearly articulated explanation you cannot assume that they will use it for the intended purpose. For this reason, at a policy level governments and Senior Executives must ensure employees at all levels are actively involved throughout the entire process of selecting, designing, developing and implementing any performance measurement, and/or performance management programs that they are planning to adopt.

Similarly, at both the policy and practical levels, through the direction provided in their mandate, governments and individuals in charge of public sector organizations need to thoroughly plan, and clearly articulate, the goals and objectives of their PMS program right from the start. All four Crown Corporations included in this study lacked a comprehensive plan for their BSC. At no time prior to, or after adopting the BSC, did any of the Crown Corporations clearly define the goals and objectives of the PMS, nor did they plan who to involve in the design, development and implementation stages of their respective BSCs. For example, each of the Crown Corporations CEOs (other than Crown B) and their BSC Champions viewed their BSC as a mechanism to involve, engage and motivate all of their employees in an effort to aid in achieving their organization's goals and objectives, yet this only happened in one department. In part this may be because the terms, PMS or BSC, mean different things to different individuals. For example performance management programs such as the BSC have commonly been used to describe a wide range of performance-related activities, goals, objectives and outcomes, and as a result most employees have very different understandings and expectations of the concept. For this reason, every employee level seemed to have a unique understanding of the purpose, goals

and objectives and what their level of involvement should be with respect to their BSC. Given the lack of clarity most employees expressed their dissatisfaction with a number of factors related to their BSC or PMS, and as a result many chose not to participate in the PMS process, or use it. In essence even though all four Crowns believed they were using a comprehensive PMS or BSC, in reality each of them only possessed random and often arbitrary fragments of a BSC.

With respect to the implications of my research for practice, I would suggest that organizations must evolve beyond the traditional PMS where employees view their involvement as passive. All levels of managers must actively involve all of their employees in the entire PMS process. Public sector employees, at all levels, not only want to be involved in the design, development and implementation of their PMS, they expect it, and without them the initiative (i.e., PMS) is destined to fail. Involving employees throughout the PMS process also requires organizations to decouple their PMS as a tool or means of penalizing employees, and use it as a system from which employees can learn and use to enhance their work and its outcomes. Given the magnitude of commitment required by the organization to actively involve their employees in the PMS process I would suggest that organizations need to commit additional resources to their PMS. I would go so far as to suggest that organizations need to establish a separate division, possibly within their Human Resources (HR) department to manage their PMS and all of its related requirements.

An additional implication for organizations is the need to provide tangible, practical and appropriate managerial and PMS training and education for their Senior- and Operational-level managers. Also important is that the Senior- and Operational-level Managers have input in determining both the types and amount of their PMS training. The data revealed that in each of the Crown Corporation the types and amount of PMS training made available to the Senior- and Operational-level Mangers was primarily determined by the Senior Executives, with little or no input by their subordinates, and as a result most lacked a thorough understanding of their PMS and subsequently resisted using it. The data also showed that even on those occasions where organizations, and/or the Senior Executives assumed that they had provided sufficient managerial and PMS training, it was often viewed by their subordinates as passive one-way (superior to subordinate) communication, which was not consistent with the needs and expectations of the Senior- and Operational-level Managers. For this reason, PMS training and

education for the Senior- and Operational-level Managers must prepare them for actively involving their subordinates throughout the PMS process. This is important as it will likely require them to give up some of their decision-making powers.

Given the seniority-based promotional system used in public sector organizations by the time most Senior- and Operational-level Managers were promoted, they would have invested 20 to 30 years working their way through the ranks. As a result most believed they had earned the right to unilaterally make the majority the decisions necessary to manage their subordinates. For this reason managerial and PMS training for Senior- and Operational-level Managers must involve sensitizing them to the idea of relinquishing many of the decisions, regarding the design, development and implementation of their PMS or BSC, to their respective subordinates.

Next I discuss my study's limitations.

6.4 Limitations

I view limitations as those factors that imposed constraints on my research both during its conceptualization and progression and which have implication for the outcomes. As is the case with most research, there are often trade-offs that inevitably occur. For example, there were trade-offs throughout my research as a consequence of my abilities, beliefs, knowledge, research assumptions, research questions, research approaches, research types, research methods, time, budgets, resources and access to participants. Some researchers (Mullins & Kely, 2002) believe it is necessary to state your limitations in an effort to be critical of your own work, while others (Perry, 1988) have argued that it is potentially damaging to simply provide a laundry list of limitations. Personally, I believe that it is necessary and important to mention my the limitations of my study for four reasons: 1) they will aid in directing future research in this area; 2) they serve as an indication that I have thought critically about the research problem; 3) they will show that I incorporated and considered the relevant literature and data; and 4) where appropriate, I have described any strategies that I used to reduce the effects, or address the limitations. For these reasons I will briefly describe the limitations that I became aware of throughout the course of planning and conducting my research, and I will identify any strategies used to address them. These are ordered according to my research development process (as presented in Figure 4.1):

Research Assumptions, Research Types, Research Methods and, lastly to myself as the Researcher.

