

# EVALUATION OF NEW PUBLIC MANAGEMENT REFORMS IN SWITZERLAND:

## EMPIRICAL RESULTS AND REFLECTIONS ON METHODOLOGY

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### ABSTRACT

*The purpose of this article is to provide an overview of the empirical results of NPM evaluations in Switzerland. A number of evaluation studies are available to perform this task. Second, we compare the results of NPM reforms in Switzerland with those from abroad. For the purposes of the comparison we use the Pollitt and Bouckaert (2000) overview of the results of NPM projects in ten countries. We devote the third part of the article to methodological considerations for evaluation of public management reform.*

### INTRODUCTION

Since the 1980s what has been termed New Public Management (NPM) has been a prominent part of the administrative reform agenda in most industrialized countries. One may distinguish two phases in the development of NPM. The first phase was characterized by the introduction of the reforms. The dialogue was about the goals, advantages and disadvantages of the introduction of NPM as well as the philosophy of the "NPM paradigm." The contents of NPM reforms and the arguments for their introduction became well known within administrations due to highly popular publications such as *Reinventing Government* (Osborne and Gaebler 1992).<sup>1</sup> During this phase, important questions were, "Shall we introduce NPM?" "How can we introduce NPM?" and "Is the new approach compatible with the political system?" (e.g., Naschold, 1997).

The second phase of the development of NPM is under way presently. The question is no longer "Shall we introduce NPM?" but "What have the results of the reform been so far and what are the consequences for its further development?" Since reforms have been implemented for some years, the first results of evaluation studies of NPM reforms are now available (for example Holkeri and Summa 1996, Pollitt 1995, Bulder, Leeuw and Flap 1996). A comprehensive assessment is the provided by Pollitt and Bouckaert (2000).<sup>2</sup>

We can also identify the two phases in the NPM dialogue in Switzerland. The first phase included the conceptualization and the adoption of the NPM concept (Schedler 1995, Hablützel et. al 1995). At the same time, discussion took place about the possible effects of NPM on the political system (see for example Hufty 1998 or the debate in the

*Swiss Political Science Review* 1995). At issue were the theoretical considerations; the empirical base was slim.

Given more than five years of implementation of NPM reforms in Switzerland, a number of evaluation studies have been carried out and are available. The dialogue has therefore shifted to the question of whether the new model is a success and if it should be pursued. The purpose of this article is, first, to give an overview of the empirical results of NPM evaluations in Switzerland. With the number of evaluation studies available, a first general conclusion may be made. Second, we will compare the results of NPM reforms in Switzerland with those from abroad. For the purposes of comparison we use Pollitt and Bouckaert (2000) who provide an overview of the results of NPM projects in ten countries. We will devote the third part of the article to methodological considerations of evaluations of public management reform. We will deal with the methodological peculiarities of NPM evaluation and the challenges associated with carrying out evaluation research in this field.

## **NPM IN SWITZERLAND AND EVALUATION OF NPM PROJECTS**

Provided below is a brief overview of the development of NPM in Switzerland and then, by means of a simple four-level model, a systematic overview of the results of NPM reforms in this country.

NPM reforms have been planned and implemented in Switzerland at the federal, the cantonal and communal levels since the early 1990s. As of today, 16 of 26 cantons have initiated NPM projects, and at the federal level, 12 agencies have so far undergone NPM reforms. In this article, we will focus on the federal and cantonal levels exclusively.

The NPM reforms under way in 16 cantons are pilot projects, with the exception of the one in the canton of Zurich. Almost all the projects aim at testing new political instruments like global budgets and performance contracts. Some of them have made the step from a pilot to a definitive introduction. The projects differ with respect to the specific elements of the reforms introduced.

Table 1: Overview of Elements of NPM Reforms in Switzerland

Elements of the reform	Differences	Examples
scope	<ul style="list-style-type: none"> <li>- Pure pilot projects with limited scope vs.</li> <li>- Incremental implementation of NPM in the administration as a whole</li> </ul>	<ul style="list-style-type: none"> <li>- Minimum of 6-8 units</li> <li>- Up to 50% of the administration with NPM reforms</li> </ul>
Instruments	<ul style="list-style-type: none"> <li>- Terms of performance contracts</li> <li>- Scope of action for government agencies concerning personnel and budgetary competences</li> </ul>	<ul style="list-style-type: none"> <li>- Valid for 1 to 4 years</li> <li>- Financial competence for the agencies between 50,000 and 250,000 SFR</li> </ul>
Contracts	<ul style="list-style-type: none"> <li>- Number of contracts between parliament, ministry and agencies</li> </ul>	<ul style="list-style-type: none"> <li>- Between 2 and 4 contracts per agency</li> </ul>

