

# CAN THE SAME KEY OPEN DIFFERENT LOCKS? ADMINISTRATIVE VALUES UNDERLYING PERFORMANCE MEASUREMENT IN CHINA

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HON S. CHAN AND JIE GAO

Can one policy instrument be used to accomplish administrative values with different or even conflicting attributes? In his well-known theoretical framework of three clusters of administrative values, Hood argues that management designs that prioritize certain values will be less capable of accomplishing other values. An incompatibility problem exists if one seeks to integrate different sets of values into the same management design. This article further develops Hood's framework by introducing a new set of values that are highly stressed in regimes with a unified politics-administration. Based on a case study of the Chinese performance measurement system, this article argues that different sets of values can be accomplished, though unevenly, by the same management design. Although incompatibility appears, its extent can be neutralized to a degree so that all sets of values are more or less accomplished, without some succeeding at the cost of others.

## INTRODUCTION

Twenty years ago, in *A Public Management for All Seasons?*, Christopher Hood (1991) categorized administrative values into three different clusters. He argued that management designs that prioritize certain administrative values will be less capable of accomplishing other values. An incompatibility problem exists if one seeks to integrate values with different attributes into the same management design. According to Toonen (1998), Hood's typology of core values of public administration provides theoretical building blocks for the analysis of government actions at different dimensions. It also offers a very useful analytical perspective to understand the rationalities of paradoxes and contradictions in public sector reforms.

However, in reality it is often a tricky issue to handle the conflicts among values in policy design. A more recent study by Jørgensen and Bozeman (2007, p. 372) points out that, on the one hand, choices have to be made among conflicting value clusters; on the other hand, in reality, there is always a need to reflect different value perspectives in the policy design. The question then is how to strike a balance among different sets of values while prioritizing the core values that are of greatest importance to an organization (Berman 2006).

This article engages with this dialogue by examining the following questions: How important are administrative values in designing policy instruments? In what ways are these administrative values actually being accomplished in policy instruments? Can the same policy instrument be used to accomplish values with different attributes? Is incompatibility an impassable gulf so that any policy instrument has to be designed to accomplish selected values?

This study further develops Hood's theoretical framework by examining the administrative values in the context of a unified politics-administration, which is characterized by a high degree of political interference and partisan patronage into the day-to-day functioning of the government. It starts with outlining the key attributes of the three

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Hon S. Chan is Professor and Jie Gao is Assistant Professor in the Department of Public and Social Administration, City University of Hong Kong, Kowloon, Hong Kong.

clusters of administrative values in Hood's theoretical framework and explaining the causes of incompatibility. Methods of data collection are then presented. Next, this study introduces a new set of values to supplement Hood's theoretical framework and explains how this additional cluster of values differs from the three sets of values in Hood's framework. We will show that this additional cluster of values emphasizes government's reliability, faithfulness, and responsiveness to the political authority. These values reflect that regimes with a high degree of politics-administration unification place particular emphasis on keeping the government loyal and obedient to the political master instead of maintaining political neutrality.

This article then uses a key policy instrument (performance measurement) in contemporary China's administrative reform to examine how the same policy instrument has been used to accomplish different sets of values. The Chinese performance measurement system is an outstanding example of how the additional cluster of values is accomplished in a communist country and how the same policy instrument balances different value sets over time. As elsewhere, performance measurement is a core instrument of China's public management reform over the past two decades. According to one account, the Chinese performance measurement system is 'an analytical tool' that informs local governments about crucial policy goals of the party-state, and conversely, enhances central leaders' understanding on how well their objectives are implemented in local areas (Heimer 2006). One of the most crucial central policy goals in the post-Mao reform era has been to strengthen the Chinese Communist Party's (CCP) ruling capacity in local regions and to enhance the higher levels' political control over strategically important areas. Hence, under the performance measurement system, in addition to accomplishing their job duties, local government organizations are also required to fulfil a group of political tasks such as conducting ideological indoctrination and recruiting new party members. This design reflects values that are not featured in Hood's theoretical framework.

Our research shows that different sets of values *can* be accomplished, though unevenly, by the same management design. At certain specific times and localities, some values are given more prominence than others because it is thought that prioritizing these particular values will better accomplish desired policy goals in the particular circumstances of that time and place. Although incompatibility appears, as Hood contends, its extent can be neutralized to a degree so that all sets of values are more or less accomplished, without some succeeding at the cost of the others. In this regard, the incompatibility is not an impassable gulf because conducting performance measurement in China is chiefly meant to optimize a mix of values, not maximize them all at once. This article concludes by illuminating the rationale of designing such a performance measurement system in transitional China and sketching the limitations of this study.

