



NZ SSC, VUW & ANZSOG present:

**HOW DO PUBLIC MANAGERS REALLY USE THE
PERFORMANCE INFORMATION WE ALL COLLECT SO
DILIGENTLY? WHAT CAN NEW ZEALAND LEARN
FROM INTERNATIONAL RESEARCH, AND VICE
VERSA?**

SPEAKER

Professor Donald Moynihan
McCourt Chair
McCourt School of Public Policy
Georgetown University

MC & LOCAL SPEAKER

Dr Barbara Allen
Senior Lecturer in Public
Management
School of Government, VUW

**DO YOU HAVE A
QUESTION ABOUT
TODAY'S TOPIC?**

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ALL QUESTIONS WILL BE ANSWERED
AT THE END OF THE PRESENTATION

*SLIDES FROM TODAY'S PRESENTATION
WILL BE AVAILABLE ON THE ANZSOG
WEBSITE*



How do people use performance data? Behavioral insights

*Donald Moynihan,
Georgetown University and
Oxford University*

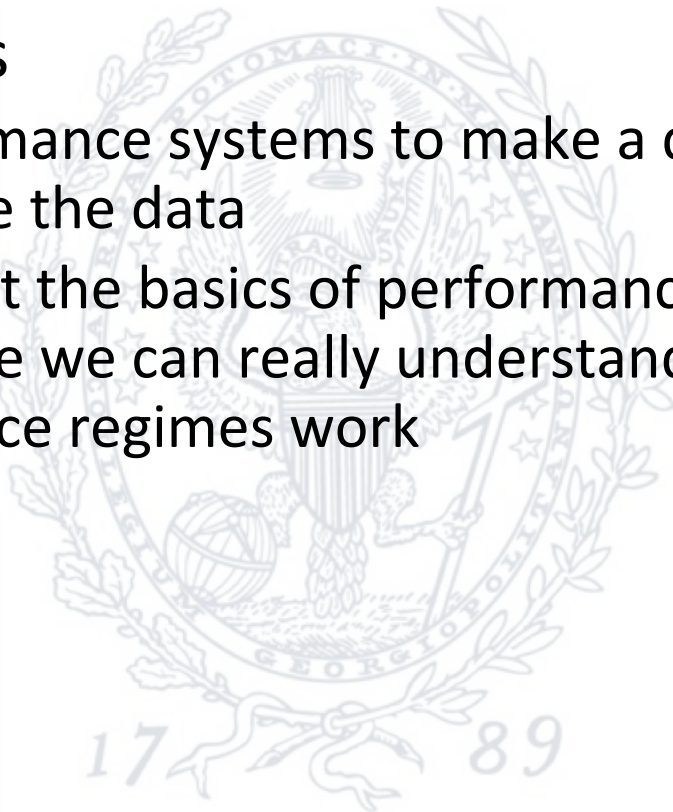
@donmoyn

Why care about the use of data

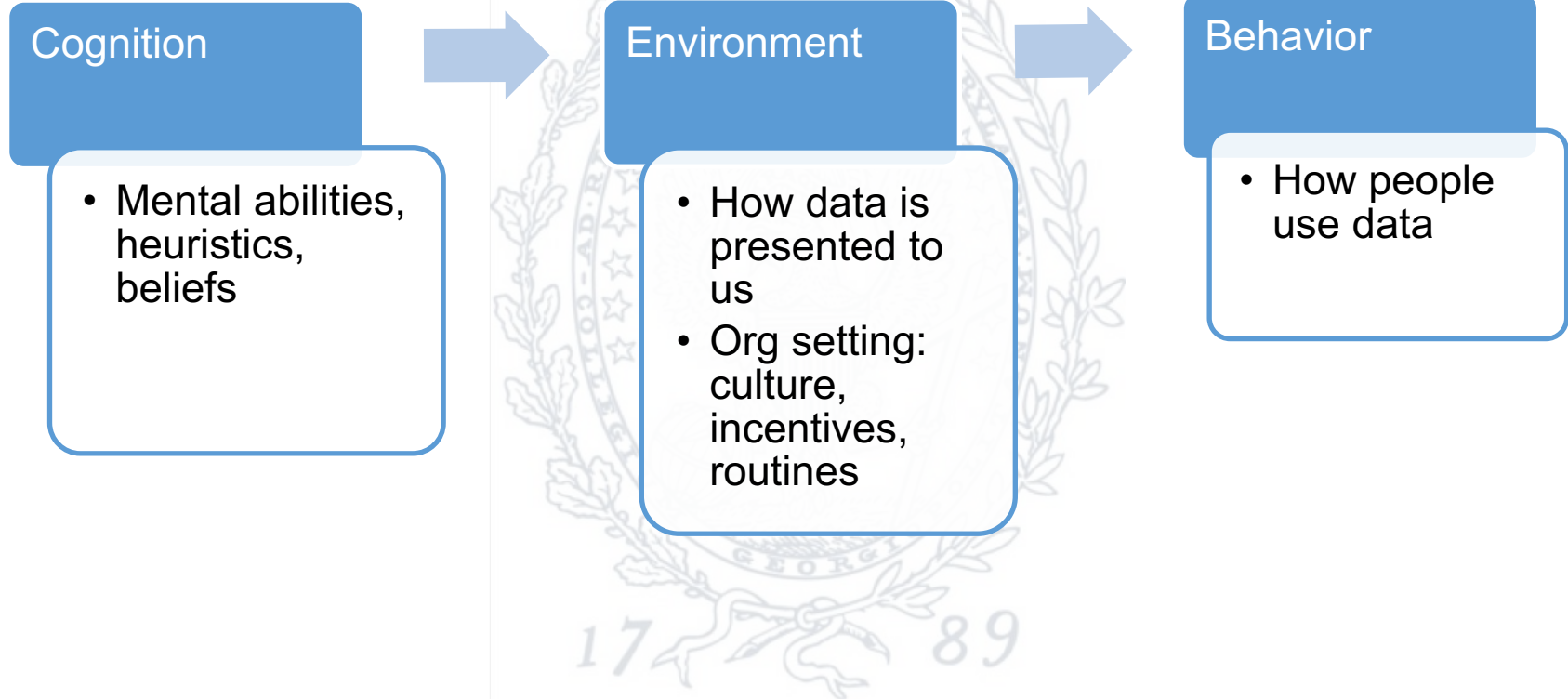
- Performance data everywhere
- Mixed track record of performance management
- Performance improvements depend on someone, somewhere using the data
- Standard formula: improve the supply of data, or attach to incentives
- Can't get far until we understand how people react to information and use it in different ways

