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The Demand Side of Performance Measurement: Explaining Councillors’ Utilization of Performance Information in Policymaking

Abstract

The article’s starting point is that the persuasiveness of arguments for and against performance information’s usefulness for elected representatives in government is limited by a lack of empirical evidence. Based on survey data from Norwegian local government, the article identifies factors that condition the extent to which councillors search for performance information when faced with decision dilemmas. One such factor is within-polity rank; frontbenchers are more inclined than backbenchers to search for performance information. A second is education; the best educated councillors are least-inclined to search for performance information. A third is political experience; inexperienced councillors’ are most-inclined to search for performance information. Theoretical and practical implications of these and other findings are discussed.
The Demand Side of Performance Measurement: Explaining Councillors’ Utilization of Performance Information in Policymaking

Introduction

Measurement of governmental activities and outputs is as old as public administration itself, but in the wake of New Public Management (NPM) reforms during the 1990’s, performance measurement has become a defining feature of modern government (Williams 2003, Bouckaert and Halligan 2006, Hood 2007). Measurement generates performance information, which consists of numbers describing non-financial outputs, outcomes, and throughputs of organizations, people, and programs in government. Increased utilization of performance information has been on the reform agenda in western democracies since the 1980’s, especially in local government. Central government’s efforts to measure municipal service provision and municipalities’ eagerness to introduce performance management tools such as the “balanced scorecard” (Kaplan and Norton 1996, 2001) can be seen against this background.

Enthusiasts claim that the benefits and beneficiaries of increased performance information utilization in local government are varied and many. Performance information can be seen as analogous to the price and quality information provided in firms (Johnsen 2005). Citizens benefit because performance information increases transparency—it becomes easier for them to judge whether governments perform well or poorly in terms of how tax revenues are utilized for public services (Talbot 2005). Citizens also benefit because it becomes easier for them to choose service providers when there is competition among them. Managers benefit because they can use performance
information as a device to control their “agents”—service-producing departments—and to bond their “principals”—councillors (elected representatives to municipal councils) (Jensen and Meckling 1976). Finally, councillors benefit because performance information makes it easier for them to judge whether managers, departments and programmes perform well or poorly in terms of “x-efficiency”—the ways they turn inputs into outputs (Behn 2003, Talbot 2005).

Others disagree that performance information is useful for councillors. Some argue that performance information is mainly useful for managers’ daily work. They say public systems are dominated by politics, and that this domination inevitably leads to problems such as instability, incrementalism, muddling through, messy compromises, and value judgments that fatally undermine all attempts at rational decisionmaking. In the case of performance measurement, this domination is characterized by problems such as partisan interpretation of figures, distortion by ruling parties and their opponents, and instability in measurement regimes and priorities in target setting (Talbot 2005:505). Other skeptics say tight linkages between performance measurement and its use in decisionmaking make councillors vulnerable to manipulation or gaming by managers. Managers have stakes in how councillors judge their x-efficiency, and may therefore be tempted to report data in a misleading form so as to exaggerate their performance (March 1988: 390, Hood 2006, Jackson 2007). Yet other skeptics say performance measurement can make councillors commit “type II errors”—they can start reacting to apparent performance shortfalls that they would be better off leaving alone, as the shortfalls would have been corrected (faster) without their attention (Greve 2003).
Criticism seems not, however, to have decreased the adoption rate of performance measurement (Bouckaert and Halligan 2006). In the United States, almost all state governments have now adopted systems for collecting and distributing performance information, even though empirical studies have found limited use of performance information for decision purposes, particularly among elected officers (Moynihan 2005a). European studies have found the same high adoption rates despite limited utilization. For example, Dutch local governments are eager to introduce performance measurement efforts, even though aldermen (the top echelon of Dutch councillors) see little value in the performance information that is made available to them (Bogt 2004). In a study that compares performance management across European countries and across policy sectors, Pollitt concludes that measuring performance has become almost universal, despite the fact that elected representatives apparently “do not take much interest—unless and until disasters, scandals, or breakdowns come along.” (Pollitt 2006a: 41)

The persuasiveness of arguments for and against performance information’s usefulness for elected representatives is, however, limited by a lack of empirical evidence (Moynihan 2005b). Some useful insights can be drawn from U.S. studies of legislators’ information utilization at state (Mooney 1992) and federal level (Whiteman 1985, 1996), but legislative studies have tended to focus on evaluation and research reports rather than performance information. When summing up 20 years’ research on performance measurement, Pollitt (2006c) calls it ‘mildly amazing’ that there are only a few analyses of what elected representatives do with performance information.

This paper aims to improve empirical knowledge about this demand side of performance measurement. Two research questions are addressed, aided by survey data
from Norwegian local government. The first is: *Do some councillors make more use of performance information than others?* It is assumed that all councillors have incentives to use performance information, but that actual use is conditioned by certain factors. Such questions as the following are asked and answered: What is the effect of formal political roles? Do frontbenchers such as mayors and executive committee members use performance information to a greater or a lesser extent than rank-and-file councillors do? Do councillors representing parties in power use performance information more or less than those representing parties in opposition? Furthermore, does councillors’ use of other information sources—face-to-face stakeholder contact, case documents, and party programs—affect their use of performance information? And finally, what is the effect of background factors? Does variation in education and political experience cause differences in performance information use?

In addition to answering these questions, this paper does more than merely correlate; it also theorizes about the direction of effects and about mechanisms that lie behind the correlations: The second research question presumes that the above-mentioned factors *do* condition councillors’ use of performance information, and asks: *How can these differences be explained?* The theorizing is informed by Cyert and March’s (1992) ideas about biases in problemistic search.

