Performance Management in the Public Sector: The Case of Turkey
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The aim of this paper is to analyze the case of Turkey in terms of performance management in five dimensions: Its use and misuse, responsibility, budget, criteria and design. Five propositions of this paper are as follows: 1. Performance management is limited to performance measurement. 2. Managerial responsibility of performance results is weak. 3. Budget-performance relationship needs to be developed. 4. Main problem in Turkey is that performance criteria are mostly output-driven. 5. In terms of design and content of a performance report, readability and understandability should be improved in Turkey.

Performance management is a tool, and its efficiency is dependent upon how it is used. Tools (means) gain meaning together with goals (ends). That is why Behn (2003) underlines the importance of the purposes prior to using performance measurement.

Performance measurement is a component of performance management. Just like the means-end relationship mentioned above, there is a significant correlation between performance management and performance measurement. Without a properly established performance management system, it is hard to use performance measurement for improvement. It seems to me that, determining the purpose before the performance measurement is closely linked to the vision presented by the performance management. Without knowing what to measure and how to measure it, performance measurement will become an inefficient activity.

1. Performance Management vs. Performance Measurement
According to us, the basic aim of using performance measurement should include “ELI” perspective: evaluation, learning and improvement. Evaluation is not enough, since by doing so it will only be possible discover what is working, and what is not working. However, what is needed is to go further and learn “why” something is not working or is working well. The measurement process cannot end here since learning is not enough either. Necessary measures need to be taken to rectify the problems, and then new evaluations should take place. All in all, this process is never-ending. Concerning the first point, it will be argued that in Turkey, performance management is limited to performance measurement and evaluation. On the contrary, In the USA, focus is more broadened and contains three crucial dimensions including improvement.

Unmet targets may present both a challenge and an opportunity for performance management process. Unmet targets (or the gap between targets and realizations/unwanted consequences) are challenges of managers in terms of accountability since it can be seen as a failure. However, from another point of view, the gap can be seen as an opportunity because it clearly shows that something should be changed, and this change may lead to an improvement which is the final aim of performance management. The “use” of performance measurement makes sense at this moment. Identification of “poorly performing programs” and of “programs performing well” (Hatry, 2008: 294) are part of the evaluation process. Learning the reason of poor or well performance is the second step. Finally, removing the problems by taking
necessary measures is part of the third step, which is the level of improvement. (Behn, 2003) If the third level is not reached, then it is not possible to talk about the proper “use” of the performance measurement.

In this context, linking “strategic management and ongoing performance management processes” (Poister, 2010: 246) becomes crucial.

While strategic plans usually identify performance measures that are monitored and may feed meaningful information into strategy review and update efforts, often they are not linked systematically to goal structures and measurement systems at the program management and operating levels, where performance improvement is most likely to be generated. Without such linkages, strategic planning is much less effective in driving decisions and actions in an agency and moving purposefully into the future. (Poister, 20120: 252)

So, integrating performance to the strategy may lead to improvement.

1.1. History of performance management in Turkey

Although the term performance entered into the law texts in 2003 with the law of financial management and control, performance auditing started as early as 1996 with the introduction of “efficiency and effectiveness” assessment. It should be underlined that, performance auditing was understood as three Es, namely, efficiency, effectiveness and economy. Based on this 1996 amendment in the law of court of audit, the court of audit started its pilot implementations and produced two reports in collaboration with UK’s National Audit Office. These two reports have never been presented to the national assembly on the grounds that the basic aim in preparing these two pilot projects was just to learn procedure and methodology of performance audit. With reference to the website of the court of audit, it is possible to state that 13 performance reports have been prepared up until today. An important point which should be mentioned is that performance audit is not binding according to article 7 of the law no. 6085 enacted in 2010.

The year 2003 is the cornerstone for performance management with the introduction of “Public Financial Management and Control Law” no. 5018. With this law, “performance based budgeting” became compulsory for the public institutions under the umbrella of “strategic plans.” With the amendment of 24 December 2005, all of the public institutions became obliged to set up “strategy development units.” With the 18 February 2006 by-law, these units are charged with the coordination of strategic plan efforts in each institution.