A science of performance information use

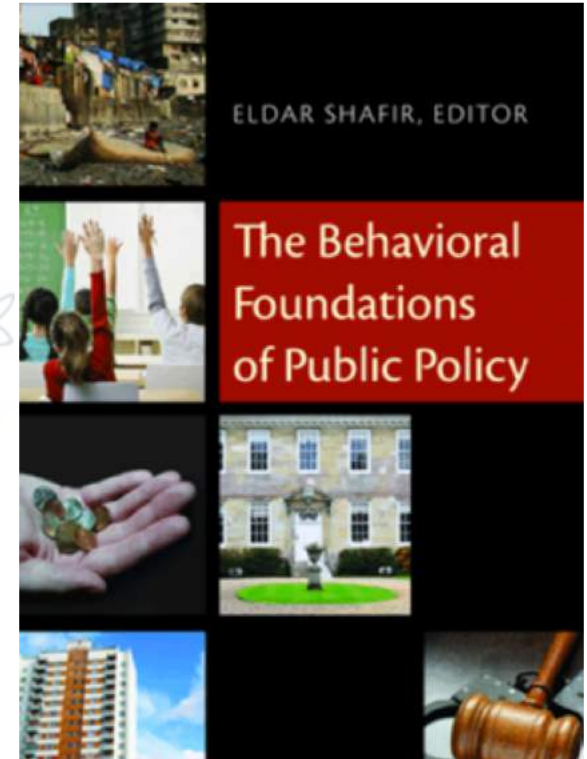
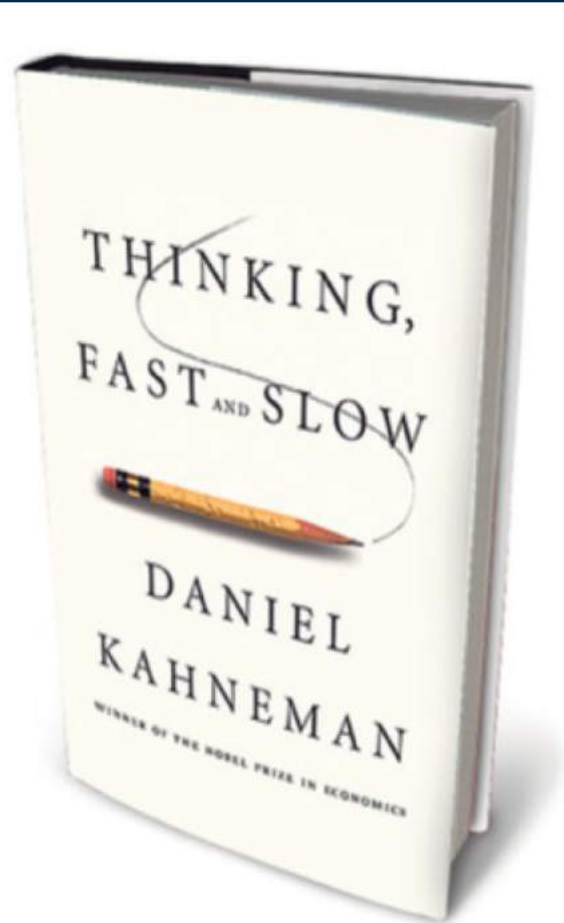
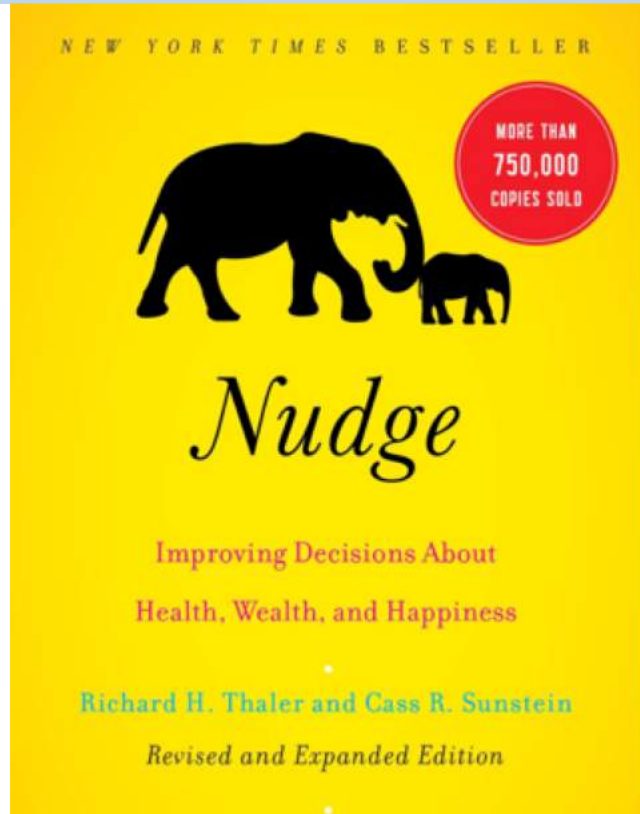
- Assumptions
 - For performance systems to make a difference, people have to use the data
 - Need to get the basics of performance information use right before we can really understand how to make performance regimes work

