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Why is dialogue on performance challenging in the public sector?

Structured abstract:

Purpose: This study aims to understand performance management as a social phenomenon by investigating the challenges of performance dialogue, a phenomenon where participants jointly interpret performance information and discuss it while identifying the actions needed to manage the performance according to this information

Design: The research aim is achieved by conducting an interview study. Empirical data was gathered by interviewing 30 public managers in three Finnish municipalities and subjecting it to content analysis utilizing inductive category development.

Findings: The research provides empirical evidence from challenges in engaging in performance dialogue. It moreover derives a comprehensive conceptual model categorizing factors inhibiting performance dialogue.

Practical implications: Difficulties conducting organizational performance dialogues are better explained. The findings support the management of performance dialogue by helping practitioners to identify challenges associated to these dialogues.

Originality/value: This study contributes to current conversations on performance management by showing that performance dialogues are no miracle cure for problems in performance information use. Moreover, we demonstrate that complications in performance information use are intertwined in many ways.

Keywords: performance dialogue, performance information, performance management, performance measurement, public management, local government

1 Introduction

Performance management, meaning the use of performance information to improve organizational actions (Hatry, 2006), looms large in the management literature. A fundamental change in performance management practices has recently been predicted (Bititci et al., 2012). In this change, performance management becomes a more social process by including more people to management practices (Agostino and Arnaboldi, 2015; 2018). This new and more social form of performance management is understood in this study as a performance dialogue where participants jointly interpret performance information and discuss it while recognizing the actions needed to manage the performance according to this information. All dialogues addressing other than performance information are excluded out from our research. Performance information refers here to information about public sector performance systematically gathered, produced, and shared (Kroll, 2012). Moreover, dialogue is a specific type of discussion; not all discussions are dialogues as defined by the literature focusing on dialogues (cf., Isaacs, 2001).

The overall aim of the study is to contribute to the understanding of performance management by elucidating performance dialogues. To do so we ask: *what challenges are related to performance dialogue, how do they differ from known problems in using performance information?* The literature lacks research settings designed to answer these two questions. The dialogue literature has studied dialogues in general (Isaacs, 2001) but not specifically dialogues as a performance management practice. Hence the dialogue literature lacks attempts to understand and resolve current difficulties in using performance information through dialogue. In performance management, preliminary studies on integrative dialogues (Moynihan, 2005) and performance dialogues (Laihonen and Mäntylä, 2017) have been reported. Despite suggesting dialogue to remedy difficulties in performance information use, these studies have not addressed the specific challenges of performance dialogues. Nor is there much empirical research on the challenges inherent in such dialogue. This is a clear gap in the research; clearly performance dialogues have their own difficulties.

In order to answer to the research questions, we conducted an interview study (n=30) in three Finnish local governments. The empirical data was gathered through interviews that were analyzed with content analysis. Our study was confined to public performance management, where market-driven price mechanisms are mostly missing and where the value of service provision is determined in a continuous performance dialogue between different

discussants with different ideas about what is valuable. The main finding of this research is that the challenges of performance dialogues are due to multiple co-occurring factors making these challenges difficult to resolve. Indeed, it is very difficult to overcome such challenges without understanding how various factors affect performance dialogues. Our results contribute to the performance management and dialogic leadership literature by recognizing challenges of performance dialogues. The rest of this study is organized as follows. Section two describes the research design in detail. Section three reviews the literature and creates the theoretical framework used in the content analysis. Section four presents the content analysis and results of the study. Section five presents the implication of this study and section six is devoted to conclusions.

2 Research design

We first defined the concept of performance dialogue by combining the ideas presented in the performance management and dialogue literature (see figure 1). Then we focused on the literature dealing with problems in performance information utilization and difficulties experienced in dialogues. By merging the problems in information use with the recognized difficulties in dialogues, we formed a theoretical framework that was used in the content analysis. This framework was iterated and corrected after going through 50 percent of the interviews. This method is called inductive category development (Mayring, 2000).