6.4.1 Research Assumptions

Andrade (2009) suggested that my interpretivist/constructivist orientation may have been a limitation given that it likely predisposed me toward using a qualitative research approach. Basically the collection of my underlying assumptions (i.e., ontological, epistemological, axiological, rhetorical and methodological) influenced the way I chose to investigate and obtain knowledge about the social world that I was studying. In section 4.3.1 I identified a number of steps taken and strategies employed to mitigate the impact of this potential limitation.

6.4.2 Research Types

6.4.2.1 Case Studies

Three limitations commonly associated with using case studies are: 1) given that a case study focuses on a single unit, a single instance, the issue of generalizability looms larger here than with other types of qualitative research; 2) what Guba and Lincoln (1981) referred to as *"... unusual problems of ethics. An unethical case writer could so select from among available data that virtually anything he wished could be illustrated"* (p. 378); and 3) *"the case study has basically been faulted for its lack of representativeness...and its lack of rigor in the collection, construction, and analysis of the empirical materials that give rise to this study. This lack of rigor is linked to the problem of bias...introduced by the subjectivity of the researcher and others involved in the case."* (Hamel, Dufour, & Fortin, 1993, p. 23). In section 4.2.3.1 and Table 4.3 I put forward a number of strategies designed to mitigate the impact of each of these limitations in an effort to enhance the overall rigour and representativeness of my study.

6.4.2.2 Grounded Theory

My use of a GT research type also had potential limitations. Allan (2003) suggested a limitation of GT relates to the subjectivity associated with its ability to explain, predict a phenomenon or to build a theory, thus relying heavily on the researcher's abilities. Although the original GT literature (Glaser & Strauss, 1967) requires coding to be performed with an open mind and without preconceived ideas, I found this very difficult to achieve in practice. As much as I tried to keep an open mind I regularly found that my coding was influenced by both my pre-existing

knowledge (including the literature) and experiences. I believe that it is difficult to detect and prevent researcher-induced bias. I attempted to overcome this limitation by identifying the key points in the interview data and concentrating my analysis on these. As argued in section 4.2.3.3, I adopted elements of the GT practice as suggested by A. Strauss and Corbin (1998). For example I used the literature (as described in Chapters two and three) as a basis for professional knowledge. I viewed this as literature sensitivity, similar to what Dey (1993, p. 66) describe as *"accumulated knowledge."*

Also on the topic of keeping an open mind, Glaser and Strauss's (1967) original notion that a GT researcher should not possess, or have any preconceived ideas, was simply not possible. I am not sure that I could have convinced any of the organizations to participate in the study if I did not have any predetermined ideas for collecting and analyzing the data. Basically, I had to have an agenda for the study, because time and resource constraints typically prohibit unfocussed investigations in organizations.

6.4.3 Research Methods

6.4.3.1 Participant Recruitment

Another potential limitation of my study pertained to the manner by which the participants were selected. In an effort to address this limitation I argued, in section 4.2.4, that the participants at the various levels were purposively (Kuzel, 1992; Morse, 1989) and dimensionally (J. C. Johnson, 1990) selected from a list of eligible candidates, in consultation with Senior-level Executive(s) and BSC Champions who were ultimately responsible for each organization's PMS or BSC.

6.4.3.2 Semi-structured interviews

The use of semi-structured interviews, as I did in my study, is often criticized for its potential to lead to collecting unfocussed and/or misleading information. In section 4.2.4 I explained the value of using semi-structured interviews with both individuals and focus groups in an effort to get close to the participants, thus enabling me to better understand their positions. In my opinion this was necessary, and evidence of its success was witnessed in the candour, honesty and authenticity of the participants' responses. Despite this, I cannot rule out the possibility that the participants provided answers that were seen as socially acceptable, or that they perceived to be

the response I was looking for. The possibility of either type of bias may also have been amplified in the small focus groups interviews. In the presence of their peers, participants were likely to provide socially desired answers to the questions, introducing bias to the findings.

6.4.4 Limitations of the Researcher

Even though I believe that I brought a fresh set of unbiased eyes to this research, my lack of direct experience with collecting, coding, analyzing the data and presenting the results may have served as a limitation to this study. In the words of Albert Einstein (1954, p. 271), *"Pure logical thinking cannot yield us any knowledge of the empirical world; all knowledge of reality starts from experience and ends in it."* Research such as this is limited by the sensitivity, knowledge and experience of the investigator which must be considered given that I was the primary instrument of data collection and analysis. That said I believe that a number of my personal experiences and achievements served to mitigate this limitation, many of which were discussed in section 1.6.1. I also attempted to overcome my lack of direct experience in this area by working closely with my two supervisors from diverse backgrounds. Lastly, I also believe that as the research progressed I was able to adopt and incorporate my experience(s) into the remaining components of my study.

Next I will discuss a number of areas motivated by my study regarding opportunities for future research.