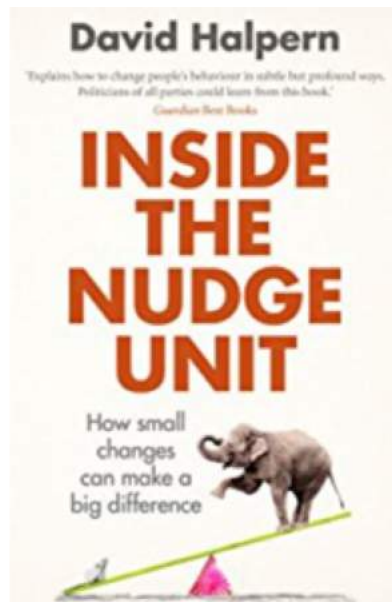


Two factors that matter: cognition & environment



Behavioral science and public policy





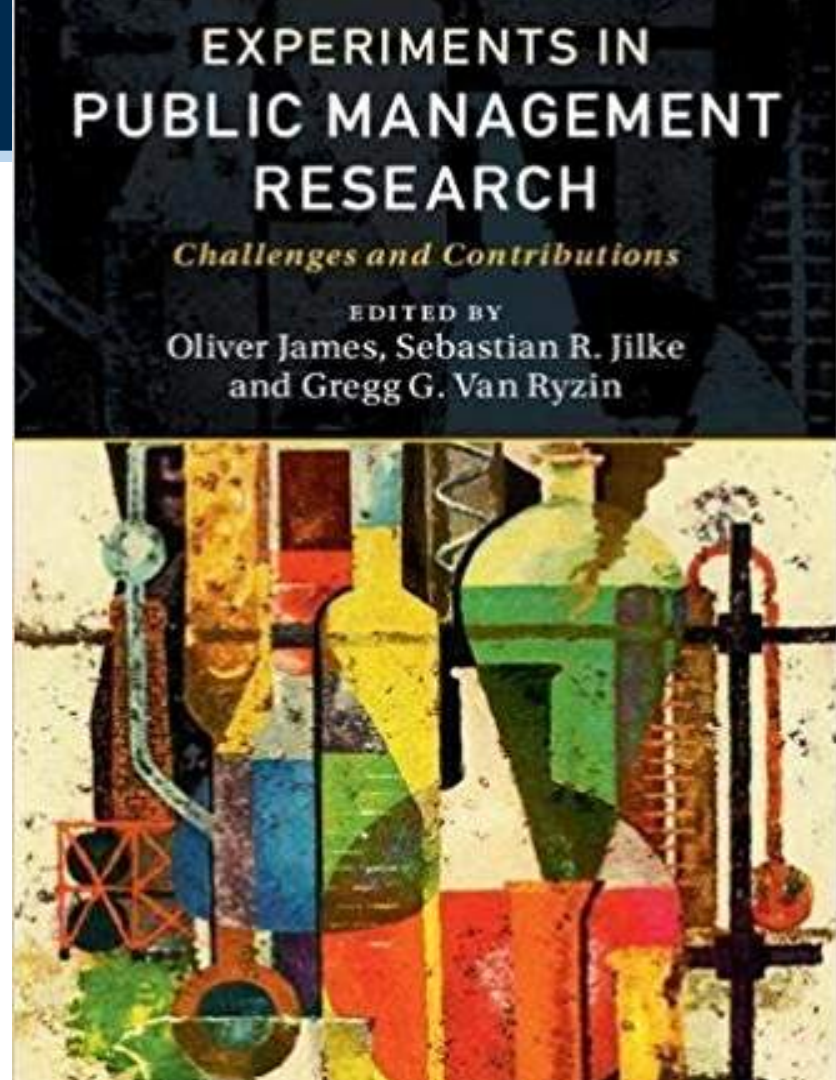
THE BEHAVIOURAL INSIGHTS TEAM. ♦



Behavioral public
administration

***Focuses behavioral
science to public
management
issues***

***Relies primarily on
experiments***



A cognitive process

What goes on inside our head when we process performance data?