## ADMINISTRATIVE VALUES

The indispensable function of values in public administration has been illuminated in the literature over the past century. Appleby (1949) argues that public administration is policy-making in a field where mighty forces contend, forces engendered in and by the society. An important role of public administrators is to select from alternative policies, instruments, or actions and they do so via values. Values provide implicit moral and ethical assumptions and beliefs about what is regarded as worthy, prudent, practical, and desirable. They provide normative grounds for policy formulation and the choices of instruments to effect goals that a government aspires to achieve (Harmon and Mayer

1986). In other words, basic, unchanging values constitute the 'hard core' of a coherent series of beliefs about the 'thing to be done' in the public policy sector. Individual policy instruments function as a sort of protective belt around core values and indicate *how* things should be done (Capano 2003, p. 783). A clear definition of the realm of normative values is basic to understanding the role of actors in administration, to predicting their conduct, and ultimately to arriving at a science of public administration (Dahl 1947).

The rival administrative values in play have been growing in complexity (Sayre 1951). Any attempt to classify them into neat categories risks oversimplification, but some studies show that the values underlying the decisions and judgments of public administrators do have different attributes (Kaufman 1956; Harmon and Mayer 1986; Hood 1991; Jørgensen and Bozeman 2007). A milestone contribution is the study of Hood (1991, pp. 10–15), which distinguishes values into three clusters:

- Sigma-type values – these seek to keep the government lean and purposeful amid concerns about efficiency improvement and cost reduction. The accomplishment of these values is measured by the money and time used to achieve the planned goals. Success is expressed by frugality in resource use, while failure is manifested in instances of avoidable waste and incompetence.
- Theta-type values – these aim to keep the government honest and fair, emphasize adequate governmental process, and attempt to establish a good relationship between the government and its citizens. Realization of these values is assessed by the extent of public trust in the government. Success is expressed in terms of administrative rectitude and the proper discharge of duties in procedural and substantive terms, while failure is measured in terms of malversation in a formal or substantive sense.
- Lambda-type values – these attempt to keep the government resilient and robust, and focus primarily on the capacity to adapt to rapid change, reconcile dissent, avoid system failure, and survive crises. Accomplishment of these values is measured in terms of the regime's security and robustness. Resilience and reliability signify successful accomplishment of these values, while catastrophe and system breakdown demonstrate failure.

## INCOMPATIBILITY

According to Hood, an incompatibility problem becomes apparent if one tries to formulate a management design that seeks simultaneously to satisfy all three sets of values. Take goal setting as an example. Because sigma-type values emphasize matching resources to defined objectives in an efficient and sparing way, it is crucial to establish fixed, precise, checkable goals for accomplishing these values. The emphasis of control is on outputs and results in order to obtain accurate information on wastes and inefficiency. However, it is difficult for the same management design to satisfy lambda-type values as well. It is hard to determine ahead of time precise goals for handling unpredictable contingencies, crises, and catastrophes; moreover, an emphasis on measured results may build up systematic pressures for misinformation or pathologies resulting from high performance on surrogate measures (Thompson 1961). Further, goal setting in any administrative design that emphasizes theta-type values requires a high degree of information transparency, which is of secondary consideration when accomplishing the other two sets of values. Satisfying theta-type values, for example, raises the cost of obtaining information tremendously, which is problematic for a frugal government.

Incompatibility can also be created by competing needs for information and flexibility. In a system that prioritizes sigma-type values, individual managerial units play an important role in producing information about whether the predetermined performance goals have been accomplished. Information is usually segmented, and it is often therefore regarded as an asset of each organization. Due to these factors, managing information requires a sophisticated infrastructure. The desire is to have each managerial unit work closely internally so as to avoid slack, but this aim does nothing to prioritize lambda-type values. Decisions dealing with crises and catastrophes must almost always be made on a much broader, collective basis, which requires a rich exchange of information among different organizations. Moreover, a high degree of slack and a relatively loose relationship among agencies within the government are important for providing spare capacity where learning and deployment can take place in instances of failure or unforeseen consequences.

It is undeniable that under some circumstances a particular administrative design that gives priority to one cluster of values may realize some values in the other clusters, even though the extent will vary. Hood's values have fuzzy boundaries, and some of their ranges inevitably overlap. For example, both efficiency and fairness are important to robustness. Dishonesty can give rise to waste and inefficiency. However, as Hood notes (1991, p. 15): 'Any two out of the three broad value sets may often be satisfied by the same organizing principle for a set of basic administrative design dimensions; but . . . it is hard to satisfy all three value sets equally for any of those dimensions, and probably impossible to do so for all of them.' As a theoretical construct, Hood says, incompatibility is bound to emerge if a policy instrument is designed to satisfy all three sets of values.