Apart from the differences shown above, the Swiss NPM projects share a number of fundamental elements as follows:

- They distinguish between buyer (government), provider (agencies) and financier (parliament) of a public service;
- performance contracts are the main instrument for the three main actors (parliament, government, administration) to fix the performance objectives for (parts of) the administration;
- they define objectives and indicators to control the quality and quantity of services provided by a government agency and thus make public management more performance-oriented;
- they aim at improving customer orientation within agencies.

Since all the reform projects share the same basic philosophy, it is possible to compare some of the effects of the reforms. We will do this in the next section.

Evaluations of NPM reforms have been carried out for over four years. Most of these were done by private firms and commissioned by project management of the respective public management reform projects. Less often they are studies by third parties such as universities. From a methodological point of view, the evaluations lack a common concept, method and structure. Every study has its own focus and methodological concept (for a list of evaluations, see Appendix A). Some caution as far as comparability of the data is thus necessary. We adopt the model originally developed for the evaluation of the federal NPM projects (FLAG) to compare the evaluations for the purposes of the current article (Rieder and Ritz, 2000). The model defines four levels of effects that NPM reforms may have. The levels and the range of potential effects may be summarized as follows:

Table 2: Four Levels of Possible Effects of NPM Reforms

Levels	Possible effects
Parliament	Change in the organization of parliamentary processes Change in parliamentary structures Change in the division of competences and power between parliament and government Change towards strategic decisions
Government and the ministries	Change in relationship between ministries and agencies (buyer and provider) Performance contracts as the main management instrument concerning agencies Change in culture toward performance orientation

Agencies affected by the reforms	<ul style="list-style-type: none"> <li>- more scope of action in allocation of resources</li> <li>- change in processes of the agencies</li> <li>- change in structure of the agencies</li> <li>- Change in the culture of the agencies (customer and cost orientation)</li> </ul>
Effects	<ul style="list-style-type: none"> <li>- change in output (quality, quantity)</li> <li>- savings</li> <li>- impact on the target groups of the agencies</li> </ul>

The aim is to identify and present the similarities and differences in the reform projects, as they are made evident in the evaluations.

## **FINDINGS FROM EVALUATIONS OF NPM PROJECTS IN SWITZERLAND**

For each level defined in the last section we review the results of the reforms.

### Effects of NPM Reforms at the Level of Parliament

The different evaluation studies show that NPM reforms affect the work of parliament in three ways; we will discuss these effects below.

- NPM reforms lead to changes in the organization of parliamentary processes (new committees, change in communicative structures among committees etc.).
- NPM reforms lead to a change in the relationship between parliament and government agencies.
- NPM reforms lead to a change in the relationship between parliament and government.

### Effects of NPM Reforms on the Organization of Parliament

NPM reforms lead parliaments to change their organizational structures. In almost all cantons as well as at the federal level, new committees have been established to deal with the new political instruments and the corresponding flow of information. The evaluations show that these committees help members of parliament to acquire the necessary know-how and subsequently the routine to discuss performance contracts and the new style “global budgets” effectively. In the process they have more contacts with

the administration. This is generally a development in the right direction of the NPM spirit.

Furthermore, some parliaments have adopted changes in their internal structure for a more effective treatment of NPM issues. This includes new organizational procedures to deal with the new style performance contracts and budgets in order to ensure the coordination and cooperation between parliamentary committees and – at the federal level - between the two chambers of parliament.

The downside of this development is that those members of parliament that are not members of the relevant committees are insufficiently informed about NPM reforms and the workings of the political instruments associated with NPM. The result is a cleavage between on the one hand those members of parliament who are familiar with NPM processes and on the other hand a second group of less well informed members of parliament (MPs) largely indifferent to or ignorant about the reforms (e.g. canton of Soleure, FLAG). However, a cleavage between members and non-members of committees is not a new problem in Swiss parliaments. What is new and more crucial is the fact that the introduction of NPM has reinforced the cleavage.

This cleavage is a problem insofar as in the next few years' parliaments will have to decide about the future of NPM reforms. If a majority of parliament is not informed and has little or no experience with NPM reforms, the cleavage may jeopardize the reforms as a whole.

