DETERMINANT FACTORS TO LOCAL GOVERNMENT PERFORMANCE: WHAT IS STAKEHOLDER’S ROLE IN THE PROCESS?

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Abstract

Performance management in the local government domain has been in the scholars’ agenda all around the world for a while, but it still lacks on normative issues to allow managers to devise more adequate performance indicators. This paper aims to contribute to government performance management by issuing empirical evidence on stakeholder involvement with performance. It is a realistic investigation carried out with Brazilian local government through a survey. The analysis process is carried out employing Resource Dependence and Institutional theories for depicting the determinant factors to performance. The survey focused on the top quartile of best performing municipalities in Minas Gerais in terms of the Human Development Index. Findings indicate evidence that mayoral leadership, federal and state government financial support and employee’s skilfulness are likely to improve the performance of a given municipality. The real contribution this paper makes to literature is that public services at the local level of government need to be carried out by real and faithful leaders, because everything else depends on it and therefore it challenges the Brazilian public management system, at least at the local level. It is also a descriptive contribution to the public sector performance management in the extent that it depicts the role of some important stakeholders on performance. Thought assuming that popular participation should be sought in order to improve democracy, its role as a determinant factor to performance needs further investigation in order to be accepted as a theoretical truth. The main theoretical contribution the paper issues is related to the nature of the determinant factors, which, according to the findings, stems mainly from the technical rather from the institutional environment.

Key-words: performance management; determinant factors to performance; stakeholder analysis, local government, Brazil

Introduction

Performance management has been seen as a problem solving panacea for the most of the organizations. It is also being used in public organizations due to the success it has reached in the private sector (Pollitt, 1993). As performance is a rather vague concept (Lebas, 1995), it has been used meaning everything, which has brought confusion rather than clarification on its use. In the local government domain, there is a huge production of performance indicators and managers and senior officers have been caught into a web that requires them to produce and to deliver information in order to comply with the legal framework set by central government (Federal Government in the Brazilian case).

There are several explanations for determinant factors that impact organization’s performance and they are: environmental issues, internal capabilities, managerial capabilities, strategy content and
implementation and others. In this paper, we assume that performance is a dependent variable of influences from both technical and institutional environment. We assume that a given public organization performance will depend on the amount of influence it receive from technical environment according to the importance of the resource exchanged and on the invisible force stemmed from the institutional environment in the form of rules, regulations and patterns of behavior.

The ontological orientation of the investigation is based on the assumption that in order to understand the importance of determinant factors in the performance of a given organization, one needs to observe the behavior of good performing organizations. In terms of axiology, the more we know about the determinant factors that impact performance, the higher the possibility of devising structures to achieve high performance more easily. To this end, the main aim of the investigation is to figure out the nature of the determinant factors that impact local government performance, as well as to pinpoint the external and internal actors able to influence performance.

The paper is structured as follows: one section in which the theoretical framework is depicted, one section for describing the research methods, one section to present the main findings, one section in which findings are confronted and compared with the theoretical framework and a final section for the final thoughts.

**Theoretical Framework**

As organizations need one another for resource allocation and survival, this relation raises a dependence relationship, which span depends on the importance and scarcity of the resources dealt with (Scott, 1998). As an open system, an organization needs such resources and therefore it has to negotiate with people, groups and other organizations in order to acquire it (Gomes, 2006). This dependence relationship can be understood under several levels depending on the relative importance of such resources to the organization success. The higher the relative importance a given resource has, the more power the resource own would have upon the organization (Pfeffer and Salancik, 2003).

Resource dependence is the theory that deals with the dependence relationship resulted from resource acquirement and allocation. It analysis how an organization copes with the technical environment it operates within and the extent that its behavior and performance is influenced by it (Scott, 1998). Among others, the main tenets of resource dependence are:

- The way organization employ to manage the dependence relationship for not losing discretion;
- An organization behavior is very likely to be understood by understanding the environment it operates within;
- An organization survival is related to its capacity of acquiring and maintaining the required resources;
- Organizational effectiveness is measured by the extent it satisfies resource owners and other stakeholders;
- An organization is very much dependent on the environment it operates within, because resource owners inhabit such environment.
According to Katz and Kahn (1978), organization’s behavior is closely related to some environmental forces that stems from the environment it operates within. Therefore, an organization’s structure and behavior should be understood taking into account environmental issues and the interactions created between the organization and other structures from it (Child, 1972, Katz and Kahn, 1978, Scott, 1998).