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1 These two reports are available in Turkish. See http://www.sayistay.gov.tr/rapor/PerformansRapor.asp <accessed: 07.01.2017>
2 According to the law no. 6085, performance audit means “measurement of results of activities with respect to objectives and indicators determined by public administrations within the framework of accountability.”
3 Although the following regulation added to the text of the law in 2010 (“Performance audits performed by Turkish Court of Accounts (a.k.a., State Audit Institution or Court of Audit) shall not result in financial and legal responsibility.”), performance audit was not binding either even before 2010.
4 It should be underlined that with the law no.5018, the connection with the performance audit and the court of audit was confirmed with article 68. According to this article, the court of audit is responsible for external audit of the public institutions on behalf of Turkish Grand National Assembly. One of the aims of the audit is as the following: “to determine whether the public resources are used in an effective, economic and efficient way, to measure the activity results and to evaluate them as to their performance.”
5 Public institutions “shall prepare their budgets on a performance basis and in concordance with the mission, vision, strategic goals and objectives included in the strategic plans.” (Article 9/4)
In order to support the law, other by-laws were introduced. For example, on 26 May 2006, “procedures and fundamentals of strategic planning in public institutions” was adopted by the Undersecretariat of the State Planning Organization (Ministry of Development since June 2011). With this by-law, performance programs were accepted as being a constituent part of the strategic plans’ yearly implementation. (16/1)

According to the amendment that came into effect in 2008, public institutions became obliged to prepare performance programs (that is, reports) comprising activities and projects to be carried out including their financial needs as well as performance objectives and indicators.

1.2. Institutional connotations of each performance comprehension
It is possible to argue that the issue of performance management has been dealt with using three different concepts and three institutions so far.

The first concept is related to performance audit to be carried out by the court of audit. Since it is a part of external audit, it is not surprising that the court of audit is charged with this function. However, unlike regularity audit (which means financial and compliance audit), these reports are not binding.

The second concept is related to strategic planning. A by-law and a guide have been prepared by the Undersecretariat of the State Planning Organization (later, Ministry of Development). In this context, performance indicators and objects are considered an important part of these plans as being yearly implementation reports of these strategic plans. Since strategic planning is part of the “planning” function, the responsibility of preparing a guide was given to the Ministry of Development which had already been responsible for preparing development plans.

The third and the final concept is performance program. Due to the fact that these programs are keys for performance-based budgeting, this responsibility was given to the Ministry of Finance. Even this ministry named its first two performance programs (a.k.a. performance report) published in 2008 and 2009 as “performance budget programs.”

2. Responsibility for results
Responsibility is another important issue to be tackled. What is interesting to note here is that considering the “multi-dimensional” feature of public sector performance (Jackson, 2011: 15), the responsibility issue may be much more confusing in the public sector. Given the complexity of the public sector, it is hard to answer where it starts and ends: “Can we hold a police chief responsible for the level of violence?” (Behn, 1995: 321) And the question must be asked as following: If it is not possible to hold a police chief responsible, then why would s/he want to implement performance management? A police chief may not be fully responsible for the overall level of violence; however s/he should be responsible for the level of violence exerted by the police. So, performance measurement should include those variables which can be kept under control. Only after that, performance management and accountability would work together. It will be argued that in Turkey, performance measurement does not create a sense of responsibility for a public manager (and or administrator). It is more important to be in line with the law, than meeting all objectives.

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6 Amendment: 24.07.2008 - 5793/30. Also see the by-law on performance programs published on 05.07.2008.
7 The fact needs to be stressed that it gives extra pressure to the officials as in the case of Compstat.
In this section, accountability will be divided into two areas: as process and results oriented. Legal accountability can be given as an example for process-oriented comprehension. Performance leadership is a good example of results-oriented comprehension. Based on this division, it will be argued that while process-oriented accountability is in conflict with performance, result-oriented accountability is in line with better performance.

Legal accountability does not say anything about performance, it just acknowledges that a manager is managing in line with the rules and procedures. In this context, it is a rule-following process-oriented behavior. However, accountability of results is different from that of legal accountability. In this case, even if the actions of a manager are in line with the rules, these actions may not result in better productivity or higher performance.