A second problem has to do with a peculiarity of the Swiss parliamentary system. Elected office in cantonal and federal legislatures is not institutionalized as a full-time job, neither in terms of time required for the office – although this varies considerably among the legislatures - nor in terms of income MPs derive from their seats in parliament. Hence the name „militia system“ for the legislative level of politics in Switzerland. Now the semi-professional status of MPs is stretched seriously by NPM reforms because they require more time and work: MPs have to familiarize themselves with the concept of performance contracts requiring more in-depth study of individual government agencies than is necessary in the old style administration.

The same applies to the treatment of global budgets. In addition, global budgets make it necessary for MPs to acquire new financial know-how, especially those whose professional background is not equipped with any. Moreover, the reporting system associated with auditing procedures requires more expertise, too. It is thus increasingly difficult to be an effective MP in areas affected by NPM without having a serious background in financial affairs. NPM reforms have thus made the question of the professionalization of the legislatures an issue even though professional parliaments have little political support in Switzerland. Hence one cantonal NPM project explicitly stated as a goal the preservation of the militia system.

### Effects of NPM on the Relationship between Government and Parliament

Almost every evaluation study cites the fear of loss of power among a part of the MPs. The reason is the change in parliament's budgetary competences associated with the

introduction of NPM: Global budgets put an end to traditional line item, incremental budgeting. This is in line with the idea of NPM, according to which the parliamentary budgetary process is more objective-oriented or performance-oriented: MPs are to focus more on the strategic level and leave the details of daily business to the administration. The question thus is whether global budgets constitute a loss of competence for MPs. The results of the evaluations on this issue are twofold:

- First, a part of parliament is convinced that their competences and power have been diminished. The same result emerges even in the few cantons where parliament's competences were explicitly increased, as in Soleure. It seems that those MPs with a more old style conception of politics that is antithetical to NPM reforms tend to see a loss in power when NPM reforms are implemented. Their conception of and motivation for politics differs strongly from the basic assumption of NPM in that they conceive of politics as working on and influencing details as well as very concrete political decisions. They fail to see the NPM view of politics emphasising objectives and strategic guidelines.
- Second, parliament may indeed take an objective loss in competences as long as performance and financial indicators provided by the agencies and government are not in accordance with the objectives of the contracts, or if there are no indicators altogether. The evaluations in different cantons and the analysis of the reform situation at the federal level show that indicators are often criticized as problematic.

The problems with indicators are twofold: First there is the confusion of concepts as to the different categories of performance and effect information (lack of conceptual clarity). Second, the reliability and technical validity of information including timely availability and accessibility may still be inadequate. Performance and effect indicators are in fact a weak point of the implementation of NPM reforms in Switzerland so far. Some reports of NPM agencies provide good indicators at the level of output (products produced and services provided). However, at the level of impact and outcome, i.e. the level of more indirect effects, the indicators are often poor or non-existent. When this is the case, budgetary processes lack transparency, hence parliament is unable to control goal achievement. The result is an administration with a broad scope of action on budgetary matters.

- Third, parliament may take a loss in competences as long as the reporting system is insufficiently developed. MPs rely on a sound reporting system if they are to judge performance and goal achievement as well as efficiency and effectiveness. Yet the reporting system suffers from two main shortcomings: The first is the problem of indicators discussed above; the second is a lack in standardization of the reports produced by government agencies, both in terms of content as well as availability.

### Effects of NPM on the Relationship between Parliament and Government Agencies

In general one can describe the relationship among parliament, government and government agencies as a triangle: The flow of information between parliament and the administration is channeled by the government. Parliament passes or revises laws, passes the budget and approves the annual account whereas government is obligated to

implement parliament's decisions through the administration. In other words, the government is the head of the triangle; parliament and the administration are the corners at the base of the triangle. Of course there are direct contacts between MPs and the agencies; these take place when parliamentary committees do their auditing work of units of the administration or if representatives of agencies are invited to committee meetings as experts when bills are drafted.

The introduction of NPM affects the balance of the triangle. The evaluation in some cantons has shown (Soleure and Valais) that the number of contacts between certain committees and NPM agencies has increased. Moreover, NPM reforms tend to lead to an increase in the direct information flow from agencies to parliament. With NPM reforms, direct negotiations between parliamentary committees and representatives from the agencies have become the norm on account of discussions and negotiations about agencies' performance contracts and their global budgets. This development is critical from two angles.

