

# PERFORMANCE MANAGEMENT IN PUBLIC PRIMARY HEALTHCARE

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## Abstract

*The present article explores management control systems in the Portuguese public primary healthcare. To do so, a performance management framework was used to capture and analyse in an organized and profound way the data collected. Key members of each organization were interviewed and internal documents were collected and analysed.*

*In general, it can be said that the initial proposed objectives were achieved. This study was able to analyse the way primary healthcare organizations operate, understand how their staff is assessed and check if the law was, or not, being followed, opening avenues for future research.*

**Keywords:** *Management control systems, performance management, public sector, primary healthcare.*

## 1. Introduction

The current global financial picture is something that social sciences investigate carefully. The lack of economic stability and financial capability resulted in a huge cost for some countries and its citizens. In particular, the public sector enforced several budget cuts due to excess of expenses, causing a real decrease in the quality of service provided to the general population.

In addition to the questions related to budget management, there are other concerns connected to an effort on making the public sector more efficient, economic and effective (Hood, 1991). In particular, management performance within the public sector, particularly in Portugal, is a much-noticed subject in the media and within society in general. However, despite such attention, it is not really a subject developed by researchers, proven by the low number of papers and practical applications. This last fact can be changed. A new public management, with efforts turn to control, based on the capabilities of decision making of every professional involved has showed to be an effective asset to counter the sector's financial limitations and increase the quality of service (Hood 1991, 1995). That is why a Performance Management System (PMS) up to date and adapted to the public sector can create conditions to the evolution and management improvement of public institution. However, globally, recent reviews of the field showed that the effects of PMS on a change within management is still somewhat in an early stage, despite some positive signs (Franco-Santos, Lucianetti and Bourne 2012).

Also, the number of quotes made by academic works of an extended framework created by Ferreira and Otley (2009) under the performance management subject suggests that it could be able to describe the current organization's structure and the implemented performance management and assessment systems. The test of this framework inside the public primary health care can contribute to prove its aptitude, even though it was not created specifically for this field, but also to a better understanding of the performance management tools implemented in this branch of the public healthcare system.

Bearing that in mind, a script was created based on the framework created by Ferreira and Otley (2009) and used in semi-structured interviews with several key members of different public primary healthcare providers. With that, we expect to provide a real test on how the framework describe the structure and operating methods, find out how exactly the performance of the organization and its professionals is assessed, and compare it with the

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current written legal framework, providing a valid contribution to a better performance assessment and increasing the used extended framework, leaving some prospects for future research.

## **2. Performance Management: Concepts**

Although it can be said that Performance Management is a complex subject, it can also have a very simple definition.

When question about it, Aubrey C. Daniels answers that *'In simplest terms, it's a way of getting people to do what you want them to do and to like doing it.'* (PM eZine 2000).

With James E. Daniels, they publish the book *'Performance Management: Changing Behavior that Drives Organizational Effectiveness'*, to provide to its readers guidance and a better understanding of the basic concepts of performance management in any area – operational or scientific study – even if performance management is applied the business world. However, A. Daniels and J. Daniels (2004) also point out that performance management is not a critic or praise to performance or organization structure, but a scientific approach of how to manage the behaviour and conduct of all professionals involved, as it could be into many areas.

Other authors also contributed with definitions of performance or management. Neely, Gregory and Platts (1995) defined performance as the efficiency and the effectiveness of actions in a professional context. The efficiency scale is given by the amount of needed resources to fulfil clients' demands, while effectiveness is found when those demands are well fulfilled. Therefore, performance is assessed when efficiency and effectiveness is measured. To do so, it is mandatory to choose, implement and monitor PMS, by measuring in a countable way efficiency and effectiveness of certain actions to achieve an objective (Fortuin 1988; Neely et al. 1997). These must be able of measuring the true performance of an organization, as the lack of well-defined standards capable to the task will create difficulties in planning and control of normal operations of organizations and will not motivate its personnel. (Globerson 1985). Also, Franco-Santos, Lucianetti and Bourne (2012) called Contemporary Performance Measurement Systems, with a simple definition *'We argue that a Contemporary Performance Measurement Systems system exists if financial and non-financial performance measures are used to operationalize strategic objectives'* (Franco-Santos, Lucianetti and Bourne 2012, 80).

### **2.1. New Public Management**

The concept of a *'New Public Management'* (NPM) appeared during the 1980's, according to Hood (1995). As a basis for its application, it begins with the definition of objectives like an operation budget or resources allocation, so that their usage allows providers to offer the best services possible as the focus of obtaining results and reaching certain objectives are the main ways of assessing performance.