New Public Management (NPM) criticizes “public administration” in two respects: Firstly, because administration is process-oriented, that is, does not pay attention to the results and secondly, administration does not pay attention to the responsibility of the results that emerge from the actions. To combine accountability comprehension with the NPM critiques, it is possible to argue that legal accountability is not a pro-NPM concept. Since, one of the main aims of the NPM is to achieve both accountability and higher performance at the same time; accountability of results or performance-oriented accountability should be employed. In order to do so, performance management (comprising both measurement and reporting) is necessary but not sufficient.

It should be underlined: performance measurement and reporting are just tools. These tools cannot have a direct effect on either performance or accountability. What is needed is to add an ELI perspective: evaluating what is going on well/not well, learning why it is well/not well, and finally improving performance/accountability by reducing the bad parts and increasing the good parts. Without adding ELI perspective, performance measures and reports will be a bunch of info pollution.

At this point, it is possible to state that Halachmi (2004) is right when arguing that accountability may be in conflict with performance. But, what Halachmi is describing is the process-oriented accountability. However, the results-oriented accountability does not clash with performance; on the contrary it supports performance-oriented actions. But, it is a fact that in public sector, one of the main problems is “managerial alibis”, that is barriers and limitations posed by legal restrictions (Ammons, 2004: 159). So, public managers, while blaming legal or political factors for their bad performance, do not assume responsibility. The result is the following: “Few government managers or employees are held accountable for their actions or for their failures to act” (Ammons, 2004: 147).

With this traditional process-oriented understanding it is not possible to produce better accountability and performance. Process-oriented accountability is easy to achieve: As Behn (2002: 19) rightly states, “any senior federal executive who is good at jumping through hoops can produce an adequate GPRA report.” But the question is the following: are we going to be satisfied with this process-oriented (that is, passive) accountability? The answer is no. I agree with Behn in that “real performance management requires an active strategy” and active leadership, that is why what is needed is not just performance management but “performance leadership” (2002: 19); trying to find out the performance deficiencies, assuming the responsibility and focusing on strategies for better results. Only then, can the so-called clash between accountability and performance be solved.
Performance measures can be used for the sake of justification of budget request. (Joyce, 2003: 20) This justification includes answers to the following questions: is the allocation of funds in line with strategic goals, is the agency or its subunits productive enough, is there a need for outsourcing etc. (Joyce, 2003: 21) Such a perspective will also change the logic of traditional audit and accountability. Traditionally audit means regularity control comprising financial and compliance audit, however, with the introduction of performance management into the budgeting process, a new type of performance-related accountability comprehension is created.

The accountability and productivity debate of Halachmi (2005) should be evaluated carefully. Halachmi (2005: 261) mentions the view arguing that “at least in the short term, the introduction of a performance measurement scheme undermines efficiency.” Halachmi also puts forth that performance measurement and productivity may be in conflict with each other.

There are no clear-cut answers to this problem, but there are at least four possibilities. The technical efficiency/effectiveness matrix of Jackson in the Table below may help to explain our argument.

<table>
<thead>
<tr>
<th>Effective</th>
<th>Ineffective</th>
</tr>
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<tbody>
<tr>
<td>Efficient</td>
<td>I</td>
</tr>
<tr>
<td>Doing the right thing well</td>
<td>Doing the wrong thing well</td>
</tr>
<tr>
<td>Producing the right output at least cost</td>
<td>Producing the wrong output at least cost</td>
</tr>
<tr>
<td>Inefficient</td>
<td>III</td>
</tr>
<tr>
<td>Doing the right thing badly</td>
<td>Doing the wrong thing badly</td>
</tr>
<tr>
<td>Producing the right output at too high a cost</td>
<td>Producing the wrong output at too high a cost</td>
</tr>
</tbody>
</table>

Source: Jackson (2011: 17)

Implementing performance management may cause four possibilities. Such an application may be both efficient and effective as in the case of the first cell in the table above. In this case productivity and accountability will not clash since the job has been done in a cost efficient way. This is the same in the fourth case from a negative point of view. In the fourth case this manager will be viewed as unsuccessful since not only has the job not been done, but also the wrong job has been done in a costly way. Neither accountability nor productivity criterion can claim that s/he is successful. However, in the third case, if a job has done but with a high cost, then a manager may be successful from the accountability point of view, because the required job has been realized. However, from the point of productivity, this job has not done in an efficient way, therefore s/he has not been successful. In this case it is possible to state that there is a clash between accountability and productivity. The third case is interesting because in this case the required job has not been actualized. So accountability fails here. However, since the wrong job has done in an efficient way, from the productivity point of view, s/he may be regarded as successful. However, producing the wrong output at the least cost is not effective either, therefore in the final instance, it is a cost that is a burden to the firm. So, even in this case that manager should be regarded as unsuccessful.