## METHODOLOGY

This study adopts a case study method to look into the values underlying the Chinese performance measurement system in great depth. Case study is a preferred method for process tracing or for identifying potential logics that drive the changes in particular events (Bennett 1999). The Chinese bureaucracy has five territorial entities: the centre, the provinces, the municipals, the counties, and the townships. Territorially based party committees, each with its own bureaucracy, supervise and coordinate the government institutions at the corresponding level (Burns 2001, p. 421). The target-based performance measurement system is mainly conducted in governments at and below the county level. In this regard, examining one county in detail can present a relatively complete, local picture about how performance measurement is designed and implemented.

We focus our analysis on one county (Zhouzhi) under the administration of Xi'an City, Shaanxi Province, in northwest China. This county is one of the localities that began to practise the target-based performance measurement system in the late 1980s. The relative maturity of their efforts and their rich experience with the performance measurement system are crucial for identifying the values that underlie the system and for tracking the changes in these values over the years.

Zhouzhi County began to implement the target-based performance measurement system in 1988. Each year, the county authorities sign performance contracts with organizations at the next lower level, including organizations directly under the County Party Committee, organizations directly under the County Government and townships. The contract specifies in detail the targets that each subordinate organization is expected to achieve within the assessment year and concrete indicators for measurement of satisfactory accomplishment of the targets. Leadership officials of these subordinate organizations are

held responsible for the accomplishment of the agreed targets and receive rewards or penalties according to their actual performance.

The performance contracts contain two clusters of targets. The first cluster includes the job-specific, mission-based targets that are formulated in accordance with the functional responsibilities of each organization. These targets pertain mainly to the quantity, quality, timeliness, and outputs of each organization's own work. As with Western counterparts, the measurement of these job-specific targets aims to satisfy the sigma-type values that chiefly bear on organizational efficiency and effectiveness.

The second cluster relates to general and non-mission-based policy tasks for all party and government organizations irrespective of their functional responsibilities. These targets are crucial political tasks and focus primarily on building the governing capacity of the CCP and maintaining a stable and secure society. Some of these targets are an expression of the theta-type and lambda-type values, such as building a clean government and implementing family planning, etc. Some other targets reflect values that are not featured in Hood's framework, such as conducting ideological education, consolidating local party branches and the like.

We adopt two methods to collect and analyze data. The first one is documentary analysis. Many public administration scholars rely on textual analysis of government texts and related documents to interpret the intention of rulemaking and designs of policy instruments (Ricucci 2010). This method is particularly useful in studying Chinese public administration issues (i.e., Chan and Li 2007). On the one hand, researchers on China studies face various restrictions on conducting empirical enquiries (Chen 2010, p. 15). Under such circumstances, government documents provide the best source as they 'open a wide window into officialdom' and 'allow political scientists to see the state "in action"' (Diamant 2010, p. 40). On the other hand, documents per se play an important role in Chinese politics. Wu (1995, pp. 24–5) pointed out that Chinese politics is by nature 'documentary politics', in which political leaders build consensus, reach compromises, and issue commands by formulating documents. In distinction to Western democracies that operate through a constitution and law, the Chinese communist regime operates by directives from the upper levels that are given expression mainly in documents. Downward through the administrative hierarchy, the chain of documents functions as an information transmission belt that links central directives to local implementation and transforms the communist ideology into daily politics. Information on the effects of policy implementation then travels back from localities to the centre for further policy refinement. Put in this light, a distinct feature of the Chinese communist regime is that it is 'ruled by [party] documents' (Wu 1995, pp. 26–7).

This study draws upon a large number of official documents on performance measurements that have been promulgated by the central and local governments of China during the past two decades. Since our first fieldwork, conducted in 2005, we have collected hundreds of official documents related to performance measurement in the locality. In particular, we have examined more than 200 performance contracts signed between Zhouzhi County and its subordinate organizations since 1989. On the basis of a closer examination of the evolution of these performance contracts, we used a longitudinal study to illustrate how the performance measurement system was modified in order to prioritize different sets of values from 1989 to 2010.

