Working Paper

Performance management for systemic problems :The enabling role of soft power

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Citation:
French, M. and Wallace, J. (2022) *Working paper. Performance management for systemic problems: the enabling role of soft power.* Working paper: Northumbria University.

Author information

Max French, Lecturer in systems leadership, Newcastle Business School, Northumbria University

Jennifer Wallace, Director, Carnegie UK Trust

Abstract

Performance regimes tackling systemic problems must confront inherent limitations to powers of prediction and control. Drawing from Joseph Nye's theory of soft power, we show how performance regimes can operate through attraction and agenda setting rather than traditional 'hard power' mechanisms of financial inducement and coercion. We analyze the deployment and interaction of soft and hard power mechanisms in a comparative case study analysis of the implementation of national wellbeing frameworks in Scotland, Wales and

Northern Ireland. We find that soft power offers an alternative means of implementation in situations of goal complexity and dispersed power, however the strategy presents its own limitations. We suggest greatest progress can be attained through the strategic interaction of soft power and hard power mechanisms in ‘smart-powered’ performance regimes.

Evidence for Practice

- Traditional approaches to performance management, reliant on the ‘hard powers’ of coercion and financial inducement, underperform in situations of complexity and dispersed power.

- Soft power strategies, which operate through attraction and agenda setting, offer a suite of practical tools and mechanisms which convenors of performance regimes can access to improve how performance regimes are constructed, managed and implemented.

- The effective use of soft power as a sole strategy requires the adoption of both attraction and agenda setting powers, and a strategic focus on responding to windows of opportunity to deepen implementation.

- By structuring hard and soft powers into ‘smart powered’ performance regimes, better implementation outcomes can be achieved than applying either soft or hard power strategies in isolation.

Introduction

Performance regimes, once predominantly concerned with organizational control and regulation, are now often charged with coordinating ambitious campaigns of institutional and social transformation. New operating contexts, like whole-of-government wellbeing frameworks (Wallace 2019), the Paris Agreement climate targets or the UN's Sustainable Development Goals seek to mobilize actors around systemic goals far beyond the organizational boundary. These exemplars typify a broader and more gradual transition in performance management practice from output to outcome-oriented models (Borgonovi, Anessi-Pessina, and Bianchi 2018), and toward operation in a range of inter-institutional operating contexts like multi-agency collaborations (Douglas and Ansell 2021), whole-of-government approaches (Christensen and Lægreid 2007) and hybrid partnerships (Rajala, Laihonen, and Vakkuri 2020).

Performance regimes have a strong appeal in a governance context where goals depend on multi-actor alignment and coordination (Bouckaert and Halligan 2008). Performance goals, indicators and targets can give solidity to otherwise vague and aspirational collective missions (Biermann, Kanie, and Kim 2017), provide a common frame of reference for different agencies orientate and coordinate their activities (French and Mollinger-Sahba 2021), facilitate the operation of strategic collaborations (Douglas and Ansell 2021) and help establish new inter-organizational information flows to prompt innovation (Sørensen and Torfing 2012).

As the focus of performance shifts toward supra-organizational, systemic goals, two problems have become apparent. Firstly, studies of performance management often presume

the existence of a sufficiently powerful central authority capable of imposing new accountabilities and meting out powerful extrinsic performance incentives on subsidiaries. Systemic goals however lie across and beyond organizational boundaries, where multiple authorities might operate with overlapping jurisdictions of power; alternatively, there may be no single actor with sufficient authority or incentive power. Secondly, systemic goals are characterized by high levels of uncertainty in their composition and definition, and resist attempts at disaggregation into manageable means-ends relationships (Bianchi 2016). Uncertainty encourages performance-managed actors to manipulate what they can control (i.e. through gaming or manipulating performance information) rather than engage in more risky goal-directed behavior (Soss, Fording, and Schram 2011).

Performance regimes bring forth a dilemma: the more ambitious the goals targeted, the less effective traditional mechanisms of control, prediction and regulation will be. Matching the mechanisms of performance regimes with this new operating context requires engaging instead with the 'soft' elements of performance management: the political, social and psychological dynamics long recognized but often downplayed in performance management literature (Ouchi 1979; Radin 2006; Moynihan 2008).

Tenbensel and Burau (2017, 856) write 'the dilemma for governments is whether (and when) to use sticks, carrots or gentle persuasion, as each of these approaches has a particular mix of benefits and side-effects'. Facing this precise issue in an international relations context, Joseph Nye (1990) argued too much precedence was afforded to 'hard' power: coercion through force or intimidation, or through economic incentives of payment or sanction. Instead, 'soft power', the ability to obtain preferred outcomes by attracting others and shaping their preferences, may provide a suitable alternative. Our contention in this article is

that performance management theory now finds itself in a similar crisis of control, and that its underexplored 'soft' dimension may also provide a constructive potential for moving forward.

This article is structured as follows. Firstly, we translate Nye's concept of hard and soft power to a performance regime context and articulate two propositions to guide our analysis. We then describe the design of our comparative case study analysis, which takes advantage of the divergent power strategies adopted by national governments in Scotland, Northern Ireland and Wales to implement national-level wellbeing frameworks. We explore the findings in relation to our two propositions, and finally reflect on the contributions and limitations of our article and suggest some avenues for further research.

Theoretical framework

Nye (1990) argued nation states held three basic mechanisms of power: coercion (e.g. the use or threat of force), financial inducement (e.g. through payment or conditional economic incentives), and finally through attracting others to 'want what you want' through shaping their preferences. This final modality he termed 'soft power'. Nye (Nye 2005; Nye 2009) later described power as a continuum based on the degree of voluntarism afforded by a power-holder to its 'target', with four domains ranging from coercion to co-option. At the hardest end, coercion removes a target's available choices through force, threats and intimidation. A second form of hard power, affording slightly more voluntarism to targets, was financial inducement: the use of conditional finance or access to resources to create positive economic incentives for engagement. In the soft power domain, agenda setting involved persuasion, issue framing and argument to shape others' perceptions and generate

support for a desired course of action. At the 'softest' end, 'attraction' involved communicating cultures, values or aspirations which were admired and aspired to by others. In this section, we translate the key dimensions of Nye's power continuum into a performance regime context, which is summarized in figure 1.