A cognitive process

*To deal with complexity,
we use cognitive
shortcuts*

*Sometimes these
shortcuts are efficient*

*Sometimes they lead us
to make bad decisions
– they become biases*

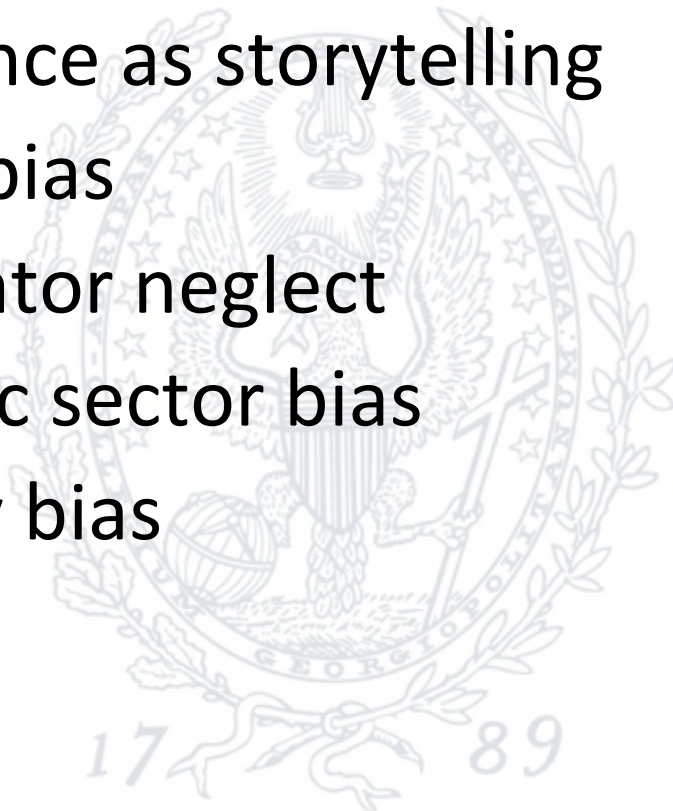




Communicating
with the public:
behavioral insights

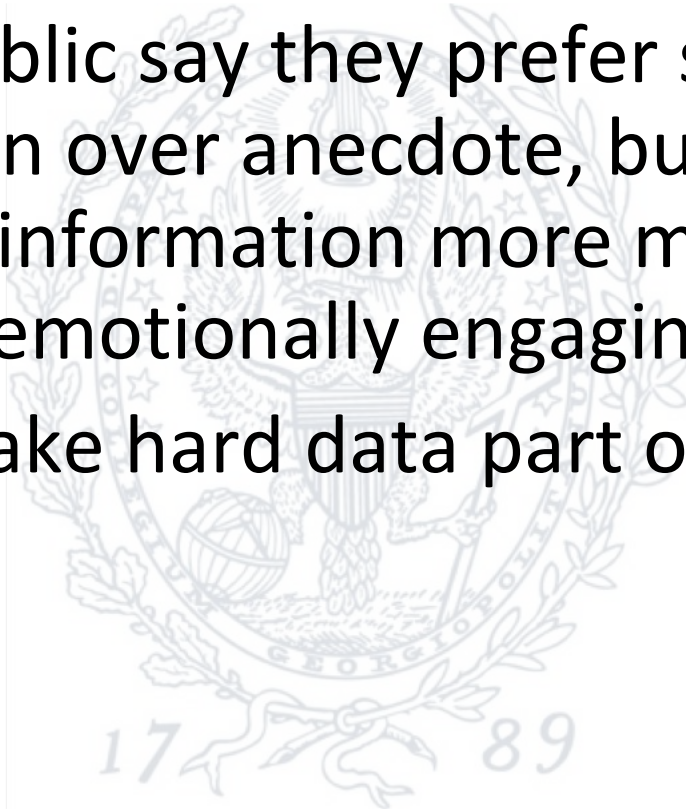
Key points

1. Performance as storytelling
2. Left digit bias
3. Denominator neglect
4. Anti-public sector bias
5. Negativity bias



Performance as storytelling

- Insight: Public say they prefer statistical information over anecdote, but find anecdotal information more memorable, and more emotionally engaging
- Lesson: Make hard data part of a qualitative narrative



Better Public Services Result 1 - Case Study: Reducing Long-Term Welfare Dependence through Youth Service

Last updated: 20 February 2014

Published: 8 July 2013



Youth Service is a new way of supporting disengaged 16- and 17-year-olds as well as 16- to 18-year-old parents back into school, alternative education, training or work. The teenagers get one-on-one mentoring and support from specialist workers, such as Fati, who work for Work and Income or contracted community youth organisations.

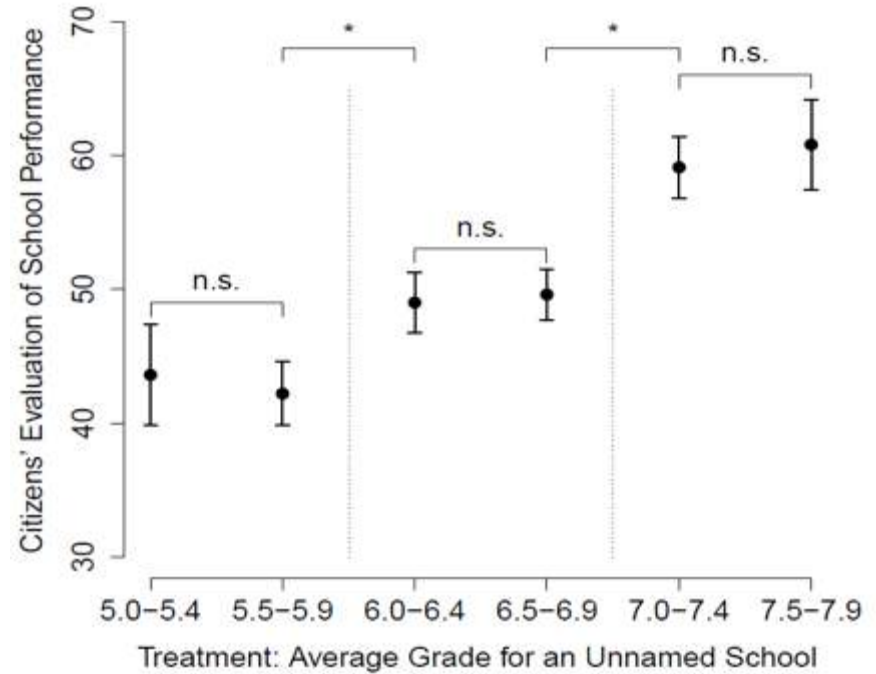
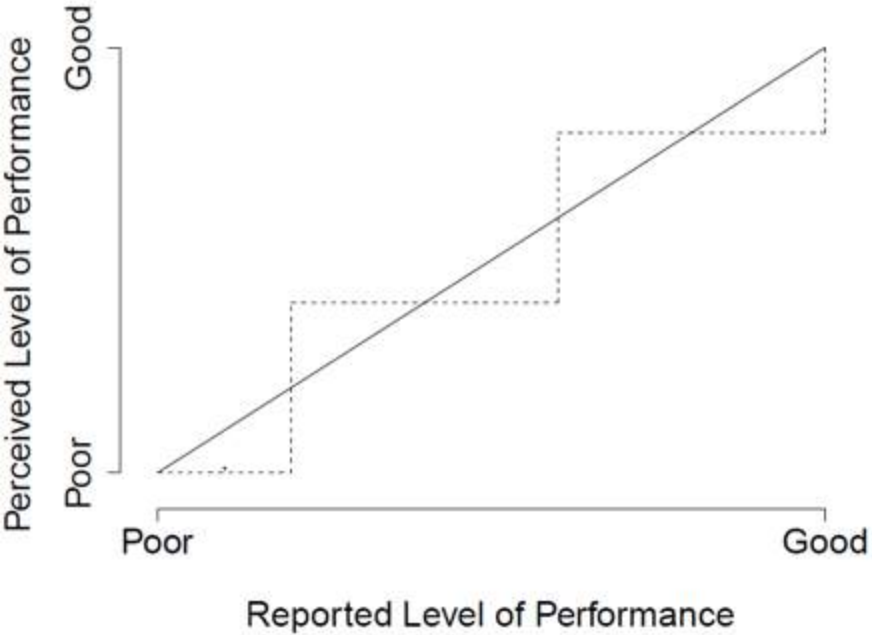
They work intensively with the young people, helping them make plans and get whatever help and services they need to make more of their lives. In one case, where it seemed certain that a client was facing a jail sentence, it was through Fati's support that the judge decided to give Sam a chance. Instead of jail, Sam was sentenced to community work.

Fati found community work linked with a youth programme, hoping to get Sam thinking about a positive future.

"It made me stop and think big time," says Sam. "My brother got stabbed up in jail, just about died. I don't want to follow in his footsteps.

Fati says that Youth Service focuses on young people at a pivotal time in their lives, when almost every decision has the potential to be life-changing.