As with most social science research methods, documentary analysis has its limitations. For example, it explains only partially the perceptions of local leaders regarding the incompatibility problem created by competing values or policy objectives when they first

developed the performance measurement system. To compensate for these limitations and further understand these issues and update our findings, we also adopt a narrative-inquiry approach. This approach is useful given the theoretical underpinning that sociopolitical phenomena need to be understood from inside the particular world being examined, and conversations can effectively bridge the gap between what is put on paper and what happens in reality (Ospina and Dodge 2005). In 2007–11, we conducted in-depth interviews with 18 section-level leadership officials in Zhouzhi County. The interviewees were drawn from organizations with different portfolios in order to collect information from various perspectives: five came from organizations directly under the County Party Committee, eight from organizations directly under the County Government, and five from townships. At the time of investigation, these interviewees were responsible for either designing the local performance measurement system or conducting performance evaluation in their organizations.

In order to understand the target-based performance measurement system thoroughly and comprehensively, we have conducted one or two rounds of interviews in Zhouzhi County each year since 2005. Hence the information of this study does not come from a list of standard questions prepared for all interviewees. Instead, it is drawn from a detailed field research in the same locality over the years. The interviewees were asked to share their perceptions or interpretations on questions such as 'What were the main considerations of the county authorities in designing such a target-based performance measurement system?', 'How do you view the importance of mission-based targets and non-mission-based targets in performance evaluation?', and 'What do you think are the major challenges of implementing the target-based performance measurement system?' The interview information was then coded, and if necessary, triangulated in order to test reliability and credibility. For factual data (e.g., the amount of bonuses for organizations with satisfactory performance), only those confirmed by different sources were kept. These interviews provide important information for understanding issues such as the rationale for designing the overall target-based performance measurement system and the importance of different performance targets in actual implementation in the locality, and how and why variations have been made to the system.

## DELTA-TYPE VALUES

In his typology, Hood classifies values in terms of whether each type of value is generically distinct and whether it is constructed upon different justifications (Hood and Jackson 1991, p. 13). Following these criteria, we introduce a fourth set of values that are prominent in regimes with a high degree of politics-administration unification (see table 1). We label this type of values 'delta-type'; they emphasize loyalty, faithfulness, and obedience to the ruling party as well as adherence to party decisions and policies. The success of the realization of the delta-type values is measured by reliability of the government in following the instructions of the political authorities, whereas failure is expressed in terms of irresponsiveness to those instructions. The prevalence of delta-type values is justified in a communist regime because the ruling party controls and directs the machinery of state through placing party members and elites in all key government positions (Wang 2002, p. 95). Given this situation, values that pledge, maintain, and promote loyalty, allegiance, and obedience to the ruling party must have a substantial bearing on the administrative design.

TABLE 1 *Four sets of administrative values in public administration*

	<b>Sigma-type values: Keep it lean and purposeful</b>	<b>Theta-type values: Keep it honest and fair</b>	<b>Lambda-type values: Keep it robust and resilient</b>	<b>Delta-type values: Keep it loyal and obedient</b>
Standard of success	Frugality	Rectitude	Resilience	Reliability
Standard of failure	Waste	Malversation	Catastrophe	Irresponsiveness
Currency of success and failure	Money and time	Trust and entitlements	Security and survival	Commitment and consciousness
Control emphasis	Output	Process	Input/process	A combined whole
Slack	Low	Medium	High	High
Goals	Fixed/single	Incompatible 'double bind'	Emergent/multiple	Instructional/rhetorical
Information	Costed, segmented	Structured	Rich exchange, collective assets	Advocacy, reference
Coupling	Tight	Medium	Loose	Medium

*Source:* This table is developed on the basis of Hood's (1991) framework of administrative values.

The delta-type values are distinguishable from the other three sets of values in Hood's framework in that the delta-type values manifest the nature and function of government under a high degree of interference of partisan patronage and politics. Hood's value sets do not contain this type of values because in major Western liberal democracies where there is a separation between politics and administration, government officials are required to maintain neutral competence. Government officials operate administrative work professionally, and do it according to explicit, objective standards rather than to personal, party, or other obligations and loyalties (Kaufman 1956, p. 1060). Only in this way is the bureaucracy viewed as having tremendous instrumental rationality and 'technical superiority over any other form of organization' (Gerth and Mills 1946, p. 214).

