Depicting Determinant Factors of Local Government Performance in Brazil: Is there a way out of the labyrinth?

Autoria: Ricardo Corrêa Gomes, Joyce Liddle

The literature on performance management is replete with performance indicators, but there are still gaps in terms of the determinant factors for explaining outstanding performance. The purpose of this paper is to improve the understanding of the explanatory factors that leads to superior performance in the public sector domain. The research has been carried out using the grounded theory approach and employing a single and representative case study: Poços de Caldas – the city with the highest Human Development Index in the State of Minas Gerais. Data has been collected by focus group with the management team of the municipal administration and analyzed using content analysis. The findings indicated that local government performance is strongly influenced by three factors related to management, namely leadership at the organisational level, competence and engagement of the staff and popular participation. The last item is the combination of the amount of pressure for accountability that society imposes upon government and the number of opportunities it has to participate on decision-making. As an exploratory and descriptive research, the results of this study produced some new empirical evidence on the importance of popular participation as a determinant factor of performance in local government and corroborated the assumption that leadership and management team skills are a crucial factor.

1. Introduction

Since Peters and Waterman (1982) published their landmark book “In Search of Excellence” in the United States of America, scholars and practitioners have been involved on examining the determinant factors that would differentiate between organizations that run well and those that run badly. Subsequently, Porter (1985) explained superior performance, which he described as the capacity of competing and gaining new markets, as a result of the combination of five forces: entrants, suppliers, buyers, substitutes and industry rivalry. This model was later adapted to explain national competitive advantage (Porter, 1998), as the combination of a number of determinants, identified as factor conditions, related and supported industries, demand conditions, and firm strategy structure and rivalry. Approximately ten years earlier, Child (1972) suggested relationships between an organization’s behaviour and environmental conditions. Therefore, studies on performance have a quite long tradition within the business literature.

Performance can be defined as the result of economic and organizational factors (Tvorik et al., 1997), as well as of the influence of internal attributes (Child et al., 1972; Peters & Waterman, 1982) and environmental factors (Child, John, 1972). These two propositions lead us to understand performance as a behavioural rather than a technical issue. If it is assumed that superior performance is achieved only by employing technical and controlled mechanisms, then every organization operating in every sector and of any size would be able to achieve high levels of performance.

In the public sector, performance has been on the management agenda since New Public Management became the beacon for scholars and professionals (Hood, 1995). Though very abundant in terms of performance indicators, there is still a gap in terms of the determinant factors that influence public organization performance. There is a huge literature explaining
performance management in public organizations, including as Boyne (1996), Boyne et al. (1999), Mwita (2000), Boyne (2003), Radnor and McGuire (2004), McAdam et al. (2005), among others. In the specific case of government performance, Rainey and Steinbauer (1999), Moynihan and Pandey (2005), (Greatbanks e Tapp, 2007) and Avellaneda (2008) are particularly significant.

Some authors have attempted to explain performance using the Balanced Scorecard (Wisniewski e Olafsson, 2004). Others have attempted it employing a combination of several models (Lee, 2006). Although, the flood of literature trying to explain and to determine how high performance is achieved, there are still failing organizations in both private and public sectors because they either failed to listen the signs their environment sent them (Child, J., 1972), or because they managed their resources and processes badly (Porter, 1985).

The purpose of this paper is to improve the understanding of the explanatory factors of public sector performance in terms of the quality of life these organizations provide to the local population.

2. Background

According to Tvorik and McGivern (1997), organizational performance can be explained by two areas of focus, namely economic and organizational perspective. While the former focuses on market issues, such as demand, factors of production, rivalry and external references for good practice (Porter, 1998), the latter concentrates on explaining performance as a result of behavioural and sociological paradigms. Child (1973, p. 2) argued that, “Performance can be categorised under two different theoretical propositions of determinants: universalistic (the presence of attributes that conduce to superior performance) and contingencial (the pressure of favourable circumstances).” Both definitions take into account the fact that performance can be seen as the result of either specific attributes or environmental characteristics. Therefore, an organization is very likely to differentiate itself by achieving performance superior to that of its competitors, with whom it shares the same legal, economic and social conditions. This assumption leads us to conclude that performance is very likely to be a dependent variable of behavioural rather than technical factors. Otherwise, every kind of organization would be able to achieve success.