3. Performance Based Budgeting

Budget is an important part of performance management to be effective and efficient. Therefore, there should be a link between budget and the organizational performance. In the process of evaluation, it is possible to find out that the budget might have spent in ineffective ways. Without changing budgetary composition, it may not be possible to improve. In the public sector, budgetary issues are much stricter than in the private sector. Hatry (2008: 293) asks an important question: results-based budgeting (a.k.a performance-based budgeting) is “widely acclaimed, but is anyone doing it?” Indeed the “use” of performance measurement is
always one of the main challenges of performance management process. Indeed, the argument that “performance measurement information does not matter to budgeting decisions” (Ho, 2011: 393) is true for Turkey since budgets could be fixed, and it may not possible to change it when needed. The only criterion for increase may be (more or less in line with inflation) the 10% threshold. Another example can be given from Turkish Grand National Assembly’s discussions on budget. It is a fact that what does matter in these discussions is not the performance but the power of the institution and rhetoric of the bureaucrat defending his/her institution’s budget that is important. It is a fact that is for the OECD trends in performance budgeting, Turkey does not reflect all of them: Although there is a link between expenditures and performance, these following two issues are not the case: 1. No rewards or sanctions are applied for the budget, 2. pay is not linked to performance. (Curristine, 2008: 215) Furthermore, although performance budget is audited externally, this is just a compliance auditing, instead of proper functioning of performance auditing. This means that proper functioning of the accountability principle comprising economy, efficiency and effectiveness is not the case.

In this section performance budget of the Ministry of Finance in Turkey will be evaluated in terms of OECD trends on the grounds that this ministry is the pioneer of performance-based budgeting in Turkey.

3.1. Linking strategy, performance and budget

“Performance based budgeting” became compulsory for the public institutions with the introduction of “Public Financial Management and Control Law” in 2003 together with “strategic plans.” With the introduction of a by-law on 26 May 2006, “procedures and fundamentals of strategic planning in public institutions” was adopted by the Undersecretariat of the State Planning Organization (Ministry of Development since June 2011). With this by-law, performance programs were accepted as being a constituent part of the strategic plans’ yearly implementation. A by-law on performance programs was published on 05 July 2008. Therefore, in practice, performance based budgeting started after 2008.

Strategic plans also important in the sense that it connects the link between main policy priorities of the government to the institutional policy goals and objectives. Main policy documents of the government are as follows: Ninth Development Plan, Action Plan of 61st Government Program, Medium Term Program (2012-2014), Medium Term Fiscal Plan (2012-2014), 2012 Year Programs, Pre-Accession Economic Program (2011-2013), Strategy for Increasing Transparency and Strengthening the Fight against Corruption (2010-2014). Any strategic plan should be in line with these documents. The link between strategy, performance and budget is constituted by performance programs. Apart from strategic plan and performance programs, the third important document determining the performance budget is activity report. Activity reports review the implementation of performance programs prepared by institutions. Therefore, performance program is the essence of performance budgets. Indeed, the Ministry of Finance named its first two performance programs in 2008 and 2009 as “performance budget programs.”

