

Guiding the North Star State: A Proposal for a Performance Management System in Minnesota

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(Portions of this paper are taken from some of the authors' previously unpublished writings.)

Abstract

With distrust of government growing in Minnesota, state government needs to produce measureable results that citizens want. This paper proposes a new performance management system for Minnesota patterned after recommendations from the performance management literature and implementation from other states, particularly Virginia. The proposal uses recommendations from the Performance Management Advisory Commission including planning, budgeting, management, and evaluation. It adds employee objectives and development (to make performance management more relevant for all state employees) and customer impact (to ensure the service results meet citizen needs) as follows:

- Strategic planning
- Program budgeting
- Employee objectives and development
- Program operations and improvement
- Customer impact
- Program evaluation

Executive and legislative support is critical for effective implementation of performance management. Legislation to implement Minnesota's proposed performance management system was introduced in April 2010, and a gubernatorial election in the fall of 2010, the probability of implementation has increased significantly.

Guiding the North Star State:

A Proposal for a Performance Management System in Minnesota

Introduction

Distrust of government is a growing issue in Minnesota, the North Star State. According to a 2008 study conducted by the University of Minnesota's Humphrey Institute of Public Affairs and Minnesota Public Radio, "Large and growing majorities of Minnesotans distrust the government. Seventy-six percent only trust the government to do the right thing some of the time or never" (Jacobs & Burns, 2008, p. 24). Distrust of the government is nothing new; however, a disappointing economy, constant budget shortfalls, and a sense of inefficient government have led to increased citizen dissatisfaction in Minnesota.

Most public agencies are under increasing demand to accomplish greater results with fewer resources (Kettl, 2002; Poister, Hatry, Fisk, & Grenier, 1985).

The common popular complaints about government—that it does not focus on results, and it wastes money—are indicative of public demands for quality services at affordable prices—in short, better performance. (Moynihan & Pandey, 2005, p. 425)

The National Performance Management Advisory Commission, a collaborative effort of eleven leading public sector management organizations defines government performance management as:

...an ongoing, systematic approach to improving results through evidence-based decision-making, continuous organizational learning, and a focus on accountability for performance. Performance management is integrated into all aspects of an organization's management and policy-making processes and transforms an organization's practices so that they are focused on achieving improved results for the public (2009, p. 11).

Radin (2009) described the popularity of performance management as a movement in the United States,

Citizens as taxpayers want their tax contributions to be used effectively; elected officials who face diminishing budgets want some assurance that their budget allocations produce effective programs, and managers as well as professionals want to be able to show that their efforts yield desired results. (p. 506)

This focus on results-oriented strategic management has changed governments, requiring public administrators to value results and identify the measures necessary to achieve results. Performance measurement has become a political and community expectation, not just a new management practice.

The purpose of this paper is to answer the question, “What is the State of Minnesota doing about performance management?” This paper first reviews the literature relating to performance management. Second, the paper assesses performance management reforms implemented by the State of Virginia. Finally, the authors propose a performance management system for Minnesota, and review a Minnesota legislative proposal on creating a performance management system.

Performance Management Systems

From the review of performance management literature, the basic assumptions and components of performance management are similar despite differences in vocabulary or even level of system implementation. “A common assumption across this literature is that management matters to performance and effectiveness, and that performance is the ultimate goal of public management systems and actions,” (Moynihan & Pandey, 2005, p. 422).

Scholars of performance management have identified essential components of a performance management model. “Management control researchers have long proposed that by aligning strategy, structure, and systems, organizational performance should improve,” (Epstein & Manzoni, 2002, p. 3). Core to the idea of performance management is performance measurement, because without the establishment of both baseline performance data as well as well thought-out and meaningful program metrics, performance cannot be assessed (Harbour, 1997).

The National Performance Management Advisory Commission (2010) discussed in its report five key practices that comprise “the performance management cycle” as shown in Figure 1.