[Figure 1 here]

Coercion

Coercion in a foregin policy context refers to intimidation, threats and use of military might. While performance regimes cannot function as weapons of war (at least in a literal sense), they do routinely make use of coercive power. Performance regimes often operationalize an implicit 'principal-agent' dichotomy, wherein an administering 'principal' seeks to constrain the autonomy of self-interested 'agents' through top-down goal setting and performance monitoring (Jensen and Meckling 1976; Heinrich and Marschke 2010). Within organizations, performance regimes can function as management control systems, structuring organizational hierarchies as a series of vertical principal-agent performance relationships (Talbot 2008). Performance expectations can also be set in legislation, with public agencies holding statutory duties to adopt, collect and report on performance measures across a range of corporate and operational functions. Coercive power can also be enacted horizontally between organizations through contractualism to broker and govern inter-institutional relationships (Van Slyke 2007). Inter-agency contracts can mandate participation in

performance routines, with sanctions in place for breaches in contract terms, or can stipulate the adoption of binding performance targets with sanctions triggered by underperformance.

Financial inducement

Performance regimes routinely adopt extrinsic economic incentives to motivate desired behaviors. Organizational performance management systems align economic incentive systems with organizational goals by closely coupling payments, bonuses and other rewards with performance indicators and targets (Weibel, Rost, and Osterloh 2010). Governments and other actors like philanthropic organizations can leverage their financial power by attaching conditionalities to funding and investment decisions, providing economic incentives for external actors to tackle particular performance goals. External organizations can be commissioned as service providers through outcome-based contracts, for instance within multi-agency pay-for-success or social impact bond schemes, with payment conditional on the demonstrated achievement of pre-specified impacts (Heinrich and Kabourek 2019).

Attraction

Hard power preserves a misalignment of interests between power holders and targets; soft power fosters the perception of mutual interest and attracts voluntaristic behavior change in response. In a performance regime context this aligns with attempts to operate through stewardship relationships rather than principal-agent dichotomies (Van Slyke 2007; Torfing and Bentzen 2020), and through appeals to public service professionals' prosocial motivation rather than their self-interest (Moynihan, Pandey, and Wright 2012a; Jakobsen et al. 2018).

Importantly however, soft power is not an inert process reliant on self-sacrificing behaviors, rather it constitutes a strategic approach to shaping the perceptions and preferences of others. In a foreign policy context, Nye argued attractive power was embodied in expressed values and aspirations (whether these are shared or resonant with others), the culture of the power holder (its desirability and support in local contexts), and legitimacy (its perceived credibility and moral authority). Performance regimes can operate in all three domains.

The specification of performance frameworks is an aspirational exercise which foregrounds particular ambitions and values through the selective choice of performance goals, measures and targets. Value alignment, intrinsic interest and goal salience have been associated with greater use of performance information within organizations (Moynihan, Pandey, and Wright 2012a; Moynihan, Baekgaard, and Jakobsen 2020; Kroll and Vogel 2014), and the values embodied and communicated by performance regimes may determine whether performance routines are supported or resisted by external organizations (Choi and Moynihan 2019; Molenveld, Verhoest, and Wynen 2021; French and Mollinger-Sahba 2021). When multiple actors participate in performance regimes, shared values and principles can also help develop trust and lower barriers to collaboration (Brown, Potoski, and Slyke 2016).

Performance regimes may also attract through developing desirable cultural status.
The UN Sustainable Development Goals for instance have a wide appeal owing to their cultural impact, their high levels of public awareness and support, which have motivated over 5,000 voluntary partnerships to form in response (Biermann, Kanie, and Kim 2017). The culture of performance management must also be desirable. The attractive potential of performance regimes might be encouraged if they are perceived to support organizational goals of learning and improvement, rather than merely facilitate external judgments of

effectiveness (Jakobsen et al. 2018). Participating within collaborative performance regimes may provide access to networks, resources, or prestige which may have an instrumental value. Joining collaborative performance regimes may also help broker new relationships and generate valuable cross-boundary learning (Douglas and Ansell 2021).

Finally, the attractive potential of performance regimes is also closely linked with their perceived legitimacy and credibility. Credibility is enhanced by attracting visible support and participation of senior leaders and other culturally significant actors. Leadership may support a permissive cultural environment for change, providing cover for risk taking and motivating use of performance information (Moynihan, Pandey, and Wright 2012b). Expressions of leadership may also give assurances of stability and longevity, convincing others that effort spent engaging with performance regimes will not be wasted. Those involved in the leadership and convening of performance regimes must also uphold the conventions and standards which they seek to promote in others, or the credibility of performance regimes will be undermined.

Agenda setting

For Nye, soft power involved strategic attempts to shape preferences and constrain the choices available to others through selective messaging, persuasion and influence. The ability to specify goals, targets and indicators affords framers and convenors of performance regimes substantial agenda setting powers. The selective specification of top-level outcomes (e.g. the 17 Sustainable Development Goals) determine which problems are prioritized or excluded, and implicitly bound the scope of possible solutions. The selection and weighting of subsidiary performance indicators for monitoring and feedback purposes can determine how sense is made of collective progress. The allocation of targets can provide emphasis and urgency to certain areas of activity over others and

communicate expected performance standards. In sum, by determining the key interrelationships between outcomes, indicators, milestones and targets, performance regimes can frame how problems are understood, determine whose participation is required, and shape how appropriate actions are developed in response.

Soft power is exerted not just by performance frameworks, but by the convening organizations responsible for their implementation. Performance frameworks are often developed and managed by powerful institutions like governments or international organizations with significant influence and convening power. These institutions can 'broadcast' frameworks through marketing and awareness raising campaigns to connect with others. In circumstances where attractive power is significant, this may be sufficient to prompt voluntary adoption of performance frameworks and participation within performance routines.

Convening power may be used to broker new inter-institutional performance routines or create new collaborative performance summits to structure periodic performance information exchange occurs amongst participants (Douglas and Ansell 2021)**.** These actions provide opportunities to socialize others in the appropriate use of performance routines and measures, and over time may help to establish norms of engagement and agreed performance standards (Ouchi 1979). Convening organizations might also provide structured support and guidance as helpful shortcuts for implementing and deriving value from performance regimes, while simultaneously reinforcing the convenor's agenda.