The remainder of this paper is structured as follows: The first section presents theory and hypotheses about causes of differences in councillors’ utilization of performance information. The second section presents data, and the third discusses the findings in light of the hypotheses and existing literature. Finally, the discussion and
conclusion sections discuss empirical and theoretical implications of this study, its limitations, and topics for future research.

**Theory and hypotheses**

This section draws on political science, organization theory, and local government research to find hypothesized causes for differences in the degree of performance information utilization among councillors.

The paper’s dependent variable is councillors’ use of performance information in policymaking. One could focus on several aspects of such use. This paper focuses on one such aspect, namely the extent to which councillors search for performance information in the pre-decision stage of policymaking. Every issue on the municipal agenda presents councillors with a challenge or a problem – that of making a decision. For every issue on the municipal agenda, administrators prepare case documents with background information and suggestions for decisions. However, to get a fuller picture of problem causes and alternative courses of action, and to forecast the consequences of new policies, councillors search for supplementary sources of information. Cyert and March (1992) term such problem-directed search behavior *problemistic search*.

This section’s theorizing is based on seven assumptions about councillors’ information search. First, their search is problem-driven (Cyert and March 1992). Councillors search for information because they are unsure what to do, and until the problem is solved, their search will continue (March 1988:386). However, second, since search is costly (not in terms of money, but rather in terms of time and effort) and, third, since councillors satsisfice rather than maximize (Simon 1997), search continues only
until councillors have reduced uncertainty enough to make a decision. Fourth, all 
councillors have the same need for information to resolve their decision dilemmas. Fifth, 
all councillors search equally productively; all councillors achieve the same reduction in 
uncertainty from spending a given amount of time searching for information. Sixth, 
information sources are substitutable. Performance information can resolve councillors’ 
decision dilemmas, but so can other types of information, such as political party 
programs, past case documents prepared by the municipal administration, and face-to- 
face, telephone and e-mail contacts with citizens, interest groups, and municipal 
employees. Finally, seventh, search is biased. Some councillors are inclined to respond to 
decision dilemmas by searching one information type, others by searching another type, 
yet others by searching a third.

The question here is: What causes variety in the extent to which councillors 
search for performance information? Five kinds of search bias are hypothesized: (1) bias 
reflecting roles councillors hold in the municipal council, (2) bias reflecting municipality 
size, (3) bias reflecting learned search, (4) bias reflecting the length of councillors’ 
political experience, and (5) bias reflecting training through education.

Bias reflecting formal roles

The hypothesis that formal roles cause bias in search behavior starts from the idea that 
search for one information type depends on access to alternative information types. 
Differences in access to information are often discussed in terms of so-called information 
asymmetry. Such asymmetry indeed exists in the information possessed, respectively, by 
councillors and administrative managers (Niskanen 1971, Waterman and Meier 1998, 
Knott and Hammond 2003:141) and in the information possessed, respectively, by groups
of councillors within the municipal council polity. Such within-polity information asymmetry exists, in part, because councillors have different formal political roles from each other (Mausolff 2004).

How can formal political roles influence councillors’ search for performance information? Most Norwegian municipalities have a proportionally elected municipal council (kommunestyre) and a proportionally appointed executive committee (formannskap). About one-third of municipal councillors are on the executive committee. Norwegian municipal councils cannot be characterized as parliamentary systems, but nonetheless contain four distinct formal political roles similar to those found in such systems: “Frontbenchers” are mayors and members of the executive committee; “backbenchers” are councillors not holding the above-mentioned positions. Furthermore, councillors who represent the same party as either the mayor or the deputy mayor are “in power”; the rest are “in opposition.” These four distinct formal political roles determine councillors’ proximity to the polity’s apex of power (Mouritzen and Svara 2002).

It can be assumed that frontbenchers and in-power councillors—those situated closest to the apex—have access to a larger information base than backbenchers (Goldsmith and Larsen 2004). As insiders, those at the apex are given access by administrative executives to exclusive information in closed formal and informal meetings (Mouritzen and Svara 2002, Jacobsen 2003). They are also the ones being invited to conferences, seminars, and study trips, thereby having the best opportunities to obtain informal information relevant to their roles as councillors. Hood and Margetts (2007) use the term nodality to denote such centrality in an information network.
Since frontbenchers and in-power councillors, like all other councillors, are assumed to satisfice, it can be expected that their default access to such exclusive informal information makes them biased against taking the trouble to search for performance information. Research from Dutch local government suggests that such bias is at play (Bogt 2001, 2003, 2004). Moreover, it can be assumed that backbenchers and councillors in opposition are keenly aware of the informational advantages which insiders have and therefore take steps to improve their access to information. The further away from the apex councillors are, the more they see the need to make the most of the information they do have unlimited access to—including the performance information they are given in performance reports and that which they obtain themselves. Consequently, concerning councillors’ search for performance information, it can be hypothesized that:

H1: Backbenchers search more for performance information than frontbenchers do.

H2: Councillors representing opposition parties search more for performance information than those representing parties in power do.

Bias reflecting municipality size

A person’s problemistic search can be expected to depend not only on personal characteristics but also on factors associated with the organization within which the person works (Bogt 2001:627, Vakkuri and Meklin 2006:239). One such factor is polity size. Existing research tends to expect that attention to performance information increases with polity size (Moynihan and Ingraham 2004). A larger municipality means more service users, more activities, and more employees; in short, more for which to be
accountable. Consequently, maintaining oversight becomes more difficult with increased municipality size. Moreover, direct interaction with citizens can be seen as the least-valuable in the largest municipalities, since the likelihood that one can gain representative information about the opinion distribution in the population by talking with a small number of people decreases with increased municipality size. Arms-length control aided by performance information, by contrast, fits councillors in large municipalities well. Performance information is easily used heuristically to evaluate large numbers of departments, managers, and programs.