2.1. Performance management

According to the literature, performance is a difficult concept because it can mean anything (Lebas, 1995). Berman (2006, pp 5-6) defines performance as “the effective and efficient use of resources to achieve results. Effectiveness is defined as the level of results...Efficiency is defined as the ratio of outcomes (and outputs) to inputs”. In other words, performance can be measured either by looking at the results a given organization achieves, or by assessing the way it manages its resources and strategies.

management aims to react to the “outcome” measure using it in order to manage the performance”. Sinclair and Zairi (1995, p. 65) defines performance management as “the day-to-day management of individuals based on performance measurement”. In the specific case of the investigation presented here, attention is focused on results and outcomes rather than on process per se.

Another definition for performance management is “the process of communicating organizational aims and objectives to all stakeholders, setting performance targets in order to measure the achievement of those aims and objectives...” (Doherty e Horne, 2002, p. 336 - referring to Blundell and Murdock, 1998). In this definition, performance management encompasses the measurement process.

As performance measurement is an end-of-line approach (managers have to wait until the process is finished in order to understand what already happened), performance management is a planning process where managers need to set the vision, objectives, resources and the environmental conditions for achieving the expected outputs and outcomes (Bovaird e Halachmi, 2001). In this way, managers need to know whether performance can be the result of determinant factors in order to devise feasible and effective strategies.

### 2.2. Determinant Factors to Performance Improvement

Porter (1985) suggested the famous diamond for explaining superior performance, which comprises firm rivalry, competition, substitutes products or services, negotiation with suppliers and with buyers. Other authors have suggested that performance is a dependent variable of environmental influences, such as resource ownership (Barney, 1991; Pfeffer e Salancik, 2003), contingencies (Child, J., 1972) and stakeholders (Freeman, 1984; Greenley e Foxall, 1996).

In the business area, there are some interesting published studies covering the determinant factors that lead to superior performance. Tvorik and McGivern (1997, p. 423), in order to understand the independent determinant factors of performance, have conducted “a keyword search on the UMI, Inc. ABI/Inform business library databases through Nexis/Lexis for the most recent data available for the period covering 1989 to 1994.” Their conclusion was that “that organizational factors impact firm performance roughly twice as much as economic factors” (Tvorik e McGivern, 1997, p. 433). In other words, firms achieve superior performance by organizational alignment, organizational leadership and vision, organizational resources, and industry structure. Peters and Waterman (1982) concluded, after examining 43 of Fortune 500’s top performing companies, that superior performance is related to structure, strategy, systems, style of management, skills, staff, and shared values.

Though there have been many studies in the business area, there are few empirical studies focusing on the determinants of performance of public organizations. One of the exceptions to this is Boyne (2003), whose study offered five possible independent variable categories as determinants of public service performance: resources, regulation, market structure, organization, and management. Within the area of management, he identified:

- leadership, styles and expertise;
organizational culture;
human resource management;
strategy process;
strategy content

In another paper, Boyne et al. (2005, p. 633) found evidence that management variables, such as “...organizational strategy, resources, leadership, goals, workforce diversity, and representation”, can help explain organizational performance in public agencies. In another study, Boyne (2003, p. 385) argued that “managerial variables make the difference to service performance”.

In a huge literature review of studies focusing on public management, Hill and Lynn (2005pp. 183-4) identified three broad types of construct:

1. Administrative structures. This category includes variables such as red tape, organizational and interorganizational structures (such as partnership arrangements), or formalization of authority intended to constrain the behaviour of subordinate and other actors. While administrative structures may not be wholly determined by managerial actors, such structures may be classified as a management variable to the extent that public managers’ discretionary actions either create structures or infuse an existing structure with distinction and meaning (e.g., by creating “organizational effects” at national, state, or local office levels of administration).

2. Managerial tools. Within a given structural setting, managers may employ a number of different administrative mechanisms to design, implement, and evaluate policies and programs. The use of performance incentives, coordination and networking techniques, and contracting mechanisms are examples of managerial tools represented in this category.