While strategic plan explains middle and long term goals and objectives, yearly performance programs explain short term goals and objectives. Activity reports show yearly implementation of a performance program. All in all, these three documents are the pillars of performance based budgeting process in Turkey.
However, the argument that “performance measurement information does not matter to budgeting decisions” (Ho, 2011: 393) is true as far as our experience and the Turkish case is concerned: faculty’s budget was fixed, and it was not possible to change it when needed. The only criterion for increase was (more or less in line with inflation) the 10% threshold. Normally what is supposed to happen is that the budget should have been prepared on the basis of the strategic plan and performance program. However, our budget was not based on these two documents. Therefore, there was not a proper link between budget and the organizational performance. It should be added that most of the strategic plans are not prepared diligently. For example, last year I have examined SWOT analyses contained in 53 strategic plans of the universities established before 2000 in Turkey, for a conference, and the basic criticism directed at me was on the basis of the fact that these strategic plans were not credible. Therefore, any attempt to link strategic plan to budget would fail due to ostensible strategic plans. Another example can be given from Turkish Grand National Assembly’s discussions on budget. It is a fact that what does matter in these discussions is not the performance but the power of the institution and rhetoric of the bureaucrat defending his/her institution’s budget that is important.

All in all, performance based budgeting is legally being implemented in Turkey, but linking performance and budget is a problematic area which needs to be improved in the future.

3.2. Analytical Budget Classification
In Turkey, analytical budget classification has been used since 2003. It has four dimensions: 1. institutional, 2. functional, 3. financial, and 4. economic.

1. Institutional dimension: This dimension explains who is responsible for the activity concerned. For example, concerning the first performance objective (Table 1), there are three activities. Directorate general of budget and fiscal control is responsible for "budget management" and "financial control" activity. As for "economic and sectoral analysis" activity, strategy development unit is responsible together with the directorate general of budget and fiscal control.

2. Functional dimension: As to functional dimension, which areas to be financed is the key question. Four units of expenditure areas out of nine will be financed for the first performance objective: Personnel expenditures, current transfers, state contributions to state security institutions, and purchase of goods and services.

3. Financial dimension: Apart from the functional dimension, this part should explain the financial resources. Resource requirement may be budgetary and extra budgetary (i.e. revolving funds, other domestic resources, and foreign resources). In this case, as is seen from the table below, only budgetary resources will be used.

4. Economic dimension: This dimension is related to inputs which are expressed in the performance program with the physical and human resources.

3.3. OECD Trends and the Performance Program of the MoF
As for the OECD trends in performance budgeting, Turkey does not reflect all of them: Although there is a link between expenditures and performance, these following two issues are not the case: 1. No rewards or sanctions are applied for the budget. 2. pay is not linked to performance. (Curristine, 2008: 215) Furthermore, although performance budget is audited externally, this is just a compliance auditing, instead of performance auditing. This means that

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8 Therefore it is not a performance based budget per se, but incremental approach: “Traditional budgeting followed an incremental approach where current year budgets were equal to prior year’s budget plus ‘little’ more” (West et.al., 2010: 51).
proper functioning of the accountability principle comprising economy, efficiency and effectiveness is not the case.

In line with the OECD trends, performance results are made available to the public because strategic plans, performance programs and activity reports are accessible through the internet. Since the major policy documents are directly linked, the goals and objectives are relevant. Links between costs and activities are constituted, but 1. it is not clear how costs are calculated, 2. activities should be clarified because activities do not state concrete policies. For example, there is no concrete activity to be decided if the amount required is necessary concerning budget management activities. It is not known if this amount is sufficient, and what the budget was in the previous year. Another limitation is the following: “They do not provide a guide to future performance nor do they explain why a target has been achieved” (Curristine, 2008: 223). Since there is no such an explanation, the performance information is not used as an input for future decisions for policy makers.

4. Performance Criteria

Another important point is the misuse or distorted use of performance management. Since the main aim of the organization is to improve, it should be wrong to use data to accuse and degrade leaders. Distortion of performance may prevent leaders from supporting performance management, or worse, they may manipulate the measures for their own sake. In Turkey rather than misusing or distorting the facts, more basic problem is to determine the appropriate performance indicators.

Mainly in Turkey, performance indicators are output-oriented, rather than outcome. Such an inclination reduces the importance and influence of the performance reports. Ammons&Rivenbark (2008: 307) reveal the inadequate explanatory power of workload/outputs. Workload indicators answer the question of “how many” but do not answer the managerially challenging question of efficiency.