6.5 Future directions for research

Over the course of my study it became apparent that even though there has been research into PMSs and the BSC process, a significant portion is speculative, theoretical or non-empirical. I say this not to undervalue or discredit the work that has been done in this area, but rather to assert that the time has come in the evolution of PMe, PMSs and the BSC for more empirical studies. As reported in section 2.2.3, much of the recently published PMe and PM literature can be classified into five broad periods or phases. Most recently, in the fifth phase, there is a need for robust empirical analysis of the effectiveness of performance measurement and management frameworks and methodologies. Essentially I believe that as increasing numbers of organizations have adopted PMS and in particular the BSC, it has become easier to gather empirical data on their use and impact (Adcroft & Willis, 2005; Banker et al., 2000; Ittner, Larker, & Meyer, 2003;

Ittner, Larker, & Randall, 2003; Kaplan & Norton, 2001b, 2008b, 2008c; Neely et al., 2000; Pollanen, 2005). The substantial amount of PMS and BSC data can now be more readily accessed by researchers, allowing these programs to be investigated for their effectiveness and problems, with an emphasis on finding solutions. Essentially, the evolution, prevalence and problems identified with PMSs such as the BSC raise important questions about the causes and outcomes of their failures thus requiring both academics and practitioners to conduct more empirical studies in these areas. I believe that my study has identified a number of areas to consider when contemplating areas for future research.

The first area of research motivated by my study related to the need to delve deeper into understanding of employees' perceptions at all levels to who should be involved in the process of designing, developing and implementing organizational programs and initiatives such as their PMS or BSC. My study revealed that employees at all levels saw their active involvement in the PMS process as necessary to the success of both their PMS and organization, but in contrast most did not believe it was necessary to involve employees from the other levels. This thinking is problematic for organizations, CEOs and Senior Executives who want to involve their employees in the PMS process or any similar organizational program or initiative. Essentially it appears that as the Senior Executives attempt to cascade their PMS or BSC to lower level employees the process is impeded by individuals or levels of employees who harbour the perception that only their involvement is necessary, and not that of their peers. The ability to dismantle this type of thinking requires a full understanding of why individuals think this way, and how organizations can reduce, or prevent it from occurring. This type of thinking may be related to the concept of the Better-than-Average (BTA) bias and its impact on Planned, Desired, Actual and Perceived involvement in the PMS process (as described in Section 5.2 and illustrated in Figure 5.1). Prior research in psychology has documented the existence and causes of the Better-than-Average bias in individuals (Alicke, 1985; Alicke, Klotz, Breitenbecher, Yurak, & Vredenburg, 1995; Kobussen, Kalagnanam, & Vaidyanathan, 2014). Essentially the BTA bias is an individual's perceived ability to contribute to an organization relative to that of a peer. It would be interesting to test for the existence of BTA bias in public sector employees and its impact on determining who should be, and who should not be, involved in designing, developing and implementing public sector programs and initiatives such as the BSC. The

existence and impact of the BTA bias are open questions that need to be verified by empirical research, and the answers to which cannot be directly inferred from the results of prior research. The importance of future research in this area is emphasized by my study's findings that employee involvement impacted their overall job satisfaction. Research in this area should be of interest to management, because when forewarned, management may be able to take corrective actions that are sensitive to the existence of BTA bias among employees.

The second and third areas of research are motivated by the data in my study that suggested most superiors (i.e., Senior Executives and Senior- and Operational-level managers) did not believe that their subordinates cared about the organization or their PMS. My findings suggested that employees do care, and they want to contribute to the organization and its PMS. This leads to two potential areas of future research: 1) it would be interesting to see if this holds true for all types of organizations (i.e., public, private and not-for profit) and across different cultures. As indicated in Chapter three, the public sector is unique for a variety of reasons, one of which is that the majority of their Senior Executive and Senior Managers are professionals with post-secondary education, while most Operational-level Managers and Front-line Employees do not possess any formal post-secondary education. Also somewhat unique to the public sector is that most public sector employees typically consider their employment as a long-term commitment. In light of these unique features it would be interesting to replicate this study to investigate whether or not my study's findings hold true in other public sector organizations, and particularly in comparison to both private and not-for profit sector organizations. 2) After completing the research suggested in point one, I believe it would be interesting and of value to conduct quantitative studies to confirm or refute the results.

The fourth area of future research motivated by my study stems from my findings that the majority of Senior- and Operational-level Managers lacked adequate managerial and PMS training and education. Although my findings showed that PMS education was identified as important to all levels and that most Senior Executives possessed sufficient managerial skills and knowledge about their organization's PMS, the majority of their subordinates did not. The importance of managerial and PMS training combined with the disparity between the different levels of training and knowledge highlights the need for future research to investigate practical mechanisms for overcoming this barrier. For these reasons I believe that it is important that

future research investigate each management level to identify their specific and unique educational needs to better prepare them to cascade, educate, involve and engage their respective subordinates in the PMS process.

Although my study focused on the level and impact of employee involvement in the PMS process, both the PMS literature and a number of my study's participants identified a number of additional areas (e.g., communication mechanisms, leadership, employee motivational schemes, employee incentives, measurement and data collection, choice of and types of metrics, cost of collecting data, management commitment) that may impact an organization's PMS. In light of the additional areas identified I believe that it would be of value for future research to investigate their individual and/or collective impact on an organization's PMS.

Given that my findings led me to conclude that active employee involvement throughout the PMS process contributed to the success of an organization's PMS adoption, usage and outcomes, it would be interesting for future research to apply an independent set of criteria to establish whether or not this holds true.