3. Management values and strategies. In contrast to structures and tools, managerial values and strategies reflect managerial choices with respect to goals, missions, priorities, and adaptation to the institutional environment. Leadership, employee empowerment, interorganizational cooperation (e.g., cooperative enforcement) and services integration, and the allocation of resources across programs and activities are all included in this category.

In a recent paper, Avellaneda (2008, p. 2) demonstrated that “mayoral qualifications – educational background and job-related experience – positively influence municipal performance in terms of education”. The ideas about public management presented here indicate that there are some recurrent issues when determinant factors of performance are analyzed.

Even though agreeing that performance can be related to some factors, it is still necessary to examine the meaning of superior performance in more detail. According to Barney (1986, p. 657), “the financial performance of firms is divided into three categories: normal performance, superior performance, and below normal performance... a normal return is a return just large enough to ensure a firm’s survival.” As we are talking about public organizations, an equivalent measurement for effectiveness would be the Human Development Index (HDI), which is in fact split into three levels of performance: low, medium and high human development (Undp, 2008).

The HDI is a combination of three categories of human development, namely long and healthy life, knowledge and a decent standard of living. The first category is measured by life expectancy at birth; the second is measured by the adult literacy rate and a combination of primary, secondary and tertiary gross enrolment rates; the third category is measured by GDP per capita (Undp, 2007; 2008).
According to the ideas presented above, a question remains, and it is used to orient the present research:

Can we explain why some local governments in Brazil achieve superior human development, while others do not?

3. Methods

In order to answer this question, an interpretative investigation was carried out, based on grounded theory (Glaser e Strauss, 1967) and operationalised in a single case study, which is regarded as a typical representation of superior performance in terms of HDI (Yin, 2003) and in terms of fiscal responsibility (the city was regarded by the National Municipalities Confederation as the third best managed city in Brazil on this criterion). For these reasons, the city of Poços de Caldas was chosen, which is located exactly at the southwest edge of Minas Gerais where it borders with São Paulo, as Figure 1 shows. Indeed, Poços de Caldas is regarded as among the best managed cities in Brazil.

The city has population of 150,000 scattered within 540.87 Km². The city is located 1,000 metres above sea level and upon the sources of several sulphurous and thermal waters, which is the most famous tourist attraction of the region and from which its name comes. In the last Human Development Index census for the State of Minas Gerais, the city achieved first place with a score of 0.841, which means a high standard in terms of health, education and wealth.

Data for the present study was collected through a focus group (Bryman, 2004), in which we questioned city officials about how they explained Poços de Caldas’ success on Human Development and what they regarded as the determinant factors for such good performance. The questions addressed were:
• How do you evaluated Poços de Caldas’ performance in the last political mandate (2005-2008)?
• In what areas do you think the administration improved?
• Do you identify any factors that promoted good performance?
• In your opinion, is there any stakeholder whose action would be seen as a determinant factor of superior performance?
• Is there any stakeholder whose action would be seen as a determinant factor of low performance?

The focus group involved eight departmental secretaries, namely the Head of the Cabinet, the Secretaries of Administration, Finance, Planning, Education, Health and Housing, and the Head of the Water and Sewage Department. The meeting lasted 100 minutes and was recorded with prior agreement of the participants. The Mayor was also interviewed on a separate occasion. After transcription, the report of the interview was sent to the Head of the Cabinet for validation. Data was analyzed through content analysis (Bryman, 2004) with the help of the QSR® N6 software.

4. Findings

We present the findings following the order that questions were addressed in the focus group. As the group was not gathered together at the beginning of the section and some of them arrived during the course of the activity, some opinions are presented out of chronological sequence, but grouped with the themes they are related to.

4.1. How do you evaluate Poços de Caldas’ performance in the last political mandate?

In this first question, the respondents’ perceptions indicated clearly that Poços de Caldas’ performance was much better than before. The content analysis indicated that there was consensus that the performance was better, as the following quotations indicate:

Poços de Caldas’ administration has been getting better and better year by year (Secretary of Finance).