On the basis of this understanding, the civil service systems in some Anglo-Saxon countries such as the USA and the UK, were established with the objective to separate administrative affairs from 'the hurry and strife of politics' (Wilson 1887). This, however, does not mean that government process can be completely insulated from politics in policy-making and resource management. To be more specific, administration should not be driven and interrupted by partisan patronage and electoral politics (Rosenbloom 2008). The bureaucracy is required to be responsive to the ruling party of the day and faithfully implement its policies. Nonetheless, no career-based government officials should be connected with the ruling party. For example, the Civil Service Code of the UK indicates that political impartiality is a key standard of civil servants' behaviours. Civil servants must serve the Government to the best of their ability in a way which maintains political impartiality, no matter what their political beliefs are and what the Government's political persuasion is (UK Government 2010). Likewise, the Pendleton Civil Service Act of the USA stipulates that civil servants should not be under obligations to contribute to any political fund, or to render any political service, and not be removed or otherwise prejudiced for refusing to do so (US Government 1883).

By comparison, neutral competence has never become a core value of the civil service reform in the communist China. Instead of remaining politically neutral, China's civil

servants are required to unswervingly toe the party line. They are expected to hold a very high level of political commitment to the Communist Party, the extent of which goes far beyond what is ordinarily expected of functionaries in a rational-bureaucratic setting (Vogel 1974). For example, Article 4 of the Chinese Civil Service Law stipulates that civil servants should 'take Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory and the concept of "Three Representatives" as guidelines, follow the basic premises of the primary stage of socialism; adhere to the party's line, guiding principles, and policies concerning cadres; and adhere to the principle of party control of cadres'. Such a stipulation clearly shows that as a matter of legal principle, Chinese civil servants are required to be faithful and loyal to the CCP instead of being politically neutral (PRC 2006).

In this context, delta-type values become a core set of 'administrative' values and accomplishing these values has been a crucial task for Chinese local governments since the CCP came to power in 1949. Barnett (1967, p. 29) observes that in Maoist China, one of the most important instruments for party leadership and control over local governments is the regular indoctrination session called 'theory study'. It aims to educate local officials and party members and to exercise tight ideological control over them. As a consequence, a required activity of party and government organizations at all levels is to organize regular meetings to study party publications, documents, and speeches of top leaders.

Such activities on loyalty cultivation endure in local government management in the post-Mao era. When the Chinese reformers began to practise performance measurement in local areas, they placed a great emphasis on evaluation of local governments' achievement on 'party building'. In 1995, the central leaders promulgated a landmark document, the *Notice on Strengthening and Improving the Evaluation of Practical Work Accomplishment of the Leadership Corps of Party Committees and Government at the County (Municipal) Level* (hereafter referred to as the 1995 Notice) to spearhead this practice (PRC 1995). This directive indicates the central leaders' determination to carry out target-based performance measurement nationwide. It stipulates three performance items in evaluation of local government performance, namely, party building, social development and spiritual civilization construction, and economic development. Each of the three parts is as important as the others in evaluation, and each includes more concrete performance targets. For example, party building consists of five targets, namely, ideological education, construction of leadership corps, construction of democratic dictatorship, construction of party branches, and building upright party style and clean government.

Local governments are required to tailor their own performance targets, indicators, and assessment methods in alignment with the 1995 Notice. In Zhouzhi County, party building is decomposed into a number of more concrete tasks, such as strengthening the leadership corps, conducting administration by law, establishing grass-roots party branches, ensuring the security of confidential information, and so forth. Given the nature of these tasks, the county authorities used instructions instead of quantified indicators to inform local officials about what they would be expected to achieve. For example, one instruction that has not been changed for years is that local officials should 'faithfully implement the decisions made by the County Party Committee and County Government in the year' (PRC 2010). Such requirements, though abstract in nature, send a clear message to local officials that they need to show dedicated disposition to the party's policies and decisions. As our interviewees pointed out, party building targets were 'soft' only in terms of measurement and comparison. The importance of these tasks should not

be underestimated in a country where there is no clear boundary between the party and the state.

The analysis above shows that an administrative design that places delta-type values at centre stage produces a different relationship between values and instruments when compared with the system described by Hood. Performance targets in a management design that seek to satisfy delta-type values are likely to be instructional and rhetorical (for example, the requirement of actively promoting political ideologies), because the main function of these targets is to deliver and propagate crucial messages about the ruling party's directives and expectations. Because these goals are neither easily quantifiable, nor precisely defined and evaluated, information produced by their measurement is often taken as advocacy or reference.

### ACCOMPLISHING DIFFERENT VALUES BY THE SAME POLICY INSTRUMENT

Evolution of the target-based performance measurement system in Zhouzhi County over the past two decades shows that the instrument is used to accomplish all four sets of values (summarized in table 2). Yet, as we will show, none of the four clusters of values is 'consistently' prioritized in the locality. The main policy objective underlying the entire performance measurement system is for local officials to not accomplish selected targets only and ignore others. Instead, they are to differentiate the most important tasks from the lesser tasks at that particular time in that specific locality.