Theoretical propositions

Our ambition in developing the theoretical framework illustrated in figure 1 is to draw attention to a broad range of mechanisms available to improve the implementation of

performance regimes. We consider the 'soft power' elements particularly (though not exclusively) significant where supra-organizational goals and outcomes are targeted in complex and multi-agency settings. Soft power is however an untested theory in the performance management literature. We therefore elaborate two propositions which we later test in the empirical analysis.

Proposition 1: Soft power can provide a viable alternative strategy for implementing performance regimes in complex and multi-actor environments.

Soft power responds to the challenges of goal complexity and interdependence we argue are endemic when tackling systemic goals. Significantly, soft power does not require a sufficiently powerful authority capable of assigning new accountabilities or generating strong external incentives. Architects and convenors of performance regimes may instead exert soft power through relational mechanisms like persuasion, influence and negotiation, and through strategic mechanisms like issue framing, convening, networking and broadcasting. The elaboration of performance frameworks can communicate attractive values, cultures and aspirations which generate both intrinsic and instrumental incentives for engagement with performance regimes. Through these mechanisms, soft power might attract the voluntary commitment of others to adopt performance goals, incorporate new performance routines and engage in goal-directed use of performance information. While hard powers require precision in measurement instruments to administer valid judgements of performance, soft power may also be a valid approach where means-end causality is uncertain or data inadequacies exist: incomplete measurement systems might still attract the commitment of others and promote 'good enough' collective sensemaking.

However, a position analogous to the 'realist' school of international relations and aligned with the New Public Management, would consider soft power a naive and ineffectual approach precisely because it lacks strong extrinsic incentive power. A related problem is lip service: performance goals may be superficially adopted with the intention to mask a superficiality of implementation (Heras-Saizarbitoria, Urbieta, and Boiral 2021). Modern public management takes place in fragmented, often poorly resourced institutions, conducted by time-pressured public managers subject to multiple conflicting demands. Soft power strategies may prove ineffective in service systems where more proximal job demands and accountabilities are co-existent (Molenveld, Verhoest, and Wynen 2021; Choi and Moynihan 2019). Our first proposition therefore seeks to address the extent to which a soft power strategy, in spite of these criticisms, may provide a workable substitute to a traditional hard power strategy.

Proposition 2: Soft and hard powers can be combined in 'smart' performance strategies to improve implementation

Nye did not consider soft and hard power strategies mutually exclusive, and referred to their effective combination as *smart power*, the 'ability to combine hard and soft power into successful strategies where they reinforce rather than undercut each other' (Nye 2017, 10). Indeed, the criticisms of soft power relate to its lack of hard power. Could then soft and hard powers therefore be combined, to achieve what neither strategy could independently? Our second proposition therefore contends that 'smart power' may be the most desirable strategy for many performance regimes.

Nye (2005) cautioned that, misapplied, combining hard and soft powers could undermine both strategies. The extrinsic motivations attached to financial inducement are known to undermine the intrinsic motivations targeted by many mechanisms of soft power (Deci and Ryan 2008), and may turn public service motivated 'knights' into self-seeking 'knaves' (Le Grand 2003). In a performance regime context, blending soft and hard power mechanisms asks participating actors to shift in and out of fundamentally different power relationships and role responsibilities, morphing from performance-managed 'agents' to responsible stewards, each of which require different reward systems and management relationships (Torfing and Bentzen 2020). The imposition of coercive powers more generally - e.g. requirements to comply with unpopular performance routines - may undermine professional autonomy and weaken confidence in the moral authority of the convening actor. Our second proposition seeks to ascertain if compatible configurations of soft and hard power strategies can outperform adopting either strategy in isolation.

Methods

To address our two propositions, we conduct a comparative case study analysis of three national-level performance regimes operating in the devolved governments of Scotland, Wales and Northern Ireland, taking advantage of the divergent power strategies adopted in each case.

Research context

The 2009 Stiglitz-Sen-Fitoussi Commission advocated governments cease using Gross Domestic Product as a proxy indicator of national progress and adopt a broader set of national performance indicators expressive of societal wellbeing (Stiglitz, Sen, and Fitoussi 2009). More than half of OECD countries have since followed suit establishing high-level 'wellbeing frameworks' which give parity of esteem to systemic measures of progress from a range of domains, often including economic, environmental, democratic, social and cultural measures. Wellbeing frameworks differ in composition and focus, however often contain a set of high level outcome goals constitutive of the key dimensions of collective wellbeing, and an associated subsidiary range of indicators, targets and value statements which together set out a national vision and monitoring framework. Wellbeing frameworks are key examples of systemic, outcome-oriented performance regimes, requiring integration not just vertically within national government, but horizontally amongst a wide range of public bodies and external stakeholders.

The UK's three devolved national governments of Scotland, Northern Ireland and Wales all established internationally significant wellbeing frameworks, each adopting a different position on Nye's power continuum. Northern Ireland established its wellbeing framework through the national government's draft programme for government (2016-21). It adopted a hard power strategy, imposing a performance management structure based on Friedman's (2005) Results-Based Accountability methodology through the civil service hierarchy and assigning new performance accountabilities to senior civil servants, departmental leadership and external organizations. Scotland established its National Performance Framework (NPF) in 2007. It adopted a soft power strategy, seeking to spur distributed leadership for its outcomes and indicators across government and externally without prescribing performance routines or imposing accountabilities. Wales introduced its wellbeing framework in its Well-

being of Future Generations (Wales) Act 2015. It adopted key facets of both soft and hard power strategies. Firstly, the Future Generations legislation mandated all 44 public bodies (including the Welsh Government) to carry out routinized wellbeing assessments, objectives and plans. The legislation also appointed two independent organizations capable of adopting both hard and soft power strategies in scrutiny roles: Audit Wales (the national audit agency), and the Future Generations Commissioner (a senior independent public figure with a dedicated office, which the Act also established). An abridged summary of these wellbeing frameworks and their implementation approaches is presented in table 1, however we forego a detailed descriptive analysis owing to article length limits[1].

[Table 1 here]

Research approach

Comparative administrative studies draw theoretical generalizations from systematic comparison of phenomena across countries (Riggs 1991). We follow a 'most similar systems' design, wherein the effects of a variable of interest (the adoption of different modalities of power) are mapped across cases as similar as possible in other intervening variables (Seawright and Gerring 2008).