Hood (1991) was one of the first to write about NPM and defined its doctrinal components, seven to be exact: professional management in the public sector, explicit standards and measures of performance, emphasis on output controls, disaggregation of units, increased competition between public units, private-sector styles of management and greater discipline and parsimony in resource use. Hood says that the enforcement of these seven principles will guarantee a better control and management, and more involved and accountable professionals, as they are responsible for their own actions instead of simply follow orders. To do so, public sector managers must have similar management skills comparing to private sector managers (Yamamoto 2003).

## **2.2. Performance Management Systems and Management Control Models**

The use of performance management systems in health services provides a framework that can ensure that the organization's strategy is successfully executed and the results are as expected. Thus, PMS become a vital instrument to management, serving multiple purposes.

When analysing the literature available in the field of management control or performance management systems, it is important to highlight two key contributions: the levers of control model by Simons (1995) and the model proposed by Otley (1999).

Simons (1995) published a book in which he presents a proposal for levers of control as a tool for apply and control business strategies. According to Simons, this is a practical and interactive implementation of a control model, which results form a more than a ten-year study that included case studies and discussions with senior members of the management organizations. The author points out, in his model, four key aspects: two are defined as positive (belief systems and interactive control systems) and two are defined as negative (boundary systems and diagnostic control systems).

Simons says that a successful execution of the company's strategy requires the use of the four levers simultaneously. This model provides a comprehensive perspective of the organization. However, it is limited by the fact that the same control mechanism may be used by more than one control lever. The difference here comes from the importance that is given to each control mechanism (Ferreira 2002).

On the other hand, Otley, in a scientific paper published in 1999, proposed a new model to analyse management control systems. Otley says that previous ways of performance assessment in companies, but also other types of organizations, focused only on the economic and financial performance, which is not enough to illustrate the reality of the organization, including its activities. Therefore, actions, decisions and attitudes of the employees were not taken into account, resulting in a set of poor information for poor management.

Otley started by assuming that the organization works in a proper way, maintaining good performance levels and achieving the desired objectives, despite the apparent need of attention from stakeholders for the true definition of performance. On the other hand, Otley also favoured a more inductive approach, taking examples from the past, in order to establish different but important aspects of greatest importance in the field of control systems. The advantages taken from the use of this model was demonstrated by studying three examples of already existing control techniques and identifying applications that were not used so far, by both professionals and researchers.

By studying Otley's work, one can check that he highlights five important topics with a purpose of creating a performance management model of any organization. Despite these topics remaining the same over time, the organization must realize that it should periodically update their responses, as both context within it - strategy, objectives, vision – and the competitive environment that surrounds it can change. These issues, according to the author, are related, in a way, to the most recent issues faced by management. The topics are: objectives, strategies and plans, target setting, rewards, and information flows.

This model proves to be advantageous in different perspectives, given the possibility of more information about important aspects of performance management (Silva and Ferreira 2010). Also, this model is based on the information structure, proving its usefulness also in non-profit organizations (Ferreira and Otley 2005, 2009; Silva and Ferreira 2010).

Ferreira and Otley (2009), through a paper published in 2009, proposed a new performance management model able to describe the structure and operational ways of an organization management and performance. The authors say that despite the issues involving their management control systems and, in particular, the complexity around performance management, research in these fields turns out to be too basic and partial and does not address all necessary points, so the results turn out to be ambiguous and sometimes contradictory.

To solve these problems, Ferreira and Otley proposed a new model that could describe the organization's efforts in these fields in a more global and comprehensive way. This new framework is based on the extensive work done by Otley, particularly the five questions model introduced in 1999, and expanding it to twelve questions and integrating aspects based on Simons' levers of control (1995) framework. Publications in these two areas recognize a growing need for research based on more coherent and theoretical basis (Chenhall 2003; Covaleski et al. 2003), and suggest that they should be used to create a background to research findings, and therefore would provide the research field a more regular development (Chapman 1997).

Other authors showed some difficulties in making a significant progress since, because of the research in this field is based on empirical data, there is a predisposition to focus only on specific aspects and not adopt a more comprehensive method (Dent 1990; Malmi and Brown, 2008). Another interesting point highlighted in the work of Ferreira and Otley (2009) was that progress remains slow, as this same empirical research ignores the obvious relations between different control mechanisms within the organization (Abernethy and Brownell 1999). Therefore, the authors believe the positive effects of applying this model, as it provides a more comprehensive overview of the main aspects of management control systems, and an opportunity for researchers to have a more comprehensive and complete view more effectively. The twelve topics are vision and mission, key success factors, organization structure, strategies and plans, key performance measures, target setting, performance evaluation, reward systems, information flows, systems and networks, PMSs use, PMSs change, and strength and coherence.