Performance measurement in the early stage of implementation in Zhouzhi County was primarily an expression of sigma-type values, supplemented by some others. As an important way to accomplish sigma-type values, organizations responsible for concrete economic management affairs (e.g., the Finance Bureau, the Forestry Bureau, and the townships) in Zhouzhi County were required to develop concrete, precise, and quantifiable performance targets. For example, the performance contract signed between Zhouzhi County and one of its townships in 1989 showed that the township had 12 concrete economic targets to fulfil, including collecting RMB 96,321 agricultural taxes, RMB 80,000 industrial and commercial taxes, RMB 2,700 land expropriation taxes, RMB 5.83 million township-owned enterprise incomes (including RMB 380,000 profit), and so forth (PRC 1989). Hard indicators such as these provided the clear yardsticks of efficiency and effectiveness that the government organizations were striving for.

TABLE 2 *Performance targets and their underlying values in Zhouzhi County since 1988*

Performance targets	Underlying values	Examples
Mission-based targets	Sigma-type values	Economic targets: The total amount of industrial output; per capita annual net income of peasants Public service targets: The percentage of rural residents vaccinated against infectious diseases
Non-mission-based targets	Theta-type values	Anti-corruption targets: Ensuring that reception fees should be less than the amount spent the previous year
	Lambda-type values	Social development targets: Implementing family planning policies; controlling the number of mass petitions to the Central Government
	Delta-type values	Political targets: Conducting ideological indoctrination through regular study sessions

Performance measurement in this stage did not place priority on the realization of the non-mission-based targets that are designed mainly to accomplish delta-type, theta-type, and lambda-type values. Most non-mission-based tasks were defined by advocacy-like, sloganeering statements or phrases that were hard to evaluate objectively. Therefore local officials in Zhouzhi County viewed their accomplishment as being relatively 'soft' tasks that did not require much urgency. These tasks were therefore not as avidly pursued.

The focus of performance measurement has, however, gradually shifted since the mid-1990s when the central leaders began to press local officials in the accomplishment of non-mission-based targets. The stipulations in the 1995 Notice show that the Chinese reformers intended to strike a balance among the four types of values underlying the performance measurement system. Targets of economic construction (e.g., GDP growth, increasing the rate of local financial income, increasing acreage of farm land, etc.) are basically an expression of sigma-type values. Delta-type and theta-type values are mainly reflected in the measurement of the achievements of local officials with regard to party construction. What is worthy of note is that lambda-type values are highlighted and given more importance than before. Targets of social development and spiritual civilization construction, as lambda-type values, have not only increased in number but are also measured in a more quantifiable, objective way. The 1995 Notice proposes to use quantified indicators to measure the accomplishments of local officials in this connection, such as standards for dealing with wastewater, percentage of the population receiving nine-year compulsory education, reduction of illiteracy, and the like. The underlying message is that local officials should take these tasks more seriously and make efforts to accomplish them in practice.

In alignment with the 1995 Notice, Xi'an local governments made further revisions to the performance contracts it signed with its subordinate offices and organizations. In 1998 the performance contracts of government organizations in Zhouzhi County differed from those in 1991 in at least two significant aspects. First, 'party building' became a new and very important non-mission-based target. Because each organization had discretion to develop its own concrete indicators to evaluate the accomplishment of party building, the assessment of this target still varied from one organization to another. The second change is that Zhouzhi County began to use quantifiable indicators to evaluate some non-mission-based targets, as the 1995 Notice required. For example, in the 1991 contract of the Grain Bureau, 'building upright party style and clean government' was evidenced by abstract terms such as expressing the need 'to focus our resources on the strict investigation of all economic irregularities', 'to further develop education in order to foster clean government', and 'to raise the level of anti-corruption consciousness of the workforce'. However, in the 1998 contract, the same target was evaluated by three indicators, two of which were quantifiable and more specifically described than before: (1) conducting a democratic-life meeting every half year; (2) improving the reporting system for corruption cases; and (3) ensuring that reception fees [using public funds for receptions] should be less than the amount spent the previous year (PRC 1991, 1998).

After promulgation of the 1995 Notice, Zhouzhi County comprehensively revised the performance measurement system to emphasize the accomplishment of non-mission-based targets and the underlying values. The trend is clearly apparent in recent years, as performance measurement in the locality has witnessed a proliferation of non-mission-based targets. Not only has the number of categories involving non-mission-based targets increased, but also there is a dramatic increase in the significance of these targets.