- First, the necessary critical distance between parliament and the administration may be undermined. Committees may unwittingly make the administration's view their own. An essential function of ordinary parliamentary work - controlling the administration - may be diminished. This problem occurs especially at the cantonal level. The system at the federal level, institutionally different from cantonal legislatures insofar as it has two legislative chambers, does not seem to suffer from the problem of a diminishing "critical distance."
- Second, the government may be circumvented by the close connection between committees and agencies and thus potentially suffer a loss of power. This may lead to conflicts between the heads of government agencies and the government.

Based on the above we draw the following conclusions:

MPs are in the process of learning how to use the new NPM instruments. Some MPs have acquired the know-how to cope with global budgets and contracts, yet there is a long way to go before achievement of the following goals:

- a balance between the necessary information flow and a critical distance between parliament and the administration;
- appropriate indicators at the impact and outcome levels; a sound reporting system; and a strategic orientation on the part of members of parliament.

### Effects of NPM Reforms at the Level of Government and the Ministries

In theory, government and the heads of the ministries negotiate with the agencies what services are to be provided and what they may cost. In reality, this system does function along NPM lines yet, neither at the cantonal nor at the federal level. The evaluations show that in most cases the government and especially the ministries do not conceive of themselves as buyers of products (yet). They fail to assume the leadership role that NPM assigns to them and remain in the old style role.

In pre-NPM times, the ministry and its administration formed more or less a unity. The ministries generally assumed the role of supporting the agencies in the political process and in the struggle for resources. NPM reforms have not been internalized sufficiently among the ministries. Especially at the federal level, but also in some cantons, the government and the ministries simply accept the contracts as drafted by the agencies without or with only minor modification. Although exceptions to this pattern do exist in some cantons, the members of the governments and the ministries generally fail to play the role assigned to them in the "NPM game" properly. There are different explanations for this:

- First, the ministries are often unable to negotiate and control the performance contracts due to a lack of personnel and know-how.
- Second, another peculiarity of the Swiss political system at the federal and cantonal levels exacerbates the situation. Governments in Switzerland – always multi-party coalition governments - consist of the various heads of the ministries (“departments”) rather than a strong prime minister heading a cabinet. For the members of the government, the programs of their own ministries have priority; they often have no interest in arguing about the performance contracts of agencies in their colleagues’ ministries. If their departmental administrations go uncriticized by the other members of government, they will also tend to be less critical.
- Third, the governments are not sure if NPM reforms have a future in public-policy making in Switzerland. Some parts of the government and the ministries look at the reforms with mixed feelings; they are the ones who will not invest a lot of their time discussing contracts.

### Effects of the NPM Reforms at the Level of Government Agencies

We can distinguish between the effects NPM has on the one hand on the heads of the agencies and on the other hand on the workforce within NPM agencies. What are the effects of NPM for the top management of the agencies?

### NPM: Benefits for Senior Management

For the heads of government agencies, NPM reforms are advantageous. They have benefited the most from the reforms. Surveys and interviews among the heads of the agencies give evidence for this.

- Agencies have more competences and expanded their scope of action in the budgetary process as well as on personnel issues.
- Motivation of top management at the agencies has risen. On the other hand, surveys at the federal level show that motivation at the lower echelons has changed very little. Sometimes job satisfaction at the level of lower management and the workforce has decreased with the introduction of NPM.



- The processes within the agencies have developed towards a product orientation. The new financial instruments help an agency's management to manage their unit.
- The structures within the agencies have changed. Especially at the federal level, the introduction of NPM has been accompanied by a change in structure. In the short run, this often led to conflicts, yet in the medium run, management and the workforce often turned out to be in favor of the changes.

These positive effects materialized after the first period of the introduction of NPM, that is four or five years into the reforms. It is important to remember that at first management was confronted with a series of problems: The definition of products was highly complex, the introduction of the accounting and budgeting system used in the private sector was entirely new for the administration, and the reorganization of work processes was accompanied by conflicts. In sum, the starting process of NPM was very labor-intensive. The first attempt to reorganize the agencies often ended in failure. However, in the long run the advantages of the NPM reforms for management were higher than the cost.

