

Syllabus

Dynamic Performance Management (ECTS: 10)

Main Instructor: Prof. Carmine Bianchi

Aims and logic of the course

Dynamic Performance Management (DPM) is a conceptual framework adopting a feedback view to frame dynamic complexity and deal with it, so to enhance policy design and implementation, leading to sustainable outcomes.

Through facilitated modeling, DPM fosters performance dialogue, communication and learning in both organizational and inter-organizational settings (e.g.: city neighborhoods). This enables a major shift from performance measurement to performance management, which enhances the use of performance information by the involved stakeholders.

By adopting a causal and outcome-oriented view of performance, DPM supports stakeholders to broaden the investigated system boundaries for policy analysis. This also enhances trade-off analysis in both time (about the effects of policies in the short vs. long term) and space (about the effects of policies on a subsystem vs. another subsystem).

Through DPM, performance drivers and related strategic resources are modeled, to enable selective and prompt detection of “weak signals” of change, affecting performance outputs and outcomes in the long run. This also supports policy makers to design and implement policies to counteract the causes behind the detected adverse “weak signals”, so to foster sustainable performance.

DPM adopts a balanced view of performance measures, not only embodying the financial, but also the competitive and social dimension of the end-results.

DPM challenges traditional performance analysis, based on a static, sectoral, and financial oriented view. It also fosters an interdisciplinary view of management. Not only the linkages between different business functions (e.g.: organization, strategy, human resource, finance, customer relationships) are captured by DPM, but also the perspectives provided by other disciplines (e.g.: psychology, sociology, law, political science) are embodied in framing performance.

Based on case-study analysis, by attending this course students will learn how to develop conceptual and insight computer simulation models rooted on a DPM approach.

The course starts with six sessions aimed at introducing DPM in the broad performance management domain. To this end, students are asked to analyze a set of papers and discuss them over the sessions through different slots of debating points. This helps them to frame main evolution patterns that the performance management discipline and practice have been portraying in the last six decades. They will perceive how the changing and growing level of dynamic complexity of the contexts where (public, private, profit, non-profit) organizations operate has been a primary factor requiring major innovations in performance management systems design, leading to corresponding shifts of focus in the discipline. Students will also experience how each evolutionary stage in the field has embodied the logics of the prior stages. They will also discover how major issues which are today considered as new trends in performance management systems design were addressed by researchers since the '70s as potential factors of failure, or “pseudo” control. They will reflect on how, since then, major risks of performance management systems failure were reported as an effect of using mechanistic, static, narrow, and myopic views focused on financial measurement and input control, which are still a major cause of behavioral distortions, leading to unintended outcomes.

This conceptual framework prepares the field for the subsequent learning sessions, during which students learn the DPM principles and methods and apply them to cope with the potential problems associated with such mechanistic views in performance management systems design, which are still a recurring problem today.

As an outcome of the course, students will develop modeling skills that will enhance advanced skills in designing and implementing “intelligent” performance management systems in organizational contexts characterized by dynamic complexity.

This is a preparatory course for the following courses:

- *“Dynamic Performance Management for Public Sector Organizations”, and*
- *“Dynamic Performance Governance”*

**Course schedule
(Academic year 2021-2022)**

Week 1	Date	Instructor	Title of the session
	2 nd March 15:30 - 18:00	Vincenzo Vignieri	Introduction to stock-and-flow DPM modeling – ABC Manufacturing case-study (part A).
	4 th March 15:30 - 18:00		Introduction to stock-and-flow DPM modeling – ABC Manufacturing case-study (part B).
	Readings		
	<ul style="list-style-type: none"> • ABC Manufacturing case study (Part A and B) 		
	<i>Notes</i>		
<ul style="list-style-type: none"> - To benefit from attending each session, students will have carefully analyzed the readings and related debating points. - Install PowerSim Studio using the information provided at the end of this document. 			