The final area of research motivated by this study, that may be rooted in the principle-agency literature, pertains to the need to audit organizational PMS or BSCs. Although not entirely a new phenomena, recent business failures related to accounting scandals and questionable reporting has served to elevate concerns regarding the relevance of financial reporting (Boulton, Libert, & Samek, 2000; Eccles, Keegan, & Phillips, 2001). Reports such as these raise questions regarding the reliability of forward looking information such as performance-related reports (i.e., BSC) provided by agents, which often present an opportunistic picture of the organization. Hirst, Jackson, and Koonce (2003) found that not all types of disclosures were viewed and interpreted in the same way by the users and the users place a considerable amount of weight on performance-related reports provided by organizations which are often used opportunistically. Given the considerable value placed on performance reports by their users, combined with the knowledge that performance reports are often used opportunistically, I question whether there may be a need for organizations to have their PMS or BSC audited. The following series of questions is but one area that one might consider when investigating the need for organizations to have their PMS or BSC audited. Should the metrics used to report PM results be consistent

and reliable over time? If yes, why and how? And if not, why not? If changes to the metrics occur should they be reported? And if so how? Basically performance measurement and management programs are widely used in public sector organizations of all sizes and across all industries to provide stakeholders with performance-related information. Given that the majority of public organizations are managed by agents acting on behalf of the principals (citizens as owners), considerable resources are consumed attempting to overcome the problems associated with information asymmetry. Managers (agents), due to their daily involvement with the company, typically possess knowledge that owners (principals) themselves do not have. For this reason, owners invest resources designed to control, and/or align the actions of managers with that of the company and its owners. Audits are one strategy in the owner's toolkit that can be used to provide some assurance that the agents are not simply acting to benefit themselves at the expense of the owner and the company. Audits conducted by individuals external to the organization for principals and other stakeholders are designed to assist in overcoming some of the problems associated with information asymmetry between the agents and principals. Generally speaking, to date performance measurement and performance management programs, and as more and more companies report their performance results using tools such as the BSC, the reliability of such reporting is subject to question (Michalisin & White, 2000). If one accepts the notion that agents have an incentive to opportunistically report their financial statements, management discussion and analysis, or other similar reports, one wonders if the same incentives exist when reporting the results of their PMS.

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Appendices

Appendix I - Research Proposal: The Introduction, Development and Use of the Balanced Scorecard (Performance Management Program) in Provincial Crown Corporations: The Role of Involvement and Awareness

What is the exact topic to be studied?
We propose to examine the process by which firms implement the scorecard and the interaction between the design and conceptual decisions about the Balanced Scorecard (BSC) and its implementation. A key aspect of this process is deciding the extent and level of involvement of organizational personnel and the impact of that decision on the iterative process by which development and implementation of the BSC unfolds in an organization. We want to understand the process by which an organization is able to conceive the potential value of BSC. This, presumably, will be the underpinning for the business case for introducing the BSC. Next, we want to understand how the organization decides what it must do to realize the value from the BSC. This is the implementation process, broadly defined. Our goal is to study this process and learn how it has unfolded in organizations that say they have implemented the BSC.

Why is the project important?
Empirical evidence suggests that BSC is widespread but less than 50% of firms adopting the BSC have been satisfied. There appears to be weak connection at best between the value of the BSC initially perceived by an organization and the value subsequently realized. This study of the process by which the BSC is conceived, developed and implemented with particular emphasis on the role played by the decisions made about whom to involve and the nature of the involvement might be able to offer an explanation for this weak connection and also reveal actions that can be taken in the future to improve the yield from the BSC for the organization.

How will the research be funded?
In October 2004 we applied for funding for our research project to the Canadian Academic Accounting Association (CAAA). In December 2004, we were notified that we had been awarded $9,000 to fund the research project and an additional $1,000 for travel in order to present our paper at a conference.

Who are the research participants?
The proposed research is an extension of previous research carried out, approximately three years ago, in a number of Saskatchewan Crown Corporations by Professor Suresh Kalagnanam (one of the co-researchers of this project). Our field research will include conducting interviews, and/or focus groups, and/or surveys with a cross-section of employees at various levels of the organization (see Appendix I). The decision as to the exact research methodology (individual interviews, and/or focus groups, and/or surveys) to be used in each crown will be a function of maintaining the objectivity of the research while simultaneously considering the needs and resources (availability of potential participants) of individual organizations.

How are we planning to proceed?
During the course of an initial meeting we will outline our proposed research project. Following our presentation, we will seek commitment from the organization for the research project and

will work to set up a meeting of the senior management group responsible for the BSC in the organization. Prior to the meeting we will provide the consent forms and a broad outline of our objectives for the meeting. The meeting will be in the form of semi-structured interviews. Subsequently we plan to identify, in consultation with you, the most appropriate method for collecting the necessary information from subordinate levels within ~~of~~ the organization. The need to speak to management and others from several levels of the organization is a critical element of the project because it is only by doing so will we be able to study the process of involvement and its contribution to awareness building of the BSC. Another reason for this approach is to customize the data collection to meet the research needs. The actual number of interviews, and/or focus groups, and/or surveys to be conducted will thus be a function of matching the research needs with the specific contingencies that are likely to be present in your organization, with regard to their work schedule and other commitments.