[1] . A substantive and detailed account of each framework and approach is available (see Wallace 2009)

Comparative administrative studies have faced criticism for overlooking how within-case events, cultural differences and historical context shapes the development of events (Haque, van der Wal, and van den Berg 2021; Fitzpatrick et al. 2011). Indeed, while our cases share an overarching legislative backdrop and a shared administrative history prior to devolution, background variables played a significant part in determining implementation outcomes. For instance, while Scotland has under four Permanent Secretaries pursued a collaborative approach based on cross-directorate working, Northern Ireland is required by the Belfast Agreement to conform to a more siloed character aligned with a Westminster archetype. Implementation outcomes were also shaped by key events. For instance, the sudden collapse of the power sharing agreement between Sinn Fein and the Democratic Unionist Party in January 2017 left Northern Ireland's civil service without political leadership for three years.

Rather than relegate these extraneous variables to background 'noise' we seek to strengthen causal claims by tracing causal processes within as well as across cases, following Bartolini (1993, 163) in viewing temporal variation as a 'secondary dimension against which theoretical propositions may be tested and elaborated'. We incorporate a substantial longitudinal dimension in our analysis, spanning the six-year period between 2015 and 2021.

Our analysis seeks to link power strategies to distinctive implementation outcomes across both vertical (within national government) and horizontal (within independent public bodies and external organizations). We assessed implementation across Bouckaert and Halligan's (2008) three dimensions of implementation:

- *measurement*, the extent to which measures specified in wellbeing frameworks are registered and adopted (e.g. through adopting measures in goal-setting and strategic documents)

- *incorporation*, how adopted measures are integrated into routinized management and corporate functions (e.g. within policy development, budgeting, performance reviews or monitoring and learning)
- *usage*, how performance information is actively used to spur behavior change and influence key decision making processes (e.g. influencing policy decisions, budgetary allocation, or performance evaluations).

Data collection and analysis

Our data comprise a substantial document analysis followed by 34 semi-structured interviews conducted in 2021-22. We undertook an extensive document search across government, scrutiny bodies (e.g. parliamentary research bodies, national audit bodies), and external organizations (e.g. national public bodies, sectoral representative agencies and policy institutes). From this we constructed a timeline of key events in each case noting both instantiations of soft and hard powers and noted instances of our implementation variables (adoption of performance measures, incorporation of performance routines and usage of performance information).

We used these timelines to select interviewees most closely connected with the use of observed powers. Our national government interview cohort involved current and departed senior civil servants over the six-year period of study (Permanent Secretaries, Directors General and Heads of the Civil Service), and departmental staff with key operational responsibilities for the performance routines analyzed (e.g. departmental leadership, senior statisticians and strategic leads). Our interview cohort outwith national government included

external representative bodies (e.g. third sector and local government representative organizations), scrutiny organizations (including devolved parliaments, national audit bodies, statistical offices and Wales' Office of the Future Generations Commissioner). Interviewees from these groups involved either the most senior representative, or senior members with the closest engagement to the performance regimes. In Wales our cohort skewed toward scrutiny organizations owing to the centrality of these institutions to the implementation of Wales' wellbeing framework.

[Table 2 here]

Interviews varied between 45 minutes and 1.5 hours, and were semi-structured, granting interviewees scope to direct discussion in particular toward powers or implementation outcomes overlooked in the document review. Questioning focussed on surfacing explanations, justifications and judgements of effectiveness of power strategies.

We analyzed documents and verbatim interview transcripts in Nvivo. *A priori* codes were assigned to hard and soft power mechanisms employed, and classifications used to note interviewees' causal claims linking power strategies to implementation outcomes. The results of this analysis are expressed in table 3.

Validity in a qualitative context is related to standards of credibility, transparency and trustworthiness of data (Ospina, Esteve, and Lee 2018). Most of our interviews can be considered 'elite' interviews, involving high ranking officials who may offer guarded or

overly complementary perspectives (Natow 2020). We therefore sought to corroborate claims from different interviewee categories, allowing the identification of complementary or contradictory perspectives. While this often elaborated causal claims, in no situation did we find directly opposing viewpoints. We also cross-checked claims with documents wherever possible. As one example, claims about the degree of integration in Community Planning Partnerships[2] in Scotland and Northern Ireland were cross-checked by reviewing each community plan and associated documentation.

[2] Community Planning Partnerships, or Public Service Boards in Wales, are key local governance partnerships involving local government and other significant local service delivery organizations, charged with setting out integrated locality plans and coordinating service delivery.

Findings

[Table 3 here]

Hard power

Northern Ireland's hard power strategy led (initially) to higher levels of adoption and incorporation in government than the soft power case, but failed to spur performance information usage. Results-Based Accountability provided a coherent architecture through which to arrange new performance routines and accountabilities. Government departments took responsibility for incorporating national indicators within 'action plans' and retrospectively producing 'report cards', providing a mechanism for aligning departmental operations with central government goals. By using the civil service hierarchy to impose new performance routines, Northern Ireland quickly established the highest level of adoption and incorporation amongst the three cases in 2017.

However, we found little evidence that incorporation of routines led to usage of performance information which changed decisions and behaviors. The indicators assigned to departmental owners were, for accountability purposes, based on their proximity to existing role remits. The approach therefore did little to incentivize behaviors that broke with the civil service's siloed and introspective focus:

> "If you're measuring [educational] attainment, that's somebody's job, if you're measuring low birth weight of babies, that's somebody's job and I think that naturally then the officials, not statisticians, the officials then naturally fell into their silos of,

> well those are your things to do and these are my things to do" [National statistics body, senior official]

Northern Ireland intended to incentivize usage of performance information through creating a new regime of accountability for indicators and outcomes. The appointment of its most senior civil servants as 'outcome owners' and departmental leadership as senior responsible owners for indicators created an expectation that direct accountability for results would soon follow. The reliance on hard power also however created a dependency on the continuation of stable leadership and organizational hierarchy. The unexpected collapse of its Executive in 2017 due to a political crisis, six months after the imposition of its outcomes-based approach, was a significant and lasting blow to its outcome-based approach.

