Dynamic Performance Management in the Public Sector (10 ECTS)

1. Course Description

Analysis of the complexity factors that particularly influence and characterize planning, policy design and management in the public sector.

Three Dynamic Performance Management (DPM) perspectives are analyzed: an instrumental, an objective and a subjective DPM view.

2. Learning Outcomes

Knowledge and understanding

Students learn to analyze problems at different consequential levels, i.e. departmental, political, interdepartmental, cross-institutional. The need to link the political and managerial level, planning and control, design and implementation, policy formulation and evaluation is emphasized. The benefits of joined-up government are explored, and linked with the need to frame the value chain leading to deliver 'products' to citizens, through the fulfillment of processes and activities. Improving service quality and operational efficiency are analyzed as primary outcomes of more 'learning-oriented' P&C systems, according to a 'New Public Management' perspective in the public domain.

Students also learn how to adapt the System Dynamics method as an approach to foster a 'learning-oriented' view of Planning and Control in the public sector. They learn how to relate system dynamics models coherently and consistently to other Planning and Control models to better support key-actors' learning and decision making in and across various public domains.

Applying knowledge and understanding

Students develop System Dynamics models and Interactive learning Environments (ILEs) to facilitate effective planning, control, policy design, strategy development, and implementation in various public contexts. More specifically, such knowledge will be applied at three levels, i.e.: a *macro*, *meso*, and *micro* level. The first one relates to contexts that may imply the need to model various inter-related sectors of the economy and to support decision making concerning different 'key-actors', often operating across several institutions. Applying System Dynamics modeling on a *meso* level implies the opportunity to analyze problems from the perspective of a sector, i.e. in a view which is usually adopted by different branches of a public administration (e.g. a Ministry). Applications of System Dynamics modeling at these two levels address the political processes. Applications at the third level (i.e. the *micro* one) address the departmental or managerial processes. In fact, it focuses on the analysis of 'administrative products' that are delivered by the fulfillment of processes and activities inside the department of a given Ministry. In developing System Dynamics models addressing all the three levels, students learn to: (1) use System Dynamics as a method that portrays the tight relationships that exist between the managerial and the political level; (2) use System Dynamics as a method to support the development of Planning and Control systems, - e.g. in

defining performance standards, gauging results, analyzing performance drivers, outlining strategic resources, identifying policy levers, - all within the framework of the 'dynamic' balanced scorecard perspective.

The students will engage in real life case-study analyses in which they will practice their public sector and modeling knowledge and understanding on public management disciplines. They will identify the systems structure underlying poor public performance and will develop and assess strategies and policies aimed at performance improvement. Students will also analyze how to assess and manage sustainable development.

Students will demonstrate their ability to transfer their skills across management disciplines and public sectors and will learn to approach a problem from a multi-sector and a multi-disciplinary perspective.

Making judgements

Through System Dynamics based case-study analyses, students learn to assess the sustainability of public policies and strategies from various perspectives. They gain a systemic, time-related, and open-ended perspective on public organizations. They also learn to evaluate performance, based not only on financial and tangible factors, but also on intangibles. Planning and control, and strategy development and implementation are considered elements of an integrated approach aimed at fostering decision makers. Students learn to detect the limits of conventional approaches (theories, techniques and tools) for policy design, strategy development and implementation, and performance evaluation.

They should be able to reflect on the method to use in order to adopt Planning and Control systems as a viable means to foster empowerment, accountability, communication and learning, particularly in public organizations that operate in a complex and dynamic environment. Different levers on which to act in order to affect radical change in public organizations are examined according to various managerial "schools", ranging from the *Reinventing Government* to the *New Public Service* approach.

By experience they recognize the values and the limits of the System Dynamics method, when applied to performance management systems, and are inspired to reflect on how that method can be used for learning purposes.

Communication

Students can present and discuss relevant literature sources as well as the result of their case studies in class. They also present results from modeling and simulation sessions to stakeholders in organizations and to interested academics.

Learning skills

Students are enabled to acquire skills that are required for self-studies of the literature on the subject.

The course is divided into three parts:

a) Designing Dynamic Performance Management Systems in Public Sector organizations

- An instrumental view
- An objective view
- A subjective view

b) Applying Dynamic Performance Management to the public sector on a different scale: a *macro*, *meso,* and *micro* level

- The role of System Dynamics modeling in supporting planning, control, performance evaluation, and decision making, in a strategic learning-oriented approach. System Dynamics modeling and joined-up government
- The support of System Dynamics modeling to frame the relevant system by comprising both public and private sector decision makers
- Different perspectives and application domains for System Dynamics modeling in the public sector: macro, meso and micro views. Applying System Dynamics in a macro perspective: an inter-institutional Territorial perspective
- Applying Dynamic Performance Management (DPM) in a macro perspective: planning in State, Region, and Municipal institutions
- Applying DPM in a macro perspective (cont'd): supporting the setting of goals/objectives in State, Region, and Municipal institutions
- Applying DPM in a macro perspective (cont'd): supporting the undertaking of actions in State, Region, and Municipal institutions
- Applying DPM in a macro perspective (cont'd): supporting strategic monitoring and feed-forward mechanisms in P&C systems in State, Region, and Municipal institutions
- Applying DPM in a macro perspective (cont'd): supporting performance evaluation in State, Region, and Municipal institutions
- Applying DPM in a meso perspective: linking political goals with managerial objectives. Matching short with long term performance
- Applying DPM in a micro perspective: focusing departmental objectives, activities, and performance measures. Focusing strategic resource dynamics at departmental level, to affect performance
- Applying DPM in a micro perspective (cont'd): allocating resources and measuring performance using scenario analysis at departmental level. Balancing activity levels affecting different departments in a same Ministry, to affect service quality and efficiency

c) Developing Dynamic Performance Management to foster customer satisfaction, performance improvement and accountability in the public sector

- Urban planning and sustainable development
- E-government
- Industrial networks
- Modeling the value chain of delivered services in an inter-institutional perspective
- Modeling products, processes, and related performance measures
- Public Works (laboratory) – Case-study

- Energy (laboratory) – Case-study
- Education (laboratory) – Case-study
- Social services (laboratory) – Case-study
- Public Utilities - water provision (laboratory) – Case-study
- Public Utilities garbage collection – Case-study
- Police and Safety – Case-study
- Back-office units - Managing Billing Processes in a Municipal Water Company: A Dynamic Balanced Scorecard Perspective.
- Back-office vs. Front office units service delivery – one-stop-shop service
- Health Care - Case-study
- Labor and unemployment policies – Case-study
- Environmental Protection Agency – Case-study
- Education – University Management – Case-study
- Culture - Dynamic Balanced Scorecards in Theatres (laboratory). Case-study
- Tourism - Case-study

4. Course Design

The course is comprised of lectures, seminars, group discussions, students' presentations, modeling sessions and individual assignments/papers. An overall attendance rate of 80% in scheduled sessions is required, and attendance is mandatory in the group discussions, students' presentations, and seminars, and active participation is required in those sessions.

5. Student's Evaluation

Assessment is carried out by means of evaluation of individual and group assignments. For a passing grade the student must (a) have pass marks on all the assignments; (b) have participated in the mandatory sessions; (c) have an adequate overall attendance rate. In addition, the grade is based on a project report and its presentation.

An ECTS grade is provided to the student at the end of the course according to the A—F scale. Students not successfully fulfilling all the course requirements within the regular time frame have the option of a re-sit the following semester.