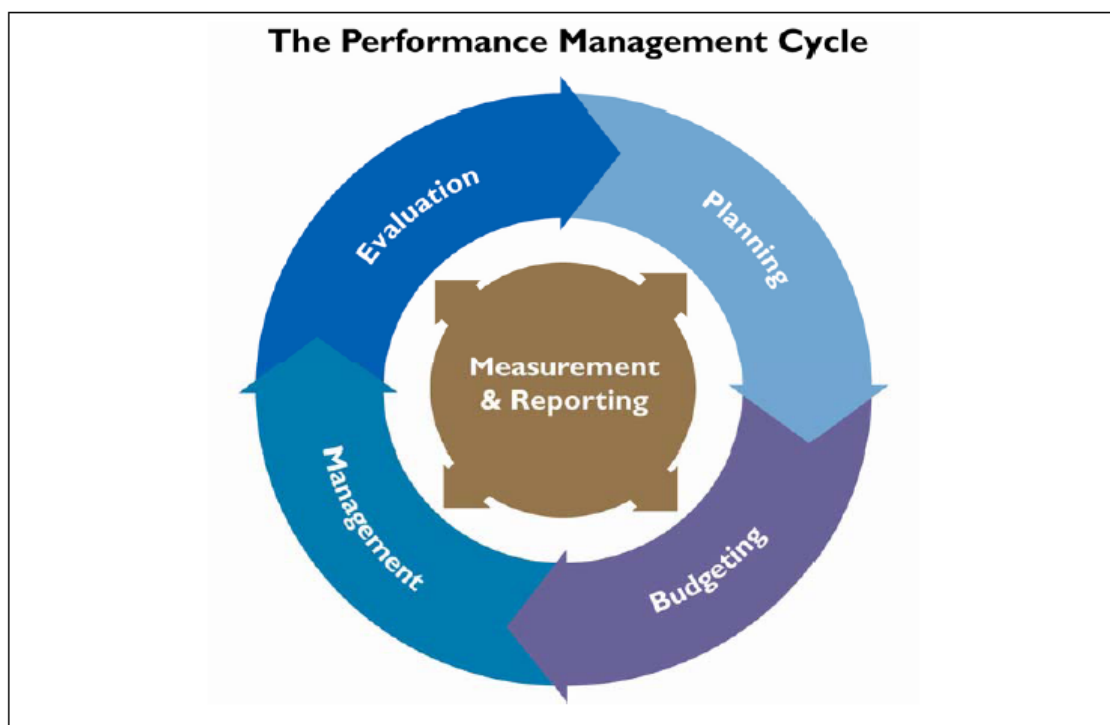


Figure 1. Performance Management Cycle. National Performance Management Advisory Commission (2010)

Performance Measurement

As shown in Figure 1, performance measurement is the heart of any functioning performance management system. As Radin wrote, “It is difficult to travel far into the public policy community without confronting activities that profess to involve something called performance measurement” (2009, p. 505).

Holzer and Callahan (1993) asserted:

Measurement helps answer such questions as, is an organization, team, or individual doing the job? Is a program creating unintended side effects or unanticipated impacts? Is it responsive to the public? Is it fair to all, or does it favor certain groups, inadvertently or deliberately? Does it keep within its proper bounds of authorized activity? Is it cost-effective? In short, is it productive? (p. 334)

In choosing performance measures, competency is of the utmost importance. In the performance management system, decisions are made using performance data that theoretically indicate program performance. Therefore, without the correct measures, decision-making occurs with information not necessarily germane to the decision at hand. “Two fundamental questions a performance measurement system needs to address are ‘How well is the service provided?’ and ‘What is the result of the service?’” (Roth, 2008, p. 53). However, these two questions are only appropriate after an organization asks “‘Where do we want to be?’ and ‘How do we get there?’” (Roth, 2008, p. 53).

Planning

Planning is the first key practice in the National Performance Management Commission performance cycle. Strategic planning, as defined in Bryson (2004) is “A disciplined effort to

produce fundamental decisions and actions that share and guide what an organization is, what it does, and why it does it” (p. 6). This identification of strategic plans and goals is important because “Goal ambiguity is an oft-cited characteristic of public organizations that undermines organizational performance” (Moynihan & Pandey, 2005, p. 425).