A hypothetical example from in Table 1 (2011: 17) is illustrative at this point. Ammons&Rivenbark (2008: 307) reveal the inadequate explanatory power of workload/outputs.9 Workload indicators answer the question of “how many” but do not answer the managerially challenging question of efficiency. If output is the only criterion, then “producing the right output at too high a cost” would be enough for an accountable manager. However, this is simply inefficient no matter how effective this is. Full accountability will only work if the two criteria, namely effectiveness and efficiency, are met together: 1. doing the right thing well 2. producing the right output at least cost (Jackson, 2011: 17). Therefore, output only shows the quantity, and does not tell anything about the quality and efficiency. It does not necessarily mean that outputs have no point at all. However, without outcome measures supporting the output-oriented indicators, it will not be sufficient. So, what is argued here is that output should not go-it-alone; it is necessary but not enough.

Focusing on only one outcome indicator will also fail to realize full accountability. The case of ambulance service analyzed by Wankhade (2011) can be given as an example. Wankhade shows that the eight minute target of an ambulance might have unintended consequences, such as missing the strategic goals by overemphasizing the performance target as if it was the end-in-itself. It is nothing but “the pursuit of narrow local objectives by managers at the

9 Hatry (2001: 20) does not include workload data in the output category, because according to him “the amount of incoming work is quite different from the amount of cost or staff time expended.”
expense of organizational objectives as a whole” (Wankhade, 2011: 393). Hatry (2001) argues that there are two types of outcomes: 1. intermediate, and 2. end. Intermediate outcomes are “expected to lead to the ends desired but are not themselves ends” (Hatry, 2001: 22). From this perspective, the 8 minute performance measurement will only focus on the intermediate outcomes, and miss the end outcome which is “ultimately desired.”

There are other problems inherent in this single-minded performance criterion. (Wankhade, 2011) Single time-response performance targets may underestimate the other types of performance such as clinical performance. Furthermore, a strict eight-minute target may prevent workers from attending training and education facilities which are important for their self-improvement. This single target does not also tell anything about the post-intervention period: What happens after the arrival of ambulance? Moreover, this measure is simply meaningless for specific cases such as cardiac ones which need intervention in two minutes. So, even if this single performance target is met, accountability may not be fully realized.

All in all, performance criteria should cover at least three types of measures: output, outcome, and efficiency in order to evaluate full accountability.

Burrows & Kamnikar (2011: 59) argue that relevance of measures can also be presented as a *challenge of data presentation*. Matthes (2008: 13) exemplifies this point in relation with the history of the des Moines experience: There was no relationship between measures, there was no explanation of why these measures were chosen, there was no target setting about these measures, and finally these measures were never used for anything.

Participation by citizens can reduce irrelevance of measures by incorporating outcome-oriented measures as Woolum (2011: 93) shows: “A comparison of the cases studied showed that the measures recommended or favored by citizens tended to be more outcome- or impact-oriented rather than workload- or input-oriented. Citizens also preferred measures that were perception and survey based.”

5. Readability

Finally, design of the performance reports are more important than it is thought to be. According to Burrows & Kaminkar (2011: 59) the main challenge of performance reporting is to provide understandable information. This implies that there should be at least one non-technical performance report to be presented to the public. AGA’s citizen-centric reporting template is a good example of this type of functional reports. It is also important because the “report should capture the interest of potential readers” (Matthes, 2008: 13). As a case study, two performance reports, one is from the US and the other one is from Turkey, will be evaluated.

Burrows & Kamnikar (2011: 59) also argue that relevance of measures can also be presented as a challenge of data presentation. Matthes (2008: 13) exemplifies this point in relation with the history of the des Moines experience: There was no relationship between measures, there was no explanation of why these measures were chosen, there was no target setting about these measures, and finally these measures were never used for anything. Participation by citizens can reduce irrelevance of measures by incorporating outcome-oriented measures as Woolum (2011: 93) shows: “A comparison of the cases studied showed that the measures recommended or favored by citizens tended to be more outcome- or impact-oriented rather
than workload- or input-oriented. Citizens also preferred measures that were perception and survey based.”