A watershed in the development of performance measurement in Xi'an local government has been the standardization and prioritization of non-mission-based targets, as specified in the 2005 document, *The Notice of Printing and Distributing the Evaluation Methods on the Target-Based Responsibility System in Zhouzhi County* in 2005 (PRC 2005). The document redefined the non-mission-based tasks as 'common targets'. Put briefly, common targets are categorized as 'standardized' non-mission-based targets. This means that all party and government organizations in Zhouzhi County use the same set of indicators to evaluate their work accomplishments.

The main reason for doing this is operational expediency. In the past each organization had the discretion and authority to transform the non-mission-based tasks into targets and to tailor their targets and evaluation method to suit their needs. After promulgation of the 1995 Notice, more and more political tasks were transferred to non-mission-based targets and inserted into the performance contracts of local cadres. However, if each organization retained the authority to tailor its own targets and indicators, it could be quite a challenge for county authorities to evaluate, compare, and monitor the accomplishment by subordinate organizations of non-mission-based targets. Furthermore, permitting local organizations to tailor their own targets was ineffective in improving their performance. In order to circumvent the system, some local organizations developed targets that they had already accomplished in the previous year.

For these reasons, the County Party Committee decided in 2005 that all party and government organizations would cease to have any discretion or authority in specifying, formulating, or tailoring departmental-specific non-mission-based targets and the methods of evaluating them. Instead, the County Party Committee centralized the power to determine targets, their accompanying indicators, and assessment methods, and to distribute and evaluate the common targets in the year-end assessment by designated offices and organizations.

In addition, four out of the seven common targets – maintaining comprehensive social security, family planning, building upright party style and clean government, and ensuring production safety – were categorized as 'compulsory targets with veto power' in the year-end evaluation. A failure to achieve any one of the four targets would negate all other successful accomplishments. Once it is vetoed, an organization is banned from the year-end evaluation and consequently loses the opportunity to receive rewards and bonuses. More importantly, leadership officials of the organization, especially the first-in-command (*yibashou*), may suffer severe penalties such as salary reduction, demotion, transfer to a less attractive position, or, in extreme cases, removal from the leadership corps.

Furthermore, Zhouzhi County developed two methods to overcome the problems of abstraction and subjectivity in the evaluation of compulsory targets with veto power. One is to make specific, quantified measurement indicators. For example, seven out of ten indicators of the target 'family planning' are actually quantified; for example, 'at least 80% of [known] women's diseases shall be under control'. The remaining three indicators, although hard to figure in numbers, are concrete and easy to monitor; for example, 'establishing birth control dossiers for the unemployed and for the floating population'.

Nonetheless, some non-mission-based targets are still hard to measure objectively. Another method invented to overcome this weakness and to achieve more effective performance control is to clarify as much as possible the expectations of target accomplishment as well as the responsibilities of the leadership officials. For example, a multiple-level accountability system was carried out in order to accomplish the target of

'building upright party style and clean government'. Leadership officials at three different levels are tied together for the accomplishment of specified anti-corruption tasks. In this way, leading cadres at a certain level are held responsible and receive punishments for the wrongdoings of the next-lower-level officials and vice versa. Such arrangements leave local officials with fewer excuses for not meeting the targets and not making an effort to maintain integrity.

Incompatibility does emerge, especially after the proliferation of common targets. A concrete manifestation of this problem is that local officials might have failed to accomplish some targets because they could have made an effort to accomplish other targets. Given the fiscal deficit problem for the last decade or so, Zhouzhi County decided in 2003 to build an ecological park mainly with outside investment in order to promote economic growth. To ensure smooth progress of this project, the county government used force to demolish houses and buildings on more than 67 hectares of land, and used the police to suppress the masses that refused to move out. Such a radical action resulted in a serious mass riot and triggered a series of collective petitions to Beijing. Consequently, local leadership officials were vetoed for failing to maintain social stability. The County Head was demoted and two Deputy Heads were removed in 2004 (Xinhua News Agency 2004).

Nevertheless, the incompatibility problem is not an impassable gulf because conducting performance measurement in China is chiefly meant to optimize a mix of values, not to maximize them all at once. For Chinese reformers, what really matters is to mobilize local officials to implement crucial central policies and satisfy pressing political needs – that is, achieving good, collective local governance and pushing China's economic development and nationalism to new heights. Hence, even if some values are less well accomplished, as long as party–state governance capacity can be enhanced, a certain level of incompatibility as well as design flaws in the performance measurement system is considered acceptable.