From resource dependence, we devise the first hypothesis:

**H1 – Influences exerted by stakeholders from the technical environment works as determinant factors to performance.**

**Institutionalism**

No organization operates in a vacuum. On the contrary, it lives in an embedded environment able to exert several sorts of influences upon organizations. In this way, no organization is immune to environmental pressures and organization’s reaction and the extent of pressures vary differently from one organization to another. In addition to the environmental influences in terms of resource dependence, there are other explanations for differences on organization’s behavior and performance. In this section, we deal with this other sources of influences that make an organization behave differently from another and it is the institutional theory. Institutional theory focuses on explaining invisible forces that make an organization adhere to taken-for granted rules and patterns of behavior (Oliver, 1991).

At its very beginning, the institutional theory had some resemblances to resource dependence theory in the extent it also aimed to explain the social environment effects upon organizations (Pfeffer and Salancik, 2003). Nevertheless, institutional theorists turned their attention to social rules, norms, rituals, values and other patterns of behavior that make an organization behave differently. For doing so, an organization succumbs to this pressures adopting successful structures and behaviors which have been put successfully into practice for other organizations (Meyer and Rowan, 1991). To this practice, scholars coined the suggestive name of ‘isomorphism’, which according to (DiMaggio and Powell, 1991) is an invisible power that forces an organization to assume different structures and behaviors from other organizations that operate in its environment. In terms of organizational performance, institutional theory argues that success is a dependent variable of “conformity to social expectations” (Oliver, 1991, p. 699). Indeed, success is seen as a consequence of the extent the organization achieves legitimacy, which is the result of compliance to social pressures, or, in other words, influences from the institutional environment.

From the institutional theory, we devise the second hypothesis:

**H1 – Influences exerted by stakeholders from the institutional environment works as determinant factors to performance.**
Determinant Factors to Performance

The two sections above dealt with means for achieving success in terms of the forces the environment exert upon organizations. In this section, we will look at other explanations for success looking at internal capabilities.

First of all, it is very important to define what we do mean for performance. According to John Child (1973, p.2) in a seminal study “performance is not simply and ends product, a dependent variable.” It is something much more complex and hard to define (Lebas, 1995). According to Berman (2006, p. 5), performance is “the effective and efficient use of resources to achieve results.” We adopt a less specific definition for performance as how good an organization perform on trying to achieve determined goals. A football team, for instance, its performance is measured on in what place it reaches at the end of the league. A for-profit organization performance can be measured in how much it is able to leverage profits to stockholders. A public organization performance can be measured on how well it is on fighting violence on streets, on how well it copes with social benefits to elderly people and so on and so forth.

Above we have described on side of the equation in the form of the dependent variable, but how about the other side – the independent variable? Scholars have been dealing with normative attempts to figure out what makes an organization perform better than others? How come when sharing the same technical and institutional environment organizations behave differently? These are still questions to be answered and we try to shed some more lights on these issues.

The very first studies looking at organizational performance have their roots on traditional economics, in which a given organization performance was very likely to be seen as the result of market variables, such as power and structure (Tvorik and McGivern, 1997). For these scholars, production scales and transaction costs optimization were very likely to explain different levels of performance.

After investigating several firms Hansen and Wernerfelt (2006) suggested internal factors are more likely to influence performance than economic factors. Brewer and Selden (2000), on studying American Federal Agencies, identified five organizational factors to performance: organizational culture, human resources and training, leadership and supervision, red tape and support from the National Performance Review. In other seminal study, Peters and Waterman (1982) concluded that performance is related to structures, strategy, systems, managerial styles, skills, teamwork and shared values. With the same objective Boyne (2003) suggested five categories for explaining performance in public services: resources, regulation, market structures, organizational structure and management. In terms of management, he pointed out leadership, organizational culture, human resources management, strategic process and strategy content.

Focusing on senior officers’ perceptions of performance, Gomes and Liddle (2008) found evidence that mayoral leadership, employees skills and popular participation can explain how a given Brazilian municipality achieves better performance than other in terms of the Human Development Index (PNUD, 2008). In the same vein, Avellaneda (2008) found empirical evidence “that mayoral qualifications are associated with greater school enrollment”.

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The ideas presented above indicate that determinant factor to performance is far for being understood and lots of empirical studies are needed in order to figure out a model for explaining/simplifying this complex issue. Therefore, the more we study this subject the less ambiguity and uncertainty it will represent to managers on defining resources and means for improving their organizations’ performance. As an epistemological way for making it fewer complexes the following research question has been devised: what are the determinant factors to public organization performance?