The authors expect that this model, which is designated as a performance management system, can contribute to a change in today's more traditional perspective of control in organizations for a broader perspective on what is control and management of performance within it, given the focus in the fields of management and the addition of other management activities within the control system.

Comparing the two contributions of Otley, we can highlight some similarities, developments and differences between the two models. First, as its name shows, it is a more extensive model, increasing the range of analysis and therefore the number of topics: from five to twelve. Therefore, we end up addressing most of the issues that the first model already did. However, although there is a slight change in the approach order, joining objectives with goals and key success factors, which turns out to be an evolutionary sign, the question related to direct feedback seems to be dropped, comparing to previous model. Even so, new questions related to the performance management system are present in this new model, including its use and modification and the information flows used, which previously was not give much attention or importance.

It should be noted that this research should be classified as empirical, as it can investigate the consequences of different controls in different contexts. On the other hand, the authors say that one should not expected to see a huge consistency between each part of the organization, stressing the differences that may exist between each unit, but also between each hierarchical level. Still, the authors praise the ability to adapt this same model, as they believe it may be used under any circumstances, providing the user with an illustration of all active processes at a given moment and its evolution over time.

### **2.3. Performance Management in Healthcare**

Business models and technological resources currently available for use of organizations are key to raise the quality of healthcare. (Chorpita, Bernstein and Daleiden 2008; Kaplan and Norton 1992; Chamberlain et al. 2010; Seelig et al. 1996). Given these developments, it is possible to take advantage of tools available to have information about different services in real time. This information can be used to generate instant feedback, particularly within the healthcare sector, where in the case of the public sector, the basis of individual and institutional assessment focus on quantitative indicators.

Within this sector, we can see some efforts, in measuring the performance of professionals. For example, Smith et al. (2009) published a book where they make an extensive overview of performance management examples in the health sector. In the British case, when, in 1986, the Government decided to create ways to measure the performance of professionals, it was considered 'political and provocative'. These authors also report that initial assessment methods and procedures used in the wrong way (McGlynn et al. 1994) but also different levels of service quality (Mangione-Smith et al. 2007; McGlynn 2003; Seddon et al. 2001).

Specifically within the primary health care, we can highlight rare but valid examples of field case studies. Given the growing interest in the area of performance management, but with a limited focus on the health sector, Silva and Ferreira (2010) focused their efforts to, based on the model of Otley (1999), and from a set of interviews and other data, analysed how performance management systems were implemented in the public primary health sector during 2004 and 2005. Interviews were conducted in three healthcare centres belonging to the Administração Regional de Saúde do Norte. Meetings with health officials from headquarters, and later with professionals from each healthcare centre, with and without management responsibilities. In addition to the conclusions regarding the application of the model, it was detected a lack of vision and strategic thinking in the organizations and lack of performance management mechanisms.

Particularly in the public sector, we can highlight an important change in performance management. The performance assessment in Public Administration (SIADAP) was created in 2007, and slowly implemented in the years followed in public services, including the public primary healthcare. Legislators describe it as an integrated approach to management and assessment systems allowing for consistently aligning the performances of services and of those who work in them. The system is based on a set of pre-established objectives by the State.

### **3. Research Method**

In order to fulfil the objectives previously described, it was necessary to establish a research approach, highlighting the strengths and weaknesses, limitations and potential.

The qualitative research approach is widely used on social sciences, generally associated with understanding and interpretation, of reality, including its values, representations, beliefs, opinions, attitudes or habits. The interpretative analysis is always looking for a solution, evolving within its predispositions, in order to give the best answer to the problem in question, starting with a familiar context and progressing to understand the organization's processes (Yin 2011). Therefore, this approach requires field work. It is not recommended to delegate tasks or share parts of the study between several people. Because of these distinct features, qualitative research seeks to develop an understanding of what is really happening within the organization, how and whom its actions and processes affect, and why certain results happen. Finally, the results should always bring conclusions on how to improve processes within the organization (Denzin and Lincoln 2011).

Taking into account the strengths and weaknesses of this research approach and, above all, the available forms of gathering information, we came to the conclusion that, given the established assumptions, the most appropriate would be a qualitative approach, with interviews as the primary way of data collection. We believe that this approach gives more guarantees of a successful case study.

