The Government Performance System Reform in Taiwan: Localized Focus and Citizen Participation

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Abstract
The relations between local governments and citizens have grown increasingly closer in the past two decades. Several governmental performance reforms have taken place among developed countries that have mainly increased their local governance capacity by expanding citizen participation and deregulating the central government. However, in light of citizens’ expectations and requirements, it is necessary for local governments to adopt performance management efforts to enhance their public services. From 25th December 2010, the new five municipalities in Taiwan have brought new challenges to local governance and also to their performance management. This study attempts to understand the current status of performance management in Taiwanese local governments. The study used a focus group, in-depth interviews, and a survey to collect both qualitative and quantitative data. Based on the results, it provides policy recommendations to improve citizens’ participation in Taiwan’s local governmental performance management efforts. They include providing incentives for encouraging
people to participate in performance measurement and weigh civil participation while designing the performance management mechanism.

**Keywords**: performance management, local government, citizen participation, performance information, competitiveness

**JEL classification**: H11, H70, H73, H83

1. Introduction
In response to globalization and new public policy issues, developed countries have embarked on deregulation and encouraged citizen participation to improve the capacity of governments. It is important for governments to comprehend the values of civil society in order to build a foundation for better governance. Thus, the modern government should not only focus on the public’s demand by providing efficient and quality public services, but also enforce its decision-making and policy-execution abilities in order to integrate a network with the private sector in terms of industry development, public security, quality of life, environmental protection, social welfare and etc. By improving its services, governments can develop a higher reputation among the public. Accordingly, performance management action and process is a useful tool for monitoring and evaluating effectiveness and results of government performance.

The current performance management system of Taiwan government was implemented since 2002.¹ For the implementation of good governance and promoting government competitiveness, ROC Executive Yuan has adopted transparency, accountability, public participation and effectiveness as four principles of establishment of governance performance management mechanism. Using the “Government Performance Management network” (GPMnet) to promote effective governance in the ministries level of government (Huang et al., 2013: 3). In general, the issues of performance management in public sector among academics and practitioners in Taiwan has begun from the concept and system design, and then gradually transferred its focus to

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measurement process, indicators establishment and relevant implementation problems (Hu, 2011: 10). However, compare the results of governmental performance measurement with how people feel them remain a tangible gap. As Goodsell (2006) argues, the ultimate aim of government policy is to establish and maintain public confidence to the government, that is, public trust. On account of local governance enhance direct impression of public to the government; Recently, ROC government has tried to extend citizens’ participation in improving public governance, particularly on county/city level.

2. Citizen Involves Performance Management in the Public Sector
As Osborne and Gaebler (1992) argue in Reinventing Government, people cannot foresee success or failure if they do not evaluate performance of their actions. In general, the values of new public management (NPM) are deeply influenced by the private sector. Performance management is the process of tracking organizational performance so that an organization can achieve its mission. It targets organizations, not their members (Monaghan and Ball, 1993). In a sense, performance management is obviously more than performance evaluation - which merely has its “control” function in terms of management.

As an important management tool for the private sector, performance management is the same as the return on management (ROM), which is the ratio of values produced to the effort of management (Simmons and Davila, 1998). The active effect is to unite the objectives of the individuals and the organization in order to have an effect on the individual actors.

As Heinrich (2002) has argued, the results-oriented performance management at all levels of government has increased the activities of performance evaluation, however, problems remain in the public sector, such as those related to mechanism design. One of the critical problems is “accountability”. Indeed, a governmental performance evaluation system should consider the characteristics of the public sector mainly because of the conflicting nature of performance evaluation compare to
the private sector. It should apply multiple indices, including the
dimensions of policy execution (tangible and intangible), and reflect the
interests of all stakeholders (politicians, managers, capitals, providers,
argues that performance evaluation has a notable effect on the
stakeholders, including the public and politicians, who should
understand how to meet public demands and consider if their policy
proposals may conform to these political demands. All these factors are
believed to be able to maximize the political interest of politicians.

Due to the transformation of managerial style in the past 30 years,
the so-called “localization” has become important part of governance
(Goss, 2001; Leach and Percy-Smith, 2001). Robertson (1992) argued
that local government and civil social organizations are more capable
than other levels of government in responding to the challenges of
globalization because local governments engage more closely with the
public, discussing problems, reflecting environmental changes rapidly,
and meeting demands. Therefore, a responsive government will provide
local governance with a more spacious territory.

Since the 1980s, performance management exercise has been widely
adopted in practice. For example, in the UK, Public Service Agreements
(PSAs) were adopted in 1998, offering a promise of the public services
that will be provided. Under the terms of the Local Government Act
passed in 1999, all local governments are required to formulate a Best
Value Performance Plan (BVPP) as part of the PSA. This mechanism has
largely emphasises the role of citizen participates in government
performance measurement (Huang et al., 2013).