A manifestation of the party's attitude on this issue is that although many officials were removed because of failing to achieve the compulsory targets with veto power, most of them were allowed to resume leadership posts. In the case of land demolition in Zhouzhi County mentioned above, the former county head is now the vice chairman of the Family Planning Commission of Xi'an City, while the two deputy heads were reappointed to take leadership posts in the County People's Congress and the County Construction Bureau, respectively (Xinhua News Agency 2004). In Zhouzhi as well as in other parts of China, such stories are not rare (see *People's Daily* 2008; *China Daily* 2009). The message is clear – for the party, the primary purpose of implementing the performance measurement system is to drive local officials to fulfil comprehensive socioeconomic development goals. If local officials have made such an effort to fulfil the goals, their career should not be completely put aside because of unsatisfactory performance on a particular target. Looking at the broader picture, the same performance measurement system can be used to accomplish all values, although the extent that these values are realized will vary.

## CONCLUSION

In this article we have examined the dynamics of using performance measurement to accomplish different administrative values in China for the last two decades. We have shown that from the outset, all three clusters of values mentioned by Hood have underpinned the Chinese performance measurement system. In addition, in a communist state where a clear boundary between politics and administration is severely lacking, a fourth set of values, which aim to keep the government loyal and obedient to the ruling

party, is indispensable to the administrative instrument design. We then illustrate that these values are more or less satisfied by one performance measurement system, although some values are deemed more important than others at different stages of the reform or in terms of different local socioeconomic development needs. On the shoulders of the Chinese local officials rest the comprehensive responsibilities of maintaining effective governance – to develop a vital, fair, honest, stable, secure society under the leadership of a robust and strong Communist Party.

Technical deficiencies aside, performance measurement appears to be an impressively useful instrument for dealing with the major socioeconomic problems that the Chinese reformers have encountered over the past two decades. Whenever modifications have been made to the performance measurement system, the primary purpose has been to resolve policy concerns of crucial importance to the party–state. Should we leap, then, to the conclusion that performance measurement is the skeleton key that opens many different locks for Chinese reformers? To avoid confusion, we hope to point out that we are not following Hood and Jackson's (1994) discussion on keys that make particular administrative arguments 'fit the lock'. We simply use a metaphor to refer to whether the same policy instrument (the key) can incorporate and satisfy different sets of values (the locks).

What makes the Chinese performance measurement system so powerful is a unified cadre personnel management system where the party has a monopoly on the power to nominate, appoint, transfer, veto, and remove cadre personnel at all levels. Under this system, all cadres are placed in a management matrix, and party committees at each level administer interlocking and multiple layers of personnel management units (Chan and Li 2007, p. 393). The attainment of the party's socioeconomic goals is pursued through careful recruitment of elites and their placement in key government positions (Wang 2002, p. 69). In this context, the cadre personnel management system is a good manifestation of the significance of the delta-type values in China. As Burns (2006, p. 40) indicates, the criteria of leadership selection have varied over time but have never ceased to stress one's capacity to meet the expectations of the competent political authority, the core of which is his/her political loyalty.

Viewed as such, the skeleton key that opens all doors is the party's absolute power over cadres' career fates. Performance measurement is one concrete way to manifest and reinforce the principle that the party controls cadres – it informs cadres at all levels about what they are required to accomplish if they want to climb up the ladder, instead of being weeded out of the administrative hierarchy. If a new problem is categorized as a compulsory target in performance measurement, most local officials will strive to deal with it, whether the target is mission-based or non-mission-based, realistic or out of reach, quantified or abstract. Some targets may not be evenly achieved, but as a whole, performance measurement ensures that local officials will adhere to party policies and directives, creating an effective, comprehensive governing capacity for the party–state.

At last, we must make a caveat about the limitations of this research. Our findings cannot be generalized to represent the overall picture of Chinese counties. The design of each specific performance measurement system is inevitably affected by local peculiarities such as economic strength, policy preferences of local authorities, industrial structure, and so on. In this regard, values that are prioritized in inland counties may not be deemed equally important in coastal counties. In addition, the objective of this study is to examine the dynamics between values and instruments by providing in-depth analysis on one concrete case. Is the delta-type value typology applicable to other communist countries

such as Vietnam, Cuba, and North Korea? Have these values worked in the similar way in the former German Democratic Republic or the Soviet Union? Is incompatibility possible because of the unification of politics and administration? It is beyond the scope of this paper to discuss all these issues. Further empirical studies are needed to address these questions. Our study provides a baseline for further research that may require an adjustment of the findings presented here. Nevertheless, we think Hood would agree that the same policy instrument could be designed to accomplish different sets of values when the broader political context varies.

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