I was out of government and I returned last year. Being out of government you see clearly that a lot of things are getting better (Secretary of Administration Representative).

The situation of the City Hall today is unbeatably better than when the Mayor assumed office at the beginning of 2005 (Head of the Department of Water and Sewage).

We still don’t have updated figures about the HDI, but Poços de Caldas is today regarded as the best quality of life within the State of Minas Gerais and among the best managed municipalities in the country in terms of accountability and fiscal responsiveness according to the Fiscal Responsibility, Management and Social Index (FMSI) (Head of the Cabinet).

According to Klering et al. (2007), Poços de Caldas is the fourth best managed municipality in terms of fiscal responsibility (lack of debt, adequate cash flow, personnel expenditure and primary surplus behaviour), management (bureaucratic expenditure, legislative expenditure and investments) and social services (health and education expenditure and performance).
Strong and dramatic evidence that Poços de Caldas’ administrative situation was now much better than before is the statement of the Water and Sewage Department representative.

When we assumed the administration and in the majority of the departments, civil servants had to bring toilet paper, coffee and sugar from home. We didn’t have gasoline for the vehicles, with the exception of the ambulances, though even that was rationed. The city hall had 12 trucks for waste collection and we were never able to get them all working properly. We had six or seven working and the others worked as sources of spare parts. If we compare with the situation we found here, we have made a huge step forward. Now, the administration has no debt whatsoever.

4.2. In what areas do you think the administration improved?

In terms of improvements in performance, respondents’ perceptions matched the most recent figures for the HDI, which indicate an improvement of more than eight percent in relation to ten years before. It is important to notice that the HDI in Brazil is calculated upon the National Demographic Census, which is conducted each ten years. Table 1 indicates the positive change in the index in the three dimensions (wealth, longevity and education). The following quotations indicate this in qualitative terms:

Education and health represents the greatest expenditure in the Administration (Secretary of Administration Representative)

We have made a huge investment in health (Secretary of Housing)

Our health indexes have improved quite a lot and this can be seen in the vaccination indexes and in life expectancy at birth (Secretary of Health).

In terms of sewage treatment, we have nearly one hundred percent of our domestic wastewater treatment and it is very important in terms of improving health (Secretary of Housing).

Our illiteracy rates are very low. In the last political mandate, the Mayor established the zero illiteracy programs. In this mandate, he established the fundamental educational segment zero programs, which is supposed to mean that we will not have anybody who does not complete the first eight years of education within the city limits at the end of this political mandate (Secretary of Education).

What is happening in our education system is the Mayor has built some nursery schools and they are very good in all respects. They are even better than private nursery schools (Head of the Water and Sewage Department). As a result of this initiative, parents are moving their child from private to public schools (Secretary of Health).

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<th>Table 1: Human Development Index</th>
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<td>Poços de Caldas</td>
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<td>HDI</td>
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<td>HDI Wealth</td>
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<td>HDI Longevity</td>
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<td>HDI knowledge</td>
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Source: Human Development Index Programme (http://www.pnud.org.br/atlas/tabelas/index.php)

An important issue raised by focus group participants relates to popular participation. According to the evidence provided, the administration enhanced and facilitated popular participation, creating a building called the “House of the Councils” in which all councils were brought together in order to create synergy among them and to facilitate their operation. The administration also introduced itinerant government, when the Mayor and his secretaries moved...
their cabinets to the wards in order to get closer to the local community and to speed up the dynamic of public management, as the following quotations illustrate.

The Head of the Cabinet had an idea and it was passed to the Mayor. As a result, they built a space called the House of the Councils. This space has four employees with administrative equipment such as computers, tables, spaces for meetings and for conferences (Head of the Water and Sewage Department).

We have created itinerant government. The Mayor divided the city into regions and he goes to these spaces to listen to the local population. This initiative has made the administration more dynamic to the extent that some actions and decisions are taken at the very moment that people ask for them (Secretary of Planning).