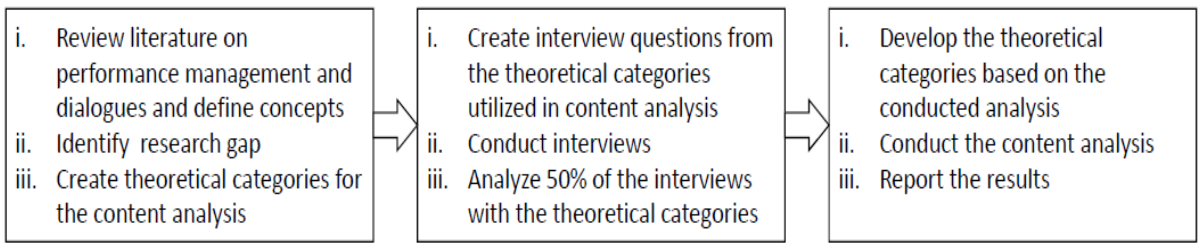

Figure 1. The research process

Empirical data was gathered by interviewing 30 managers in three Finnish cities: Tampere, Turku, and Espoo. The three cities were selected because they had ongoing projects relating to the development of performance dialogues. The overall aim of the interviews was to elicit managers' perceptions of the existing challenges of performance dialogue practices. The interview questions we used can be found in Appendix 1.

Thematic interviews were carried out between November 2016 and March 2017. The interviews lasted about an hour, were conducted face-to-face, audiotaped and transcribed verbatim. The interviewees were selected in collaboration with the city representatives. Turku

and Tampere were considered as similar cases and the analysis was started by comparing them. These organizations were thought to be similar because they operate in the education and childcare sectors in local municipalities. Thus both organizations operate under the same legislative framework and provide identical welfare-services to similar user groups. In Tampere and Turku the interviewees represented the chain of line management from top management to service-level management. We interviewed people from four hierarchical levels in these organizations. We also interviewed strategy and HR directors. Overall, eleven interviews were conducted in Turku and eight in Tampere.

In Espoo we studied performance dialogue in a new service center that is a public service network governed by the city of Espoo. We interviewed three members from the steering group of the network, five members from the coordination group of the network and three people from the central administration of the city. Compared to Turku and Tampere, Espoo could be defined as the most different case. The service center had different tasks and provided welfare services which differed from those provided by the other two cases. The service center also served a more heterogeneous clientele, not just those using the childcare or education services. The legislative framework was also radically different because of the nature of services.

During the analysis, the interview transcripts were analyzed, categorized, and coded in keeping with the analytical framework. Two researchers first independently identified challenges in the performance dialogues. In the second phase of the analysis these lists of challenges were compared. Any discrepancies in the lists were discussed by the authors and an agreement was always found between the researchers. In the following sections we describe in detail how we analyzed the interviews.

3 The possible challenges of performance dialogues

3.1. Challenges of performance information use

The literature has identified several challenges in the use of performance information, most commonly related to the personal attributes of individuals, organizational factors, information, information systems, and the external environment surrounding the organization (c.f., Van de Walle and Van Dooren 2010; Kroll 2014; Van Dooren et al., 2015). In this study we examine whether these challenges also inhibit performance dialogues. Next, we shall look at what individual and organizational factors, information, information systems, or the external environment surrounding the organization mean in this research.

Personal attributes of individuals have been described in multiple ways in the literature. According to the authors of this article, the descriptions of personal attributes can be placed under three broader categories, namely mental models, motivation, and power. Mental models are psychological representations demonstrating how something works in the real, hypothetical or imaginary world (Johnson-Laird et al., 1998). Motivation describes what prompts a person to actions and a lack of motivation explains why actions are not taken (Pervin, 2003). Power is the ability to perform actions (Foucault, 1984) that may serve either individualism or collectivism. Furthermore, actions can be divided into two classes depending on how these relate to the actions of other people (cf., Foucault, 1977; Keohane and Nye, 1998). On the one hand there are actions determining the actions of other people (Keohane and Nye, 1998). On the other hand there are actions that do not determine any of the actions of other people (Foucault, 1984).

In general, mental models and motivation drive information processing (Van De Walle and Van Dooren, 2008). Sometimes information is not used because it does not fit into the mental models of individuals (McGrath 1999). Indeed, managers can be very selective regarding the information they use (Strachan and Tallant 1997) and information use and non-use is an act of power. The research also points out that motivated reasoning affects information processing and selection (Taber and Lodge, 2006) in adverse ways, putting in jeopardy the success of the organization (Janis and Mann, 1977). This indicates that people are motivated or demotivated to use certain performance information.