Insight: left digit bias

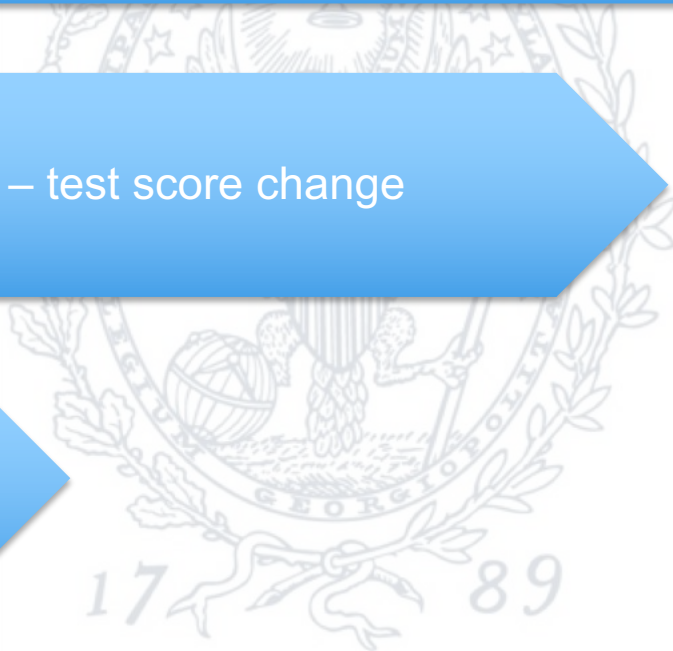


Lesson

Present changes graphically, not numerically

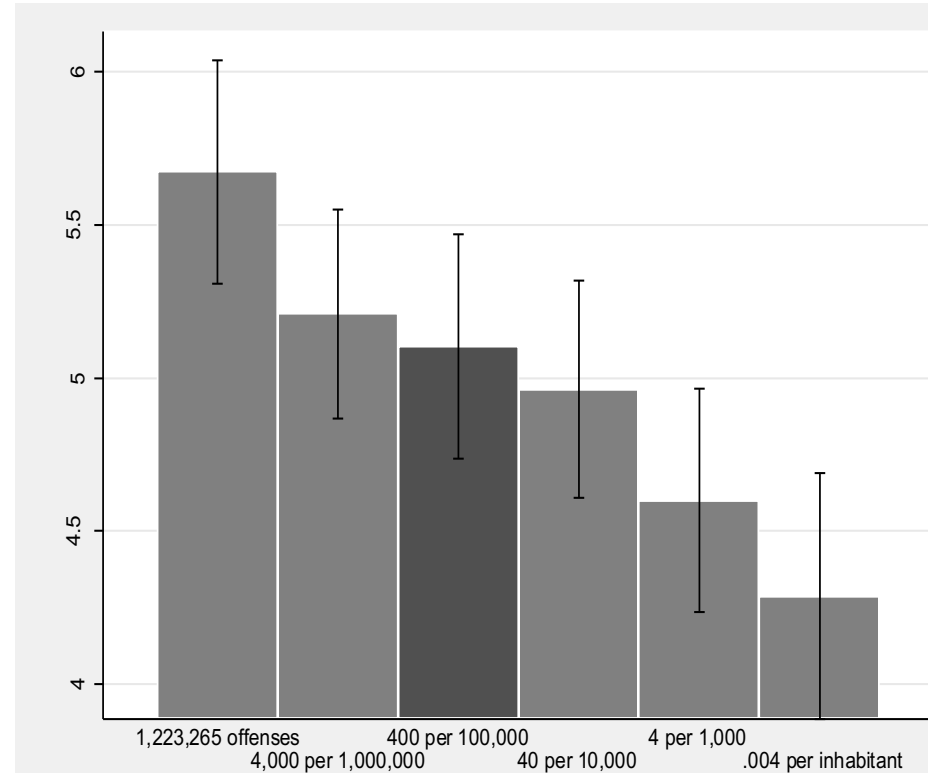
School A – test score change

School
B



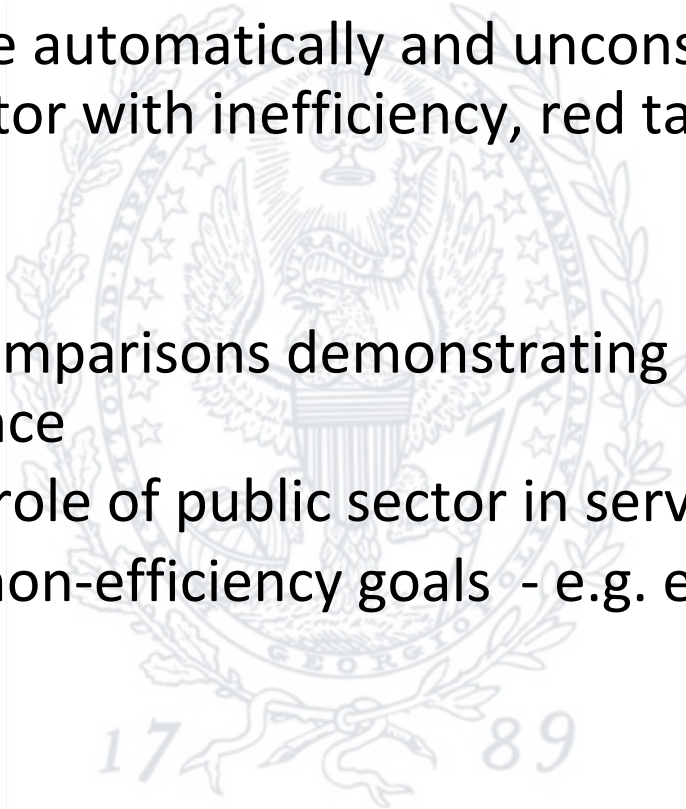
Denominator neglect

- Insight: People are not intuitive statisticians
- Lesson: our perceptions of performance depend on how its framed



Anti-public sector bias

- Insight: people automatically and unconsciously associate the public sector with inefficiency, red tape, and poorer performance
- Lessons:
 - Provide comparisons demonstrating positive performance
 - Advertise role of public sector in service delivery
 - Measure non-efficiency goals - e.g. equity, fairness



Postal Service Celebrates Another Awesome Day Of Delivering Mail

'We Did It Again, You Guys,' Jubilant Postmaster Declares

NEWS

March 2, 2011

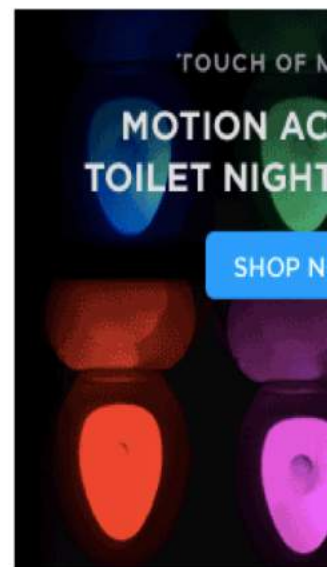
VOL 47 ISSUE 09

Politics

WASHINGTON—Emphatic cheers of "We did it again!" and "USPS is the best!" rang out from the nation's post offices Tuesday as the United States Postal Service celebrated yet another amazing day of successfully delivering the country's mail.