Reliability of a report is another challenge (Burrows & Kamnikar, 2011: 59). Halachmi and Holzer (2010:385-386) warn us about “self-congratulatory reports” of professionals and underline the importance of “citizen participation.” The challenge presented here is “manipulation,” “mistrust” and “suspicion” while the solution is again, citizen participation. 10

Despite all of these advantages, it is a fact that citizen participation is not exempt from problems: Measures determined by the citizens may not be calculated by managers, attention of the citizens may not be continuous (Matthes, 2008), government officials may have fear and distrust towards citizen involvement, recruiting the right people may be hard and the power/influence of the citizens may be ambiguous (Ho, 2008: 197-198). Moreover, since there is no one best way of performance measurement and reporting, there cannot be one best way of participation/involvement of citizens: focus groups, surveys, open forums etc. (Woolum, 2011: 93). Finally, in practice, citizens may not utilize the performance information (Woolum, 2011: 97), that is to say, even if you are using citizen-oriented methods, in the end you may not achieve full-blown success.

However, it should be remembered that these reports are prepared for the people. As Frederickson (1997) puts forth, the public may be defined as citizen, and in this context, a virtuous citizen is expected to be active in public sphere for the sake of public interest. CIPA is an expression of this kind of citizenship, no matter if it is an idealized vision which may not be fully implemented in reality.

6. An Evaluation of Performance Program of Turkish Ministry of Finance 11

In this section, it will be dealt with performance programs. Since the initiator of these reports is the Ministry of Finance, the report of this ministry will be analyzed.

6.1. Content of a Performance Report

A performance report comprises two sections. The first section deals with general information about the institution: authorities, duties and responsibilities, organizational structure, physical resources (materials and equipment owned and used by the institution such as buildings, vehicles, computers, telephones etc.), and human resources. The second section deals directly with performance information. There are mainly four sub-sections. The first subsection explains main policies and priorities with reference to government programs, development plans, strategic plans etc. The second subsection explains performance objectives and indicators related to the activities conducted. In this section institutions should also explain the relationship between performance objectives and activity costs. The fourth subsection is concerned with the total resources needed. Since the main purpose of the reports has been

10 Creating a citizen-oriented performance reporting is a good example of an attempt to create authentic public discourse, that is, postmodern public administration in which Fox and Miller (1995: 120-128) constitute the warrants of discourse ensuring authentic and undistorted communication as follows: Sincerity, situation-regarding intentionality, willing attention, and substantive contribution. Such an undistorted communication may remove the manipulation and suspicion.

11 English version of the 2012 report can be found in the following link: http://www.sgb.gov.tr/PerformansProgrami/Maliye%20Bakanl%C4%B1%C4%9F%C4%B1%202012%20Y%C4%B1%20Perf ormance%20Program%20%28English%29.pdf
performance based budgeting, this section is also important. Institutions should explain the financial needs, costs and should relate them to its institutional performance.

6.2. The Case of the Ministry of Finance

Since duties and the organizational structure of the ministry can easily be found with reference to the legislation, this information is not processed but simply listed. Nevertheless, at least, an updated organizational structure scheme may be useful for experts and academics analyzing this ministry. The subsection related to the physical resources gives us the first processed information. As of August 2011, equipment and inventories are listed. However, these numbers should have been presented as graphics for the sake of readability. Also, these figures should have been divided by the number of people working in the ministry in order to make sense. Finally, benchmarking would have been useful to see the position of this ministry vis-à-vis other ministries. In the fourth subsection, numbers of the personnel including central and branch (provincial) offices are available. The table tells us that the most extensive duty in the central offices is related to tax inspection with 4,751 personnel (66% of the personnel working in the central offices). As for the provincial branches, the duty of public accounts has heavy burden with 10,643 personnel (52% of the personnel working in the provincial offices). Again, here, it is possible to repeat the same critiques: graphics, ratios and benchmarking are missing.