H3: Councillors in larger municipalities search more for performance information than those in smaller municipalities do.

Bias reflecting path dependency

A councillor’s problemistic search can be biased in favor of a certain information type due to path dependency. Search behavior does not start from a clean sheet. Rather, which source you go to in order to resolve your decision dilemma depends on your prior experience; it follows learned patterns (Rich and Oh 2000). If information from party programs has helped resolve your dilemmas in the past, you are inclined to search party programs again when new dilemmas arise. In effect, you develop over time a partisan-oriented approach to decisionmaking. Likewise, if face-to-face contacts with citizens have resolved your dilemmas in the past, you are inclined to look up citizens again to hear their views when new decision dilemmas arise (Askim and Hanssen 2008). In effect, you develop over time an ombudsman-type approach to decision making. Furthermore,
since councillors’ information search is assumed to be characterized by satisficing, it can be expected that few search for sources beyond those they habitually go to first.

**H4:** Councillors’ search for performance information decreases with their search for other information types.

*Bias reflecting political experience*

Using information for any purpose requires interpretation (March 1988: 386–387). Hence, it can be expected that councillors with good abilities to interpret performance information collect and use it more frequently than councillors whose interpretation abilities are not as good. This leads to the following question: What can explain differences in councillors’ abilities to interpret performance information? The length of a councillor’s political experience is one possible explanation. Councillors with long political experience are efficient readers of large volumes of case documents and hence can more easily find time to collect supplementary information. Furthermore, due to their superior knowledge of their municipality’s history and their broad networks within local government, they are better positioned than less-experienced councillors to interpret performance information by comparing it against previous trends and the workings of reference organizations such as other municipalities. This ability to make instrumental use of performance information makes experienced councillors inclined to search for it whenever they are uncertain how to solve a decision dilemma.

**H5:** Councillors’ search for performance information increases with the length of their political experience.
Another background factor that can be expected to influence councillors’ interpretive abilities is education. The educational level of Norwegian councillors ranges from elementary school up to advanced university degrees. Higher education enhances various politically relevant skills (Verba, Schlozman and Brady 1995), but existing research is inconclusive about what impact education has on use of performance information. According to Johnson et al. (1995), highly educated staff members are more likely to use performance information than those who are less educated. However, Moynihan and Ingraham (2004) do not find an education effect among agency leaders in U.S. state governments. Here it is hypothesized that higher education enhances skills that councillors need to use performance information to solve decision dilemmas. Councillors with advanced degrees and training are presumably better skilled than others at handling large amounts of formal, often numerical or technical performance information. This ability makes highly educated councillors more inclined than others to search for performance information.

H6: Councillors’ search for performance information increases with the length of their education.

Controls

As mentioned above, a person’s problemistic search can be expected to depend not only on personal characteristics but also on factors associated with the organization within which the person works. The impact of organizational size was discussed above; here the
focus is on performance management routines in the municipality. Obviously, the infrastructure for performance information utilization is not identical across municipalities. In Norway 83 percent of the municipalities have routines for management by objectives and results, the rest do not; and 39 percent have implemented the generic performance management system known as The Balanced Scorecard, while the rest have not (see appendix). Differences in performance management routines can be expected to influence performance information use (Melkers and Willoughby 2005:188). Still, such routines concern the supply side of performance measurement and not the demand side, which is the topic of this article. Therefore, they are treated here as control variables.

Data and Methods

Survey Material

The data used in the analysis comes from a survey conducted among Norwegian councillors in 2005 (1). The survey was undertaken using a questionnaire covering councillors’ use of various types of information and their perceptions of the importance of information for various purposes. Questionnaires (postal survey) were sent to a random sample of 1,500 councillors nationwide. There are 11,138 councillors in Norway (Statistics Norway 2006). By November 2005, after one round of follow-up, 750 councillors had responded—a 50 per cent response rate.

One challenge facing survey research is that one must be aware of what motivates some respondents to respond. For example, some survey subjects might be positively biased towards the phenomenon under study and therefore more likely to respond; such bias is known as self-selection. There are however two reasons not to suspect such bias
here. First, most of the questions were not related to performance information, but
concerned councillors’ information technology use and their face-to-face interactions
with local interested parties (members of the local population, voters, interest-group
representatives, lower-level municipal employees, and media). Second, responses
received before and after a follow-up varied significantly for only one of the
performance-information relevant survey items used in the analysis\(^2\). Assuming that late
respondents resemble non-respondents more than early respondents do, this small
difference suggests that self-selection is not a problem; councillors positive towards
performance information are neither over- nor under-represented in the data. The sample
was also compared with the universe of Norwegian councillors on the background
variables gender, age and education, and differences were insignificant.

Another challenge is that councillors may not remember when they have used
performance information. Asking councillors about “typical” patterns in their information
use over longer periods of time (“how often”, “how important”, etc.) may yield
underestimates of information use. The appendix documents the phrasing of the survey
questions used to compute variables here. Admittedly, this study is probably more prone
to underestimate information use than, for example, Mooney (1992), whose research
design was based on inviting legislators to look at specific items in their legislative bill
files and asking them to recall and describe their information use for each item.

Yet another challenge facing survey research on the role of performance
information in decisionmaking concerns a cognitive issue—some respondents may not
understand the meaning of the term “performance information.” The questionnaire
defined performance information at the outset as follows: “Numerical information

\(^2\) Numbers in parentheses indicate references. Numbers without parentheses
indicate page numbers of the original source.
(indicators) about the results the municipality achieves within service provision.

Examples include indicators of efficiency, quality, and case processing times. The information can stem from the municipality’s own examinations, like user surveys and different forms of counting, or from public databases.”