### **NPM: AMBIGUOUS BALANCE FOR THE WORKFORCE**

At the level of the workforce in the agencies, the effects of NPM reform remain ambiguous. The positive effects observed in the evaluations are the following:

- The introduction of goal-oriented instruments has led to an increase in motivation among the staff.
- Customer orientation and the awareness of costs have increased significantly.
- The definition of products and the introduction of product managers is seen as positive for the majority of the workforce. The output orientation has increased because of these effects.
- The scope of action at the lower levels of the hierarchy has increased.

On the other hand, some negative effects have also been identified:

- Stress and the pressure due to the workload are on the rise.
- The number of conflicts has increased in some agencies, especially where organizational changes were implemented.

In a survey among 22 agencies (11 of which participated in NPM projects, 11 did not), employee satisfaction was consistently lower in NPM agencies than in other agencies. The higher pressure in NPM agencies may well explain the difference.

NPM reforms have had the most obvious positive effects within the agencies: NPM principles have been implemented to a large degree here. Top management benefits most from the reforms, whereas there are both advantages and disadvantages for the workforce. NPM reforms, if consistently implemented, do indeed lead to changes in the administration. In one case study, a clear change was observed in the composition of the

workforce. It was obvious that the people in favor of the reform remained at the agency whereas those who had problems with the NPM philosophy or its consequences in practice tended to quit at some point. Although it is too early for definitive conclusions on NPM reforms, the balance, especially at the federal level, seems to tip toward the positive side. If we assume that some of the problems discussed above are typical for an early phase of reforms and will disappear over time, we may conclude the balance is positive also for the workforce.

### Effects of NPM on the Output and Impact of the Administration

A goal of NPM reforms is to improve the quality of the services by changing the processes within the government. In two evaluations, the effects of the internal changes on the output (products) and impact (e.g. customer satisfaction) were studied.

#### - Little Change Regarding Output

In general, the direct effect (change in products) at the output level was fairly small, i.e. there was a change in the composition and the quantity of the services in only a small number of the cases. Changes in some areas may be observed nonetheless, e.g. one agency cut the time for processing grants and applications in half. Another agency was able to change the product line or to add new products to the product line. This was made possible by the added competences in personnel matters and the allocation of financial resources.

We may observe some indirect effects at the level of output. The first element is the importance of information and marketing. NPM has enhanced activity in these areas. The agencies have increased their efforts both to improve the quality and user-friendliness of written documentation and to present themselves to the public etc. Furthermore, agency expanded scope of action has made it easier for them to react to changes in client needs. It takes less time than it did in pre-NPM times to modify products and services.

#### - Cost Reductions

What can be said about cost reductions achieved with NPM? The adequate database necessary to give a clear answer is very often not available. But some indicators provide evidence that NPM may lead to financial savings: In one canton (Soleure), the average cost cuts at NPM agencies were higher than at non-NPM agencies. Although the financial indicators lack precision, it appears that NPM may make it easier for agencies to cut costs given their new competences in allocating resources. Another example confirming this is the federal NPM project: Every agency involved in the project had to cut costs by a certain percentage. Even before the entire contract periods were over, it became obvious that the NPM agencies may reach the goals. With regard to some products, the cost-coverage has been increased significantly with the implementation of NPM. A third example may be observed in the canton of Aargau: Average cost reductions in NPM agencies were higher than in the old style agencies.

- Customer Satisfaction on the Way to Improvement?

At the level of customer satisfaction, positive developments can be observed. In the canton of Soleure and at the federal level, the effects of NPM on customer satisfaction were measured in evaluation studies by means of surveys. Positive effects for some products and customer groups were identified especially for agencies at the federal level. One agency was able to create a marketing strategy from scratch, a development positively received by its customers. The agency was able to do this due to an increase in the scope of action on the part of senior management. In other cases the services provided increased in quality, which was honored by a higher consumer satisfaction rate.

## RESULTS IN COMPARATIVE PERSPECTIVE

In this section, we compare the results of NPM reforms in Switzerland with those gathered from studies in the ten countries included in Pollitt and Bouckaert (2000).<sup>3</sup> The table below provides an overview of the main results identified by Pollitt and Bouckaert that enable some rough comparability of data.