Research Methods

Following the realistic philosophy to research (Lee and Lings, 2008), the investigation presented here has been carried out employing a deductive approach in the extent that the assumptions were raised from the theoretical world and then tested in the real world. The main assumption orienting the investigation was that the performance of a given organization should be influenced by some sort of determinant factor. In order to test this assumption, a sample of best performing local government in Brazil was looked upon. Performance was defined as the outcome Brazilian municipalities achieved according to the Human Development Index ranking for the year 2000. This ranking is developed according to the Demographic Census, which is undertaken every ten years time.

As a data collection instrument, a survey has been developed in order to figure out senior officers’ perceptions about some determinant factors to performance suggested by literature (Boyne, 2003, Gomes and Liddle, 2008). The survey instrument was constructed upon a six points Likert Scale, where respondents were asked to mark how strongly they agree or disagree with several statements related to leadership skills, city council supervision process, employees skilfulness, Accountancy Tribunal overseeing activities, popular participation, partners support and upper tier government orientation and support.

Data has been analysed by descriptive and inferential statistics in order to figure out how much consensus there were within respondents perceptions as well as how reliable this results can be seen as a genuine representation of the population examined. Cronbach’s Alpha has been used to assess the survey instrument integrity.

Findings

After two waves of e-mails and mail questionnaires, the survey reached a response rate equals to 20%, which matches pretty much the same result achieved in other mail surveys carried out with local government (Gomes and Gomes, 2008, Gomes et al., 2006). Cronbach’s alpha resulted equals to .959, which pretty good in terms of the reliability of the survey instrument (Bryman, 2008).

The significance of the results, which has been assessed by Chi-Square calculation, indicates that there are some results that ensure a reliable significance test of 95% and even 99%, but,
unfortunately, there are some results, quite important to the ends of the investigation, whose results resulted very insignificant. The results are dealt with as follows.

**Mayoral leadership**

Table 1: Mayoral skills as a determinant factor to performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Min</th>
<th>Max</th>
<th>C-S</th>
<th>DF</th>
<th>AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor makes people overcome limits</td>
<td>4.52</td>
<td>1.72</td>
<td>1</td>
<td>6</td>
<td>29.36</td>
<td>5.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Mayor has a clear vision of future</td>
<td>5.18</td>
<td>1.37</td>
<td>1</td>
<td>6</td>
<td>72.73</td>
<td>5.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Mayor is trustable person</td>
<td>5.80</td>
<td>0.70</td>
<td>2</td>
<td>6</td>
<td>95.27</td>
<td>3.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Mayor demonstrates consistency</td>
<td>5.43</td>
<td>1.00</td>
<td>2</td>
<td>6</td>
<td>41.64</td>
<td>3.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Mayor knows his/her limitations</td>
<td>5.39</td>
<td>0.97</td>
<td>2</td>
<td>6</td>
<td>34.00</td>
<td>3.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Mayor demonstrate security on his/her decisions</td>
<td>5.50</td>
<td>1.00</td>
<td>2</td>
<td>6</td>
<td>75.09</td>
<td>4.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Source: Data Findings

Findings indicate that respondent poses a lot of trust on mayoral leadership and competency. The lowest mean is related to mayoral capacity to make people to overcome limits, though it is still a strong attribute. The highest attribute to respondents is trust and they believe the highest the trust team put upon mayor’s honesty, people will have a better performance. Table 1 indicates good significance level for all statements and good consensus among responses as standard deviation of the mean indicates.

**Popular participation**

Evidence indicates that popular participation is not an important issue to be regarded as a determinant factor to performance. The averages are quite low and the standard deviation is quite high. The significance test indicates that the results presented in Table 2 are consistent and it does represent the population researched. Observing the minimum and maximum values, evidence indicates that there is no strong consensus on popular participation as a determinant factor to performance.