Week 2	Date	Instructor	Title of the session
	7 th March 14:00 - 18:00	Carmine Bianchi	Session 1: Physiology and Pathology as Patterns of Organizational Life.
	8 th March 14:00 - 18:00		Session 2: The Structure and Functioning of Planning & Control Systems (part 1).
	9 th March 14:00 - 18:00		Session 2: The Structure and Functioning of Planning & Control Systems (part 2).
	Readings		
	<ul style="list-style-type: none"> • Readings (listed at the end of this document) • Debating points for DPM Introductory classes (this document provides guidelines for using the readings as a basis to approach each session). • Bianchi C., 2016, Dynamic Performance Management, Springer (Chapter 1) 		
<i>Notes</i>			
<ul style="list-style-type: none"> - To benefit from attending each session, students will have carefully analyzed the readings and related debating points. 			

Week 3	Date	Instructor	Title of the session
	14 th March 14:00 - 18:00	Carmine Bianchi	Session 3: Designing Planning & Control Systems in their Organizational Contexts (part 1).
	15 th March 14:00 - 18:00		Session 3: Designing Planning & Control Systems in their Organizational Contexts (part 2).
	16 th March 14:00 - 18:00		Session 3: Designing Planning & Control Systems in their Organizational Contexts (part 3).
	17 th March 14:00 - 18:00	Carmine Bianchi	Session 4: Planning & Strategy
	Readings		
<ul style="list-style-type: none"> • Assignment – Behavioral implications of performance measurement (<i>due by 12th April</i>) • Readings (listed at the end of this document) • Debating points for DPM Introductory classes (this document provides guidelines for using the readings as a basis to approach each session). 			

	<ul style="list-style-type: none"> Bianchi C., 2016, Dynamic Performance Management, Springer (Chapter 1)
	<i>Notes</i>
	To benefit from attending each session, students will have carefully analyzed the readings and related debating points.

	Date	Instructor	Title of the session
Week 4	21 st March 14:00 - 18:00	Carmine Bianchi	Session 5: Towards Outcome-Based Performance Management (part 1).
	22 th March 14:00 - 18:00		Session 5: Towards Outcome-Based Performance Management (part 2).
	23 rd March 14:00 - 18:00		Session 5: Towards Outcome-Based Performance Management (part 3).
	24 th March 14:00 - 18:00		Session 6: Designing Planning & Control Systems in Inter-Organizational Settings (part 1).
	25 th March 14:00 - 18:00		Session 6: Designing Planning & Control Systems in Inter-Organizational Settings (part 2).
	Readings		
	<ul style="list-style-type: none"> Readings (listed at the end of this document) Debating points for DPM Introductory classes (this document provides guidelines for using the readings as a basis to approach each session). Bianchi C., 2016. Dynamic Performance Management, Springer (Chapter 1) 		
	<i>Notes</i>		
	To benefit from attending each session, students will have carefully analyzed the readings and related debating points.		

	Date	Instructor	Title of the session
Week 5	28 th March 14:00 - 18:00	Carmine Bianchi	Framing Dynamic Performance Management (part 1)
	29 th March 15:30 - 18:00	Vincenzo Vignieri	Co-existing performance regimes in contemporary public administration: a transition perspective
	30 th March 14:00 - 18:00	Carmine Bianchi	Framing Dynamic Performance Management (part 2)
	31 th March 08:30 - 12:00	Enzo Bivona	Financial Accounting principles (Balance Sheet, Income Statement, and Cash Flows Statement), Matching Financial Accounting with SD models, the t-shirt kiosk business case
	31 th March 14:00 - 18:00	Carmine Bianchi	Cascading Strategic goals and linking them to outcomes: City of Glenville case-study
	1 st April 14:00 - 18:00		Cascading Strategic goals and linking them to outcomes: City of Glenville case-study
	Readings		
	<ul style="list-style-type: none"> Bianchi C., 2016, Dynamic Performance Management, Springer (Chapters 2 and 3). Bianchi, C., & Rivenbark, W. C. (2014). Performance management in local government: The application of system dynamics to promote data use. <i>International Journal of Public Administration</i>, 37(13), 945–954. Readings (listed at the end of this document). Vignieri, V. 2022. Enhancing performance regimes to enable outcome-based policy analysis in cross-boundary settings: A Dynamic Performance Management approach. Springer, (Chapter 1). City of Glenville case-study. 		