Strategic planning is among one of the most widely adopted state government reforms because strategic planning allows for easy goal communication, the development of a mission-oriented culture, and the reduction of rival management priorities (Moynihan & Pandey, 2005). Bland and Clarke present an interesting model of how the State of Texas has implemented strategic planning across its 250 state agencies (2006).

Budgeting

Performance budgeting is simply using performance information in the budgeting process. For many years, it was standard government practice simply to fund programs, agencies, or functional areas based on previous years’ allotments or expenditures, without using performance data to guide budget decisions.

Therefore, performance budgeting was created as a way to relate spending to performance and make better, more productive budgeting decisions. In addition to being a helpful decision-making tool, performance budgeting also has a very pragmatic aspect—it links the budget to performance and, therefore, forces managers and administrators to take performance and planning initiatives seriously. Performance budgeting has been cited as a best practice by the Government Finance Officers Association (1998), a professional association of government budget and finance professionals from across the United States and Canada, which presents budgeting as an opportunity to:

1. Establish broad goals to guide government decision-making

2. Develop approaches to achieve goals
3. Develop a budget, married to benchmarks, that will fund goal achievement
4. Evaluate performance and make adjustments (pp. 4–5)

Management

Management is one of the most important components of the performance management cycle. It is through the process of continuous program management that change is implemented and improvements are made. However, this can also be one of the most difficult parts of performance management since change is very difficult to affect within bureaucratic structures that tend to slow the rate of change. Performance measures are used to determine whether continuous progress is being made.

Program Evaluation

Program evaluation is the method by which programs or functional areas are evaluated based on outputs, outcomes, and processes. Program evaluation usually takes the form of reports composed of data collected and reconciled against program goals and objectives in order to determine program efficacy. This is the portion of the performance management system that monitors policy execution.

Mattessich, the executive director of Wilder Research, defined program evaluation as “a systematic process for an organization to obtain information on its activities, its impacts, and the effectiveness of its work, so that it can improve its activities and describe its accomplishments” (2003, p. 3). He further stated that essential information for evaluations to take place includes: participant/client information, service data, documentation of results or outcomes, and perceptions about your services (2003, p. 15). Additional evaluation information can include: demographic information on the service area or market area that you serve, data about needs in

your community and other communities, comparable measures from organizations similar to yours, financial/cost information, or information that identifies the people you serve (2003, p. 16).

Evaluation information is collected using surveys, focus groups, and outcomes data already recorded by the organization. The data is then analyzed to understand trends and determine if the stated program goals were met, provide recommendations for improvements, as well as articulate how the outcomes contribute to the achievement of the larger overarching organizational goals as identified in the strategic plan.

Virginia's Experience with Performance Management

Over the years, most states that have implemented some form of performance management: program level performance management, agency or department level performance management, and/or statewide centralized performance management (Ingraham, 2007). “[However] despite their popularity, performance management systems have not been as successful as initially projected (Hill & Andrews, 2005, p. 255).” This paper explores one of the successful utilizers of performance management...the State of Virginia.

Virginia has been widely respected as having successfully implemented a centralized statewide performance management system (Kissler, Fore, Jacobson, Kittredge, & Stewart, 1998; Hou, Moynihan & Ingraham, 2003, The Pew Center on the States, 2008). It has created an environment in which performance reform is more than a mere message, but an organizational value that withstands political transitions and tough budget cycles (Hill and Andrews, 2005, pp. 255–256). In 2008, the Pew Center assigned Virginia the grade of A- for its performance management approaches (The Pew Center on the States, 2008).

Virginia's current performance management system has been operational since 1995, although state agencies have been required to submit performance goals and measures with budget submissions since the early 1980s. The Strategic Planning, Research, and Evaluation Section of the Department of Planning and Budget carries out the tasks associated with its performance management system.