#### **3.1. Data Collection**

To meet the objectives set, a contact was promoted with the ACeS Póvoa do Varzim | Vila do Conde (ACeS<sup>1</sup>), in order to understand the availability to participate in this case

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<sup>1</sup> ACeS (Agrupamento de Centros de Saúde), or Healthcare Centre Grouping is a group of primary healthcare providers that covers a specific region. They are formed by several USF (Unidade de Saúde Familiar, or Family Healthcare Units), that largely replaced the former primary healthcare providers, the Healthcare Centres.

study, having been reached assent by the Clinical and Health Council. Later, individually, further contacts were made with the USF from the ACeS in order to understand their willingness to be in this case study. Throughout the case study, individual interviews were conducted with professionals from five Model B Family Healthcare Units (USF). In all USFs we interviewed the coordinator and general practitioner (GP) of the USF, the nurse member of the Technical Board and a clinical secretary, to a total of fifteen professionals of USF. In addition to them, we interviewed a total of five professional from ACeS: the Executive Director, the President of Clinical and Health Council, the nurse member of the Clinical and Health Council, the responsible for the Management Support Unit and a member of the nurses' Board of Review. Twenty individual interviews done in 2014, between the months of May and September.

#### **4. Empirical Study**

The Agrupamento de Centros de Saúde do Grande Porto IV – Póvoa de Varzim | Vila do Conde, from the Administração Regional de Saúde do Norte, I.P., has the mission of providing primary healthcare to registered population, with quality and safety and optimize resources. It also aims to be recognized as a reference to proximity of healthcare providing, offering accessibility, technical quality and service, with equity, ethics, effectiveness and efficiency (ACeS' website)

Headquartered in Vila do Conde, the ACeS covers a resident population of 143.090 inhabitants, representing about 4% of the northern region's population (Local Health Profile, 2014). In 2013, the ACeS had 150.631 registered users, covering about 105,4% of the resident population. In the same year, 123.331 patients were consulted in one of the USF, about 81,9%. Being the first to have all of its primary healthcare providers converted in USF, as of today they are fourteen in total: eight Model B and six Model A. During 2013, the five Model B<sup>1</sup> USF where interviews were conducted, 68.190 patients were registered (about 45,3% of the ACeS), 55.027 first appointments (44,6% of the ACeS) and further 156.543 appointments were made (about 47,3% of the ACeS). 103 professionals work in these 5 USF.

#### **4.1. Data Analysis**

In this section, we will proceed with the analysis of data collected during the interviews. Given the number of interviews noted above, we were able to understand the view and vision of each employee as well as those responsible for the ACeS. Thus, we propose a presentation that respects the script made by organizing the information for a better understanding while respecting the original model. Later, a more general discussion of these results will occur, indicating compliance and contrasts with the law, positive and negative activities, and discussing other issues related to the entities.

##### **1. Vision and mission**

*'What is the vision and mission of the organization you work in? How did you obtain that information? Is there any other objectives?'*

In the first question, there was, among the interviewees, some informality. Attending patients was the immediate answer. However, when asked for a greater degree of formality, the professionals were clear in identifying the main purpose of the organization where they work: provide healthcare services. Depending on the person, additional details were given, such as quality, safety, references to family health and registered population, and the stress on primary healthcare.

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<sup>1</sup> Model B USF are subjected to greater scrutiny and demands in performance assessment than Model A USF. Therefore, they were chosen to participate in this research.

They also found very little difficulties in identifying the formal documents of the entity in where the mission and vision is written. The Internal Rules was the most prominent document, with some references to the Action Plan as well. It was also interesting to note the immediate stress of weekly multipurpose meetings held by the professionals of each USF, which explains their importance, as the reference was made several times during the interviews. Regarding other references to other objectives, there were some complementarity answers among the interviewees. Some focused on the special attention given to specific risk groups, but others focused the existence of performance indicators that the entity (USF and/or ACeS) must meet.

The President of Clinical and Health Council of the ACeS stated that '*... there are other objectives, according to the needs of the population, adapted to them...*'.

Therefore, there is a general awareness of what is the main objective of both the USF as the ACeS.

## 2. Key success factors

*'What are the key factors that are believed to be central to the organization's overall success? How are they brought to your attention?'*

In general, professionals immediately pointed out the compliance of the contracted performance indicators as the USF's most important goals for its success. The vast majority not only understand this reality, but they can also describe them as health or financially related.

However, there were those who answer that '*The most important thing is the satisfaction of professionals and patients; however there are performance indicators*' (Coordinator / GP of USF-B 2).

That statement also showed the pursuit of quality healthcare and a good working environment. Once again, the information is shared in weekly meetings where all the members of each USF come together to discuss their contracting, if this is the period, but also to monitor its fulfilment. All professionals emphasized the presence of the indicators in the formal documents of the USF like the Action Plan and the Commitment Letter.

*'It's discussed, negotiated and approved by the team.'* (Clinical Secretary of USF-B 1).

The surveillance of risk groups, as well as the general satisfaction of professionals and patients were also highlighted.