Table 3: Evaluation of NPM Projects in Switzerland in Comparative Perspective

Level	Results in Switzerland	Results by Pollitt/Bouckaert
Level of parliament	<ul style="list-style-type: none"> <li>- Cleavage among MPs</li> <li>- Fear of loss of competences</li> </ul> <p>In part reduced distance between parliament and agencies</p> <p>Lack of good indicators for impact measurement results in difficult audit function of parliament</p>	No change in competences or strategic orientation of MPs
Level of government and ministries	<p>Lack of strategic orientation at the level of government/ ministries</p> <p>Negotiation of contracts between government and agencies not established yet</p>	Government not trained for nor interested in strategic leadership
Level of agencies	<p>Increased scope of action for heads of agencies and top management, higher satisfaction among management</p> <ul style="list-style-type: none"> <li>- Increased cost and client orientation</li> <li>- Changes in structure and processes</li> <li>- More output orientation</li> <li>- More stress</li> <li>- Conflicts due to organizational changes</li> </ul>	<p>More output orientation</p> <p>Increased cost and client orientation</p> <ul style="list-style-type: none"> <li>- Changes in structure, a positive effect for management</li> <li>- Distinct cultural changes for management and workforce</li> </ul>

Output / Impact	<p>Small data base and problems of causality</p> <ul style="list-style-type: none"> <li>- Small increase in quantity and quality of products</li> <li>- Small increase in consumer satisfaction</li> </ul> <p>Some data, no indicators for increases in efficiency and savings in NPM agencies</p>	<p>Small data base and problems of attribution and causality</p> <ul style="list-style-type: none"> <li>- Some indicators at macro level point to higher efficiency, but no uniform pattern in results</li> </ul>
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Although the comparison is very general and the data sets not fully compatible, we can formulate three conclusions:

- First, at the level of the agencies (management and workforce), there are some similar results. There is an increase in output, cost and client orientation. Nevertheless, Pollitt and Bouckaert relativise such findings by pointing, first, to the unclear attribution of results to NPM reforms and second, to the ambiguity of output and cost figures. Moreover, they find that in the “Anglo-Saxon regimes” - U.S., U.K., Australia and New Zealand -, the greater freedom of public service managers to deploy their inputs was in part accompanied by closer scrutiny as far as their results were concerned than before. The latter development is largely absent in Switzerland, which is not surprising given the lack of good indicators at the level of impact and outcome to determine goal achievement. The similarities between Switzerland and the countries surveyed by Pollitt and Bouckaert extend to the fact that the introduction of NPM has led to a change in structure and processes (whereas the link with final outcome is less than certain). As far as Switzerland is concerned, we consider this the most important and best evaluated aspect of NPM reforms to date.
- Second, MPs in Switzerland tend to fear a loss of competences as far as NPM agencies are concerned, which is not the case in the countries Pollitt and Bouckaert studied. The political system and political culture in Switzerland may have contributed to this result. There is a pronounced aversion in Switzerland to any growth in competences or power of the administration or government. One reason is that the government level in the Swiss political system - unlike in parliamentary systems (the “Westminster model”) - is constituted by multi-party coalition governments. The result is a type of “consensus politics” atypical of parliamentary systems: The links between political parties and their representatives in the government are thus weaker in Switzerland than in other countries, hence the reflex of fearing a loss in competences and power.
- Thirdly, there is not a great deal of in-depth knowledge about the effects of NPM on efficiency and savings. In Switzerland, some attempts at establishing these effects have been undertaken at the product level at the level of agencies. Pollitt and Bouckaert use a different approach. They compare select macro data (such as changes in government spending or debt as a percentage of gross national product, direct and indirect government expenditures etc.) in an attempt to identify the effects

of NPM. It is difficult to compare data compiled with such different methods. This leads us to the last section on methodological considerations, where we will argue that micro level data seems methodologically sounder than macro-level data for such issues.

## **METHODOLOGICAL REFLECTIONS ON EVALUATION OF NPM REFORMS**

Effects of NPM reforms are not easy to observe. The above analysis represents a first step. If we look at the positive aspects of thus far in Switzerland we may draw the following conclusions:

- The people in charge of NPM programs accept that evaluations are a necessary part of the implementation of NPM reforms. A good part of the larger reform processes at the federal and cantonal levels have been or are being evaluated. In that sense evaluation is an established instrument in the reform debate.
- There is an interest in and curiosity about evaluation results within the administration as well as at the political level. Apart from the usual exceptions there are thus no problems as to the acceptance of surveys, interviews and data collection.

The situation in Switzerland also points to shortcoming in NPM evaluations. If we compare evaluations of NPM reforms with evaluations of other policy programs or policy measures, some differences become evident. The differences have to do on the one hand with the object of the evaluations per se and on the other with the methodological approach to measuring the effects of NPM. The following reflections go beyond the methodological challenges typical of social science research, such as issues of causality or the difficulties of interpreting data, and pertain specifically to evaluations of NPM.