Interview Material

Case research gives reason to believe that councillors understand and agree with the definition given of performance information. The questionnaire was developed on the basis of qualitative data from case research. In 2005 the author and colleagues personally interviewed fifty councillors (from rank-and-file councillors to mayors) as well as chief and deputy executive officers in six Norwegian municipalities.

Norway as Empirical Setting

There are at least three reasons to believe that the Norwegian setting is particularly conducive to studying councillors’ use of performance information. First, cultural climate: according to Pollitt (2006a), performance information is likely to be valued in a political system influenced by a consensus-seeking cultural climate (Pollitt 2006a). The Norwegian political climate is greatly influenced by Norway’s cultural climate in which negotiation and consensus seeking are highly valued (Johnsen and Vakkuri 2006). In fact, the formannskap model (see above) institutionalizes consensus-seeking. Second, education levels: Councillors with higher education levels can be assumed to have more trust than less well-educated councillors in formal, standardized information and that therefore well-educated councillors will expect one another to use such information extensively. The best indicator of the education level among councillors is the education
level of the wider population. Norway has the highest level of education among OECD countries (OECD 2006). Third and finally, infrastructure: Information technology is a critical enabling factor for building and maintaining performance measurement systems (Carter et al. 1992, Pollitt 2006c). Norway is among the most advanced countries when it comes to information technology infrastructure (United Nations 2002).

Modeling

The statistical analysis uses OLS regression. See appendix for information on how the variables were operationalized.

Findings

Table 1 documents a regression analysis without control variables. The control variables were omitted here because they lack many values. Table 2 documents a regression utilizing the full analytic model including controls, and a reduced number of cases. The results are interpreted below.

[Table 1 about here]

The impact of formal roles

What is the impact of formal political roles? First, table 1 shows that within-polity rank does condition councillors’ search for performance information: backbenchers use performance information less than frontbenchers. The relationship between rank and search behavior is not linear, however; executive committee members, except for mayors, search performance information significantly more than rank-and-file councillors do,
while mayors—the top ranking councillors—do not search performance information any more or less than rank-and-file councillors do.

This means that one cause for variation in councillors’ performance information search has been found. Nevertheless, hypothesis 1 is not supported, since backbenchers apparently collect performance information less frequently than their higher-ranking colleagues, and not more frequently, as was hypothesized. One possible explanation for this finding is that backbenchers are unaware of the general informational advantages that insiders have. Alternatively, backbenchers are aware of their disadvantages but are unable to take steps to improve their informational situation, for example due to time constraints. The discussion section below explores a third possible explanation, namely that backbenchers simply feel they need information less that frontbenchers do. This explanation challenges the assumption that all councillors have the same need for information to resolve their decision dilemmas.

Norwegian executive committee members’ high interest in performance information appears to challenge Bogt’s findings in Dutch local government. According to Bogt, Dutch executive committee members (so-called “aldermen”) see little value in the performance information that is made available to them; they prefer meetings and consultations with civil servants (Bogt 2001, 2003, 2004). However, since this study’s design in different from Bogt’s, the results are not directly comparable. First, this study assesses executive committee members’ utilization of performance information by comparing it against its utilization by other groups of councillors. Bogt’s assessment, by contrast, was based on comparing aldermens’ utilization of different information types. Second, Norwegian and Dutch executive committee members are not directly
comparable. The position of alderman in the Netherlands is generally a full-time job and entails day-to-day involvement in running the municipality (Bogt 2004). The position of executive committee member in Norway, by contrast, is generally an unpaid spare-time activity. Hence, it could be argued that Dutch aldermen are more comparable to the generally full-time employed mayors than to executive committee members in the Norwegian setting. If that is the case, this study’s findings do not challenge Bogt’s.

“In power” and “in opposition” seem also not to influence councillors’ search for performance information. Hence, hypothesis 2 is not supported. One possible explanation for this finding is that the dynamics of problemistic search simply do not create division along party lines. One may speculate, however, that the roles “in opposition” and “in power” condition councillors’ utilization of performance information when combined with other factors. Three such possible interaction effects are suggested here, even though they could not be tested with the data material available here. They should hence be considered as suggestions for future research.

First, within-polity conflict can affect search by opposition councillors for performance information. Some municipal councils resemble cozy clubs while others more resemble war zones. In high-conflict settings, opposition councillors seek information to criticize the performance of the party in power. Hence, it can be assumed that in-opposition councillors search for performance information more in high-conflict than in low-conflict settings. Second, within-polity competition can affect in-power councillors’ interest in performance information (Bretschneider et al. 1989; Askim et al. 2008). Competition can be considered high when political blocs are similar in size. Competition creates greater risks that bad-performing parties will lose power. Such risks
give councillors representing parties in power incentives to improve polity performance, and they know that collecting and using performance information is a potent improvement strategy. Hence, it can be assumed that in-power councillors search more for performance information in high-competition than in low-competition settings. Third, if we move beyond the predecisional stage to the decisional stage, the very message performance information carries can lead councillors representing parties in power and councillors representing parties in opposition to use performance information differently. It can be assumed that those in power are most inclined to emphasize performance information when it portrays the incumbent regime’s performances as successful; while conversely, those in opposition are most inclined to emphasize performance information when it portrays the incumbent regime’s performance as failed (Mooney 1992, Moynihan 2005b).

The impact of municipality size

Contrary to expectation, municipality size does not seem to affect councillors’ interest in performance information. It was hypothesized (H3) that councillors in larger municipalities are more inclined than their colleagues in smaller municipalities to collect performance information, but this does not appear to be the case. A councillor in a large municipality undoubtedly has a wider control span than one in a smaller municipality, but the expectation that this leads the former to see performance information as more useful than the latter did not hold. The non-support for H3 is also surprising in light of existing research. Positive associations between polity size and performance information utilization have been found not only at the local level of government (Poister and Streib
1999), but also at state (Moynihan and Ingraham 2004) and national levels (Lægreid et al. 2006).