Table 2: Popular participation as a determinant factor to performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Min</th>
<th>Max</th>
<th>C-S</th>
<th>DF</th>
<th>AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population comes out in meetings</td>
<td>3.75</td>
<td>1.75</td>
<td>0</td>
<td>6</td>
<td>16.82</td>
<td>5.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Population does participate in assemblies</td>
<td>3.57</td>
<td>1.99</td>
<td>0</td>
<td>6</td>
<td>14.23</td>
<td>6.00</td>
<td>0.03</td>
</tr>
<tr>
<td>Councilors participate making suggestions to strategic plan</td>
<td>4.00</td>
<td>1.78</td>
<td>0</td>
<td>6</td>
<td>15.50</td>
<td>6.00</td>
<td>0.02</td>
</tr>
<tr>
<td>Local community participates on defining priorities</td>
<td>3.70</td>
<td>1.84</td>
<td>0</td>
<td>6</td>
<td>16.14</td>
<td>6.00</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Source: Data Findings
The Accountancy Tribunal (Regulation)

Table 3: The Accountancy Tribunal as a determinant factor to performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Min</th>
<th>Max</th>
<th>C-S</th>
<th>DF</th>
<th>AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Accountancy Tribunal helps us to keep on track.</td>
<td>4.91</td>
<td>1.64</td>
<td>0</td>
<td>6</td>
<td>64.18</td>
<td>6.00</td>
<td>0.00</td>
</tr>
<tr>
<td>The Accountancy Tribunal represents a threat.</td>
<td>3.59</td>
<td>2.06</td>
<td>0</td>
<td>6</td>
<td>13.59</td>
<td>6.00</td>
<td>0.03</td>
</tr>
<tr>
<td>The Accountancy Tribunal makes the process more transparent.</td>
<td>3.32</td>
<td>2.09</td>
<td>0</td>
<td>6</td>
<td>13.27</td>
<td>6.00</td>
<td>0.04</td>
</tr>
<tr>
<td>The Accountancy Tribunal ensures the good use of the taxes.</td>
<td>4.02</td>
<td>1.82</td>
<td>0</td>
<td>6</td>
<td>13.91</td>
<td>6.00</td>
<td>0.03</td>
</tr>
</tbody>
</table>

Source: Data Findings

Evidence presented in Table 3 indicates that the Accountancy Tribunal role on performance is much more related to supporting public managers to keep on track rather than threatening bureaucrats on holding them to accountability. The first statement with the highest average and the lowest standard deviation is a clear evidence of it. The other important role that respondents relate to the Accountancy Tribunal is to ensure that money is spent on a right way. Respondents are neither keen that the Accountancy Tribunal helps on making the process more transparent, nor that it represents a threat nor public managers freeze to the bone when hearing about it.

Partnership

Table 4: Institutional Partnership as a determinant factor to performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Min</th>
<th>Max</th>
<th>C-S</th>
<th>DF</th>
<th>AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners’ good performance helps on improving the local authority performance.</td>
<td>4.75</td>
<td>2.07</td>
<td>0</td>
<td>6</td>
<td>71.09</td>
<td>5.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Federal government acts in partnership.</td>
<td>4.68</td>
<td>1.64</td>
<td>0</td>
<td>6</td>
<td>30.18</td>
<td>5.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Federal Government follows the financial transfer timetable.</td>
<td>4.59</td>
<td>1.72</td>
<td>0</td>
<td>6</td>
<td>40.64</td>
<td>6.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Regional government acts in partnership.</td>
<td>4.52</td>
<td>1.81</td>
<td>0</td>
<td>6</td>
<td>35.86</td>
<td>6.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Regional government follows strictly the financial supply timetable.</td>
<td>4.16</td>
<td>1.85</td>
<td>0</td>
<td>6</td>
<td>19.64</td>
<td>6.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Local partners (contractors) act in a integrated way with local government.</td>
<td>3.86</td>
<td>1.84</td>
<td>0</td>
<td>6</td>
<td>17.73</td>
<td>6.00</td>
<td>0.01</td>
</tr>
<tr>
<td>Targets suggested by Regional government match the municipality needs.</td>
<td>3.77</td>
<td>1.85</td>
<td>0</td>
<td>6</td>
<td>20.59</td>
<td>6.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Targets proposed by the Health Ministry are adequate to the situational at hand.</td>
<td>3.68</td>
<td>1.80</td>
<td>0</td>
<td>6</td>
<td>23.45</td>
<td>6.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Federal government’s money supply is enough to promote health equality.</td>
<td>3.02</td>
<td>1.97</td>
<td>0</td>
<td>6</td>
<td>6.14</td>
<td>6.00</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Source: Data Findings

In this case, we explored respondent’s perception about institutional partnership as a determinant factor to performance. For institutional partnership, we mean the strategic and financial support provided by both Federal and Regional governments. The standard deviation value does not demonstrate high consensus among respondent’s perceptions. All statements received scores
from 0 to 6, which is per se a clear demonstration that respondents are not quite sure about the importance of these issues. Some statements are quite obvious, which seems to be the case of the partners’ performance helping to improve local authority performance, but have a look at the standard deviation. It is the higher among the others. As the significance level is quite high (more than 99%), this is an unsuspicuous evidence that further investigations should be done on this issue.