At 5:01 p.m., Postmaster General Patrick R. Donahoe popped a champagne cork as confetti and balloons fell from the ceiling of USPS's Washington headquarters and joyous employees cartwheeled in unison through the hallways, sources reported. Amidst the revelry, postal workers



ONION VIDEO

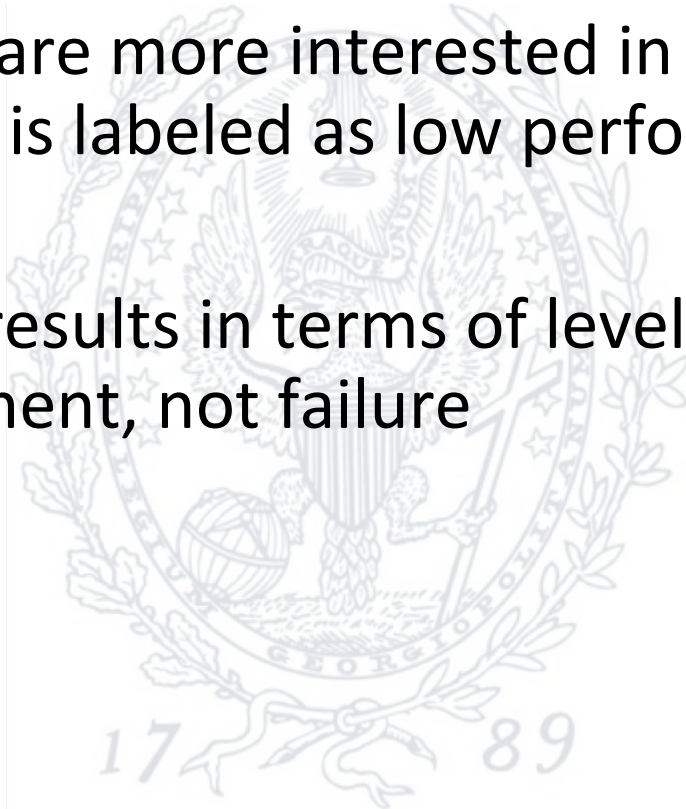
Negativity bias

- Insight: We are more interested in and responsive to data that is labeled as low performance



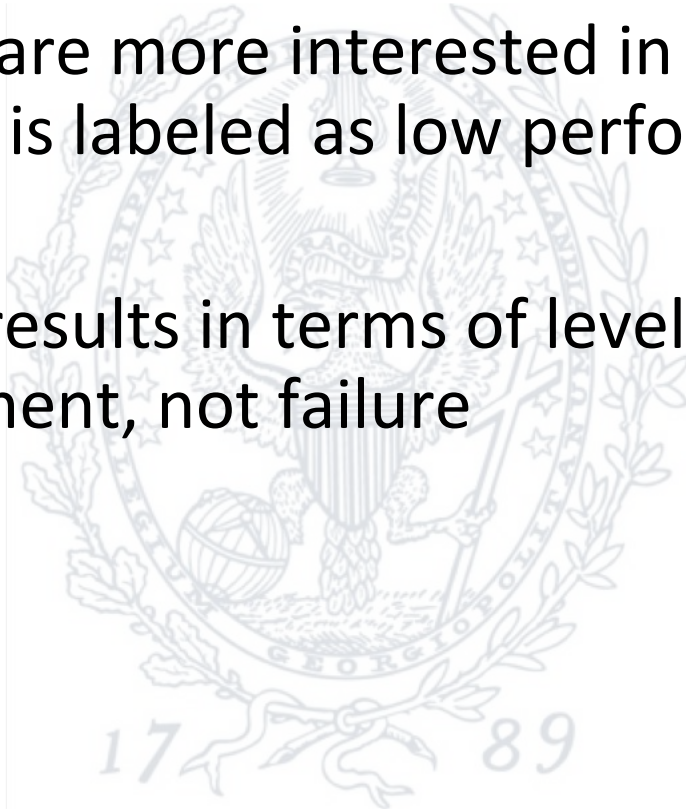
Negativity bias

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- Lesson
 - Present results in terms of levels of achievement, not failure



Negativity bias

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 - Present results in terms of levels of achievement, not failure





Changing the
environment:
behavioral insights

Learning forums

- Governments build routines of data collection and dissemination, not of use
- Organizations that use performance data a lot tend to have well-run *learning forums*
- Routine discussions of data focused on goal achievement, mixes data and experiential knowledge