## 3. Organization structure

*'Is there a complex organization structure? What impact does it have on the of performance management systems? How does it influence and how is it influenced by the strategic management process?'*

According to the answers given, there is not a complex hierarchy within each USF. In fact, some mention the lack of it, or at least visible. Of course, the legislation, which was referred to by some professionals, demands a coordinator for each USF. However, you can not detect hard hierarchic levels, difficult to access by the professionals, as they seeing the coordinator as a representative of USF and not so much as a boss.

Citing a clinical secretary from USF-B 1: '*You do not notice a hierarchy. The cooperation of all is crucial*'.

Thus, it can be said that there is a simple hierarchy and easily understood within the USF, respecting the current legislation, which, in the view of respondents, came to help as it simplified and diluted the hierarchy and promoted a shared management. The enforcement of organization and communication within the USF is made in other ways, with particular emphasis to the multidisciplinary meetings. The same can be said for the connection between

each of the USF and the ACeS. Professionals understand the current organization's structure within the ACeS, knowing whom to talk, and stressed how easy it is to communicate with upper management. Geographical proximity registered by certain USFs was also considered relevant for easy communication. However, we cannot see the opposite, that is, the geographical distance between the ACeS and the USF as a factor which negatively affects communication.

The Executive Director of ACeS stated that *'The USF have brought a shared responsibility, diluting the hierarchy'*.

While it is possible to identify a positive structure and good relations between organizations, some people used this question to comment on its view of the current high bureaucracy in some management processes.

#### 4. Strategies and plans

*'Has the organization adopted strategies, plans and activities ensure its success? How are strategies and plans adapted, generated and communicated to managers and employees?'*

All professionals from any USF or ACeS confirmed the existence of a plan with planned activities to help reach the objectives. It was possible to register the freedom of any USF to outline their own strategies and activities best suited to achieve its indicators, according to their own judgment and respecting the technical guidance provided by the government.

Therefore, it is up to each USF to list in their formal documents their objectives and their planned activities. The strategy is discussed by all elements of USF before the agreement of the performance indicators, particularly with regard to the set of indicators chosen by the USF. All-staff meetings are the main opportunity for discussing this matter, where all elements are called to help in creating plans for each performance indicator.

The nurse and member Technical Board of USF-B 3 says that *'... there are distinct strategies for each objective, respecting the provided technical guidance ...'*

Subsequently, the results are also reported in multidisciplinary meetings of each USF, where they can make small adjustments to the current plan. The ACeS must approve all plans, assuming a monitoring role. Monitoring over the assessment period enables the possibility of adjusting the plan, taking into account the results already achieved.

Thus, it can be said that there is a team effort of all elements of each USF to fulfil their objectives, where everyone is informed and does their part, including the ACeS in a supervision and guidance role. Again, there were no major differences between answers.

#### 5. Key performance measures

*'How is your performance determined? In what ways? Is there a performance assessment?'*

Because the interviewees perform different tasks within USFs and ACeS, there are some different answers to this question.

Looking first at the answers of the GPs, we can see that SIADAP is being implemented according to legislation, although with some delays and even some doubts explicit by some professionals. On the other hand, in addition to healthcare services, these GPs also have management responsibilities as Coordinators. In this matter, it was not possible to determine a formal assessment of its performance. However, there is an overall assessment of its performance by all the elements of USF for his commitment to be renewed, or not.

Interviews conducted with nurses were able to confirm that the performance assessment is taking place according to the legislation. Respondents report that, although a transition is taking place, they underline the existence of many doubts about the new assessment process, particularly regarding its implementation.



This short reaction from a nurse to a question shows just that: *'It's complicated ...'* (Technical Council Member / Nurse of USF-B 5).

Thus, there is still the performance assessment through a periodic activity report, and, according to those interviewed, the evaluators are people who do not know enough their work, which leads him to want that there are deficiencies in the current assessment of the way. The nurses that were interviewed have management responsibilities in their respective USFs, with a similar evaluation of the Coordinators.

Finally, regarding the Clinical secretaries' situation, we confirmed the presence of a performance assessment system according to the law. The performance of Clinical secretaries is being assessed through an individual evaluation grid. In this case it was possible to identify some complaints, as they say that unfortunately the opinion of their co-workers is not taken in to account when assessing their performance.

Analysing the interviews with ACeS's members, there are again different forms of assessment. However, they stress that there are those who simply are not formally evaluated, and the performance assessment of their work is only made after clearing the results of the performance indicators contracted by the ACeS.

