

Role of performance management in a steering system

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The link between performance management and the Government Programme has been strengthened. However, this does not mean that the targets derived from the basic role of an organisation, such as the responsibilities set out in legislation, should be disregarded.

Performance targets and indicators are based on the Government Programme and are cascaded to agency level so that all levels implement, expand upon and specify the higher-level targets and indicators. Ministries are also responsible for steering the operations and finances of organisations that do not fall within the performance management system connected to the Government Programme. However, indicators will more often be sufficient for monitoring basic operations. Only when indicators are showing red or certain areas are flagged as special targets will steering be intensified for the corresponding areas.

Target setting and reporting on the results constitute a coherent, strategic whole which, on the basis of the Government Programme and the more detailed implementation plan, will enable all shared targets, the policy targets for administrative branches, budgetary targets and the agency targets set out by the ministries to be cascaded downwards. Effectiveness and productivity indicators will be similarly cascaded from the top level downwards.

Performance management constitutes a key steering system for central government. Among the steering systems, performance management is specifically linked to the implementation of the Government Programme and the budgetary process.

In the future, these three steering processes will be increasingly considered a single steering element. A performance management reform emphasising strategic decisions has been carried out in order to create an unbroken chain of action from the targets adopted in the Government Programme to the level at which such targets are executed.