<ul style="list-style-type: none"> • Moynihan, D. P. (2005). Goal-Based Learning and the Future of Performance Management. <i>Public Administration Review</i>, 65(2), 203–216. https://doi.org/10.1111/j.1540-6210.2005.00445.x • Any Management Accounting textbook. • Martin G. Jagels. 2006. Hospitality Management Accounting, 9th Edition (Excerpt Available at: http://media.wiley.com/product_data/excerpt/73/EHEP0005/EHEP000573.pdf) • Earl K. Stice, James Stice, Michael Diamond, 2001, Financial Accounting: Reporting and Analysis, SouthWestern College Pub; 6 edition, Chapter 1 (Financial Accounting and Its Environment), Chapter 2 (Basic Concepts of Financial Accounting), Chapter 3 (The Income Statement), Chapter 4 (The Balance Sheet), Chapter 5 (Statement of Cash Flows). Available at: https://drive.google.com/drive/folders/0BxQHRZYBA-Qb0twZ3poRzR2TWc?usp=sharing
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Week 6	Date	Instructor	Title of the session
	4 th April 14:00 - 18:00	Carmine Bianchi	Framing Dynamic Performance Management - A summary
	5 th April 14:00 - 18:00		Framing Performance in the Public Sector: a DPM perspective: Sunnyview case-study.
	6 th April 14:00 - 18:00		Framing Performance in the Public Sector: a DPM perspective: Sunnyview case-study.
	7 th April 08:30 - 12:00	Enzo Bivona	Financial Accounting principles (Balance Sheet, Income Statement, and Cash Flows Statement), Matching Financial Accounting with SD models, the t-shirt kiosk business case.
	7 th April 14:00 - 18:00	Carmine Bianchi	Sketching Dynamic Balanced Scorecards through DPM – from a static to an outcome-oriented BSC: Town of Hillsborough case-study.
	8 th April 14:00 - 18:00		Sketching Dynamic Balanced Scorecards through DPM – from a static to an outcome-oriented BSC: Town of Hillsborough case-study.
Readings			
<ul style="list-style-type: none"> • Bianchi C., 2016. Dynamic Performance Management, Springer (Chapter 2 and 3). • Sunnyview case-study • Town of Hillsborough case-study • Kaplan R. S., Norton D. P. (1992). The Balanced Scorecard: Measures That Drive Performance. <i>Harvard Business Review</i>, (January-February). • Any Management Accounting textbook. • Martin G. Jagels. 2006. Hospitality Management Accounting, 9th Edition (Excerpt Available at: http://media.wiley.com/product_data/excerpt/73/EHEP0005/EHEP000573.pdf) • Earl K. Stice, James Stice, Michael Diamond, 2001, Financial Accounting: Reporting and Analysis, SouthWestern College Pub; 6 edition, Chapter 1 (Financial Accounting and Its Environment), Chapter 2 (Basic Concepts of Financial Accounting), Chapter 3 (The Income Statement), Chapter 4 (The Balance Sheet), Chapter 5 (Statement of Cash Flows). Available at: https://drive.google.com/drive/folders/0BxQHRZYBA-Qb0twZ3poRzR2TWc?usp=sharing 			

Week 7	Date	Instructor	Title of the session
	12 th April 15:30 - 18:00	Vincenzo Vignieri	Class discussion and group presentations on Behavioral implications of performance measurement (assignment)
13 th April 15:30 – 18:00	Framing the “Market Growth model” through DPM		