The civil service was careful to avoid accusations of overstepping its remit without Ministerial direction. The national outcomes - which were in 'draft' form without political sign-off, therefore lost authority. While a central 'outcomes delivery plan' took the place of a functional programme for government during the three-year hiatus, and linked action plans continued to be developed within departments, interviewees related that the approach quickly lost momentum.

This 'implementation gap' was related to the collapse in political leadership, however it can also be explained as a failure of soft power. Since new routines were imposed on the civil service, interviewees noted that many senior civil servants were not 'bought in' or 'brought along' and performance routines incorporated were experienced as an additional reporting duty. The requirements for valid and reliable measures capable of supporting performance judgment led civil servants quickly into significant technical challenges with collecting and

analyzing new datasets. One member of departmental leadership reflected that the approach became technically overwhelming:

> "At that time I was working in a different department and was on the receiving end of the move to outcomes-based working. From that perspective at that time there was definitely too much focus on the method and the indicators as opposed to the simplicity in the approach. Which, I think, we still haven't got quite right"

The collapse of hierarchy provided those resistant to the performance regime the perfect opportunity to withdraw their engagement. Only two of the government's nine departments - those most supportive and aligned at outset - could demonstrate meaningful use of performance information by developing stretching and ambitious action plans, while less bought-in departments paid lip service or withdrew from the action planning and report card routines.

The failure to generate support for the outcomes approach led to Northern Ireland's level of incorporation dropping significantly over time. When the executive reconvened in 2020, the outcome-based approach met with more opposition. A second draft PfG published in Spring 2021 was still not ratified by study end. The continuation of the performance regime was considered by some interviewees in jeopardy, and dependent on developing an active soft power strategy, one senior official's view a national scrutiny agency:

> "I think people see it coming again and go, 'Oh God, not that thing' (...) I think the challenge we still have is, are there enough positive people around the system that still

believe this is the way to go? If we could harness that kind of enthusiasm (...) I think it's still doable."

Soft power

Scotland's soft power approach was most effective in building horizontal alliances with external organizations. A 2018 re-launch repurposed the NPF as 'Scotland's wellbeing framework' (not merely the Scottish Government's), broadening its appeal and relevance to external organizations. An external engagement team established within the Scottish Government undertook some agenda setting functions, broadcasting the framework to public agencies and third sector groups. We noted eight instances of voluntaristic alignment with the national outcomes across public bodies and third sector organizations. Interviewees considered this soft power approach effective in generating goodwill and support, however only in two cases were there evidence of serious attempts to adapt organizational routines, e.g. through commitment to review, monitor or evaluate activities using NPF data.

Scotland also achieved the lowest comparative levels of integration vertically within government, and also horizontally within its local governance partnerships. One senior interviewee related that Scotland consciously avoided assigning accountabilities for outcomes, instead adopting a model of distributed leadership. Senior civil servants became 'outcome champions' (rather than 'owners' in Northern Ireland), and had a high degree of latitude in their interpretation and expression of that responsibility. The overall intent was to provide a permissive environment for risk taking and change without relying on top-down prescription.

One conclusion reached by many interviewees was that too much latitude, and not enough accountability. In latter years an increasing emphasis on developing stronger lines of accountability was apparent. A cross-sectoral leadership group established to support NPF implementation, including senior civil servant representation, identified poor accountability as a barrier and was by study end exploring options to remedy this. A parallel focus on accountability was evident through the work of the Scottish Parliament, which had seen an increasing number of parliamentary committees using national indicators to critique government policy. One senior government official reflected:

> "Was permission enough? *(...)* I think experience would suggest that permission was insufficient, given the scale of the organisational transformation required to work in quite different ways. *(...)* You have the auditors coming in and scrutinizing [staff] for their bit of the delivery, not against the outcomes framework. For as long as that continues to be the case, a permissive environment is not really going to cut it unfortunately."

An alternative explanation for Scotland's low level of implementation is that soft power was not operationalized effectively enough. The scale of implementation found in Northern Ireland's Community Planning Partnerships suggest that soft power can, if applied holistically and strategically, succeed in achieving integration independently of hard power.

New duties introduced in Scotland's Community Empowerment (Scotland) Act 2015 required community planning partnerships to set outcome objectives within comprehensive strategic plans for their localities. Despite the NPF's outcomes attaining cross-party support and legislative backing within the same legislation, no duties were created requiring

alignment between local and national outcomes. Our review of these plans found a slight majority did include some linkage to the NPF, however alignment was invariably either set within a vague and general introduction or in an alignment matrix in an appendix. Interviews with actors close to these partnerships confirmed this alignment process was superficial.

Community planning duties introduced in Northern Ireland in 2015 similarly did not stipulate a requirement to align with national outcomes. Despite this, all 11 community planning partnerships adopted national outcomes in community plans and associated action plans. In addition, many community planning partnerships adopted elements of the Results-Based Accountability methodology and otherwise adapted organizational routines for planning and reporting on national outcomes in their reporting documents. Interviewees considered two community planning partnerships in particular had adopted the methodology systemically and were actively and regularly using performance information within the core of their corporate functions, while at least seven others institutionalized significantly aligned performance routines.

Northern Ireland's relative success can be explained by better agenda setting and a more strategic response to a window of opportunity (the introduction of new legislative duties). One local government official remarked,

> "The Northern Ireland Executive decided at that point back in 2015 to develop this programme for government. And it was timely in the sense that we were sort of starting the community plans, we'd just reformed local government, we were looking at this new power and function and how it would work. So they set the tone."

National government successfully set the tone by developing an effective soft power strategy in response to a clear window of opportunity. Close working relationships were established between the leaderships of the civil service and local government which helped communicate the new national outcomes and indicators as a galvanizing collective mission. The wellbeing framework meanwhile was communicated to community planning leaders as being instrumentally useful in supporting the newly community planning bodies construct their first plans, obviating the need for local government statisticians to develop their own indicators.

In Scotland, community planning had been established long before attaining a statutory basis in the 2015 legislation. Local government-focussed support organizations already provided statistical and functional support to support community planners with strategic planning and reporting, and this separate and competing agenda proved a more attractive proposition than the NPF. Scotland also lacked a comparable approach to relational working between the leadership of community planning and the civil service. By the time new duties for community planning were legislated, a critical window for the application of soft power had been missed.