<table>
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<tr>
<th>Performance Objective Table</th>
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<tr>
<td><strong>Name of the Administration</strong></td>
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<td><strong>Goal</strong></td>
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<tr>
<td><strong>Objective</strong></td>
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<tr>
<td><strong>Performance Objective</strong></td>
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<table>
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<th>Performance Indicators</th>
<th>Unit</th>
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<th>2011</th>
<th>2012</th>
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<td>1. Number of reports prepared on expenditure areas and methods</td>
<td>Number</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2. Number of regulations made to ensure fiscal discipline</td>
<td>Number</td>
<td>59</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>3. Number of projects carried out for improving resource allocation processes</td>
<td>Number</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>4. Number of economic and financial analysis reports prepared</td>
<td>Number</td>
<td>750</td>
<td>671</td>
<td>646</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Resource Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgetary</strong></td>
<td><strong>Extra Budgetary</strong></td>
</tr>
<tr>
<td>1. Budget Management</td>
<td>3,863.500</td>
</tr>
<tr>
<td>2. Financial Control</td>
<td>4,952.830</td>
</tr>
<tr>
<td>3. Economic and Sectoral Analysis</td>
<td>1,590.550</td>
</tr>
<tr>
<td>Overall Total</td>
<td>10,406.880</td>
</tr>
</tbody>
</table>

**Source:** (Ministry of Finance, 2012: 25).

As to the second section, the report starts with the main policies and priorities with reference to the ninth development plan, latest action plan of the government, medium term economic program, medium term fiscal plan and yearly program, pre-accession economic program, and finally strategy for increasing transparency and strengthening the fight against corruption. This point is important to link performance objectives with the basic policy documents, although there isn’t any direct link between them in the report. Let me take the example of the
first goal of “creating a robust and rule-based financial structure,” and the related objective of “forming spending policies which protect fiscal discipline and allocating public resources in accordance with public priorities.” In the explanation of this goal and objective, there is no direct link to the major policy documents. For sure, it is possible to find relationships. For example, fiscal discipline is mentioned in the ninth development plan or the action plan, but what should be emphasized here is that the nature of this linkage is left to the reader.

As is seen from the performance objective table 2, performance objective is to ensure the allocation of resources for the sake of public priorities. In order to achieve this objective there are four performance indicators. What is striking here is that all the four indicators are outputs measured by numbers. For example, number of reports, number of regulations, and number of projects. By analyzing these figures, it is not possible to understand the success or failure. Firstly, because in this report there isn’t any explanation about why the target is set as it is. Secondly, it does not tell anything about whether past developments were successful or not, because there is not any target related to the past. Thirdly, it is not possible to understand success simply by looking at the number of the reports without seeing the content of the reports. This is just a quantitative measure, and it is not possible to evaluate it qualitatively. Each objective should have had at least one output, one outcome and one efficiency criteria for a through evaluation.

In this table, activities and concerning resource requirements (financial needs) are also presented. Again it is not possible to know if this amount is sufficient, and what the budget was in the previous year. So it is not possible to know the trend, and it is not known if the budget is enough or not. Without knowing the performance, how would this report be a base for performance-based budget? Another problem is that activities do not state concrete policies. For example, there is no concrete activity to be decided if the amount required is necessary concerning budget management activities. It is just simply a repeating of duties and responsibilities of the ministry.12

6.3. Evaluation of the report: A Summary

All in all this report is accessible through the internet. Validity of the figures is expected due to accountability issues. Although the major policy documents are not directly linked, the goals and objectives are relevant. Links between costs and activities are constituted, but activities should be clarified and performance criteria should be enhanced. Comparison is made only in terms of performance indicators; budgetary trends are absent. Also there isn’t any information about benchmarking with peers. Key challenges are not clearly cited. Future projections and targets are limited only within 2012. This report is usable in the sense of learning the structure, activities, cost and targets, but nevertheless concerning performance-based budgetary concerns; it is not clear how costs are calculated. The report is only partially readable firstly because it is very long to read. Secondly, it does not contain graphics other than tables. However, the tables are a good summary of the targets and their costs which make the report partially readable. Finally, the report does not refer to the citizens in any of the stages.

12 For example: “Within the context of budget management activities, technical principles to be considered by the public administrations during the budget preparation are determined; the preparation process is coordinated; it is ensured that development plans of the budget are implemented in the direction of medium-term Program and medium-term fiscal plan and goals determined in the annual Programs, and in harmony with economy and financial policies followed; budgetary procedures of implementation are carried out; allocation, income and cash data are compiled and reassessed in terms of expenditure policies; and works and services to steer the implementation are fulfilled” (Ministry of Finance, 2012: 26).
References,