### Ongoing NPM Reform Processes as an Object of Evaluation

NPM reforms are a moving target for an evaluation: In most cases the implementation of the reforms is still in progress when the evaluation is carried out. The goal of the evaluation is to provide a first or second impression about the effects of the reforms. In such a situation it is reasonable to carry out formative evaluations so that the reform program can be improved in the process through an external review. In many cases in Switzerland, there was a need for summary evaluations because governments and parliaments needed a basis for their decisions about whether or not to expand or introduce NPM across the administration. We can identify several problems associated with doing summary evaluations in an ongoing process:

- NPM reforms affect all levels of policy-making and produce a dynamic process as soon as the evaluation begins. Because of limited resources and the high complexity of the reforms, it is impossible to evaluate all aspects and potential effects of the reforms. There is a need for selection. Therefore, if the evaluation comes to critical results which the NPM project managers do not agree with, it is always possible for them to say, "the results were ok, but in the last few months the situation has

changed and the evaluation is not up to date.” Another reaction to bad evaluation results is, "Oh yes, you're right, but this aspect of the reform is not that important. The aspects of the reforms that are highly relevant were unfortunately not the focus of the evaluation." In practice, there are of course always new developments and elements which were not a part of the evaluation. Sometimes evaluators feel a bit as if the reforms were a fish they cannot hold on to as it keeps slipping out of their hands.

- Another problem is the design of many reforms in Switzerland, namely the "pilot project." The idea of running reforms as a pilot project is to try out the idea of NPM with a small number of agencies first and only then to decide whether the reforms should be definitively introduced or not. Yet "pilot projects" may slowly and inconspicuously turn into "definitive facts." The point of no return may then be reached before the evaluation is finished. In such circumstances the sense of a summary evaluation is questionable. In fact such evaluations may even be instrumentalized as a subsequent legitimization.
- NPM reforms have an effect on the administration. The reforms are supposed to lead to improved performance. Nevertheless, very often it is not clear what effects the evaluation focuses on. Is the change in the administration per se the effect of the reform and the focus of the evaluation? What are the criteria for a successful reform? Is the reform seen as successful if the satisfaction of the workforce in the administration is raised? Or is the improvement of the output a criterion for the success? How important are cost reductions? In theory, we will answer: All effects were important.

In general, NPM is supposed to lead to performance management or results-oriented management, more efficiency, higher customer satisfaction and a better working environment within the administration. In practice, we may observe considerable changes within the administration but only weak effects at the output, impact and outcome levels. This may not only be due to the short period of time NPM reforms have been implemented. Very often, the output of an agency is fixed in legislation that is older than the reform. In such a situation, a change in the product line is difficult. The question now is whether the reform is defined as a success if we get a better administration but no change in output (or changes in output and outcome that are difficult to attribute to NPM). One may answer affirmatively because of the advantages for the workforce in the administration (higher motivation and transparency, better working environment etc.). Yet one may also deny the success and argue that reducing costs is a more important goal than improving the working situation of the administration. The view of what constitutes a successful NPM reform may thus vary according to the political agenda.

## METHODOLOGICAL PROBLEMS IN EVALUATION OF NPM REFORMS

Every evaluation presented in this report has some methodological weak points. Some of the major problems include:

- How many agencies should the evaluation take into account? You can focus on a small number and get a very detailed description of the processes and effects for a limited part of the administration (for example the evaluation of the federal reform project FLAG). Or you can investigate all the agencies affected by the reform but not go into detail (for example the evaluation of reform in Lucerne). Because of limited resources one or the other decision always has to be made. Therefore, the results of the evaluations are bound to be limited in scope.
- From a methodological point of view, cross-comparisons between NPM agencies and non-NPM agencies would be the best approach to evaluate the effects. In practice, only one such study was carried out. And it was not by accident that this study's primary focus was not on evaluation-type questions but it was "only" a survey to measure employee satisfaction in the administration. In other words, NPM program managers fail to spend money on studying control groups. In (at least) two cases the issue of control groups was discussed, and in both cases the NPM program manager renounced a control group in the evaluation for two reasons: First they insisted on a maximum of information from those parts of the administration affected by the reform. The willingness to pay for a control group was correspondingly low. Second, it is difficult to communicate to an agency not part of the reform process that research is necessary not to improve their agency but to check if the reform works. The acceptance for such an approach is low in the control agency.
- In general, reforms need time for effects to ensue. Change in administrations is not easily realized. Hence evaluations should take place over a fairly long period of time. Apart from the evaluations in the canton of Berne and of the federal program FLAG, no reform project has been willing to spend the money on a long-term evaluation. In practice, evaluations had to be finished in a year or less. This makes it impossible to get any longitudinal "before-after-research." Hence second-best solutions are resorted to, as can be seen in surveys with questions asking about the development in the past, so-called "quasi-longitudinal sections." Needless to say, effects at the level of impact are very hard to find with such a design.