4.3. **Do they identify any factors that promoted good performance?**

Boyne (2003), as mentioned in the literature review, suggested that performance improvement is very likely to be promoted by managerial capabilities. Within this category, he proposed leadership style and expertise, organizational culture, human resource management, strategy processes, and strategy content.

The focus group participants were unanimous about the determinant factors which promoted the good results achieved by the administration in the period considered: leadership, competency of the management team and popular participation. The evidence on these three issues is presented below.

**Leadership**

One of the factors held to be most responsible for the good results achieved by the current administration was the Mayor, as the following quotations indicate.

I guess that the main factor that explains the results we achieved is the determination and the vision of the Mayor. The second most important factor was the competency of the management team. He chose the people to put each public function into practice and to achieve what he wanted for the city (Secretary of Finance).

The Mayor has a very good vision of what he expected for the city, but I have to add that the management team is very skilled. I’m not part of the first team and I see clearly that the team needs to work like clockwork in order to put the Mayor’s visions into practice. The management team is in charge of executing the public functions and they have to work as a team (Secretary of Administration Representative).

The Mayor is a good manager. He knows exactly what he wants. He is also a good politician and, the most important thing; he knows how to develop and to lead a team. He doesn’t allow conflict within the team (Head of the Water and Sewage Department).

I would like to add that we work according to the orientations of the Mayor. He decides the way we work in dealing with the public administration. He has a great creativity for managing the financial resource and he is always able to transform it into something bigger (Head of the Cabinet).

**Competency of the management team**

According to the focus group, the management team provided important support for the good performance of the municipality. They were skilled and prepared to do their best to ensure the
Mayor’s vision and strategies were implemented. According to the evidences, the management team worked as a means for putting into practice strategies, as the following quotations illustrate:

I think that the main thing is the Mayor’s vision and determination and secondarily the management team he has been chosen for performing each public function and to put into practice what he regards as important (Secretary of Finance).

Participation is coming through councils. The Mayor hears the councils’ voices and transfers it down to secretaries and they are engaged on solving problems according to the Mayor’s orientation (Secretary of Finance).

The importance of the management team to the performance improvement can be detected in the following quotation:

At that time, the population participated in almost all assemblies and the former administration didn’t take anything into account… It was a failure of the management and also a lack of involvement from the management team.

Popular participation

Another issue raised in the focus group session was the importance of popular participation to performance improvement. According to the findings, it has worked as leverage for pursuing superior levels of performance in all sense, as the following quotation illustrates: “Now, we can see public participation that is coming about through the councils. The Mayor is listening to the population’s expectation and he is passing it down to the secretaries” (Secretary of Finance).

Other evidence about the importance of the popular participation was provided by the Head of Cabinet: “I think that councils represent a good way for making people more participative in decision-making. They have produced good democratic progress for the city as a whole, but I still think we have a long way to go”. She also pointed out that there was opposition from some public sector managers to the involvement of population in decision-making.

The administration has some resistance to councils, because it means sharing political decisions with the rest of the population. In fact, if we start to understand the role of the councils and if the councillors themselves understood their roles within the process we will progress quite a lot, because the council raises what the population wants from us. We have to work on it. The population needs to achieve the consciousness that councils represent as a space in which they have a voice and they have the opportunity to influence priorities and decisions. Besides, the administration also needs to learn to listen what comes out from the councils.

Revealing evidence about the problems of not hearing the local population was provided by the Secretary of Finance, who used to be in the opposition party and is now part of the government:

I’m the most recent acquisition of this administration. I worked for the former administration, whose leadership was exercised by the Workers Party. I have something to add about the Participative Budget. It was widespread throughout the country as a magical solution. At that time, we carried out the Participative Budget. We had good levels of popular participation, but the former administration didn’t take any of that into account. Moreover, everything which was decided by the local population was not taken into account by the Workers Party. It was a great deception for the population. In general, the requests were about small issues that would have made significant difference for the local population with a small amount of effort and money. It was a lack of managerial skills from Secretaries and a lack of leadership from the
Mayor. It is useless if you go round the population asking for participation and not taking anything that has been decided for them into account in the administration.