Smart power

Wales, by combining soft and hard power strategies, was able to achieve the highest levels of adoption, incorporation and usage, both within national government and across public bodies. Wales employed the most extensive use of coercive statutory duties, requiring all public bodies (including the Welsh Government) to undertake wellbeing assessments, set wellbeing objectives and develop wellbeing plans, and to engage with the inspection procedures of its

two national scrutiny organizations. Interviewees however regarded the legislation as ineffective in its own right as a mechanism for change. Instead, these coercive duties provided a 'foot in the door' for the application of soft power strategies to motivate better usage of performance information.

The Welsh Government appointed a small central government team to support implementation within the civil service through a range of soft powers. One senior official described this as a response to the noted limitations of hard powers in moving beyond lip service:

> "This is really critical because on the one hand there was always the danger of new legislation becoming a tick box [exercise] (...) and that's why we don't have, in there, requirements for an impact assessment"

This team adopted a relational approach to agenda setting in national government, using persuasion and negotiation with other departments to adapt particular policies and alter individual corporate processes on a case-by-case basis. Over time, this resulted in modifications to processes including impact assessments, business cases, procurement guidance and external funding remit grants. While some external interviewees expressed frustration with the pace of change, all acknowledged a positive - if gradual - direction of travel. Unlike Scotland and Northern Ireland, Wales could demonstrate clear integration of its wellbeing framework within key government policies including the Beyond Recycling 2050 strategy, and the Our Future Wales 2040 development framework. Another strong signal of change was the prominent integration of the Wellbeing goals and objectives in both the 2020

and 2021 programmes for government, which one senior interviewee considered clear evidence of a cultural shift:

> "Those objectives have been absorbed and embedded in the last two programmes for governments. That's not a legal requirement - that's a choice that the government has made, and taken quite a big risk in doing that."

Statutory planning and reporting obligations also gave Wales' two scrutiny organizations the opportunity to engage in extensive performance dialogue with public bodies, and through this to apply an appropriate mix of hard and soft power. The default position, considered most appropriate and also least resource-intensive, was to begin with soft power:

> "I would say we mostly do support by challenging (...) a lot of our work revolves around, say, pointing out what is wrong with something and saying, "Look, here, you've missed an opportunity here. You could be doing better." (...) But we also don't want just to say this is not good without offering a solution to the problem."

The FGC's office established itself as an authoritative center for advice and support, offering a range of guidance, workshops and training to public bodies to help with implementing the Act. The FGC attracted significant engagement, with requests from public bodies increasing year-on-year. The FGC could leverage this central position to set agendas, spotlighting deficiencies in wellbeing assessments in its external reports, and championing the adoption of particular solutions. The 168 recommendations made in the Future Generations Commissioner's flagship Future Generations Report for instance were widely acknowledged by public bodies. One FGC office member noted:

> "Look, here are broad areas in which you should be operating in order to meet these wellbeing goals and here is a menu of things that you could consider doing, regarding the practical steps that you could consider taking. And that seems to have landed pretty well with public bodies."

In cases where repeated attempts to prompt change are not taken up and some element of resistance or lip service was apparent, the Commissioner's coercive review powers could be activated, calling out or naming and shaming public bodies and working to coerce rather than attract behavior change. However hard power was rarely required to be operationalized in practice, as another FGC office member member reflected,

> "No one will want to be left behind and be the one public body that is not doing well under the Act. So, I think that's quite a powerful, you know, tool: their fear that they're the only one that's not doing well."

Exercising hard powers was expensive and time consuming, involving detailed scrutiny and risking relational damage. The recourse to hard power was therefore reserved for exceptional cases in policing acceptable performance standards and protecting the credibility (and thus soft power) of the performance regime. This was explained by another FGC representative:

> "[We] decided early on that the best thing (...) was start from the top, really intervening in issues there (...) The Welsh Government I'm quite robust with on many occasions and the reason for that is, [they] don't always make it easy for other public

> bodies to do things that they need to under the Act and they're not necessarily showing as much leadership as I would like"

Wales was unique amongst cases in featuring prominent areas where selective use of hard power had demonstrably changed policy, or prevented key policy decisions from being made. The FGC activated formal hard powers only once, to initiate a review of 9 public bodies' (including the Welsh Government) procurement practices. We documented 3 cases where high profile interventions were mounted to change or prevent key policy decisions from occurring. In these cases, the FGC achieved sufficient improvements by 'calling out' public agencies, using media focus to create pressure for change. Remarking on one example where a relief road was opposed on social and environmental grounds, an FGC member described the effectiveness of this scrutiny function as a hard power approach:

> "So basically, we threaten to review them, [I say] I've got five examples here at least of where this hasn't been done properly and if this doesn't change, I will be using my review powers on you. At which point, then a moratorium on road building is announced and all of the schemes, even the approved ones are going to be reviewed in line with the Future Generations Act."

Discussion

Through a comparative analysis of the implementation of three leading wellbeing frameworks, we have explored how soft and hard powers were adopted to implement national-level performance regimes. In this section we revisit our two propositions to consider the implications our findings hold for theory and practice.

Proposition 1

We found some evidence that soft power strategies can be an effective approach to embedding performance regimes, though data suggest both agenda setting and attraction were required, and that soft power must be deployed strategically in response to emergent opportunities.

In line with findings in the literature (Choi and Moynihan 2019; Molenveld, Verhoest, and Wynen 2021)**,** evidence from Scotland suggests soft power strategies were ineffective where stronger and more proximal accountabilities were established in place. However the dynamism of incentive and accountability systems we observed over time created windows of opportunity through which soft power could achieve impact. The serendipitous enactment of new community planning duties alongside Northern Ireland's wellbeing framework for instance created an opportunity to set a national agenda which fostered both incorporation and performance information usage.

Our findings suggest that soft power may be an appropriate strategic choice where hard powers are impossible or counteractive to enforce (e.g. in situations which are highly complex or likely to create perverse incentives). While once a niche position, we see an increasing range of performance regimes operating in the absence of hard power. Performance regimes like the NPF and New Zealand's System Level Measures Framework (Tenbensel and Burau 2017) which have purposefully abandoned hard power approaches. Soft power may therefore provide useful management guidance for conveners of performance regimes. In turn, soft power may also contribute a helpful analytical perspective for scholarship to explore performance management in a broader landscape of social contexts.