Virginia's performance management system is composed of four components, each providing essential information to policy makers, legislators, and taxpayers. The first three components are executive in nature, and the last is both executive and legislative. These four components, similar to the National Performance Management Commission recommendation, are:

- Strategic planning
- Performance measurement
- Program evaluation
- Performance budgeting (Virginia Department of Planning and Budget, 2010)

In Virginia, the first component—strategic planning—is conducted on a four-year (two biennia) cycle and begins with each agency defining its own internal goals using a variety of needs and issues assessments tools. After this initial process of goal definition takes place, agencies draft their own strategic plans, which are then presented in a strategic briefing session to representatives from the governor's office, the applicable cabinet secretary, representatives from the Department of Planning and Budgeting, and any necessary employees from the presenting agency. This process allows state decision-makers the ability to provide feedback and guidance to the agency before budget proposals are completed.

The second component of the Virginia performance management system is performance measurement, or how Virginia collects, reports, and tracks resources used, work produced, and the results created. In Virginia, staff uses a web-based system to collect input, output, efficiency, quality, and outcome results achieved at a variety of levels. This is the way that performance information is communicated throughout the state system. According to Hill and Andrews (2005), state administrators also recently added a new component to the performance measurement system and began collecting data on the performance of capital projects and capital investment management.

The third component is program evaluation. The central Budget and Planning Department and other agency staff perform a variety of evaluations to collect and analyze program performance and attempt to define why certain outcomes were achieved. In addition to the program evaluations conducted by Budget and Planning Department staff and other agency staff, the state auditor's office conducts monitoring and audits program performance information for accuracy and completeness.

The final component is performance budgeting. Performance budgeting is the process by which Virginia shares planning, measurement, and evaluation information during the budgeting process. With their budget requests, agencies are required to submit performance proposals that outline how the requests align with both the governor's and agency strategic goals and objectives. Legislative budget committees take requests into consideration during budget hearings and negotiations. Budget proposals must include clear demonstrations of how the proposed funding would affect outcomes and show the link between funding and performance outcomes.

Virginia's four components of its performance management system "are designed to work together to manage the performance of state government" (Hou, Moynihan & Ingraham, 2003, p. 477). According to the Virginia Department of Planning and Budget's website (2010), there are three goals that guide the functioning of the performance management system: manage strategy, improve performance, and communicate results. According to Hill and Andrews (2005), much effort has also been made to ensure that the "language of performance" is kept in common across agencies (p. 263).

One of the major reasons Virginia has had success with performance management reforms is due to its implementation process that was "largely based on formal orders and legislation" (Hill & Andrews, 2005, p. 261). The legislation that implemented the performance management system was created over several years and dictates that state agencies participate in the above outlined performance management activities. Agencies also must submit the required documentation to officers such as the state auditor, the performance management committee, as well as to legislative budgeting committee officials (Hill & Andrews, 2005). This legislative approach underpins much of the basic performance management system and protects it from periods of political change within the executive branch, ensuring that even if there is little gubernatorial interest in performance management, all reforms will not be lost.

Proposed Performance Management System for Minnesota

Minnesota can learn from the broad performance management literature and from Virginia's performance management system experience in developing its performance management system. From the recommendations of the Performance Management Advisory Commission's recommendation and Virginia's performance management system, Minnesota's performance management system should have:

1. Strategic planning
2. Performance budgeting
3. Management improvement
4. Program evaluation

Starting with the last component, Minnesota has a very strong program evaluation function provided by the Legislative Audit Commission. This bi-partisan commission comprised of legislators sets evaluation priorities for its professional staff. Significant evaluations of state functions and departments have been issued over the years.

Minnesota has also had a management analysis and improvement unit for decades. While small, it has had a positive impact. Unfortunately, efforts at management improvement are not systemic in state government nor is it performance-based.

Performance budgeting has been done in Minnesota for decades. But it tends to focus on outputs with little emphasis on outcomes. Also, the Minnesota legislature uses little of the information generated. With repeated financial crises since 2002, Minnesota Management and Budget, the department responsible for performance budgeting, has had other priorities beyond promoting performance budgeting.