Organizational factors relate organization culture and structure according to our perception on the literature. Goh (2002) notes that organizational structures cause difficulties in the use of performance information. The structure of the organization determines how tasks relating to the main objective are divided among divisions, departments, sections, positions and jobs. Organizations using hierarchical levels and silos will not encourage knowledge transfer and learning because such structural choices are not conducive to horizontal communication (Goh, 2002). Organizational support structures (e.g., reward systems) may inhibit information use in an organization by not creating incentives for information sharing that bypasses the silos and hierarchical levels (Bartlett and Ghoshal, 1998).

The literature names organizational culture as a challenge for performance information use (Andersen and Moynihan, 2016). For example, if the culture does not value performance measurement, performance information will be ignored (Van Dooren et al., 2015). Performance measurement may also fail to gain acceptance within the subcultures (Gormley and Weimer, 1999). Here, organizational culture or subculture includes habits (i.e. acts of

power), norms, and rules that guide the interpretation and use of performance information (Van Maanen and Schein, 1979).

Information is often not used because the information user thinks that there is flaws in the form, essence, amount, or quality of the information (Rajala, 2017). The form points to different types of knowledge. Studies have shown that, for example, knowledge describing individual events may be preferred over statistical knowledge describing how such events in general occur (Colarelli et al., 2002). The essence of the information may sometimes deviate from the essence of the phenomenon that the information is supposed to describe in the opinion of the information user (e.g., complex matters are presented in a simple fashion). Flaws in the essence of information causes non-use among the public sector actors (Rajala 2017).

As several studies have pointed out, too much information can lead to information overloads, which may impair the quality of decisions (Hahn et al., 1992) or lead to selective information use (Strachan and Tallant 1997). Limiting the amount of information is not an unproblematic solution either because lack of information may impair the quality of decisions (Greenwald and Stiglitz, 1986). Limiting information often limits important aspects relating to decisions. The quality of the performance information is also a critical aspect when the usefulness of information is assessed (Van Dooren et al., 2015). Indeed, problems in the quality of performance information will often lead to its non-use (Taylor, 2009) and information quality means different things to different people.

In general, information systems are causing information non-use (Riege, 2005). Usable information may remain unused if the usability of the information system does not meet the standards of the information user (Abdel-Maksoud et al., 2015). There is research evidence to show that people have a tendency to use the most easily accessed information (such as asking co-workers) rather than seeking out the high-quality information that is more difficult to locate (O'Reilly, 1982). Information users' skills in using information systems is a major factor explaining the usability of the information system, but the design of such systems also plays an important role.

Finally, the external environment affects the utilization of performance information in the public sector. The laws and regulations that govern the behavior of public sector actors determine the approach to using information. The political environment in a society influences the ways in which public actors can utilize performance information (Van Dooren et al., 2015). Stakeholders often pressure public actors to behave in a certain way and this may determine the use made of performance information (Van Dooren and Van De Walle,

2008). Overall, the external environment creates social rules for the organization. These rules are referred here as a social rule system.

3.2. Discussion behavior as a factor challenging performance dialogue

The dialogue literature has listed many practices that need to be upheld in order to change a conversation into a dialogue (Bohm, 1999). Our theoretical framework utilizes the practices used by Isaacs (2001) although other categorizations have also been proposed. The basic practices of dialogue are listening, respecting, suspending and voicing (Isaacs, 2001). If these practices are not followed, it becomes challenging to conduct a dialogue concentrating on performance information use.

According to Isaacs (2001), failure to listen occurs if participants do not listen to each other. A manager may fail to listen or understand the explanations of the employee describing why performance did not meet the standards. When thoughts are not explicitly articulated to others, the participants are failing in voicing. Problems in voicing may cause novel ideas to remain undiscovered and important performance aspects may go unnoticed. Respect is lacking when participants do not respect the experiences and thoughts of others and make no effort to understand what others are saying. A participant underestimating significant performance details provided by other participants is an example of a person lacking in respect. Suspension does not prevail if participants express strong opinions that leave no room for the interpretations of others, possibly leading to either conflicts or problems in voicing (Isaacs, 2001).