Proposition 2

Our findings suggest that in most cases the strategic combination of hard and soft powers will be the most effective strategy. Several smart power mechanisms were apparent: using hard powers as a 'foot in the door' to subsequently employ soft power, using soft power to generate support for the imposition of hard powers, and employing discretionary choice between soft or hard powers in relation to the possible levers within individual contexts.

While we found no evidence of theorized downsides to combining soft powers with hard powers, our small-N research design meant we could not test all interaction possibilities. Significantly, we did not observe any combination of soft power with Nye's 'financial inducement' category, where behavioral and motivational distortions may be expected to manifest. We do not therefore preclude the possibility of deleterious combinations of power strategies and suggest closer analysis in further research.

The significance of smart power as an explanatory factor for the implementation success of the performance regimes under study suggests this may be a useful aspirational model for performance regimes where social, behavioral and political aspects matter. In particular, where multiple institutions are involved (e.g. in joined-up interventions, collaborative performance management, or other forms of inter-institutional performance regimes), and in situations where outcomes and supra-organizational goals are the focus.

Conclusions

We have drawn from Nye's (1990; 2005) concepts of soft and hard power to advance a new theoretical approach to the analysis of performance regimes. Through a comparative case study analysis of national-level wellbeing frameworks, we demonstrate the explanatory power of this approach in associating differences in the implementation outcomes achieved with different power strategies.

Our findings place doubt on the ability of traditional performance management focussed on hard power alone to play a meaningful role in a context of systemic goals and dynamic operating environments. We show how, applied holistically and in response to windows of opportunity, soft power can provide a viable alternative mechanism for progress. We do not however advocate for a purely soft power approach - rather an appropriate combination of powers relevant to the context. By structuring hard and soft powers into 'smart power' strategies, we suggest better progress can be made than applying either strategy in isolation.

A power-aware perspective operationalizes the political and behavioral dimensions of performance management often effaced by its popular image as a technocratic and managerialist discipline. Specifically, we contribute a new theoretical basis for understanding the implementation of performance regimes seeking implementation in both vertical (intra-organizational) and horizontal (inter-organizational) dimensions (Ospina, Cunill Grau, and Zaltsman 2004; Bouckaert and Halligan 2008). A focus on soft and smart power may add important new dimensions to performance management scholarship as it moves toward the analysis of inter-institutional and outcome-oriented models, where control is necessarily limited.

Our study makes a substantive parallel contribution to literature on grand challenges and societal transitions toward wellbeing and sustainable development. Our study shows how these settings can be analyzed as a performance management problem, a perspective notably absent so far. Our theoretical contributions may therefore provide a practical route for governments, international organizations and other convenors of performance regimes to address the implementation gap and speed progress toward boundary-crossing grand challenges. Our hope for practice is that, as it did in political science, a focus on soft and smart power can draw attention to a range of practical tools and mechanisms which convenors of performance regimes can access to improve how performance regimes are constructed, managed and implemented.

We acknowledge several limitations and opportunities to extend our study. With just three case studies we cannot make any claim to empirical generalizability. Nevertheless through careful triangulation of findings and comparing cross-case with longitudinal findings, our study can assert its internal validity and theoretical robustness. Our study therefore provides a foundation to test and elaborate our findings through larger-N cases. The rapid expansion of wellbeing frameworks across many other countries would seem a natural opportunity to pursue this, possible using mid-N research designs such as Qualitative Comparative Analysis.

Secondly, due to the limited instantiations of powers, we were unable to observe how financial inducement interacted with soft power strategies, in which incentive crowding and incentive conflict may manifest. We also found overall very partial implementations of performance regimes: none of the cases had modified budgetary decision making for instance, a difficulty long-noted in the literature (Wildavsky 1964). Further research could explore how the power strategies suggested may help create

end-to-end performance regimes, which may be possible as these frameworks embed further over time.

Other studies may also test our findings in other institutional contexts. Global governance contexts (e.g. the Paris climate targets, or the UN sustainable development goals) are a suitable candidate, however more bottom-up forms of performance management (e.g. orchestrated by civic alliances or social movements) also provide new directions for performance management theory. Our study has focussed on intra-organizational changes, however we consider this perspective may have much to offer the analysis of hybrid, inter-institutional and collaborative forms of performance management (Rajala, Laihonen, and Vakkuri 2020; Douglas and Ansell 2021), in which social dynamics and dialogic engagement are key factors. Our study paves the way for more focussed analysis of the theoretical extent of the soft power concept, analyzing performance regimes at multiple levels and foci.

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Tables and Figures

Figure 1. Theoretical framework: hard and soft power strategies in a performance context, adapted from Nye (2005)