How will individuals and your organization consent to being involved and what options are there for deciding the extent of their participation?

Potential participants, representing various levels of management and employees within your organization will be identified to our research team by you. Each potential participant will be contacted directly by a member of our research team. When first contacted they will be told about the general topic of our research, the time commitment required in order to participate in our study (one to two hours), and that their participation is voluntary and all information collected will be confidential. Should individuals express an interest in participating in our research, meeting (interview, and/or focus group, and/or survey) times will be arranged.

At the time of the interview, and/or focus group, and/or survey, participants will be asked to sign an Individual Consent Form, a copy of which will also be provided for their records. They will again be notified of the general theme of our research and that their participation is voluntary and that by partaking in (and signing the Consent form) either the interview, and/or focus group, they are consenting to participate in the research project. Participants will also be instructed that they are free to withdraw from the study at any time and that any information collected from them will be destroyed, if requested. Participants will also be informed that the information they have provided will be kept confidential and reported only in the aggregate form. All interviews, and/or focus groups, and/or surveys will be conducted with two or more members of the research team being present at all times.

When interviews are conducted participants will be asked for permission to tape the interview. Participants will be informed that the reason for taping the interview is to ensure that no information which they have provided is misrepresented. Participants agreeing to be taped will also be told that their interview will later be transcribed at which time they will have the opportunity to review the document in order to confirm their responses, prior to the information being used in the study. In the event that participants do not wish to be taped, the researchers present will take notes throughout the interview, and again participants will be extended the opportunity to review their responses prior to the data being used. Prior to the release of our final report we will also provide you with a working copy of paper, once again allowing you the opportunity to verify the accuracy of the information included in the report. At each stage of the review process, all participants, whether at the individual or organizational level, will have the opportunity to withdraw from the study. In the event that individuals, and/or organizations

request copies of their interviews, and/or reports for verification, they will be asked to sign and return copies of the Individual/Organizational Transcript Release Forms, thereby signifying their consent.

In summary, initial consent in writing for the organization's participation will be requested from you. Participants will be identified through a discussion with you. But the individuals will not be required either by you or by any other member of the organization to participate. Once the participants for the interviews are identified, we will explain the study and its objectives to each participant and request their consent in writing. Each participant will be informed that participation is voluntary and that they may withdraw their consent at any time.

What methods/procedures will be used to collect information?
Participants will be chosen and instructed about the research project consistent with the criteria as outlined above. Once individual, and/or focus groups, and/or surveys times/ meetings have been arranged participants will then be asked a series of open ended questions.

The exact wording of the question may vary depending upon the position of the individual being interviewed. At the senior management level, individuals who have been involved from the inception of the BSC will have knowledge about the program's conception, thus questions at this level may include "Who was involved with the BSC?" and "How did the BSC program first enter their organization as an idea or concept?" Yet at lower levels in the organization participants' knowledge of the conceptual design phase is likely limited, therefore questions about the conceptual design at lower levels of the organization may investigate "How were you made aware of the BSC program?" and "Do you know why the program was adopted?"

The survey instrument has not yet been developed as its design will be a function of the information collected from conducting the interviews, and/or focus groups. Once the instrument has been developed we will send you a copy for you to approve, prior to using it.

In summary, three primary methods will be used for collecting data: (1) semi-structured interviews, (2) semi-structured focus groups, and if necessary (3) surveys. Regardless of the data collection method employed the questions asked will follow the general format presented in Appendix II. When responding to questions, should participant's responses deviate from the question asked, they will be allowed to complete their answer at which time the interviewer will ask the next question in the series. The general idea behind the open ended questions and the format being used is for the interview to sound like a dialogue between two individuals, versus simply a series of questions and answers.

Where will the information be stored?
All data collected will be held in the possession of the researchers, in a locked filing cabinet, at the University of Saskatchewan – in the Accounting Department. All information collected will be held for no less than 5 years.

What will the final report be used for?
The data collected will be used in the creation of articles for academic publication, and conference presentations.

We also believe that the report will provide your organization with useful information that will assist your future work with the BSC. Ideally the research should provide a deeper understanding of the variables that contribute to the success of the BSC – i.e., a list of best practices – that should assist you in your work with the BSC in the future.

Will the participants be exposed to any risk or deception?
The participants will not be exposed to any risks, nor will they be deceived in any way. The responses of the individuals will be kept confidential and each participant will retain the right to refuse to answer any question. Under these circumstances there is no perceived risk to the participants. Deception will not be involved in the data collection.

In addition to the measures listed above, are there any additional measures that will be taken to insure the confidentiality of the participants?
There is no opportunity for the confidentiality of any individuals to be violated, as all data are anonymous, and will be reported in aggregate form, so that it will not be possible to identify individuals.

In addition to the measures listed above, are there any additional measures regarding the release of the data and/or transcripts?
Participants may withdraw from the study for any reason, at any time, without penalty of any sort and may refuse to answer individual questions. Should participants choose to withdraw from the study this decision will not be brought to the attention of their employer. The employer will not know, at any time, who has decided to participate, and who has not, so that the decision to participate or withdraw cannot have any impact on their employment. If participants withdraw from the study at any time, any data that they have contributed will be destroyed.