Wichowsky and Moynihan’s (2008) work explain how performance
evaluation excludes citizens. After examined the Program Assessment
Ratings Tool (PART) of the Office of Management and Budget (OMB),
they conclude civic spirit has long been excluded from the evaluation
system. Wichowsky and Moynihan demonstrate that performance
evaluation does not conflict with citizens’ rights, and argue government
performance reflect and incorporate policy-planning and execution in
civil life.
Heikkila and Isett (2007) argued that it is difficult to promote citizen participation in policy-making, which requires reconciling different kinds of citizen opinions and participation. Huang and Wang (2012) have tried to study on how citizens participate in performance management decisions. They using discussions among a focus group conducted in research, then, categorized several ideas that might be useful to the research: (1) collect opinions about the performance standard from the citizens; (2) improve the process of evaluation management in order to improve more citizen participation; and (3) more efficiently communicate with citizens about performance knowledge.

The link between government performance management and citizen participation has been identified in the past decade (Holzer and Yang, 2004; Yang and Holzer, 2006). According to Tong-Len Hu (2007), the expansion of public participation is by all means what the public expected – namely in terms of active participation and the chance to engage in co-planning. Hu suggested “government performance management led by citizens” as one way to transfer the authority of evaluation from the government to citizens. In this way, leadership is returned to the public in order to establish the value of citizen-centred public services.

However, some limits to citizen participation do exist in performance management. For example, including public opinions in performance decisions requires assuming that citizens will care about local governmental decisions. Yet, members of focus group in Huang’s research realized that not everyone is interested in policy decision-making. Citizens who do participate are probably not representative of the community. Moreover, people who participate in the process may not want to spend much time on policy-making (Heikkila and Isett, 2007).

3. Empirical Research and Selected Findings

Support by the Research, Development, and Evaluation Commission (RDEC), the Executive Yuan, ROC. Huang, Wang and Chang (2013) had conducted a large-scale empirical research to Taiwanese governmental
performance management system. The study included interviews, focus group seminars and questionnaires survey. In-depth interviewing conducted in 11 sessions with 29 people from five municipalities, county-city governments, and central governments in Taiwan. The interviewees were asked about the performance evaluation system, the challenges they have confront, the link between policy execution and budget, what performance evaluations should consider, how the performance index should be established, and how the results of a performance evaluation can engage citizens.

The research also conducted three “focus group seminars” with totally 16 individual members from the central government, municipalities and county-city governments, and auditing departments as well as scholars in the fields of local government management, regional development, and performance management in public sector. Finally, Huang and his colleagues (2013) use questionnaires method to collect opinions from the populations represented include 488 first-level departments in 22 municipals and county (city) governments. Every department was sent two questionnaires: one to the director or vice director of the department and the other to its administrator. This resulted in 976 questionnaires being sent. Within three weeks, 689 had been returned, yielding a return rate of 70.59 per cent. Of these, 45 were not usable: 10 were incomplete and 35 were default answers. This left 644 usable questionnaires, which is a return rate of 65.98 per cent.

The research concludes with some findings selected as below:

First of all, the qualitative information suggests that local government performance evaluation systems and central government units would show differences in targets and project channel of policies, financial sources stability and methods of performance evaluation. Table 1 depicts the results of the opinions of the respondents. The contents of the interview also indicate that the heads of some local governments focus only on immediate results and the reflection of public voices. The performance reflected by the implementation of the government policies receives less attention. Some respondents from city/county governments even insisted that the performance management evaluation was just for show. Nevertheless, a majority of the respondents declared that the
performance management evaluation remains mandatory for the local government.

Table 1 Qualitative Analysis for Performance Evaluation

<table>
<thead>
<tr>
<th>Code of respondents</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
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<tr>
<td>Opinion expressed</td>
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<tr>
<td>1. Differential targets and project channels of policies between central and local governments</td>
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<tr>
<td>2. Differential financial and resource stability between central and local governments</td>
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<td>V</td>
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<td>V</td>
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<td>V</td>
</tr>
<tr>
<td>3. Differential methods of performance evaluation between central and local governments</td>
<td>V</td>
<td>V</td>
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<td>V</td>
<td>V</td>
<td>V</td>
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</tbody>
</table>

Source: Authors.

As Table 1 indicates, many local governments held that their performance management evaluation systems show quite a few differences with the comparable systems of the central government. This point is worth noting when promoting a performance management mechanism. Among the 11 respondents (A to K) interviewed, only eight believed that the central and local governments would show different channels in the political targets and formation of the programmes. Five stated that the central and local governments show different financial and resource stability. Four interviewees predicted that the central and local governments would show different types of performance management. Such an influence would, therefore, be shown in the local governments’ awareness of the link to performance management.
evaluation and would present multiple styles.