In spite of the consensus about the importance of the councils to the administration, there are problems with the behaviour of certain councillors, as the following quotation illustrates, and this confirms the idea that the local population needs to understand councillors’ role in the process, as the Secretary of Health stated:

In relation to councils, I have some problems with some councillors in my Secretariat. Our council doesn’t work as the Head of the Cabinet is stating here. They are supposed to deliver orientation, helping in previewing the future, and also something that they think as important to the population as whole in terms of health. This council is very politically oriented. They act much more as a police rather than as a council. They keep looking at problems in the way the Secretariat is managed in order to have an agenda for taking advantage in the next electoral period.

4.4. **Is there any stakeholder whose action would be seen as a determinant factor for good performance?**

On this issue, the focus group session indicated that the Mayor himself is a powerful stakeholder. In addition to the Mayor, participants indicated the management team, which is pretty much corroborated by stakeholder identification investigations carried out in England (Gomes, 2005). Other relevant stakeholders indicated by focus group participants are both the State and the Federal Government, whose support, it was agreed, was important to improving public service performance, as the following comment illustrates:

Another determinant factor in the improvement of Poços de Caldas’ performance is the support from state government, with which we have signed some agreements. We have also agreements with Federal Government, in spite of the Mayor being in the opposition party. We didn’t see any restriction in relation to the development of joint social programmes, such as Popular Pharmacy and Popular Restaurants (Head of the Cabinet).

The local community is also regarded as a salient stakeholder, which corroborates other stakeholder identification research in the public sector domain (Proença, 2003). Their importance rests on the extent to which they participate in the councils, as the following quotation illustrates:

It is a council’s decision that defines the areas and the priorities where money is to be spent. Some suggestions from the Women’s Council made a great deal of advance in the women’s situation in Poços de Caldas. The hostel houses and ways of tackling violence against women are some examples of this council’s contribution to this administration. I realize that it is still a modest contribution, because the population itself does not understand the strength it has within the council. Nevertheless, it is a cultural issue and we are trying to find ways for improving it (Head of the Cabinet).

4.5. **Is there any stakeholder whose action would be seen as a determinant factor for bad performance?**

When talking about determinant factors of bad performance, focus group participants provided robust evidence about the inefficiency of the bureaucracy. They see the administrative structure as obsolete and indolent, as the evidence below illustrates.

Where we still have a lot to do is about the bureaucratic structure we inherited. The Mayor has observed it at the transition period. We inherited this situation and we are not successful in fighting it. We have a lot
of regulations that slow the process. We have a lot of laws for buying stuff and it takes a long time to buy a pen or a patrol car (Head of the Water and Sewage Department).

Another issue raised by focus group participants was about the political interference that undermine the administration. This attitude can be seen in the behaviour of politicians from the opposition, which was detected in two instances in the interview. One of these moments is illustrated in the following quotation:

We only failed in the construction of the Alcoa Avenue and that was a political issue. The former Mayor didn’t accept it and did everything in his power to undermine the project. This was the only project we didn’t manage to get support from Federal Government, because the former Mayor did his best to spoil the project (Head of the Cabinet).

Focus group participants also pointed to the situation caused by political liaisons. As they saw it, the Mayor had appointed some people indicated by the political parties that participated in the electoral campaign. This situation had caused uneasiness among civil servants who started to undermine the administration by withholding information and working slowly, as the following quotation illustrates:

In every government, at the very beginning the Mayor appoints non-civil servant staff in the strategic level posts and for some other administrative positions. They have never been in government and they don’t have a clue about how it works nor what the legislation is about. As a result, the first year is lost and nothing happen. Some time is needed for these people to get into the bureaucracy and learn how things happen. Civil servants, whose have been appointed as the result of public contest, get dissatisfied with this situation and withhold information. This represents a setback for the administration (Head of the Cabinet).

5. Discussion and Conclusion

Performance management in private organization seems have reached its adolescence in the sense that the literature provides frameworks for measuring, following, controlling and depicting how superior performance is to be achieved. At a glance, studies on descriptive, instrumental and normative studies can be found and replicated in other situations and contexts. In spite of being well developed in the business area, performance management studies are still weak in some aspects in the public service domain. There are some empirical and theoretical studies that help to explain how public organizations employ performance measures and management, there is a large literature on performance indicators and there are a few studies relating determinant factors to performance improvement of public service organizations.