How will participants be provided with feedback?
All participants will be eligible to receive the aggregated results, and copies of any articles stemming from this study. Requests can be directed to the researcher (see e-mail address below) who will be responsible for forwarding the information.

Is there anything else you should know about this project?
We want to underscore the following:

- We will not write anything that will embarrass the organization or its personnel.
- Our goal is not to evaluate the organization's BSC or to judge or assess the practices being followed and described.
- Our interest is in the process of strategic performance management and we are using the term BSC to refer to the larger process by which you determine and measure performance.
- We will make every effort to protect the identities of the participating organizations and their personnel. None of the organizations will be told the identity of the other participating organizations. Similarly, identity of personnel will also be protected.
- No one will be compelled to participate and each person can choose at anytime to withdraw from the further participation.

- Analysis of the data will not proceed until each participant has had an opportunity to review the transcripts and approve them.
- The final report will be circulated and will be revised to protect identities and correct any misrepresentation of facts.

Who are the Researchers?
Researchers

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Appendix I - Potential Participants List

Senior Executives

- Those responsible for setting direction and choosing the key areas of performance the organization should be pursuing.
- Those involved in the conceptual and physical design, implementation, and operation and maintenance of performance management tools/systems.
- Examples may include: CEO, Strategic Planning Team members, and Directors or Managers of other functional areas.

Managers from various departments and levels

- Those who use the data from the performance measurement system to make decisions or evaluate subordinates.
- Those involved with setting the performance management policies and goals.
- Those responsible for the design, implementation or use of the performance measurement system.
- Those responsible for collecting the data used in the performance measurement system.

Employees

- Various employees that carry out the activities that are being assessed by the performance management system.
- Employees in many different functions who are carrying out the day to day operations of the organization.

Appendix II - Tentative List of Interview Topics and Questions

Note:

- The questions may vary dependent upon the participant's position in the organization.
- Although many of the questions used the phrase "BSC," there will be occasions where the term "performance management program" will be used in its place.

Systems Analysis Stage – Senior Management

- How did the idea of a Balanced Scorecard (performance management program) come about?
- Who in your organization was involved in the initial discussions regarding the BSC?
- How was it decided who should be involved in the preliminary discussions regarding the BSC?
- What were the decision criteria used in determining whether to proceed, beyond merely talking about the BSC, to the next stage or to abandon the BSC?

Systems Analysis Stage – Management

- How, or were you made aware of the BSC (performance management program)?
- Were you involved in the initial discussions, or were you given any input into the BSC program? And, if yes, what was your involvement? And, if no, are you aware of the reasons why you were not involved?

Systems Analysis Stage – Shop Floor Employees

- How, or were you made aware of the BSC (performance management program)?
- Were you involved in the initial discussions, or were you given any input into the BSC program? And, if yes, what was your involvement? And, if no, are you aware of the reasons why you were not involved?

Conceptual Design Stage – Senior Management

- Who was involved in identifying and evaluating the BSC design alternatives?
- How was it decided who should be involved in identifying and evaluating the BSC design alternatives?
- Who was involved in designing the structure of the BSC?
- How was it decided who should be involved in structuring the BSC?
- How was the level of cascading the BSC decided? i.e., How did you determine the desired level of penetration for the BSC?
- What was the decision criteria used in determining whether to proceed, beyond the conceptual design stage, to the next stage or to abandon the BSC?

Conceptual Design Stage – Management

- Were you involved in, or given any opportunity to participate in, the identification and evaluation of the BSC design alternatives? And, if yes, what was your involvement? And, if no, are you aware of the reasons why you were not involved?

- Are you aware of the structure of the BSC?
- Are you aware of who was involved in identifying and evaluating the BSC design alternatives?
- Are you aware of the reasons for choosing the structure of the BSC which was ultimately decided upon?

Conceptual Design Stage – Shop Floor Employees

- Were you involved in, or given any opportunity to participate in, the identification and evaluation of the BSC design alternatives? And, if yes, what was your involvement? And, if no, are you aware of the reasons why you were not involved?
- Are you aware of the structure of the BSC?
- Are you aware of who was involved in identifying and evaluating the BSC design alternatives?
- Are you aware of the reasons for choosing the structure of the BSC which was ultimately decided upon?

Physical Design Stage – Senior Management

- Who was involved in developing the BSC metrics, measurement procedures, and design controls?
- How was it decided who should be involved in developing the BSC metrics, measurement procedures, and design controls?
- What was the decision criteria used in determining how to proceed beyond the physical design stage of the BSC?

Physical Design Stage – Management

- Were you involved in, or given any opportunity to participate in, developing the BSC metrics, measurement procedures, and design controls? And, if yes, what was your involvement? And, if no, are you aware of the reasons why you were not involved?
- Are you aware of the BSC metrics, measurement procedures, and design controls?
- Are you aware of who was involved in developing the BSC metrics, measurement procedures, and design controls?
- Are you aware of the reasons for choosing the BSC metrics, measurement procedures, and design controls, which were ultimately decided upon?
- Is there any relationship between the metrics being used in the BSC, and yours, or your department's daily work related activities?