Influences exerted by partners are likely to stem from both technical and institutional environments. Technical influences are related to the financial support federal and regional government has to transfer down to local government. Public managers at the local level do expect that money comes in at the right time and as much as possible. Institutional influences are related to federal and regional government ability to set down the legal framework as well as the agenda in which local government has to base their plans (Gomes and Gomes, 2009). These influences can be easily seen at Table 4.

**Employees Skilfulness**

Employees’ skilfulness is regarded as a factor that helps on improving performance. Although, no strong consensus on respondent’s perceptions, there is some evidence that suggests that it can be seen as a determinant factor. For example, there is strong consensus that turnover affects efficiency and unmotivated employees are very likely to perform poorer. On the other hand, there is no consensus that employees are happy with their wages and the organizations are still able to reach high performance and this evidence corroborate the common sense that wages do not motivate people to work better and harder.

![Table 5: Employees’ Skilfulness as a determinant factor to performance](image)

**Discussion**

The theoretical framework employed in this investigation focused on resource dependence and institutional theory for explaining the patterns of relationship a given organization engages with people, groups and other organizations from the environment it operates in search of the needed resources as well as of the needed legitimacy. As an operational theoretical framework, we used a state of art literature review focusing on studies that tried to explain performance from the viewpoint of its determinants. The axiology of the papers is that figuring out the determinant
factors that improve/facilitate/trigger performance is a shortcut for making organizations more efficient and effective.

This paper innovated trying to adapt the ideas above to the public organizations, which are multi-criteria, multi-customer and therefore multi-stakeholder entities. This endeavour becomes more and more important due to the economic crisis the world has been facing in the last two years. The search for more efficient and effective public organizations will bring value to society and legitimacy to a system, which is indeed at stake.

It is clear that public organizations at the local level are resource and legitimacy dependent. They depend on financial support from federal and regional government. They depend on skills from their employees. They depend on legitimacy from local population and they depend on leadership from mayors and secretaries. It is also clear after conducting this investigation that the institutional environment represents an important source of influence shaping the way decisions are made. Thus, local government struggle on a daily basis for the needed resources as well as for legitimacy, which comes from society and from other levels of government. For local government, good performance would mean both better conditions on its finance and on its routine, and it is very likely to mean better political situation.

Findings are quite clear that the most important factor to performance is leadership. A good leader is supposed to be able to negotiate with federal and regional government to tracking down financial support, but also able to motivate and induce staffs for overcoming barriers and targets. A good leader is also supposed to invite successfully the local population to participate in decisions. If we were talking about for-profit organizations, it would be a matter of appointing the right person for the right place, which is not the case in the Brazilian public management at the local level of government. When voting for someone, who attract people attention because he/she is a good speaker or even because he/she looks like someone trustable, we don’t know for sure whether these people are good leaders and able to lead the local government to a better situation. The voting system is based on the assumption that a bad choice will be able to be corrected in the due time when voting is again on the agenda. Unfortunately, four years (the local government mandate in Brazil) could be the right time for a disaster.

The other determinant factors are in some way dependent on mayoral leadership. An institutional influence, which is the case of the Accountancy Tribunal power for regulating public services and holding them to accountability is not seen as a determinant factor. The threat and fear the Accountancy Tribunal causes on public managers does not work as a trigger to performance, but an inducement for doing things the way they believe the tribunal expects. Definitely, this is not a shortcut to high performance. Another influence that depends on leadership is employee’s skillfulness, which stems from the technical environment. The real leader is the one who knows the right people to work with and someone he/she can count on for getting the job done. Differently from leadership, skills can be learned. In order to have the best skilled employees all the organization needs is a good training program.
In terms of hypothesis test, the study raised evidence for supporting the hypothesis that influences from technical environment stakeholders are more likely to work as determinant factors to performance. Despite accepting that institutional influences have an important role on local government decision-making, which can be easily seen on how government sets down targets, public policies and the legal framework, it is not seen as determinant factors to performance and rather a operational framework. This conclusion is quite intuitive or every single municipality within the country would be a top level performer otherwise.