Due to the lack of empirical evidence on determinant factors, this paper aims to contribute to the public sector literature by raising issues about the determinant factors that are likely to improve, facilitate or even trigger the performance of this particular type of organization. The study presented here has been conducted by focusing on a well-managed municipal district in Brazil, whose HDI can be placed at the same level as that of developing countries. Furthermore, the municipality is also considered to be one of the best managed cities in terms of financial responsibility, social participation and management. These facts made it sensible to select the city of Poços de Caldas as a genuine representative case of good management in Brazil.

The investigation employed a grounded theory approach. The lack of literature on determinant factors for performance improvement in Brazilian Municipalities meant that such an exploratory
approach was desirable. Due to this, the research strategy had a qualitative orientation and employed a single and representative case study. Data was collected through a focus group with eight secretaries, in which five questions were used to probe their perceptions on performance management and determinant factors for superior performance, as explained in the methodology section. The entire focus group result was recorded, transcribed and then returned to one of the respondents to ensure reliability. The group interview was analyzed by content analysis with the help of the QSR©-N6 software.

The findings indicated that superior performance is achieved through strong leadership from the Mayor, which corroborates Avellaneda’s (2008) findings about the importance of managerial quality on public services performance improvement. It also confirms Boyne’s (2003) theoretical framework which indicates that leadership is an important issue. The findings also stressed that the management team is an important issue, but without leadership it is useless.

In terms of external influences, the findings indicated that popular participation makes a difference if it is organized and articulated and if councillors are not solely motivated by political goals. This is the main theoretical contribution of the paper, because there is no prior empirical evidence on this in the public sector literature. Focus group participants agreed that some good practices and priorities resulted from councillors’ suggestions in the assemblies. It is worth mentioning an innovation created by Poços de Caldas’ administration, and as far as the research team knows a unique experience in Brazil, which is the House of Councils. It is a space provided by the city hall in which councillors have staff, equipment and all facilities for making their job easier and where they are able to meet other council members for sharing experiences and anxieties.

In terms of stakeholder influence as determinant factors of performance improvement, the findings indicate that the most influential stakeholders are the Mayor, the Management Team, and the organized local population. However, less influential but also important, the focus group participants also mentioned other levels of government, such as State and Federal Government, to the extent that local government is able to create partnerships with them and able to work in harmony.

Another concern of the investigation was related to negative stakeholder influences which are likely to obstruct performance improvement. The evidence indicates that managers need to be focused on the bureaucracy, creating alternatives for reducing or minimizing it and with non-civil servants present within the administrative structure. Participants indicated that as these “foreign” people are appointed to the highest positions in the administrative structure, it causes jealousy from civil servants. Respondents believe that if not eradicated, because they realized the importance of this political involvement to the electoral process, it would be best if the tensions could be minimized.

The arguments above indicate that the leadership of the Mayor, the technical competence of the management team and the participation of the organized local population are very likely to be seen as determinant factors for performance improvement in local government. This can be regarded as a empirical contribution of this paper to the performance management literature to the extent that it corroborates extant theoretical frameworks, such as Boyne and Dahya (2002) importance of leadership to performance improvement, Mitchell et al. (Mitchell, Agle et al.,
1997) model of stakeholder salience, Gomes and Gomes (2008) findings about the importance of the Management Team to good performance. But the most important empirical contribution of this paper is the recognition of the importance of the popular participation for performance, because this has never been reported before.

In terms of the theoretical contribution, the evidence indicates that organized popular participation should be improved, as it has been in Brazil, through the Participative Budget (Almeida, 1997) and more recently in the city of Porto Alegre’s experience on Local Participative Governance. We need to learn more about how to get people involved in decision-making and how to take their suggestions more seriously in order to induce their participation in assemblies. The moment people accept and acknowledge that their participation will be more seriously dealt with, they will certainly start to participate more in such events. The experience of Poços de Caldas of taking councils more seriously is real proof of that.

References