DIRECTIONS IN DEVELOPMENT
Public Sector Governance

Toward Next-Generation Performance Budgeting

*Lessons from the Experiences of
Seven Reforming Countries*

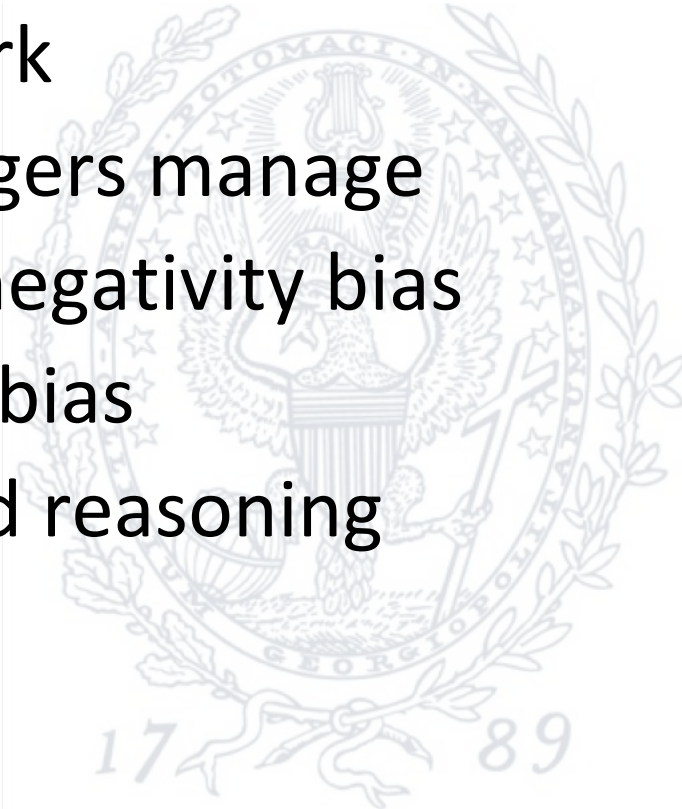
Donald Moynihan and Ivor Beazley

Learning forums in practice

- Evidence from GAO (2013) survey
- Exposure to forums mandated by GPRA Modernization Act associated with learning
 - Cross-agency reviews
 - Review of agency priority goals
 - Quarterly reviews of performance
- When quarterly reviews are well run, association with performance information use even stronger

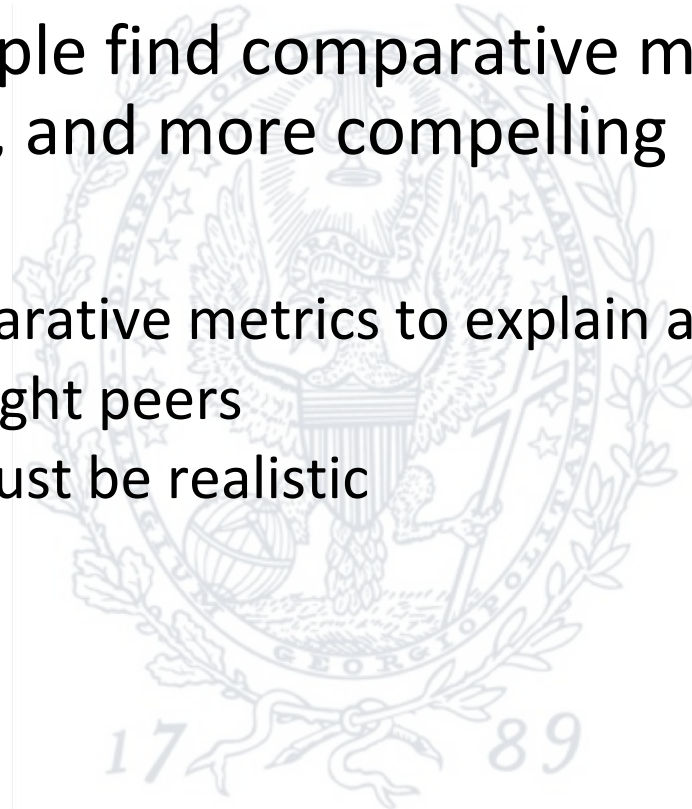
Key points

1. Benchmark
2. Let managers manage
3. Manage negativity bias
4. Positivity bias
5. Motivated reasoning



Benchmark

- Insight: People find comparative metrics more memorable, and more compelling
- Lessons:
 - Use comparative metrics to explain and motivate
 - Find the right peers
 - Targets must be realistic



Let managers manage

- Insight: Managers are more likely to use data when they have autonomy
- Provide autonomy, link it to performance
 - Focus on tasks where there is authority to change
 - If its not there, get authority to the table
 - Frame changes as experiments



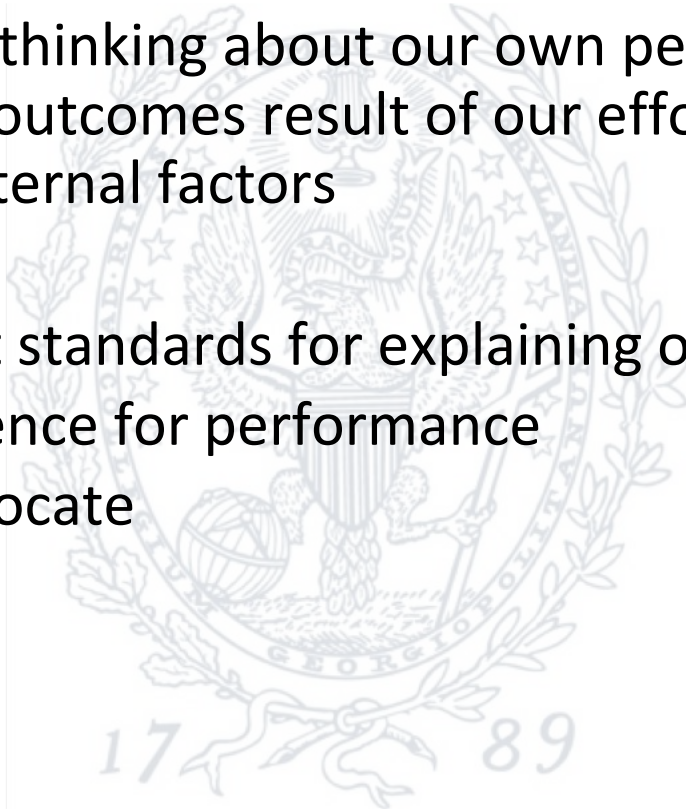
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Managing negativity bias

- Lessons
 - Negativity bias is reactive - make learning forums a proactive routine
 - Celebrate good performance internally
 - Political vs. professional tone: how do you get an open discussion of error, value insights and ideas
 - Use data to identify risk and problem-solve negative outliers before they become a problem