Finally, Minnesota has not done any strategic planning since 2000. The reason is, in part, because the State Planning Agency was eliminated and, in part, because two recent governors never wanted their administrations undertake comprehensive planning efforts.

So, Minnesota needs to continue its strong program evaluation effort, broaden its management improvement efforts to all of state government, reemphasize performance budgeting, and resurrect a state strategic planning function.

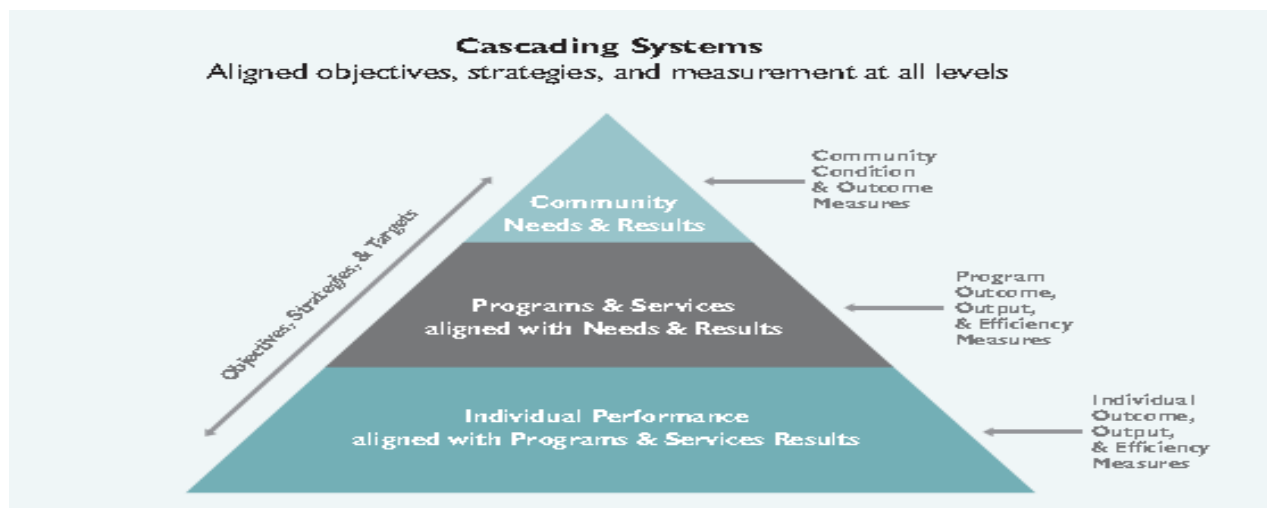
The performance management literature and Virginia's experience arguably have missed two other critical components for a complete performance management system: 1) Employee

objectives and learning, and 2) Citizen input. The State of Minnesota also needs to have legislative involvement in performance management systems.

Employee Objectives and Learning

In order for strategic planning and performance budgeting to be implemented, it is essential that employee objectives and learning be aligned with the goals and priorities articulated during the strategic planning process. The goals and priorities should drive the pursuit of organizational performance, including how human capital decisions are made. According to Sanger, “Improving government performance and accountability to citizens requires leadership to empower employees by reducing rules, increasing discretion, and rewarding innovation” (2008, p. S70). As Moynihan (2006) states, “State governments emphasized strategic planning and performance measurement but were less successful in implementing reforms that would enhance managerial authority, undermining the logic that promised high performance improvements” (p. 77).

The National Performance Management Advisory Commission (2010) published a diagram that showed well the need for strategic planning to “cascade” down to employee objective setting (See Figure 2.)



It is important that an effective performance management system include “individual outcome, output, and efficiency measures” to align employees with the mission and strategy of the organization (National Performance Management Advisory Commission, 2010, p. 13). Employees, if aligned, will use performance measures to manage their activities and support the overall performance management effort. The lack of employee alignment may explain the problems of implementation in state governments...