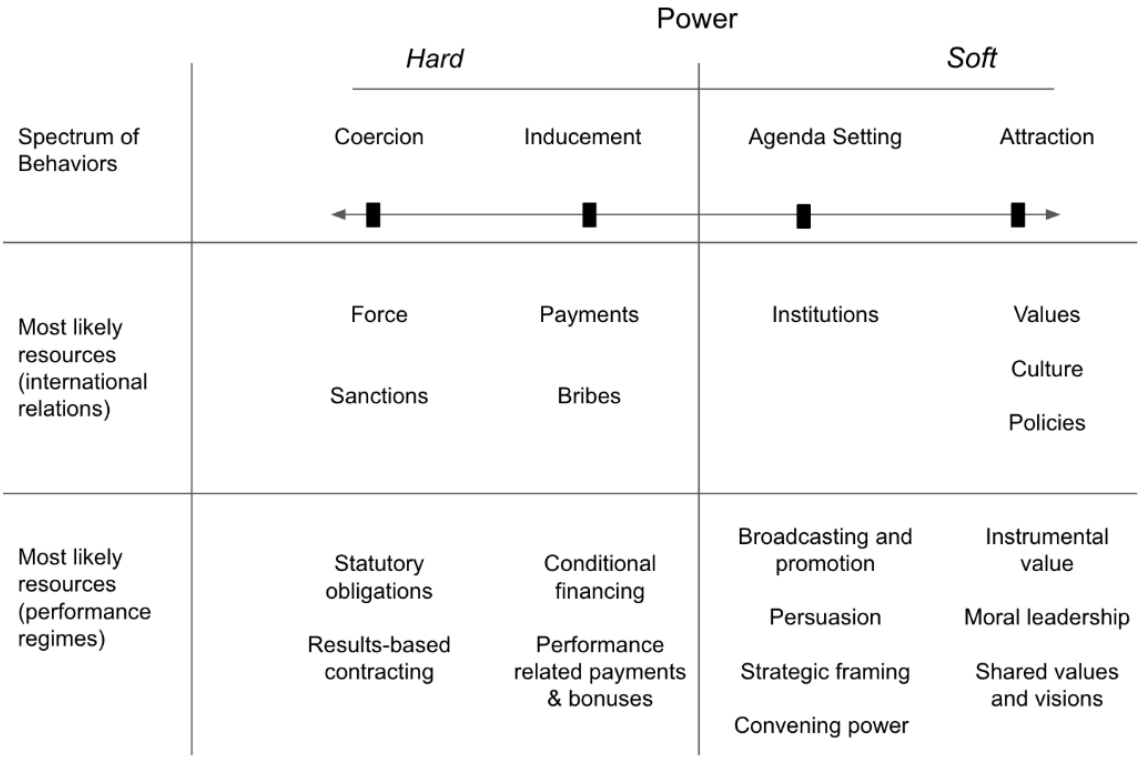

Table 1. Descriptive summary of the three cases

	Scotland	**Northern Ireland**	**Wales**
Power strategy	**Soft power-centric**	**Hard power-centric**	**Hard and soft power**
Framework composition (2021)	11 National Outcomes; 81 National Indicators	12 Outcomes, 49 Indicators	7 Wellbeing Goals, 46 Wellbeing Indicators
Statutory obligations - government	Scottish Ministers required to review National Outcomes every 5 years.	None	Welsh Government to prepare wellbeing assessments, set wellbeing objectives and develop wellbeing plans
Statutory obligations - local governance	Community planning partnerships to prepare Local Outcome Improvement Plans (no obligation to align to the National Performance Framework)	Community planning partnerships to prepare community plans (no obligation to align to national outcomes)	Public Service Boards (and other public bodies) to prepare wellbeing assessments, set wellbeing objectives and develop wellbeing plans
Scrutiny roles	Scottish Parliament	Northern Ireland Statistics and Research Agency (informal)	Audit Wales, Future Generations Commissioner, Welsh Senedd
Vertical integration strategy (within national governments)	Non-accountable 'Outcome champions' at senior civil service level Responsibility of performance directorate leadership (post-2018)	Accountable 'outcome owners' at senior civil service level Results-Based Accountability (RBA) methodology	Non-accountable 'Outcome champions' at senior civil service level Small central government team with responsibility to support implementation Scrutiny and challenge from Audit Wales and Future Generations Commissioner
Horizontal integration strategy (within external organizations)	External engagement team based in Scottish Government	No explicit strategy; some funding streams modified based on RBA	'Support and challenge' from the Future Generations Commissioner. Scrutiny role provided by Audit Wales.

Table 2. Interviewee cohorts

Interviewee category	Scotland	Northern Ireland	Wales
Central government	5	5	3
Scrutiny organisations	2	2	5
External public bodies	3	3	3
External organisation representatives	2	3	3
Total	12	11	11

Table 3. Implementation outcomes and association with power strategies

	Scotland		Northern Ireland		Wales	
	Vertical integration (within government)	Horizontal integration (all external organizations)	Vertical integration	Horizontal integration	Vertical integration	Horizontal integration
Adoption of performance measures	Adoption of National Performance Framework in Programme for Government (post-2021) [SP]. Development of 4 aligned outcomes frameworks, representing a substantial minority of government business [SP]	Half of community planning partnerships referenced National Outcomes in community plans. [SP] 8 instances of adoption within corporate plans of external organizations, including 2 government-linked public bodies [SP]	Adoption of draft national outcomes in core strategic planning documents, inc. the Programme for Government and Outcomes Delivery Plan [HP]	All community planning partnerships adopted national outcomes in community plans [SP].	Incorporation within Programme for government post-2020. [SP] Alignment in departments through the legislative duties for wellbeing plans/objective setting [HP]	Public bodies aligned through statutory duties (HP) At least 3 organizations not subject to statutory legislation aligned with Wellbeing Goals [SP]
Incorporation of performance routines	Alignment in Spending review process (post 2020) [SP] Annualized reporting on indicator movement [SP] Statutory review of national outcomes [HP] Some instances of adoption at department level [SP]	Some limited evidence of incorporation into routinized organizational planning and review processes within two external organizations [SP]	Assignment of reporting duties to 'Outcome Owners' at senior civil service level (until 2017) [HP] Some limited integration into departmental business planning and funding processes (2021) [SP] Incorporation of indicators within departmental action plans [HP] Annualized performance reviews against Outcome Delivery Plans [HP]	Significant adoption of Results-Based Accountability and outcome-based methods within strategic management, performance review and evaluation processes across a majority of community planning partnerships [SP]	Annualized plans and reviews (Wellbeing of Wales report) [HP] Incorporation within government strategic planning processes [SMP] Incorporation within remit grants, funding allocation, procurement processes [SMP]	Use of wellbeing assessments, objectives and plans across 44 statutory bodies [HP] Significant external engagement through FGC's 'movement building' role [SP]
Usage of performance information	Performance information used in parliamentary scrutiny (usage increased from 2 to 9 committees post-2021 election) [SP]		Minority (2) of departments judged to have used performance data in developing stretching action plans [SP]	Some use of outcomes-based reporting and evaluation amongst funded organizations, though not aligned to national outcomes [HP] Regularized usage of performance data in two community planning partnerships [SP]	Evidence of patchy usage in departments, with most engagement from 'allied' departments. Some evidence of policy change, including within the Beyond Recycling 2050 strategy, and the Our Future Wales 2040 [SMP] Some use of performance measures in focussed committees within parliament [SP]	Evidence of stretching and ambitious estimated by FGC in a quarter of public bodies [SMP]. Policy decisions overturned or prevented in 3 cases through the strategic use of hard power [SMP] Some evidence of innovative practice from Public Service Boards, e.g. conducting collaborative wellbeing assessments. [SMP]

[SP] = soft power most significant factor [HP] = hard power most significant factor [SMP] = soft and hard powers combined most significant factor