Physical Design Stage – Shop Floor Employees

- Were you involved in, or given any opportunity to participate in, developing the BSC metrics, measurement procedures, and design controls? And, if yes, what was your involvement? And, if no, are you aware of the reasons why you were not involved?
- Are you aware of the BSC metrics, measurement procedures, and design controls?
- Are you aware of who was involved in developing the BSC metrics, measurement procedures, and design controls?
- Are you aware of the reasons for choosing the BSC metrics, measurement procedures, and design controls, which were ultimately decided upon?

- Is there any relationship between the metrics being used in the BSC, and your daily work related activities?

Implementation Stage – Senior Management

- How was the BSC implemented?
- How were management and shop level employees notified about the BSC?
- What levels of the organization were notified about the BSC?
- How was it decided what levels of the organization to inform about the BSC?

Implementation Stage – Management

- Are you aware of how the BSC was implemented?
- Were you notified about the BSC? And, if yes, how?
- Are you aware of what levels of the organization were notified about the BSC?
- Are you aware of how was it decided what levels of the organization to inform about the BSC?

Implementation Stage – Shop Floor Employees

- Are you aware of how the BSC was implemented?
- Were you notified about the BSC? And, if yes how?
- Are you aware of what levels of the organization were notified about the BSC?
- Are you aware of how was it decided what levels of the organization to inform about the BSC?

Operation and Maintenance Stage – Senior Management

- How is the data from the BSC collected and used?
- Are there plans to change the current BSC? And, if yes, how?
- In your opinion could the current BSC program be improved? And, if yes, how?
- If you had the entire BSC program to do over again what changes would you make, if any?

Operation and Maintenance Stage – Management

- Are you aware of how the data from the BSC is collected and used?
- Are you aware of any plans to change the current BSC? And, if yes, how?
- In your opinion could the current BSC program be improved? And, if yes, how?
- If you could revamp the entire BSC program what changes would you make, to the current program, if any?

Operation and Maintenance Stage – Shop Floor Employees

- Are you aware of how the data from the BSC is collected and used?
- Are you aware of any plans to change the current BSC? And, if yes, how?
- In your opinion could the current BSC program be improved? And, if yes, how?
- If you could revamp the entire BSC program what changes would you make, to the current program, if any?

Appendix II - Individual Participation Consent Form

You are invited to participate in a study entitled **Awareness, Understanding, and Use of Performance Management Systems in Crown Corporations.**
Please read this form carefully, and feel free to ask any questions you might have.

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Purpose and Procedure: We propose to examine the process by which firms implement performance management systems, and the interaction between the design and conceptual decisions about performance management programs and their implementation. We want to understand the process by which an organization is able to conceive the potential value of performance management programs. Next we want to understand how the organization decides what it must do to realize the value from performance management programs. Our goal is to study this process and learn how it has unfolded in organizations that say they have implemented performance management programs.

Your participation in our study is entirely voluntary and will be kept confidential. Management will not be made aware of who is or is not participating. Once you have consented to participate, we would ask for approximately one to two hours of your time (this will take place at your place of employment during regular working hours) to ask questions pertaining to the research subject explained above. We may request further participation if necessary at a later date to collect more information. If further participation is desired, we would again invite your participation

and ask for consent; participation in subsequent meetings is also voluntary. There is no penalty for refusing to participate, and/or refusing to answer a specific question.

The information collected will be used for academic research purposes, the results of which may be used for publication in an academic journal and/or presentations at academic conferences.

Confidentiality: The information collected will be kept in strict confidence; the data will be kept in the office of the two primary researchers at the College of Commerce, University of Saskatchewan.

No participant(s) will be identified by name in any of the documents prepared by the researcher. At each stage of the review process, you may request a copy of your interview, and/or reports for verification, which you will be asked to sign and return signifying your consent. You will be given the opportunity to review your comments prior to publication to which you can add, alter or delete as you see fit. Please note that your organization will receive a copy of the aggregated report; they will also be provided with the opportunity to suggest changes before being submitted as a finished work.

Right to Withdraw: You may withdraw from the study for any reason, at any time, without penalty of any sort. If you withdraw from the study at any time, any data that you have contributed will be destroyed. Withdrawal from the study will not affect your employment status. Your choice to participate, or not to participate, will not be reported back to senior management, or anyone else in your organization.

Questions: If you have any questions concerning the study or would like a copy of the completed study, please feel free to ask at any point; you are also free to contact the researcher(s) at the number provided above if you have questions at a later time. This study has been approved on ethical grounds by the University of Saskatchewan Behavioural Sciences Research Ethics Board on (insert date). Any questions regarding your rights as a participant may be addressed to that committee through the Office of Research Services (306-966-2084). Out of town participants may call collect.

Consent to Participant: I have read and understood the description provided above; I have been provided with an opportunity to ask questions and my questions have been answered satisfactorily. I consent to participate in the study described above, with the understanding that I may withdraw this consent at any time. A copy of this consent form has been given to me for my records.

Participant Name (please print):_____

Participant E-mail (please print): _____

(Signature of Participant): _____

(Signature of Researcher): _____

(Date): _____

Appendix III – Participant Interview Transcription Release Form

Dear
Once again thank you for taking the time to meet with our University of Saskatchewan research team. Attached you will find a copy of the transcription of our interview. Prior to using the information contained in the interview in our research project we would appreciate if you would take the time to review the transcription and notify us if you see the need for any corrections/changes. If for any reason you no longer choose, or wish to allow us to use the information contained in your interview for our research we would ask that you reply to this e-mail indicating that you would like to withdraw from our study.