The development of a mission-based culture is essential to the success of a performance management system (Moynihan & Pandey, 2005, p. 425). This mission-based culture with aligned employee objectives can galvanize employees at all levels to think in a results-oriented way and to value performance over traditional bureaucratic administration. In Minnesota, the human resources function is part of the Department of Management and Budget allowing an integration of employee objective setting with broader budgeting performance measures...

In a performance management system, it is essential that organizations develop their human capital in ways that will improve their efficacy and engagement. It is too simple merely to send employees to skill-based training and believe that results will be achieved on their own; results will only be achieved if the organization makes a fundamental commitment to both employee development and organizational development (Paddock, 1997; Perry, 2009; Poister & Streib, 1999). There must be a “total system orientation” set in place by executive and legislative leaders that can effectively approach employee and organizational learning and growth from both policy and process perspectives (Pokorny, 1981, p. 47).

Continuous learning must occur throughout the human resource function. As part of each pivotal human resource touch point (the initial hiring process, new employee orientation, staff meetings, personnel evaluations, etc.), the culture of continuous learning and overall organizational value of performance and sustainability of performance must be communicated. It is pivotal that, as part of this learning process, employees are made aware of their part in the overall achievement of the organization's mission and vision. Deep continuous learning and growth within an organization can help create "an organization that is flexible, creative, efficient, and effective in reaching ever more complex service goals, regardless of the difficulties posed by the external environment" and can "increase the likelihood that policy decisions will respond accurately to high priority problems, even in times of service reduction" (Pokorny, 1981, p. 51).

The Illinois Department of Employment has instituted a system of employee learning and growth that allows the individual employees to determine their training needs and goals (Holzer & Callahan, 1993). This employee-driven approach that allows, "Individual employees or groups of employees [to] identify technical training needs rather than have training thrust upon them...creates buy-in and widespread employee participation, which is a significant deviation from the traditional approach" (Holzer & Callahan, 1993, p. 337). Research has shown that this kind of employee empowerment and decentralized decision-making authority will create increased feelings of employee ownership, pride, and better program performance (Moynihan & Pandey, 2005).

Also part of learning and human capital/professional development is financial incentives for improvement. Although the literature concerning pay for performance is divided as to its success in the public sector, some states have implemented merit pay initiatives (Kellough & Nigro, 2002). Kellough and Nigro assert that in order for pay-for-performance measures to be

successful, they must be constructed in a way that encourages bureaucratic buy-in rather than push back, as well as understand how classified and unclassified position status affects employee morale, union representation, and pecuniary and non-pecuniary compensation (2002).

Pay-for-performance is an interesting idea. The City of Dover, Delaware uses pay-for-performance as a way to connect employees to the city's strategic plan by using market rates to create a salary range for each position and by combining performance evaluations with other factors, allowing employees to move along the range of pay rates (Kinney & Ruggini, 2008), as does the City of Minnetonka, Minnesota.

Customer Impact

Fundamental to the success of any organization is the understanding of its customers and their needs and levels of satisfaction with the goods or services provided. Some argue to include this as a portion of program evaluation. However, due to its importance and the need to do it regularly, it should be kept separate. Customer impact emphasizes the customer's role in the performance process. High performance is a laudable goal; however, if the state neglects the interest of the customer or client during the performance process, the entire pursuit may prove futile. A well performing program may be considered highly by key state officials, but citizens may not perceive that it is a priority.

Private organizations have been seeking to understand customer satisfaction for years, because customer satisfaction is essential to business profitability. Customer-based thinking is a relatively new phenomenon in the public sector. The public sector has traditionally been inclined to think more administratively or bureaucratically. Yet determining levels of customer impact is steadily gaining ground. "A diverse collection of local governments now routinely

uses citizen surveys to establish priorities, get feedback from residents regarding city services, and examine community perceptions regarding quality of life indicators” (O’Neill, 2008, p. 91).