The impact of path dependency

It was assumed above that information types in principle are substitutable, for example in the sense that performance information and party programs both can help a councillor resolve a decision dilemma. It was also assumed that a councillor’s search behavior is biased in favour of certain information types and against others due to path dependency. Hence, since satisficing was also assumed, it was hypothesized (H4) that a councillor’s search for performance information decreases with his or her search for other information types. Table 1 shows that a councillor’s search for performance information does vary with his or her search for other information types, but the relationship is positive, not negative. Contrary to what was expected, the data suggest that all forms of information search are positively intercorrelated. Councillors who frequently collect performance information are also in frequent contact with citizens, interest groups and municipal employees; they read and emphasize case documents their administrators have prepared; and they confer political party programs. The discussion section elaborates how his finding challenges assumptions behind this article.

The impact of political experience

Table 1 furthermore shows that political experience matters; however, its effect is opposite from what was hypothesized (H5). The data show that councillors’ search for performance information decreases with the number of years they have spent in office. Despite their superior ability to interpret performance information, for example by
comparing it against trends and the workings of reference organizations, the most experienced councillors are least inclined to collect such information when faced with a decision dilemma. Support for this finding can be found in a study among administrative executives in US local government. There, Melkers and Willoughby (2005:188) found that the longer one’s employment in government, the less one used performance information.

Note that the effect of political experience is unaffected by the introduction of age in the analysis. Re-running Model 5 from Table 2 with age as an additional control variable showed that age has no effect on performance information use, and that none of the documented effects are contingent upon age (introducing age altered no coefficient in Model 5 beyond the third decimal place).

The impact of training

The analysis of the impact of education is similar to the analysis of the impact of experience: Education matters, but in the opposite direction from what was hypothesized. Since advanced degrees give skills necessary to handle large amounts of formal and numerical information, it was hypothesized that the relationship between education and search for performance information would be positive (H6). However, the data show a negative relationship between the two variables. It appears that the best-educated councillors are least-inclined to use performance information. The discussion section elaborates how his finding challenges the assumptions that all councillors have the same need for information and that all councillors search equally productively.
Controls

Table 2, which presents regressions including the control variables, shows two things. First, adding supply-side variables to the explanatory framework fails to increase the predicted variance in councillors’ search for performance information. Second, and contrary to what one would expect based on Melkers and Willoughby (2005), differences in performance management routines do not seem to influence councillors’ performance information use. One insight that can be drawn from this finding is that those who want to understand why the use of performance information varies are better advised to pay attention to the demand than to the supply side. The low number of cases included in this analysis does, however, give reason for caution.

[Table 2 about here]

Discussion and Limitations

The data shows that within-polity rank, education, and political experience condition the extent to which councillors search for performance information when faced with decision dilemmas. Furthermore, the study indicates that councillors’ performance information utilization is not conditioned by two hypothesized collective or organization-level factors: municipality size and performance management routines, including Balanced Scorecard use. Still, more research needs to be done on the impact of collective-level factors before it can be concluded that individual-level ones are superior. Future research should explore how councillors’ utilization of performance information is influenced by, for example, signaling, accountability, and trust\(^{(3)}\). Moreover, existing research using the dataset
utilized in this study show that Norwegian councillors’ utilization of performance information is influenced by the collective-level factors policy sector (Askim 2007a) and, to a lesser extent, party affiliation (Askim 2007b).

The study’s findings contribute to theory, but some comments should still be made about their value. First, the model fit is somewhat modest. The analytical framework certainly helps explain variance in councillors’ use of performance information (R-squared = .218 in the full model excluding controls – Model 3 in Table 1), but obviously much remains to be explained. The fact that much remains to be explained could, however, be seen as a limitation rather than as a weakness of this study, as its aim was not to find all causes of variance but rather to assess the significance of a few selected ones. Furthermore, all data collection techniques—especially surveys—have measurement problems. The model fit would hence presumably improve if some of the variables, not least the dependent variable, were operationalized better.

Second, the study was consciously delimited to concentrate on only one aspect of policymaking – utilization in the predecisional stage. This choice relates the study to the information flow branch of legislative studies (see e.g. Sabatier and Whiteman 1985; Whiteman 1996). Utilization of performance information in the decisional and post-decisional stages of policymaking was hence excluded. The latter is the stage of policymaking in which, many claim, performance information is most important (Behn 2003). One should show caution in extrapolating knowledge about the dynamics of the predecisional stage to later decisional stages. However, Simon (1997) argues that the stimulus that directs attention often will influence the whole decisionmaking process, because it directs attention towards selected aspects of the problem at hand. This
argument gives reason to believe that the dynamics of councillors’ use of performance information do not vary much at various phases of the policymaking process. Future research should nonetheless aim to include stages beyond the predecisional stage when searching for factors behind differences in performance information utilization.

The study’s second research question – *how can differences be explained?* – moves beyond correlations. Informed by Cyert and March’s (1992) ideas about biases in problemistic search, the article hypothesized about the direction of effects and about mechanisms that lie behind correlations. None of these hypotheses was supported by the data. Within-polity rank, education, and experience all affected councillors’ performance information use in the *opposite* direction from what was hypothesized. This suggests that the assumptions made at the outset might be flawed. Three comments can be made to elaborate this.