#### 6. Target setting

*'What level of performance does the organization need to achieve for each of its key performance measures and how does it set performance targets? how challenging are those performance targets?'*

This question showed, for the first time, some significant differences in the answers of the interviewees. All of them said that the performance indicators, a key factor in the definition and measurement of their performance, are very demanding. But the vast majority also acknowledged that it is possible to achieve them. However, some professionals, mainly with management responsibility, point out that the high demand of these same indicators cause many problems to the current healthcare activities. Extreme situations such as difficulties of compliance with healthcare practices, the mismatch between the indicators and the population characteristics, the detrimental effect on the quality of work and a lack of collaborating patients were stressed during the interviews, which affects the performance results of the various USF.

The Coordinator / GP of USF-B 3 gave a particularly interesting answer: *'As Coordinator, they seem adapted. As a GP I believe they are not rational and they're going against workers' health. The quality of the workplace is being affected'*.

While most indicators are numeric, some subjective targets also hinder the perception of its difficulty. Another point raised during the interviews was how counter-productive some indicators are. If the constant demand for quality healthcare is high, the economic indicators are increasingly tight, which hinders the achievement of healthcare indicators. Although there was no fully defined trend in this aspect, it can be said that the clinical secretaries have a more optimistic view regarding the performance indicators than other professionals in the USF.

#### 7. Performance evaluation

*'What processes, if any, does the organization follow for evaluating individual, group, and organizational performance? Please describe their importance for you and the organization (objective, subjective, formal and informal)?'*

As this is a question with a multipart answer, we registered a different number of answer. To understand these answers better, we must clarify that the individual assessment consists in assessing the work of a professional, collective assessment is the performance analysis of the group of doctors, nurses or clinical secretaries, and the overall assessment surveys the performance of a USF or ACeS as a whole.

Regarding the current forms of performance assessment, not all respondents are able to describe them in an accurate way. Not everyone can agree on the existence or non-existence of individual and collective assessments. There is individual assessment in all functions of the USF. GPs, with contracted individual objectives, nurses, with a periodic report of activities and clinical secretaries, through an individual evaluation grid, they are all being individually and formally assessed. However, there is no collective assessment, given the contribution of all people to achieve the overall objectives. Therefore, the overall assessment, specifically the fulfilment of contracted performance indicators, gains a new weight in reading the performance of professionals of any USF. Most professionals also admit that there is a real and essential teamwork to achieve those objectives. In addition, this overall assessment is taken into account in the assessment of the elements with management responsibility.

A similar situation takes place when we analyse the current forms of evaluation inside the ACeS. In fact, management is only rated in indirect terms by the results of the performance indicators contracted by the ACeS. Their renewal or resignation of their management responsibilities depends on them. However, the professional from the Management Support Unit have a similar evaluation to the clinical secretaries.

Regarding the importance of the existence of a performance evaluation, all professionals, without exception, understand its relevance, pointing as a major factor the existence of a feedback on their actual performance rather than a general idea, avoiding entering into a daily routine without an attempt to improve.

Quoting the Nurse and Technical Council Member of USF-B 5: '*... it's important because a professional needs to know what he must achieve. It's a challenge*'.

However, others preferred to underline that a performance assessment system must highlight the best, and it does not. Also, the vast majority cannot see this form of assessment as motivation to be better at what they do, since promotions are currently suspended.

#### 8. Reward systems

*'What rewards — financial and/or non-financial — will managers and other employees gain by achieving performance targets or other assessed aspects of performance (and what penalties will they suffer by failing to achieve them)?'*

According to the interviews, all professionals know and can describe the type of financially rewards and incentives that they can earn. In addition to their basic income, GPs receive a set of incentives according to specific individual indicators. Nurses and Clinical secretaries can also earn financial incentives if a certain overall indicators are achieved. Shared to all are the supplement related the number of patients registered in their USF. In addition to this, each USF may apply for a set of institutional incentives to improve their working conditions or invest in better training.

Regarding the individual incentives, only some are being paid. GPs are received every incentive according to the legislation, unlike the nurses and clinical secretaries. In addition to that, none of the interviewed USF received any institutional incentives. In both situations, the USF and professionals fulfilled their part of the agreement.

There seems to be no formal non-financial incentives in place. Professionals stress that happy patients, satisfied with the good healthcare services provided, are the main non-financial incentive to them.

On the other hand, if for some reason objectives cannot be reached, there seems to be no financial or non-financial negative consequences to the professionals of the USF. The main concern of respondents is the possibility a Model B USF being demoted to a Model A USF, with lower income possibilities. This possibility is considered real if the contracted indicators are not achieved.

The Clinical Secretary of a USF-B 3 interviewed says ‘... *there is a dark cloud surrounding Model A...*’

In general, professionals seem to understand the current legislation, and more specifically the current reward system.

#### 9. Information flows, systems and networks

*‘What specific information flows has the organization in place to support the performance management systems?’*

Regarding the information flows related performance management systems, all answers confirmed that they meet the current law requirements. The different software available for the USFs allow a constant monitoring of each performance indicator, while nurses still deliver their activity report in paper. Periodic multidisciplinary meetings are also a very important tool available, as all results are discussed during these meetings.