Proposed Minnesota Performance Management System

The following components summarize the previous discussion and form a proposed performance management system for Minnesota:

- Strategic planning
- Program goals and budgeting
- Objectives and learning
- Continuous improvement
- Customer impact
- Program evaluation

As illustrated in Figure 3, at the center of this proposed system are performance measures.



Figure 3. A Sample Performance Management System for Minnesota (Kiedrowski, 2009)

High Level Support

While the proposed performance management system would be good for Minnesota, the real question is will it be implemented?

Researchers strongly suggest that high-level political support is vital to performance management initiatives to succeed (Bland & Clarke, 2006; Bourne, 2005; de Lancer Julnes & Holzer, 2001; Cavalluzzo & Ittner, 2004; Goehrig, 2008; Graham, 2004; Liou & Korosec, 2009; Moynihan & Pandey, 2005). Executive and legislative branches of government must work together to initiate a program early during a term and find executive, legislative, and bureaucratic

champions to make sure the process succeeds and is actually implemented rather than a legislative exercise that results in nothing more than empty legislation or additional task forces.

It is essential to understand the role of public managers as both “actors within a political system and professionals who affect and are affected by administrative systems” (Moynihan & Pandey, 2005, p. 423). Moynihan and Pandey assert that “the most critical and immediate constituency for any public agency is the body of elected officials who oversees it,” (2005, p. 424), a point echoed by Meier (2000) in his assertion that political support is important to public managers because it often results in increased access to resources as well as managerial autonomy.

An interesting strategy to increase the likelihood of successful performance management system adoption is getting the media on board with the performance management initiative (Moynihan & Pandey, 2005). With the help of the media, government officials can convince the public that performance management initiatives are a good thing, which in turn results in greater political support. The media can be key allies during the implementation process, as well as decrease the likelihood that the performance management system will be quickly dismantled by political successors.

It is important to install the performance management system using a mixture of legislative and executive order actions. Chrisinger, of the Iowa Department of Management, spoke to the Managing Performance Conference as to what happens during times of political transition and how performance management can be retained during political shuffling (Hill and Andrews, 2005, p. 262). He stated the Iowa experience as:

In Iowa, 30 years of executive control by Republicans ended in 1998 when the state elected a Democratic governor. That change brought a significant number of

new state officials and employees into government, making veterans uncertain how deep the change would permeate into ongoing programs and initiatives...The use of strategies such as statutory authorization of important programs, documentation of routine processes and identification of important players helped ensure the continuation of performance measurement through this transition and into the new political era (Hill & Andrews, 2005, p. 262).

Iowa's experience in managing performance management during times of major political transition is interesting because this could apply to Minnesota in the near term. This experience speaks to the importance of the institutionalization of performance reform and its necessity to the success of carrying reform through periods of great transition.

The Minnesota Civic Compact

The Minnesota Civic Compact: Planning, Innovation, and Results Act (Minnesota Civic Compact) is a proposal for a performance management system for the State of Minnesota authored by Rep. Marquart of the Minnesota House of Representatives. The objective of the Minnesota Civic Compact is to increase government effectiveness by instituting a series of executive and legislative reforms that implement a performance management system and instill a results-oriented, outcomes-focused culture (Minnesota House of Representatives, HF 3862, 2010).

Minnesota has elected a new governor and a new legislature. It is possible that Minnesota will have both executive and legislative support for performance management in 2011. The authors of this paper have worked with Rep. Marquart and the governor-elect to develop Minnesota's performance management system.

The Minnesota Civic Compact establishes the Northstar Council, a diverse group composed of executive and legislative officials, as well as leaders from private industry, the nonprofit sector, and other civil society groups. The Council is charged with the formulation of a statewide strategic plan with a mission, vision, ten policy goals, and one hundred performance measures. During this planning process, each strategic performance measure is assigned an agency or department owner who will be responsible for reporting on it. Agencies and departments are also required to formulate their own strategic plans, using the statewide plan as a guide. Agency and department plans are presented to the North Star Council for review.