	14 th April 9:00 - 13:00	Federico Cosenz	Systems Gear Case study: introduction
	14 th April 14:00 - 18:00		Systems Gear case-study: teamwork and discussion
	20 th April 09:00 - 13:00	Federico Cosenz	Saturday Evening Post case-study: introduction
	20 th April 14:00 - 18:00		Saturday Evening Post case-study: teamwork.
	21 st April 09:00 - 13:00		Saturday Evening Post case-study: teamwork
	21 st April 14:00 - 18:00		Saturday Evening Post case-study: discussion.
Readings			
<ul style="list-style-type: none"> • Bianchi C., 2016, Dynamic Performance Management, Springer (Chapter 4). • Systems Gear case study. • Saturday Evening Post Case study. • Morecroft, J. D. W. (2015). <i>Strategic Modelling and Business Dynamics: A feedback systems approach</i>. Cornwall, UK (Chapter 7). 			

Week 8	Date	
	28th April	COURSE EXAM (*)

(*) The goal of the exam will be to assess students' ability to model organizational dynamic complexity for policy making and assessment through the DPM framework.

The exam will be based on a case-study on which each student will apply the modeling skills learned during the course.

Students will individually outline an essay where, based on a set of debating points, they will analyze and discuss the case-study.

Final notes

Please **consider this document as the official course schedule**, regardless of what reported in the UniPa web portal. In case you need clarifications, please feel free to ask your instructors.

Attending classes and active participation to class discussion is a fundamental prerequisite to pass the exams. It is also a fundamental means to gain practical insights and knowledge to efficiently invest your hours devoted to study and to increase your chances to succeed in your future career.

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Dr. Vincenzo Vignieri: vincenzo.vignieri@gmail.com or vincenzo.vignieri@unipa.it

Readings for introductory classes on designing performance management systems

Reading materials - DPM Introductory classes (i.e., guidelines to study the readings).

Session 1

- Coda, V. (2010). *Entrepreneurial Values and Strategic Management: Essays in Management Theory*. New York: Palgrave Macmillan. Chapter 4.

Session 2

- Anthony R. N. (1965). *Planning and Control Systems: A Framework for Analysis*. Boston, MA: Division of Research, Graduate School of Business Administration, Harvard University (Chapter 1 “Selection of a Framework”).
- Anthony R. N., Welsch G. A., Reece J. S. 1977. *The Management Control Process*. (Chapter 15).
- Amigoni F. (1978). Planning Management Control Systems. *Journal of Business Finance & Accounting*, 5(3), 279–291. doi:10.1111/j.1468-5957.1978.tb01042.x
- Merchant K. (1998). *Modern management control systems*. Upper Saddle River NJ: Prentice Hall. (Chapter 8 “Financial Responsibility centers” & 10 “Financial Performance Targets”).
- Maciariello J. A. (1980). *Management Control System*. New Jersey: Prentice Hall (Chapter 1 – “Introduction to Management Control Systems”).

Session 3

- Otley D. (1994). Management control in contemporary organizations: towards a wider framework. *Management Accounting Research*, 5(3–4), 289–299. doi:10.1006/mare.1994.1018
- Hofstede G. (1978). The Poverty of Management Control Philosophy. *The Academy of Management Review*, 3(3), 450. doi:10.2307/257536
- Hofstede G. (1980). Management control of public and not-for-profit activities. *Accounting, Organizations and Society*, 6(3), 193–211. doi:10.1016/0361-3682(81)90026-X
- Merchant K. A. (1982). The control function of management. *Sloan management review*, 23, 43–55.
- Birnberg J. G., Turopolec L., Young S. M. (1983). The organizational context of accounting. *Accounting, Organizations and Society*, 8(2–3), 111–129. doi:10.1016/0361-3682(83)90018-1
- Ouchi W. G. (1979). A Conceptual Framework for the Design of Organizational Control Mechanisms. *Management Science*, 25(9), 833–848. doi:10.1287/mnsc.25.9.833
- Flamholtz E. G. (1983). Accounting, budgeting and control systems in their organizational context: theoretical and empirical perspectives. *Accounting*, 8(2), 153–169.
- Flamholtz E. G., Das T. K., Tsui A. S. (1985). Toward an integrative framework of organizational control. *Accounting, Organizations and Society*, 10(1), 35–50. doi:10.1016/0361-3682(85)90030-3
- Flamholtz et al (1985, Toward an integrative framework of organizational control).