The most critical point is the measurement of savings. As the table in this article shows, there are two ways to evaluate the savings effect. The first attempt starts from the micro level and tries to identify the costs for a single product or group of products. Observation over time may allow the observer to see changes in costs and link them to NPM reforms. The other approach is the comparison at the macro level: Comparing a canton or a country with another canton or country on the basis of macro-level data (for example xxx). In our opinion only the first method provides reliable results. It is impossible to identify the effects of reforms by means of macro-level data, as there are too many other variables influencing macro-level data. The same problem emerges in other policy evaluations (for example, when evaluating energy savings programs by means of consumer statistics, see Balthasar 2000). Macro-level data may be highly

relevant for political debates, yet they are not useful for cause-and-effect investigations concerning reforms and savings.

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## NOTES

- i. For an overview of the early development of NPM reforms in Switzerland, see Haldemann, 1995: 23.
- ii. Pollitt, C. and Bouckaert, G. (2000) Public Management Reform. A Comparative Analysis, Oxford, Oxford University Press.
- iii. The Pollitt and Bouckaert study includes ten countries across three continents: Australia, Canada, Finland, France, Germany, the Netherlands, New Zealand, Sweden, the U.K., and the USA.

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## Appendix A

Published Empirical Evaluations of NPM Reforms in Switzerland  
(in order of publication)

Title	Level	Type of study	Year
Marek D.: Evaluation des Projektes "Neue Verwaltungsführung NEF", Bericht über die erste Etappe	Canton	Evaluation study commissioned by project management	1997
Balthasar, A.; Thom, N., Rieder, S., Zinsli Charlot, S., Ritz, A.: Konzept zur Beurteilung von FLAG und erste Beurteilung. Bericht zuhanden der Steuergruppe FLAG, Luzern und Bern	Federation	Evaluation study commissioned by project management	1998
Balthasar, A., Thom, N., Rieder, St., Furrer C., Ritz A.: Evaluation FLAG Phase eins – Analyse des betrieblichen Wandels, Luzern und Bern	Federation	Evaluation study commissioned by project management	1999
Ehrensperger M.: Erfolgsfaktoren von Verwaltungsreformen, Cahier de l'IDHEAP 183/1999, Chavannes près Rennens	Canton	Master study	1999
Zürcher M.: Wider ein betriebswirtschaftlich verkürztes Public Management: Über Produkte, Indikatoren und die Wirksamkeit, LeGes 1999/2	Canton	Master study, focus on the use of indicators in NPM projects	1999
Rieder S., Bächtiger C.: Beurteilung der Einführung von Administration 2000 im Kanton Wallis, Luzern	Canton	Short evaluation study commissioned by project management.	2000
Rieder S., Furrer C.: Evaluation des Pilotprojektes Leistungsauftrag und Globalbudget im Kanton Solothurn, Luzern	Canton	Evaluation study commissioned by project management	2000
Concept: Evaluation des WOV-Versuchs Kanton Luzern, Zürich	Canton	Evaluation study commissioned by project management	2000
Concept: Evaluation WOV Kanton Aargau, Zürich	Canton	Evaluation study commissioned by project management	2000
Reeder S., Farrago P.: Vergleichende Evaluation der NPM-Versuche in den Kantonen Aargau, Luzern, Solothurn, Wallis und Zürich	Canton	Evaluation study commissioned by project management in each of 5 cantons	2000
Balthasar, A.; Thom, N.; Rieder, St.; Lehmann L., Ritz, A.: Evaluation FLAG Phase zwei –Analyse der Prozesse im Parlament und Wirkungen von FLAG bei den Zielgruppen, Luzern und Bern	Federation	Evaluation study commissioned by project management	2001

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