The contents of the interview indicate that the heads of some local governments focus only on immediate results and the reflection of public voices. The performance reflected by the implementation of the government policies receives less attention.

Secondly, the tests suggest that different regions have different viewpoints to implementation of the performance management evaluation and the enhancement of the business operation. Among them, the performance management evaluations implemented in central and southern Taiwan were better than those implemented in 5 municipalities.

**Figure 1** The Average of the Operation That Can Be Improved under Current Performance Management Systems

Source: Authors.

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Figure 1 shows that among municipal and county (city) governments, Changhua County scores the highest average value; thus, its provisional system shows the most improvement in business operations. Changhua County is followed by Chiayi City. Given the documented analyses conducted by our study team members and the information and data from the Changhua County representatives, we see that these two municipality governments are currently utilizing government performance management evaluation systems. Interestingly enough, our study team members determined that both Tainan City Government and Kinmen County Government have accomplished integral performance management evaluation systems, rules, and regulations, yet these governments scored lowest on average. The qualitative information and data also presented the equivalent causes, including the belief that “the law alone cannot be enforceable” or that the prevailing systems, rules, and regulations indeed fail to reflect the substantial needs. Another possibility also emerged: These governments had relatively few respondents.

In addition, a majority of the municipal and county (city) governments are still looking forward to establishing government performance management evaluation systems. Figure 2 gives the average values of future enhancement in business operations held by respondents about the performance management.

Thirdly, the outcomes of statistical analysis indicated different duties in organizations and different viewpoints about the performance management. It indicates that the department heads and deputy heads show more confidence in the performance management evaluation systems than their subordinates, who believe that the function that could be demonstrated by government performance management evaluation systems is too low.

The research then conducted a data analysis using questionnaire surveys. It identifies five key points or key items including “organizational competence”, “financial standing”, “serving citizens”, “transparent information” and “opportunities for citizens’ participation in performance evaluation” in an attempt to analyze the perceived of performance evaluation criteria in different local governments. In a
System of score 1 represents extraordinary disagreement while 5 is extraordinary agreement. The final results as Table 2 has shown: the capability in the implementation of programmes, financial performance and information transparency level score between 3 and 3.5, with serving people scoring highest on average at 3.47. However, the average of citizenship participation score is lower (2.66).

In Table 3, it can be found the Personnel Mission and Service Quality have higher scores. On the contrary, Financial Resource apparently shows low scores among the five items. When the mayor candidate runs the election, their political ideas are always more abstract.
Table 2 Average of the Perceived Achievement in Different Local Government's Performance Evaluation Criteria

<table>
<thead>
<tr>
<th>Local Government's Performance Evaluation Criterion</th>
<th>Average</th>
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<tbody>
<tr>
<td>Organizational Competence</td>
<td>3.35</td>
</tr>
<tr>
<td>Financial Performance</td>
<td>3.15</td>
</tr>
<tr>
<td>Serving Citizens</td>
<td>3.47</td>
</tr>
<tr>
<td>Transparent Information</td>
<td>3.35</td>
</tr>
<tr>
<td>Opportunities for Citizens’ Participation in Performance Evaluation</td>
<td>2.66</td>
</tr>
</tbody>
</table>

Source: Authors.

Table 3 Perception of Performance Evaluation in Local Governments

<table>
<thead>
<tr>
<th>Item</th>
<th>Average</th>
<th>Standard Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Goal</td>
<td>3.351</td>
<td>0.868</td>
<td>0.753</td>
</tr>
<tr>
<td>Personnel Mission</td>
<td>3.824</td>
<td>0.743</td>
<td>0.553</td>
</tr>
<tr>
<td>Financial Resource</td>
<td>2.763</td>
<td>0.840</td>
<td>0.706</td>
</tr>
<tr>
<td>Inclusion Convergence</td>
<td>3.279</td>
<td>0.809</td>
<td>0.655</td>
</tr>
<tr>
<td>Service Quality</td>
<td>3.612</td>
<td>0.749</td>
<td>0.560</td>
</tr>
</tbody>
</table>

Source: Authors.

or vogue. Therefore, after they won the campaign, implementing policy has its difficulties and also causes many problems, including the strategy goal and strategies planning, etc.

Apparently, in the design of government performance management evaluation systems, there is still room for enhancement to ensure that
these five aspects are more accurately measured. In terms of comprehensiveness, the design of the performance management evaluation system offers no mechanism for participation and thus cannot accurately reflect instant responses. The process and result of the 2012 Taiwan Presidential Election may partly reflect why politicians are so constrained by peoples’ voice, and why governmental performance measurement should have more localized emphases and citizen participation.