Session 4

- Wildavsky, A. (1973). *If Planning is Everything, Maybe it's Nothing*. *Policy Sciences* (Vol. 4).
- Mintzberg, H. (1990). The design school: Reconsidering the basic premises of strategic management. *Strategic Management Journal*, 11(3), 171–195.

- Simons R. (2007). *Levers of Control: How Managers Use Innovative Control Systems to Drive Strategic Renewal*. Boston, MA: Harvard Business School Press. (Chapter 4 “Diagnostic Control Systems: implementing intended strategies”)

Session 5

- Simons R. (2007). *Levers of Control: How Managers Use Innovative Control Systems to Drive Strategic Renewal*. Boston, MA: Harvard Business School Press. (Chapter 5 “Interactive Control Systems: Adapting to competitive environments”).
- Kaplan R. S., Norton D. P. (1992). The balanced scorecard: measures that drive performance. *Harvard business review*, 70(1), 71–9.
- Behn R. D. (2003). Why measure performance? Different purposes require different measures. *Public Administration Review*, 63(5), 586–606.
- Van Thiel S., Leeuw F. L. (2002). The performance paradox in the public sector. *Public Performance & Management Review*, 25(3), 267–281.
- Sanger M. B. (2013). Does measuring performance lead to better performance? *Journal of Policy Analysis and Management*, 32(1), 185–203.
- Bovaird T. (2014). Attributing Outcomes to Social Policy Interventions - “Gold Standard” or “Fool’s Gold” in Public Policy and Management? *Social Policy and Administration*, 48(1), 1–23. doi:10.1111/j.1467-9515.2012.00869.x

Session 6

- Bouckaert G., Halligan J. (2008). *Managing performance: International comparisons*. London: Routledge. (Chapter 1 “What is Managing Performance?” & Chapter 9 “Towards Performance Governance. A New Agenda?”).
- Bouckaert – Halligan (2008, Towards Performance Governance. A New Agenda?)
- Bouckaert, G., & Van de Walle, S. (2003). Comparing measures of citizen trust and user satisfaction as indicators of “good governance”: Difficulties in linking trust and satisfaction indicators. *International Review of Administrative Sciences*, 69(3), 329–343. <https://doi.org/10.1177/00208523030693003>
- Klijn E. H. (2008). Governance and Governance Networks in Europe. *Public Management Review*, 10(4), 505–525. doi:10.1080/14719030802263954
- Bryson J. M., Crosby, Barbara C., Bloomberg L. (2014). Public value governance: Moving beyond traditional public administration and the new public management. *Public Administration Review*. doi:10.1111/puar.12238
- Heranz J. (2010). Network Performance and Coordination: A theoretical Review and framework. *Public Performance & Management Review*, 33(3), 311–341. doi:10.2753/pmr1530-9576330301
- Bianchi, C. (2010). Improving performance and fostering accountability in the public sector through system dynamics modelling: From an ‘external’ to an ‘internal’ perspective. *Systems Research and Behavioral Science*, 27(4), 361–384. <https://doi.org/10.1002/sres.1038>.

Resources and information

Downloads

Please, visit the following link to download all the readings:

<http://ced4.com/dynamic-performance-management/>

Textbook

To download the textbook: “**Dynamic Performance Management**” by Prof. Carmine Bianchi, use the VPN from your home connection or the UNIPA wi-fi connection, and visit the following link:

<http://link.springer.com/book/10.1007/978-3-319-31845-5>

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Software - Powersim Studio 10

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Powersim Studio 10 runs only on a windows machine.

Students can freely use a different software (e.g., iThink, Vensim, Stella).

Logistics

Lectures and laboratory sessions will be held at the Department of Political Sciences and International Relations, Via Ugo Antonio Amico 2 - 4, Palermo.

Computer lab: mezzanine floor

Map: <https://goo.gl/maps/NFYBsyfrBwM2>