When considering the above, we appear to need no new theoretical concepts derived from the practices of dialogue to conduct the content analysis. As concepts, mental models, power, motivation, organizational culture and structure, and social rule system will suffice to address the challenges of performance dialogues. In essence, listening, respecting, suspending, and voicing are all actions to be construed as acts of power according to our conceptual framework. Moreover, an adequate mental model describing the practices of dialogue may be lacking. One may also be motivated or demotivated to conduct, for example, listening. The practices of dialogue relate to organizational culture and structure, and also to the social rule system. According to Isaacs (2001), listening, respecting, suspending and voicing may not occur if the members of the organization are stuck in social structures, a set of frameworks, conditions, and habits causing people to act in a certain way (Isaacs, 2001). Here we take it that Isaacs' social structure relates partially to organization culture and structure and to some extent to the social rule system described earlier.

3.3. Analytical framework for the content analysis

It is far from easy to distinguish between motivation, mental models, power, information, information systems, organization structure, and culture in real life when challenges of performance dialogues are considered. As an example, a mental model may serve as a motive and mental models can enable the use of power. Using power means using mental models on many if not all occasions. Additionally, information or information system may be compared to expectations that are mental models representing those features the information or the information system has when it is considered as valuable. People compose mental models from social rule system and organizational the structure and culture even before these physically exist. For example, social rule system, such as laws and regulations, may also be thought of as mental models, merely rendered explicit through legal texts.

However, not every challenge inhibiting performance dialogues is attributable to mental models. In fact, proclaiming that mental models are the root cause of the prevailing challenges is difficult because social rule system, information, information systems, and both organizational culture and structure create additional mental models. There is a chicken and egg dilemma embedded in the root causes of the challenges obstructing the progress of performance dialogues if these challenges are described in terms of the categories identified in this study. Another difficult question in this context concerns whether we should even try to define challenges according to their root causes. Invoking root causes may well lead to situations where the root cause is merely a proposition that can be endlessly (infinitely) questioned. It becomes impossible to justify the naming of any challenge if root causes can be endlessly questioned. Seen in this light the approach using root causes seems unproductive.

The conceptual and causal difficulties do not end there. Social rule system, power, information, and organizational culture and structure can act also as motives. Motivation to use power precedes any act of power and acts of power can be seen in social rule system, information, information systems, organization structure and culture. Culture, social rule systems, information, and information systems enable acts of power. Culture entails power, social rule system, information, information systems and vice versa. The chicken and egg dilemma seems relevant to every category used in this research to describe the challenges of performance dialogue. The concepts used in the literature may describe different phenomena, but at the same time they are in many ways intertwined and overlapping. The conceptual and causal problems make it difficult to describe not only the challenges of performance dialogues but also the difficulties in performance information use.

To describe the challenges of performance dialogues, we had to determine how to identify the challenges in Table 1 from the interviews. Table 1 provides examples of the challenges

we sought to find from the interviews. What we found from the interviews was that in real life these challenge categories are intertwined, which is further illustrated in the empirical section.

Table 1. Analytical framework and examples of its use in the content analysis.

Challenge category derived from the literature	*Examples of statements searched from the interviews*
Mental model	People do not understand particular information or other people, so no common understanding is achieved in dialogues. – People do not trust performance information and performance dialogue goes off-track because of this. -- People perceive no value in performance dialogues.
Motivation	People are not motivated to investigate the information and discuss actions, so and dialogues suffer in consequence.
Power	Someone pulls rank on issues and silences opposite views in performance dialogues. -- Someone exercises their freedom not to discuss issues relating to performance information.
Information	Information is lacking. Thus, certain topics cannot be discussed in performance dialogues
Information system	The information system is lacking. Therefore, certain topics cannot be discussed in performance dialogues.
Organization culture	There is a (sub)cultural problem in the organization. Multiple individuals have the same habits and follow the same rules, and these are detrimental to performance dialogues. Dialogue may fail and the organization subculture condones this.
Organization structure	Organization structure creates silos and inhibits dialogue between them. -- Organization structure or stipulates precise tasks and routines that leave no room for dialogue.
Social rule system	Laws, regulations or other societal rules or force people to do things detrimental to performance dialogue (e.g. unnecessary reporting requirements).