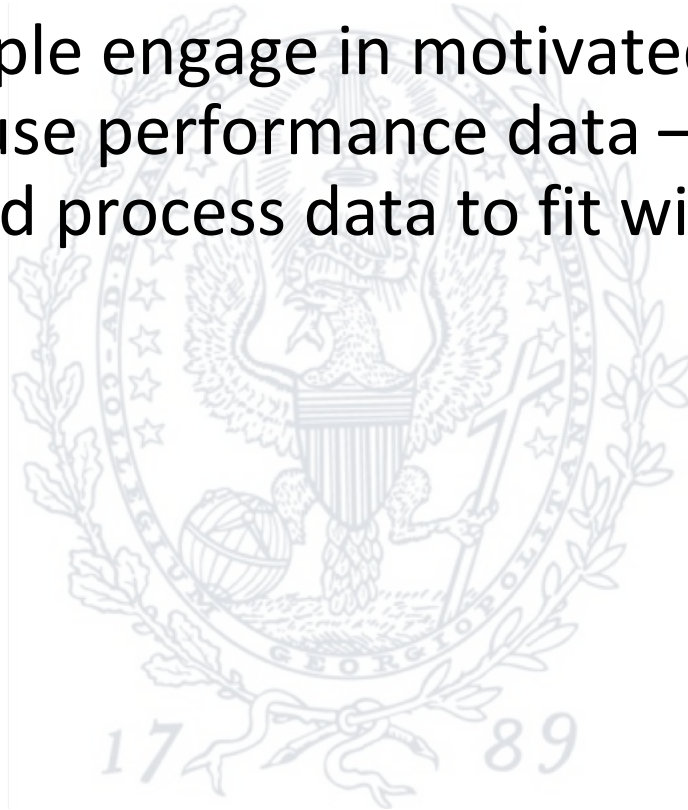
Positivity bias

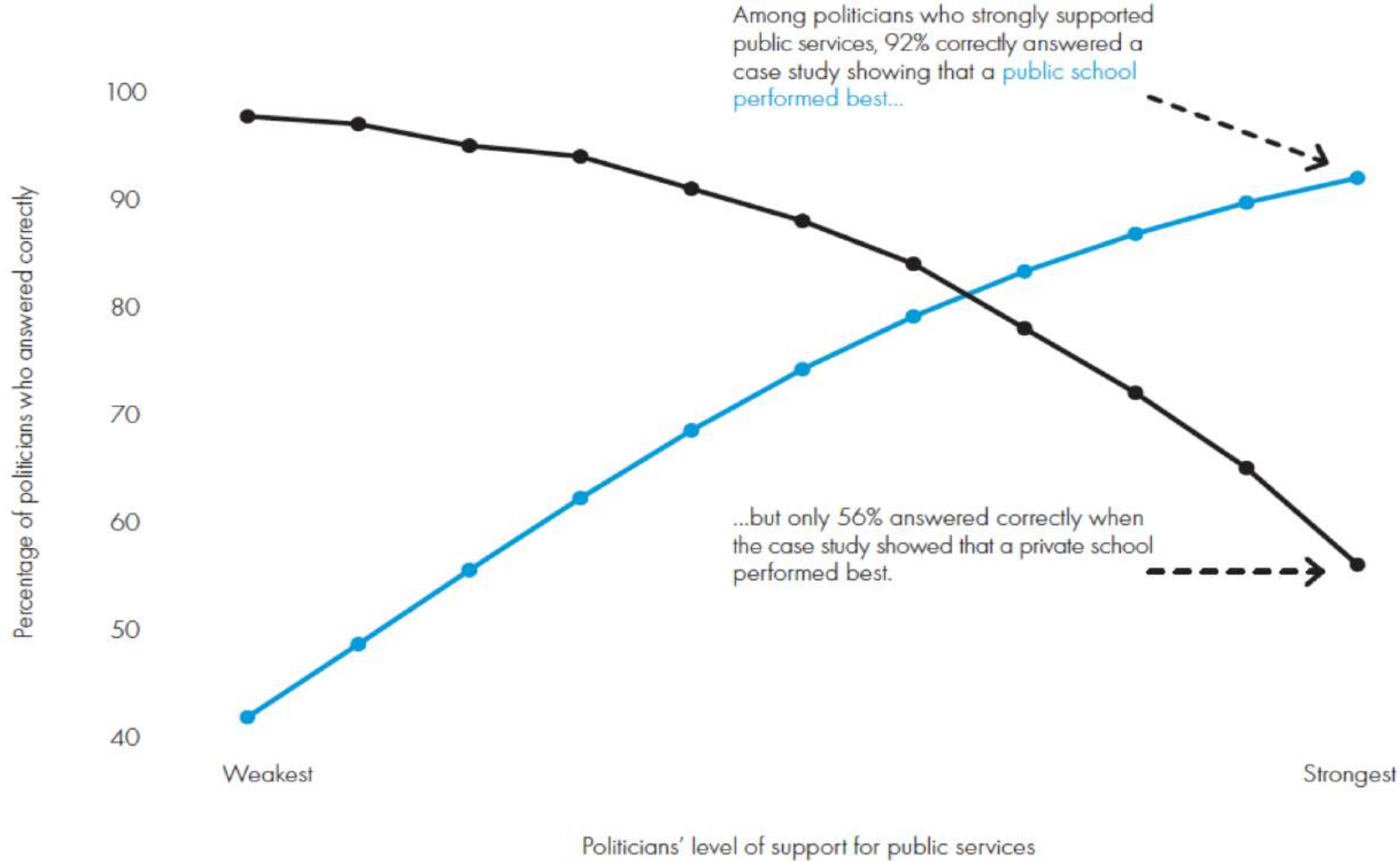
- Insight: when thinking about our own performance, we assume good outcomes result of our effort, failures because of external factors
- Lessons:
 - Consistent standards for explaining outcomes
 - Seek evidence for performance
 - Devils advocate



Motivated reasoning

- Insight: People engage in motivated reasoning when they use performance data – we select, interpret and process data to fit with pre-existing beliefs





Motivated reasoning

- Insight: People engage in motivated reasoning when they use performance data – we select, interpret and process data to fit with pre-existing beliefs
- Lessons
 - Prior commitment toward goals
 - Prime people to accuracy as a norm
 - Shared values about goals and evidence

Conclusion

- Much riding on the idea that people will make good use of numbers in governing
- Focus on data analytics and administrative data will only speed up this process
- Just as in policy – we need an evidence-based approach, and attention to implementation





Comments and questions

@donmoyn

Questions?

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Upcoming Thought Leadership Seminars

<i>Trust and Transparency</i> Speaker: Dr Femke de Vries	Wellington	Monday 10 December 2018
For your 2019 Calendar Speaker: Professor Janine O'Flynn	Wellington	Early 2019



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appliedlearning@anzsog.edu.au



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