Fourthly, 2012 Taiwan Presidential election was particularly tense. The pre-election opinion polls had shown almost no difference of support proportion between two major groups of candidates in the last moment. In fact, there had been only a difference of 3 per cent or less between Ma Ying-jeou 馬英九 and Tsai Ing-wen 蔡英文 within one month before polling day. In some cases there is even prediction that the Democratic Progressive Party candidate Tsai will win the campaign. However, the final result had actually shown a gap with the prediction – Ma, with approximately 6 per cent won the election. Analysts may have many interpretations about this outcome and possible causes; however, we are trying to view this issue from a position/valence ground versus performance calculation.

As Harold Clarke and David Sanders (2009) have studied connection between performance politics and British voters. They argue that voters rely heavily on their party identifications and their images of the party leaders when making their choice. However, voters may also revise their party identifications and leader images in light of ongoing performance evaluations. In this case, voters in the UK adopted a position/valence model of electoral choice, rather than a performance calculation (Clarke et al., 2009: 5-6). How about Taiwanese voters? Is this a case to explain Taiwan politics and electoral behaviours?

From the National Advances rates, which countries have taken to evaluate their performance, Ma Ying-jeou’s governance results in his first term were not too bad; not only compared to developments of the past 20 years, but also compared with other advanced societies’ leadership, Ma’s administrative team has recorded considerable internal and external performance. Nevertheless, Ma did not take any advantage
with these in opinion polls, and the results of 2012 presidential election, in some ways, has shown that Taiwanese voters in the 2012 Presidential election were well described by the position or valence model of electoral choice, rather than performance consideration. For sure, governments in Taiwan, not only the central or local levels, may increasingly focus on instant responses to the public. Public managers must take such responses into account and weigh civil participation while designing their performance measuring mechanisms.

4. Conclusion

Performance management must be combined with strategic planning to inspire all members of the organization to meet common goals. Such a description corresponds to the theme in the literature that the passive aspect of performance management is “control.” In the organization, it is important to maximize the advantages of performance management to reconcile individual and collective goals. The purpose of examining performance management is not the comparison or evaluation among all government units or among municipality and county (city) governments. Rather, it is to compare an individual organization or unit’s past and future or to compare its future outcomes with current performances. Thus, performance management efforts can be used to answer three questions: Is the organization on track to meet its strategic goals? How close has it come to the fulfillment of the strategic goals? During hands-on practice, is the resource laid out and used in a reasonable manner?

The main contribution of the study is the examination of the current performance management practice conducted by local governments in Taiwan. The data indicate that local governments have little awareness of the reason for conducting performance management evaluations and less idea about how to move forward, despite being requested by the audit authority to proceed with performance management evaluation. This study suggests the central government should take into account the needs of local government while integrating performance management information systems, enable e-Government operating well at all levels of government.
Based on the results of this study, several policy recommendations are provided:

First, in terms of the design of the mechanism for motivating participation, local governments should be encouraged to participate by providing incentives before the advantages of performance management can be demonstrated. Two kinds of incentives are possible: positive incentives fall in the upper position of the mechanism and include auxiliary links to competition-oriented programmes that would assign scores to those who submit performance management reports; meanwhile, the norms of specifications help organize “strategy development committees” in various municipal or county (city) sectors so that mayors and magistrates could respond to mass media, in turn focusing on the performance management evaluation systems. In addition, the local government should provide more opportunities and incentives for citizens to participate. One possible incentive is to make citizens realizing how their participation in government performance management can improve their daily lives.

Second, the design of the performance evaluation mechanism should be improved. In terms of strategic goals and annual programmes, local governments are not necessarily capable of paying for the funds required for mid or long-term programmes or of mapping out or implementing such programmes. Thus, systems should have annual programmes or biannual short-term goals for mapping out or measuring performance. Although the annual programme could be used for performance ratings, during the evaluation, one must focus on the annual programmes and the county (city) government heads in government performance. Next, in terms of performance measurements, the current municipality and county (city) governments should focus on instant responses to the public. They must take such responses into account and weigh civil participation while designing performance measuring mechanisms. Importantly, the index design should take a progressive approach by focusing on the short-term output. After the local governments accumulate more know-how and practical experience with the index design, they might be able to convert performance measurement styles into result or influential index focuses.
Notes

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1. The Guideline of Policy Performance Evaluation to Affiliated Agencies of the Executive Yuan (行政院所屬各機關施政績效評估要點) was effective from 2002, and had undergone minor amendment in 2006.

2. For instance, according to the Global Competitiveness Report that was published by The World Economic Forum (WEF), Taiwan garners No. 13 spot in 2011 among 144 economies worldwide in overall ranking, advancing gradually in the past four years from 17th place in 2007-2008 Report. And, according to poll announced by the Chinese language Vision Magazine in January 20, 2011, “satisfaction” and “trust” of Taiwanese people toward Ma Ying-jeou had risen respectively in January, which was the best since his taking office in 2008.
References