4 Empirical examination: Challenges of performance dialogue in local government

Lacking information was a challenge in all the local governments examined because performance dialogues tended to focus on matters that were measured. Indeed, people often ignored the most important aspects because these were not measured. Many outcomes were often not measured (interviewee 5). The interviews showed that deficiencies in information were due to multiple challenges. Thus such deficiencies can be explained in many ways, as can be seen by analyzing the statement below:

> "What are the service outcomes (of the library)…This we could examine more.
> But it is not easy and therefore we do not do it so much."

The interviewee thinks that they could measure outcomes more. This suggests that information about outcomes is lacking. The quotation also suggests that people working in libraries have no mental model explaining how to measure outcomes easily. In the absence of this mental model, their motivation to measure outcomes is low. The level of motivation can be inferred from the statement “we do not do it so much”. Low motivation has led to inaction and power is used to restrict actions, in this case outcome measurement. Thus, according to the interviewee the people working in the library do not measure outcomes to the extent that would be satisfying. If the library does not measure its outcomes, the organizational culture has legitimized this practice because habits seen in the library do not include enough outcome measurement. Thus there are challenges in the organizational culture. Furthermore, the structure of the organization must have enabled this or the structure was ignored, which is a problem in its own right. If someone’s task were to measure outcomes frequently, this would have been articulated in the structures of the organization. Assuming that someone would frequently and adequately measure outcomes, the amount of outcome information would not be an issue to the manager. Thus, by suggesting that one might examine the outcomes more, the manager is pinpointing what is problematic in the current organization structure from her point of view. It is also clear that a social rule system requires no more outcome measurement from libraries and this enables the current habits in the organization.

The interview material of all three local governments included challenges apparently based on mental models. However, examining these statements with our framework revealed a combination of challenges relating to the problems in mental models. As an example, we focus on the following quotation taken from one interview:

> “It creates challenges for many political actors to understand the big picture. They tend to focus only on one measure, which may lead to false conclusions from a wider perspective. One has to look at many elements before the development and goal achievement can be verified.”

As stated by the interviewee, the political actors did not have sufficient mental models to understand the big picture. This affected the efforts to reach a common understanding in dialogues. According to the public manager, political decision-making was based on incomplete information because only one measure was often used. Hence the decision-makers lacked adequate information. The quotation also suggests that politicians are motivated to use just one measure even though they should use more than one. One reason for such information use may be information overload or difficulties in reading performance reports, both of which plague the public sector according to the interviews (interviewees 14 and 26).

If performance reports are difficult to read, then they fail as information systems. Another explanation may be the lack of a common language (or in other words a common mental model) between professions, citizens, and politicians (interviewees 7, 8 and 26). Using just one measure was an act of power enabled by the social rule system, the organizational structure, and the culture because these did not specify what information was to be used in political tasks. Limited capability to use performance information in dialogues was also a management problem. For example, two public managers described the dialogue culture in their organization in the following way:

> "A common topic of conversation is that this information cannot be true… I've been thinking how an earth we will learn to use the facts as facts… I feel the facts are not understood. This is a big issue."

> "There is no common understanding on what information is necessary and essential in management."

Harmful acts of power, such as lack of listening, voicing, respecting and suspending, were found in all local governments examined. The constant time pressure caused people to form opinions hastily, thereby undermining the possibility to follow the practices of dialogue. This time pressure was due to the social rule system, organization culture and structure, mental models, motivations, and acts of power (Interviewees 1, 14, 18 and 29). In addition, the public managers interviewed in each city had different perceptions of performance dialogues, which suggests that they had different mental models of how well performance dialogues functioned in their organizations (e.g., interviewees 2 and 11). We also found that in some subcultures it was wise not to say anything about certain problems because the supervisor might use her/his power to somehow punish the employees (interviewee 17). Some interviewees felt that the social rule system and current organization culture and structure created an environment where the manager had very few chances to influence the performance results. Because of the lack of influence, the performance dialogue often concentrated on monitoring tasks and willingness to express novel ideas in dialogues was to some extent depleted (interviewee 22). The structures were creating behavioral patterns that inhibited performance dialogues. It was often the case that the information system used could not share information over these structures, which disrupted the organizational dialogues. Lack of communication and transparency between administrative sectors and different hierarchical levels was pointed out in several interviews (interviewees 12, 20).