First, the *substitution* assumption might be flawed (assumption six above). It was assumed that performance information can resolve councillors’ decision dilemmas, but that other sources and types of information, such as political party programs and past case documents prepared by the municipal administration, could do the job just as easily. Coupled with the satisficing assumption, the idea of substitution suggested the hypothesis that councillors’ uses of different information types would be negatively intercorrelated. Quite on the contrary, the data showed that all information search is positively intercorrelated. Councillors who frequently collect performance information are also in frequent contact with citizens, they also confer political party programs, and so forth. This finding can be read to suggest that councillors do not see information types as
substitutable. Rather, councillors appear to triangulate when faced with a decision dilemma.

Second, the *search productivity* assumption might be flawed (assumption five above). Cyert and March’s term search productivity (1992) can inform the idea that a person can learn through training and experience to search more productively. This notion can help explain why the best-educated and the most-experienced councillors apparently are least inclined to search for performance information, since, as described in the appendix, the study’s dependent variable measures frequency of search. Admittedly, it should not be assumed that a councillor who searches meticulously through performance information only occasionally (say, three or four times per year) is a less “active” user of performance information than one whose search activities are frequent but unsystematic. A well-trained and experienced user of performance information simply may not need to search for it very often. This argument exposes a possible weakness in this study’s research design: frequency is not necessarily the best measure of search behavior.

Third, there might be a flaw in the assumption that all councillors have *equal need* for information (assumption four above). What if the story told in this paper should be read not as one about differences among types of information, but rather as one about different types of people? Perhaps some councillors simply value information more than others? One reason to expect variation in needs for information is that some councillors – namely frontbenchers – are more visible to the world outside city hall than others. Voters generally expect their elected representatives diligently to research issues and to make decisions based on careful consideration of comprehensive data, not based on their
biases, or on lobbying from interested parties. Frontbenchers, who are most visible, can be assumed to be more inclined than backbenchers to respond to such expectations by collecting and considering performance information. Another reason to question the equal needs assumption arises from the idea that search is costly. Since it is costly, councillors will search for information only when they are unsure what to do – when values, ideologies, interests, and information they already possess fail to resolve their decision dilemmas (March 1988). In other words, insecurity leads to information search. Perhaps some are simply more unsure than others? If so, those who are generally least sure how to respond to decision pressures will be the most active seekers of information, and vice versa. This argument might help explain the study’s somewhat surprising findings. In the case of experience, the explanation would be that inexperienced councillors search for performance information because they are, when faced with decision dilemmas, on average more insecure than political veterans. Likewise in the case of education, councillors with high education, though skilled at handling performance information, do not use it because they feel that they do not need it. The best-educated are not inclined to be unsure what to do; they already possess (or think they do) the knowledge they need to make decisions.

This line of thinking gives rise to a hypothesis concerning how political party affiliation can influence information search: councillors affiliated to parties on the political extremes would be less-inclined than their centrist colleagues to respond to decision pressure by searching for information. Why? Because these councillors are least-unsure what to do; their values and ideologies are so strong as to render information search unnecessary for resolving decision dilemmas.
Conclusions

This article has asked if some councillors make more use of performance information than others. The answer is yes. Several factors condition the extent to which councillors search for performance information when faced with decision dilemmas. One such factor is within-polity rank; frontbenchers are more inclined than backbenchers to search for performance information. A second factor behind differences in search is education; the best-educated councillors are least-inclined to search for performance information. A third factor is political experience; inexperienced councillors are most inclined to search for performance information.

By demonstrating these effects, this study contributes to a research question that is receiving growing attention: under what circumstances are elected representatives and other decisionmakers in government likely to collect, consider, and emphasize information? (Mooney 1992, Dekker and Hansén 2004, Pollitt 2006b, 2006c.) Improving knowledge about the demand side of performance measurement – politicians’ uses of and attitudes towards performance information – is important not only for theoretical reasons but also because politicians’ attitudes can determine the fate of performance measurement. They are, after all, those who provide funding for this practice. According to Talbot (2005), the biggest challenge to the performance measurement movement today is elected representatives’ apparent lack of interest in the performance information such measurement generates.

Implications of these findings are discussed at length above, but three more points can be made. First, the findings that councillors with little education and little experience use performance information more than well-educated and experienced councillors can
be given one optimistic and one pessimistic interpretation. On the positive side, these findings suggest a surprising prospect: performance management reforms might reduce information asymmetries and thereby “level out the playing field” within municipal councils. On the more negative side, as highlighted by competency-trap theory (Levitt and March 1988, Denrell and March 2001), there is reason to be worried by the low use of performance information among the top brass—councillors with high education and long experience. Councillors, as all decision makers, have a tendency to try to reproduce success. Therefore, they are biased against risky and novel alternatives. As a result, they reject seemingly good alternatives. Experienced and well-educated councillors may at times stop sifting for information and new ideas too quickly, because they think they know all there is to know about an issue. This line of reasoning can cause fear that top leaders’ low interest in performance information leads to suboptimal decisions and outcomes.

Second, this paper suggests that councillors’ uses of various information types in policymaking appears not to be a zero-sum game. For example, councillors who frequently collect performance information are also in frequent contact with citizens, interest groups, and municipal employees. This finding should be of comfort to those who fear for the ombudsman role in the face of NPM reforms; councillors do not interact less with the citizenry when performance measurement is introduced.

Third and finally, the study indicates that councillors’ performance information utilization is not conditioned by two prime-suspect collective or organization-level factors: municipality size and performance management routines, including Balanced Scorecard use. This can suggest that it is most productive to search at the individual level
for factors causing differences in use. If that is the case, a practical implication could be that training, motivation, and other demand-side efforts are more likely to increase interest in performance information than supply-side efforts such as reforms in institutions or routines.
Notes

1) The survey was part of the project ‘Information and Communication Technology and Local Democracy’, which was funded by the Norwegian Research Council and conducted in collaboration between Norwegian Institute for Urban and Regional Research (NIBR), University of Oslo and Oslo University College.