The current Minnesota state demographer is moved to the Department of Management and Budget (MMB) to begin the creation of a strategic planning function under the Minnesota Civic Compact legislation. The Department of Management and Budget is to staff the North Star Council.

The Minnesota Civic Compact requires the use of performance information in the budget process and clearly indicates how performance information will be provided to appropriate legislative and executive stakeholders. In the “Budgeting Based on the State’s Strategic Plan” section of Rep. Marquart’s bill, the budgeting process closely resembles the State of Virginia’s budgeting process.

Under the legislation, each agency or department must align employee objectives and learning to state and agency or department strategic plans. Pay-for-performance and other human resources reform measures are included in the bill. Implementation of both of these concepts should be easier in Minnesota since the human resource function already resides in Department of Management and Budget.

In addition, the Minnesota Civic Compact includes provisions to improve productivity. There is a public report card required for state agencies and departments on productivity improvements. This reporting mechanism makes public information about agency and department performance. The Office of Management Improvement is now part of the MN Department of Management and Budget, again providing for the integration of the various parts of the proposed performance management system.

Rep. Marquart's legislation includes, "The legislature may use the performance measurement system to mandate performance measure outcomes rather than mandating a service delivery mandate or maintenance of effort" (Minnesota House of Representatives, HF 3862, 2010). This is important because it would allow public managers the opportunity to redesign broken service delivery systems using their institutional expertise to fit the changing organizational and customer needs. Service-delivery process redesign driven by those who know the processes best is not often allowed (Moynihan, 2009; Moynihan, 2006).

The Minnesota Civic Compact also includes provisions for service delivery redesign allowances (the authority granted to managers to redesign or make administrative/managerial changes to achieve improved outcomes) and customer service initiatives. Agency and department staff are empowered to achieve performance metrics by making the changes necessary in the way they perform their tasks. Under this bill, customer service will increase through the addition of a "311" telephone information service. Finally, "An annual citizen survey to determine the citizen perception of achievement of the state's goals and performance measures" is to be completed for the state under Rep. Marquart's bill (Minnesota House of Representatives, HF 3862, 2010).

Conclusion

Performance management has the potential to reform public organizations in ways that allow managers to manage more efficiently and achieve greater outcomes for their constituencies. An effective performance management system for Minnesota should include strategic planning, performance budgeting, employee objectives and learning, continuous improvement of program operations, customer feedback, and program evaluation components. Using performance measures, these fundamental performance management components can inform managers and other stakeholders as to the results or public value created.

According to the literature, performance management systems are growing in sophistication and continuously undergoing adjustment to fit to the needs of large organizations, such as state governments. Performance management reforms are refocusing dialogues concerning public management and are being used as communication tools to provide the public with a sense of government value. From the State of Virginia performance management system, it is clear that performance management systems are products of both management research as well as the larger political, cultural, and organizational systems in which they operate. Despite the fact that there are differences in performance management systems, there is an overall conclusion that experiences in performance management have increased state government performance and provided better outcomes for citizens.

The Minnesota Civic Compact legislation holds great promise for Minnesota by implementing statewide across-the-board productivity initiatives, stimulating and assisting agencies in their own planning and improvement activities, and clearly signaling the strategic goals of executive leadership. The Minnesota Civic Compact addresses the advantages of a centralized performance management system as put forth by Poister, et al. (1985).

According to the research literature, a clear focus on getting results increases the likelihood of success in system implementation and adoption. If Minnesota executive and legislative leaders work together to implement and sustain the new system, the Minnesota Compact would resemble the State of Virginia model. As Chrisinger of Iowa noted, strong bureaucratic adoption and solid legislative support kept Iowa's performance efforts intact during a major executive transition in that state (Hill & Andrews, 2005). In addition, if the Minnesota Civic Compact legislation is enacted in 2011, it will provide Minnesota's new governor with time to introduce the process, and work with the North Star Council and legislative leadership to articulate his vision for Minnesota and its state government—something researchers agree leads to higher chances of long-term sustainability.

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