Communication between USFs and the ACeS is made mostly through e-mail, and post mail is only used when legislation demands it. There are also several group meetings between them to monitor the accomplishment of all performance indicators, as the success of the ACeS depends on the results of all USFs, which are represented by their respective Coordinator. Among all respondents, it can be said that there is a general knowledge of available information flows. However, all professionals recognize some difficulties in communication, specially between the ACeS and any USF, but not the other way around.

The Head of the Management Support Unit of ACeS admits it: *‘It is difficult to get information out to every professional.’*

This seems to happen due to the excess information exchanged among the organizations, with USFs having difficulty in processing it, given the little available time. We also felt these difficulties during this study. However we could not determine which alternatives are being studied during the case study.

#### 10. Performance management system’s use.

*‘What type of use is made of information and of the various control mechanisms in place? Can these uses be characterised? How do controls and their uses differ at different hierarchical levels?’*

Considering all answers, it is clear that the professionals of the USFs are informed about the implemented control systems, and the information resulting from the performance management system. Some highlighted the practice guidelines manuals for each healthcare team as an example of it. However, interview results point to a general knowledge of the details of all information, enhanced by its global availability. The multidisciplinary meetings also show to be a major contribution in this field, in line with the ACeS policy of information distribution. Nevertheless, elements with management responsibilities showed an extensive knowledge of the matter, with an immediate response. Answers pointed to a surplus of information available considering what these professional can process while working, and therefore becomes somewhat complicated to some of them to absorb all the available information, despite some efforts in sorting it.

Something similar also happens within the ACeS, although their management responsibilities require from them a more detailed analysis of the matters related to the control and performance.

#### 11. Performance management system’s change.

*‘How have the performance management systems altered the organization and its environment? Have the changes in performance management systems design or use been made in a proactive or reactive manner?’*

The PMS implemented inside any USF are required to comply with the current legislation. Thus, according to the interviewees, there is such respect for the existing legal framework, including the contracting of periodic performance indicators. The creation of these same indicators has brought a bigger responsibility and a more detailed direction to the USFs. Due to this mandatory respect of this legal framework, possible changes turn out to be necessarily reactive, as they react to the changes in the legislation.

However, none of the professionals believe that any changes to the implemented performance management systems will also change their daily operations.

*'There is more to life than the indicators'*, says the President of Clinical and Health Council.

The Nurse Member of the Clinical and Health Council of ACeS tries to be more specific: *'In simple terms, no. The healthcare is not affected. However, because the indicators, you can focus on the most influential areas'*.

## 12. Strength and coherence

*'How strong and coherent are the links between the components of PMSs and the ways in which they are used (as denoted by the above 11 questions)?'*

As this was a matter with some complexity, besides the answers to the question, we were able to get additional information before the question was even made, something that even Ferreira and Otley (2009) predicted on the theoretical framework.

Even so, it is possible to draw some conclusions about this particular subject. Given the information, there are many ways of analyse the matter. First, we can confirm that there is a link between what the government requires and what actually is contracted and registered in the official documents of the all USFs and ACeS. Furthermore, we can confirm that the strategic thinking of the ACeS and all USFs is very positive. For each objective, there is a strategy, a plan and a result, if possible positive. There is also an effort by organizations to build a road to success. However we could not confirm the adaptation of the contracted performance indicators to reality. Professionals complained about the excessive demands of the contracted indicators, stressing the lack of balance between what is required of USFs with great and less success. Instead of promoting similar results, the authority would rather raise the difference in performance between USFs even more. Professionals with management responsibility were the ones who stressed this the most.

## 5. Conclusions

In pursuit of a high public performance to justify the allocation of public resources, performance management systems should contribute decisively to evaluate and reward, in a fair and balanced way, the performance of public institutions and its professionals, highlighting the best and pursuing a steady path of progress in the quality of services provided. The Portuguese Government has implemented, in a step-by-step manner and with agreement of several trade unions, a set of performance assessment systems based on contracted periodic performance indicators in order to assess the performance of several organizations, including primary healthcare providers, like the USFs.

Thus, from an extended model of performance management created by Ferreira and Otley (2009), it was possible to go beyond the obligations written in the current legislation, and understand the current state of the evaluated institutions, highlight what is and is not according to the legislation, indicating its strengths and weaknesses and point out the important opinions of professionals.

Gathering all the information, which was largely explained previously, general conclusions should be able to resume all the collected data, aiding the development of the

participant organizations, giving a judgment regarding the model's efficiency and a contribution to the development of the literature in this less explored field.