Motivation was seen in all studied organizations as one crucial factor for successful performance dialogues. In the most severe cases lack of motivation meant that people did not participate to the forums created for performance dialogues. This lack of motivation was caused by several factors. Consider the following statements from the interviews:

> "If one has motivation, then she will find time and vice versa… there are so many meetings that it is very difficult to find time and therefore we only meet in small groups because there are no longer any common time slots open."
>
> "I have the skills to use the tool [digital platform], but I'm not interested in using it."
>
> "The weakness is that there is a very low attendance rate in those meetings… the voices of the missing participants are not heard… people do not see the meeting as useful. Otherwise they would come… I do not even know who should be participating because the members change frequently."

The above responses point out that lack of motivation can explain why people do not attend meetings and why they do not use digital platforms. By not attending, they are using their power, which causes their voices to go unheard in the performance dialogue. Members' absence from the meetings was a habit indicative of the organizational culture in all three case organizations. Not attending meetings or digital forums was accepted in the cultures of all three local governments for different reasons, among them time pressure, other commitments and lack of skills to use digital forums (interviewee 12). The social rule system did also allow the non-attendance. In the case of the last quotation, the organizational structure was constantly changing and this had led to a situation where the interviewee did not even know who was actually missing. Thus missing participants was a problem inherent in changing organizational structures or an issue due to the lack of formal structure. Moreover, when people did not find meetings useful, some mental models describing the value of meetings were used as a frame of reference. Thus the problem was in the mental models, as the last quotation points out.

Both physical and digital platforms remained underused. The performance dialogue suffered from absent participants in Turku, Tampere, and Espoo. There were two types of absentees: those entitled to attend but who did not, and then those who were not invited but who, according to the interviewees, should have been invited. Absences had consequences. The problem was that valuable insights were lost and even bad decisions were made because

some views were omitted from the conversations due to people not participating (interviewees 2, 30). When people could not devote enough time to these meetings, adequate knowledge aggregation and learning from performance results did not occur. When this happened, performance dialogues as information systems failed because information did not yield enough learning and knowledge sharing. Performance dialogues also suffered from other dysfunctional information systems. Dysfunctions in other information systems impaired the performance information used in dialogues. In some cases these dysfunctions actually totally prevented information use. The information system failed for several reasons, as Table 2 shows.

Table 2. Challenges relating to information systems.

Challenge type	*Examples from the interviews*
Mental model	"We don't know how to use information systems."
Motivation	"IT know-how is dependent on an individual`s own motivation"
Power (inactions in personnel training)	"This [using information systems] requires personnel training."
Information (problems in information quality)	"The information must be transferred to an Excel spreadsheet and collated there. This is time-consuming and highly susceptible to errors."
Information system	"The information/data systems are hard to use, the challenge is to locate the correct and essential information."
Organization culture (the habit seems to be that compatibility of ICT is not checked)	"These systems were acquired at different time points, which means that when we want to combine different information sources and databases it requires manual work."
Structure (can also define the ICT task of hardware and software)	"We have different kinds of information systems that do not communicate with each other."
Social rule system	"There is the data protection side of issues. Whether or not we can combine people's information for any purpose."

5 Discussion

This study sought to understand performance management as a social and collective process (cf. Bititci et al., 2012) by scrutinizing the challenges of performance dialogues examined with an analytical framework derived from the literature on performance information use. The aim was to ascertain whether performance dialogues can solve the challenges of performance information use. This question was interesting because of claims in the literature that integrative dialogue can overcome these challenges (Moynihan, 2005; Laihonen and Mäntylä, 2017). Unfortunately such was not the case in the organizations studied here. Our finding questions the ability of the performance dialogues to solve the

challenges of performance information use. We also found that performance dialogues suffered from the challenges typical of dialogues. The foregoing implies that performance dialogues are no miracle cure for problems in performance information use.