Conclusions

This study aimed to contribute to the public sector stakeholder theory by deeping the knowledge we have about the sort and the extent of influences they are able to represent on local government decision-making. For this end, evidence was gathered focusing at best performers municipalities from the State of Minas Gerais in Brazil. Performance was measured up according to the Human Development Index. The importance of this piece of knowledge for public sector management lies on the assumption that better understanding the determinant factor that improves performance at the local government level, we would be able to devise means for making them to perform better as well as means for diminishing differences on outputs and outcomes.

The analysis was based on Resource Dependence Theory, Social Networks and Institutionalism, whose main tenets helped us to comprehend the stakeholder’s modus operandi on approaching an organization multi-service as it is the case of local government. Resource dependence helps on understanding how and why a stakeholder approaches a given organization looking for the needed resources and the consequences it implies in its structure and behavior. Social network helps on understanding the laces that glue a set of social actors all together. Institutionalism helps on understanding the patterns of behavior an organization has as influenced by the taken-for-granted rules and regulations set by rulers and successful organizations. The stakeholder theory helps on mapping out the constellation of social actors that surrounds a given organization looking for resources, transactions and for relationships.

The investigation was carried out under the realistic paradigm (Lee and Lings, 2008) employing an deductive approach that there should be some causal relationship between stakeholder influences and local government performance. In this vein, an electronic and mail survey has been addressed to the best performing municipalities at the State of Minas Gerais. The research aimed at surveying senior officers’ perceptions about some stakeholder influences, which importance has been set on literature, such as Boyne (2003), Gomes and Liddle (2008) and Avellaneda (2008). According to these authors, performance is impacted by some factors, such as leadership, the ability of the employees and public participation among others. Data was then analyzed by descriptive and inferential statistics by using the SPSS software package.

The most relevant results, as indicated by the inferential analysis, were Mayoral leadership where respondents were unanimous about the importance of a good leadership as a mean to improve performance. The main factors related to a good leadership are:
• Clear vision of the future and a capacity of sharing it with senior officers and employees;
• Persuasive skills for making people go beyond the job at hand;
• A substantive amount of trust. Employees need to be ensured that the leader is a fair and trustful person;
• Consistency on making decisions and sticking to these decisions on the time ahead;
• Self-confidence on deciding the right way and making people know that he/she is sure about their strengths and limitations.

Other evidence raised by the investigation is about the employees’ influence on performance. According to the respondents the more motivated, trained and engaged in the service delivery process they are, the better they will perform. Another fact that corroborates to this idea is that turnover is seen as a negative factor to performance.

In terms of popular participation, which has been in the media since Porto Alegre put into practice its participative budget, there is no significant evidence for allowing the acceptance that it is a determinant factor to performance. According to the findings local government performs better or worse regardless the participation of the local population. In terms of the extant literature, it can be seen a strong and challenging contribution for those who state that popular participation is likely to make difference on performance.

In relation to City Council capacity for overseeing local government activities, the Accountancy Tribunal on holding local authorities to accountability and Federal and State government on setting the main directions for local government planning, service delivering and controlling service delivery further investigations are needed in order to better understand their participation on performance. In the particular case of the Accountancy Tribunal findings indicate that it is able to improve performance in the extent that it helps local authorities to have better and more reliable administrative processes. The study also raises evidence that Federal and State government are very likely to make a difference if they send money down at the right amount (local officers keep saying that more money allows better performance) and time.

Due to the ideas presented above, this paper raises some relevant theoretical contribution that would shed light on performance management in the extent that it fixes some landmarks on who is able to make a difference on local government performance. The respondents were quite positive that leadership is the ultimate determinant factor to performance and this challenges the actual Brazilian model of representative democracy. The other determinant factors are in some ways dependent on mayoral leadership, which seems to be the case of employee’s skillfulness. It is quite difficult for the electors to know beforehand whether the person they are voting for is up to the job and able to lead the municipality to a better economic, environmental and social situation. Probably, a solution for this issue would be the appointment of a Chief Executive to carry on the daily administrative activities of the City Hall, leaving the elected Mayor the incumbency of carrying on political activities, such as contacts with Federal and State Government, liaisons with other political parties and dealing with electors and pressure groups. Moreover, it should be a subject to be developed in further experimental investigations.
The next steps of this investigation shall be to carry out the very same survey with poor performer municipalities in order to confirm evidence presented here. In addition, focus groups with public stakeholders in order to ensure their role on local government decision-making will also shed more light on clarifying leadership as the most important factor on local government performance, which is very likely to be seen as a revolution on Brazilian public management.

References