Starting with the issue related to the literature, it was possible, through this case study, confirm the validity of the performance management system created by Ferreira and Otley (2009) in the type of organization studied, i.e. the primary healthcare providers, with special praise for its length and the number of areas it addresses, which are, on a large scale, useful and appropriate. It has the ability to approach various subjects, starting with a more general analysis of the organization and then move on to a deeper study of the assessment process. It can also consider other issues related to it, like information flows and PMS development.

However, given the results of this case study, it is also possible to point out some limitations. The main feature of this model, its length, ultimately limits its application. In addition to the lack of time that the organizations had to participate in the study, the script based on Ferreira and Otley's (2009) framework addresses some subjects that are difficult to answer, especially for people without management responsibilities. Question 12 in particular is of such complexity that, often, we felt the need to explain it better and collect data from previous questions. Although the number of citations made to date recognizes its extent, the truth is that it is not a complete model. The focus is on the testing implemented performance management system. However, in theory, there is not a place for a direct collection of opinions of the interviewee regarding his own assessment. Although, in most cases, it has not necessary to ask respondents to express their opinion, the fact is that the model should have a proper space to collect it, something that differs from Otley's original model of 1999.

Examining the study's development, we could not detect major problems during the interviews. While it is possible to point out a lack of availability off the part of some entities, overall, it was possible to understand this due to the lack of time to participate in the study, given the small number of employees in each USF. This study confirms this pattern, with the USFs with more elements usually having a bigger willingness to participate in the study. However, it was possible to interview important elements with management responsibilities inside the ACeS and thus increasing the validity of this study. Starting with some more general issues addressed by the script, it is clear that the organization inside the USFs is significant. All professionals recognize their objectives and main overall goals and how to achieve them. Furthermore, there is very good communication between professionals of each USF. The most important information is easily spread, thanks to constant staff meetings. Therefore, all the elements, regardless of their function, have a say on the contracted indicators of the USF's initiative. On the other hand, it is important to underline the existing order when we speak of strategy. There is a beginning, middle and end to the implemented strategy and outlined set of activities, with the support of the ACeS, in order to achieve each goal. Thus, we can say that the USFs understand the obligation of complying and objectives they have to fulfil, while providing quality primary healthcare services. In this field, the backing of the management of the ACeS is also important, as an entity of support and control, as already outlined above. Still, it was also possible to identify some flaws on the operations of USF, particularly in its communication with the outside. During the period to ask of the availability of USFs to participate in this study, there were various case of absence of response during the first contact via e-mail. It was necessary to explore other means of communication to reach the USF.

As regards to the evaluation itself, the complexity is extensive. As mentioned earlier, there is an individual assessment, but also general assessment of each organization. Today, there is an individual assessment of the performance of each professional of the USF, but also a survey of the USF's global performance, through contracted performance indicators. By gathering information through the script based on Ferreira and Otley's (2009) framework and the analysis of the legal framework that all USF are subjected, we can say that the evaluation

system is not being fulfilled in their entirety. You can still detect parts per run. Regarding the actual contractual act, no errors were registered. The contracting act takes place according to the current legislation. However, some elements of the USFs had a critical opinion regarding the current evaluation system at various levels, also depending on its function and existence of responsibility in management.

The main complaint of professionals points to the lack of a contractual act on its own, because the indicators are seen as imposed, rather than agreed upon. Perhaps this is why the most acclaimed change is for more flexibility. On the other hand, it is also necessary to understand the limitations of this assessment. By analysing the legal framework and the interviews, it is possible to identify some problems in the system and difficulties in assessing professionals in a qualitative way. Currently, the clinical secretariat is the one that seems to get a more complete assessment system, merging the quantitative performance indicators with the decisive opinion of the USF's Coordinator.

It is important to stress the poor control implemented, particularly within the USFs. They rely on computers for their daily work and, specifically, to monitor their performance. Therefore, certain indicators are also based on information entered by the professionals. In detail, it is clear that there is a lack of control in the introduction of some information, opening a window of opportunity for the distortion of certain results. This does not imply that it happens. However, we could not find any control mechanisms implemented to prevent it.

Finally, it is crucial to emphasize the non-compliance by the State regarding the incentive payment, both USF and its professionals. Therefore, the State ends up not fulfilling its obligations, even after demanding good performances from USFs and its professionals.

In short, we can say that, with the introduction of SIADAP, performance evaluation gave an extremely important step towards rising the quality of healthcare. However, it is also important to underline the remaining limitations and flaws, for which the State is yet to respond. The road ahead is long and tumultuous, due to not only disputes and uncertainty of professionals already assessed by this new system, but also because of the doubts of those who will in the future be evaluated by it.

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