The second major implication of this study concerns the relationships and mechanisms of challenges in performance information use. Much scholarly effort has been invested in distinguishing analytically between the reasons for complications in performance information use (c.f., Van de Walle and Van Dooren 2010; Kroll 2014; Van Dooren et al., 2015). However, here we see that in performance dialogues these reasons intermingle. A specific challenge, such as a dysfunctional information system, may therefore be a combination of multiple challenges (see Table 2) and be perceived and described in various ways depending on the viewpoint taken. The choice regarding this viewpoint has it dangers; an incorrect choice may lead to misunderstanding and oversimplification in academics' and practitioners' analyses and framing of the challenges of performance dialogues, thereby impairing the research validity and performance management practices due to a failure to correctly perceive reality. Failure to perceive and analyze the relationships pertaining between the challenges will result in oversimplification and erroneous perceptions. Concentrating on one challenge instead of the seven other types of challenge identified here is one way to oversimplify issues.

The major issue is how well practitioners and academics comprehend the relationships between the challenges described in this study. Such comprehension reflects to both research results and practical solutions intended to understand and tackle the challenges in performance information use. If these relationships are understood as presented here, it becomes very difficult to deny the interactions between the challenges and the importance of these interactions. The most recent literature would indeed suggest that there is a research gap relating to these relationships. For example, we know very little how practitioners perceive these relationships. Moreover, theoretical and conceptual studies on the topic are lacking. We therefore suggest that investigating the relationships between these challenges in performance management literature would benefit the field.

6 Conclusions

This research contributes to the existing literature by demonstrating what factors are challenging the performance dialogues in local governments. The motivation for this study came from two different sources. The first incentive to conduct this research was the

awareness that performance dialogues are utilized in every local government, but we currently know very little about what the main challenges of these dialogues are. The article at hand provided valuable insights into the challenges of performance dialogues. The second incentive arose from the performance management literature, which emphasizes performance management as a social process but reveals little about this social process. Here, our goal was to produce new knowledge about this social process and its challenges.

Our main finding was that mental models, motivation, power, organizational culture and structure, and social rule system are factors causing challenges for performance dialogues in all studied organizations. Individuals' mental models can complicate dialogues. Individuals can also be motivated to perform certain acts of power that cause troubles for the performance dialogues. However, it is the organizational culture that reveals which of these harmful practices of individuals are socially condoned and legitimized within the organization. Organization culture can enable and even encourage destructive behavior that ruins the efforts to conduct performance dialogues. Organizational structure and social rule system can also enable and even trigger these harmful practices of individuals.

The results of this research have practical as well as theoretical implications. The way we conceptualized mental models, motivation, power, organizational culture and structure, and social rule system in this research enables the analysis of these factors in the specific context of performance dialogues. Both managers and researchers benefit from these conceptual tools because they render the challenges of performance dialogues more tangible and understandable and so also more manageable.

We do acknowledge certain restrictions in our study. Because our literature reviews did not apply the techniques of systematic literature reviews, some important aspects may have been omitted from the theoretical framework and empirical analysis. However, we believe that reasonable coverage of the literature was achieved because this work was based on previous literature reviews. Although previously tested theories were used in our theoretical framework, one must be cautious with generalizations because of limited amount of interviewees and general weaknesses of interview studies, such as subconscious bias and potential inconsistencies (c.f., Brown, 2001). It is true that some of the biases related to respondents cannot be controlled and this is a limitation. However, we tried to reduce the biases relating to the interviewers by monitoring their interview techniques from the recordings as the interview process progressed and by giving them feedback from their performance if necessary. No biases relating to the interviewers were noticed in peer

evaluations of the recordings. The interview questions were also pretested before the interviews.

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Appendix 1 Interview questions

Thematic interview questions categorized according to the theoretical framework.

General view on performance dialogues

1. How would you describe the dialogues about performance?

Performance information and performance information system

2. Are there problems related to performance information and the systems providing it?

Organizational structure and motivation

3. Who participates when organizational goals and performance indicators are determined and actions are being decided based on the performance information?
4. Are all necessary participants present? Why/Why not?

Mental models

5. Is the performance information provided useful to you?
6. Are there different interpretations/views about the performance information available?

Power and organization culture

7. Do people listen and respect different interpretations/views about the performance information?
8. How do you resolve conflicting views and develop conversation culture in the organization?

Social rule system identified through the questions above