2) On that item, late respondents differed from early respondents in that they searched national databases containing comparative performance information slightly less frequently (Pearson’s Correlation coefficient. -.093, sig. 0.02).

3) A focus on signalling means to focus on herd behaviour and the effects of signalling by “alpha” individuals. Differences in the degree of support from leading persons in organizations, like frontbenchers and top administrative executives, can be expected to affect the overall level of performance information utilization in the polity (Bogt 2004:222, Moynihan and Ingraham 2004:441). Focusing on organizational accountability means to ask whether use of performance information increases with an increase in the level of clarity in the organization concerning who is accountable for results. Such clarity is affected by how the polity is organized (Bogt 2004:224). Focusing on trust gives attention to a “bureaushaping” perspective. Dunleavy (1991) highlights the role of within-polity trust levels. Tight linkages between information and its uses increase the vulnerability of decision-makers to manipulation by information providers (March 1988: 390). Councillors working in low-trust circumstances may choose not to use performance information offered to them by administrative executives because councillors assume the information is biased towards increased resources (Moynihan 2005a:239).
References


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### Table 1: Regression of independent variables on councillors’ search for performance information

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constant</strong></td>
<td>1.529***</td>
<td>2.525***</td>
<td>1.452***</td>
</tr>
<tr>
<td><strong>Formal roles</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mayor (municipal council member = 0)</td>
<td>0.132 (0.131)</td>
<td></td>
<td>0.200 (0.140)</td>
</tr>
<tr>
<td>Executive committee member (municipal council member = 0)</td>
<td>0.180*** (0.062)</td>
<td>0.213*** (0.064)</td>
<td></td>
</tr>
<tr>
<td>In power (in opposition = 0)</td>
<td>0.034 (0.058)</td>
<td></td>
<td>0.037 (0.060)</td>
</tr>
<tr>
<td><strong>Municipality size</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium-sized municipality (small = 0)</td>
<td>0.028 (0.075)</td>
<td></td>
<td>0.038 (0.076)</td>
</tr>
<tr>
<td>Large municipality (small = 0)</td>
<td>-0.063 (0.072)</td>
<td>-0.036 (0.075)</td>
<td></td>
</tr>
<tr>
<td><strong>Search for other information types</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder interface</td>
<td>0.013* (0.007)</td>
<td></td>
<td>0.014* (0.008)</td>
</tr>
<tr>
<td>Previous case documents</td>
<td>0.184*** (0.032)</td>
<td></td>
<td>0.183*** (0.032)</td>
</tr>
<tr>
<td>Political party program</td>
<td>0.219*** (0.027)</td>
<td></td>
<td>0.226*** (0.027)</td>
</tr>
<tr>
<td><strong>Background factors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary education (master’s degree = 0)</td>
<td></td>
<td>0.116 (0.113)</td>
<td>0.052 (0.103)</td>
</tr>
<tr>
<td>High school degree (master’s = 0)</td>
<td></td>
<td>0.242*** (0.084)</td>
<td>0.198*** (0.079)</td>
</tr>
<tr>
<td>Bachelor’s degree (master’s = 0)</td>
<td></td>
<td>0.195** (0.081)</td>
<td>0.145** (0.075)</td>
</tr>
<tr>
<td>Political experience</td>
<td></td>
<td>0.007 (0.019)</td>
<td>-0.041** (0.019)</td>
</tr>
<tr>
<td><strong>Model fits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-square</td>
<td>0.198***</td>
<td>0.012*</td>
<td>0.218***</td>
</tr>
<tr>
<td>R-square adjusted</td>
<td>0.190</td>
<td>0.007</td>
<td>0.204</td>
</tr>
</tbody>
</table>

* Blockwise regression. n = 744 for Model 1, 749 for Model 2, and 714 for Model 3. Unstandardized regression coefficients, standard errors in parentheses. Tolerance values of models 1–3 range from .596 to .928, indicating an acceptably low level of multicollinearity.

* Significant (two-sided tests) at level (p < .10), ** (p < .05), *** (p < .01)
Table 2: Regression of independent variables on councillors’ search for performance information, controlled for municipal performance management routines

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 4</th>
<th>Model 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1,344*** (0.147)</td>
<td>1,381*** (0.158)</td>
</tr>
<tr>
<td><strong>Formal roles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mayor (municipal council member = 0)</td>
<td>0.212 (0.156)</td>
<td>0.210 (0.156)</td>
</tr>
<tr>
<td>Executive committee member (municipal council member = 0)</td>
<td>0.245*** (0.073)</td>
<td>0.246*** (0.073)</td>
</tr>
<tr>
<td>In power (in opposition = 0)</td>
<td>0.029 (0.067)</td>
<td>0.028 (0.067)</td>
</tr>
<tr>
<td><strong>Municipality size</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium-sized municipality (small = 0)</td>
<td>0.068 (0.090)</td>
<td>0.083 (0.091)</td>
</tr>
<tr>
<td>Large municipality (small = 0)</td>
<td>0.020 (0.087)</td>
<td>0.058 (0.095)</td>
</tr>
<tr>
<td><strong>Search for other information types</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder interface</td>
<td>0.016* (0.009)</td>
<td>0.016* (0.009)</td>
</tr>
<tr>
<td>Previous case documents</td>
<td>0.198*** (0.038)</td>
<td>0.201*** (0.038)</td>
</tr>
<tr>
<td>Political party program</td>
<td>0.214*** (0.030)</td>
<td>0.214*** (0.030)</td>
</tr>
<tr>
<td><strong>Background factors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary education (master’s degree = 0)</td>
<td>0.040 (0.117)</td>
<td>0.036 (0.118)</td>
</tr>
<tr>
<td>High school degree (master’s = 0)</td>
<td>0.217*** (0.088)</td>
<td>0.211*** (0.089)</td>
</tr>
<tr>
<td>Bachelor’s degree (master’s = 0)</td>
<td>0.113 (0.082)</td>
<td>0.109 (0.083)</td>
</tr>
<tr>
<td>Political experience</td>
<td>-0.033 (0.021)</td>
<td>-0.032 (0.021)</td>
</tr>
<tr>
<td><strong>Performance management routines</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management by objectives and results (no = 0)</td>
<td>-0.061 (0.094)</td>
<td></td>
</tr>
<tr>
<td>Balanced scorecard (no = 0)</td>
<td>-0.043 (0.075)</td>
<td></td>
</tr>
<tr>
<td><strong>Model fits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-square</td>
<td>0.215***</td>
<td>0.216***</td>
</tr>
<tr>
<td>R-square adjusted</td>
<td>0.198</td>
<td>0.196</td>
</tr>
<tr>
<td>R-square change</td>
<td>0.001</td>
<td></td>
</tr>
</tbody>
</table>