We would also like to remind you of the following:

Confidentiality: The information collected will be kept in strict confidence; the data will be kept in the office of the two primary researchers at the College of Commerce, University of Saskatchewan.

No participant(s) will be identified by name in any of the documents prepared by the researcher. At each stage of the review process, you may request a copy of your interview, findings, and/or reports for verification. Please note that your organization will receive a copy of the aggregated report; they will also be provided with the opportunity to suggest changes before being submitted as a finished work. If you would like a copy of our report please indicate such and we would be glad to forward you a copy of our study upon the completion of our report.

Right to Withdraw: You may withdraw from the study for any reason, at any time, without penalty of any sort. If you withdraw from the study at any time, any data that you have contributed will be destroyed. Withdrawal from the study will not affect your employment status. Your choice to participate, or not to participate, will not be reported back to senior management, or anyone else in your organization.

Questions: If you have any questions concerning the study or would like a copy of the completed study, please feel free to ask at any point; you are also free to contact the researcher(s) at the number provided below if you have questions at a later time. This study has been approved on ethical grounds by the University of Saskatchewan Behavioural Sciences Research Ethics Board. Any questions regarding your rights as a participant may be addressed to that committee through the Office of Research Services (306-966-2084). Out of town participants may call collect.

Consent to Participant: I have read and understood the description provided above; I have been provided with an opportunity to ask questions and my questions have been answered satisfactorily. I consent to participate in the study described above, with the understanding that I may withdraw this consent at any time. A copy of this consent form has been given to me for my records.

We look forward to continuing our research with your organization. We would encourage you to please feel free to contact us should you require any further information. I (Glen Kobussen) can be reached at:

Home Phone - (306)244-0884
Cell Phone - (306)227-8840

Thank you

Glen P. Kobussen
University of Saskatchewan

Appendix IV – Results Summary

		CEO's & Senior Executives	Senior-level Managers	Operational-level Managers	Front-line Employees
PMS Process Subcategories	**PMS Conception**	97% saw this as solely their responsibility.	91% of the participants saw this as the sole responsibility of the Senior Executive team.		
	PMS Design	100% believed that it is necessary and important that they be involved at this stage, and approximately 88% expressed the need to involve their subordinates in this stage.	100% believed that it is necessary that they be involved at this stage, but only 62% were of the opinion that their subordinates should be involved at this stage and as a result a number of barriers to employee involvement began to emerge.	100% believed that they should be actively involved at this stage, and 84% did not see the need to involve their subordinates in this stage and as a result a significant number of barriers to involvement were put forward.	100% believed that they should be actively involved in this stage, and approximately 93% saw the need for their superiors to be actively involved in this stage.
	PMS Development				
	PMS Implementation				
	PMS Awareness	98% were aware of their organization's PMS.	94% were aware of their organization's PMS.	80% were aware of their organization's PMS.	65% were somewhat aware of their organization's PMS.

PMS Process Properties	**PMS Communication**	97% were of the opinion that information about their organization's PMS had been communicated to them, and approximately 95% believed that they had communicated PMS information with their subordinates.	80% were of the opinion that information about their organization's PMS had been communicated to them, and 73% believed that they had communicated PMS information with their subordinates.	74% were of the opinion that some information about their organization's PMS had communicated to them, and 60% believed that some PMS information had been communicated to their subordinates, but not necessarily by themselves.	60% were of the opinion that limited amounts of PMS related information had been communicated to them.
	PMS Feedback	93% were of the opinion that they had shared performance related feedback (as it pertained to their PMS) with their subordinates.	87% were of the opinion that they had shared performance related feedback (as it pertained to their PMS) with their subordinates.	81% were of the opinion that performance related feedback (as it pertained to their PMS) had not been shared with them, and 88% did not see the need to share performance related feedback with their subordinates.	91% were of the opinion that performance related feedback (as it pertained to their PMS) had not been shared with them.

	PMS Training & Education	91% felt reasonably well trained and educated about their organization's PMS. 90% saw the need, and desired to provide their subordinates with PMS Training and Education, and 85% believed that this had been achieved using PMS Communications and Feedback.	80% felt reasonably well trained and educated about their organization's PMS. 72% saw the value in providing their subordinates with PMS Training and Education, and 70% believed that this had been achieved using PMS Communications and Feedback	88% did not feel that they had the necessary PMS Training and Education, and as a result tended to both resist using the PMS and often put forward a large number of barriers explaining (justifying or rationalizing) why they chose not to involve their subordinates.	91% were of the opinion that they had not be provided with the opportunity to actively participate in their organization's PMS training and education, but 100% expressed a strong desire to partake.
	PMS Understanding	80% appeared to possess a somewhat of an understanding of their organization's PMS.	64% appeared to possess some understanding of their organization's PMS.	Only 26% appeared to understand their organization's PMS.	Only 14% appeared to understand their organization's PMS, but once again all expressed a very strong desire to actively partake and learn.