* Blockwise regression. n = 570 for models 4 and 5. Unstandardized regression coefficients, standard errors in parentheses. Tolerance values of models 4 and 5 range from .456 to .934, indicating an acceptably low level of multicollinarity.

* Significant (two-sided tests) at level (p < .10), ** (p < .05), *** (p < .01)
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## Appendix: Operationalization of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Performance information search (dependent variable)** | *Source:* Survey  
*Scale:* Interval  
*Operationalization:* The variable is an additive index constructed by three survey items. The survey asked the respondents: “When you are in the process of taking a stand on a specific case that is of great importance to the municipality, how often do you actively and single-handedly collect information to supplement the pre-prepared case documentation?” Rows in the question matrix named a number of sources of information. Among these were three sources of performance information: results from satisfaction surveys conducted among users and inhabitants; performance information in the municipality’s annual report and/or balanced scorecard reports; and national databases with municipality-level benchmarking data. For each of these three survey items, respondents’ answers were registered as follows: very often=4, fairly often=3, occasionally=2, fairly seldom=1, and very seldom=0. The additive index hence ranges from 0–12. In the statistical analysis the index was truncated to four values (0—3) because that was assumed to be the best categorization of the underlying phenomenon. |
| **Mayor** | *Source:* Survey  
*Scale:* Nominal  
*Operationalization:* Dummy variable: 0= the councillor is not mayor, 1= the councillor is mayor. |
| **Executive committee member** | *Source:* Survey  
*Scale:* Nominal  
*Operationalization:* Dummy variable: 0= the councillor is not member of the municipal executive committee (formannskap). 1= the councillor is member of the executive committee (but is not mayor). |
| **In power** | *Source:* Survey and Norwegian Social Science Data Service  
*Scale:* Nominal  
*Operationalization:* Dummy variable: 0= the councillor is in opposition; he or she represents a different party than the municipality’s mayor and deputy mayor do. 1= the councillor is in power; he or she represents the same party as the mayor and the deputy mayor do. |
| **Education** | *Source:* Survey  
*Scale:* Nominal  
*Operationalization:* Computed as dummy variables, with high education as reference category. No education: completed the compulsory 9 years only (grunnskole). Low: completed high school (videregående). Medium: completed bachelor’s degree, e.g. teacher or nurse. High: completed master’s degree, e.g. medical doctor or lawyer. |
| **Political experience** | *Source:* Survey  
*Scale:* Interval  
*Operationalization:* The number of 4-year electoral periods the councillor has served on the municipal council. |
| **Stakeholder interface** | *Source:* Survey  
*Scale:* Interval  
*Operationalization:* The variable is an additive index constructed by the following four survey items: [In your role as a councillor:] “How often are you in contact with citizens face to face or by phone”; “How often are you in contact with citizens by e-mail”; “How often are you in contact with local interest groups, associations and organisations face to face or by phone”; and “How often are you in contact with local interest groups, associations and organisations by e-mail”. For each question, respondents’ answers were registered as follows: daily=4, weekly=3, monthly=2, more seldom=1, and never=0. The additive index hence ranges from 0–16. |
| **Previous case documents and Political party programs** | *Source:* Survey  
*Scale:* Interval  
*Operationalization:* The survey asked the respondents: “When you are in the process of taking a stand on a specific case that is of great importance to the municipality, how often do you actively and single-handedly collect information to supplement the pre-prepared case documentation?” Rows in the question matrix named a number of sources of information. Among these were previous case documents and political party programs. For each of these two survey items, respondents’ answers were registered as follows: very often=4, fairly often=3, occasionally=2, fairly seldom=1, and very seldom=0. Each of the two variables “previous case documents” and |
“political party programs” therefore ranges from 0–4.

| Municipality size | Source: Norwegian Social Science Data Services  
| Scale: Nominal  

| Management by objectives and results (control variable) | Source: Database on Municipal Organization in Norway. The database, which is owned by The Norwegian Ministry of Local Government, surveys Norwegian municipalities every four years about administrative and political organization. The data used here are from 2004, the most recent update.  
| Scale: Nominal  
| Operationalization: The survey asked the respondents: Has the municipality implemented management by objectives, management by results or activity planning (virksomhetsplanlegging)? The variable is computed as a dummy: 0= no. 1= yes, in some or all areas of service delivery. |

| Balanced scorecard (control variable) | Source: Database on Municipal Organization in Norway.  
| Scale: Nominal  
| Operationalization: The survey asked the respondents: Has the municipality implemented The Balanced Scorecard, where user satisfaction, employee satisfaction and internal processes are reported in addition to financial results? The variable is computed as a dummy: 0= no. 1= yes, in some or all areas of service delivery. |