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# Getting What You Ask For: Barriers to Proper Use of Service Monitoring Tools

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## **Getting What You Ask For: Barriers to Proper Use of Service Monitoring Tools**

Abstract: This paper provides a greater understanding of the contract monitoring process by identifying barriers that prevent contracted providers from using service monitoring tools properly. To evaluate barriers to proper tool use, seven case studies were conducted on early childhood programs in three communities in Upstate New York. The case studies specifically focused on the reporting forms that the early childhood programs completed. Data sources included: (1) interviews with government agency and contracted provider employees, (2) content analysis of key documents relating to the service monitoring tools, and (3) attendance at meetings between government agencies and contracted providers on the service monitoring tools. This paper identifies lack of contracted provider ability and misunderstandings between government and contracted providers as key barriers to proper tool use. This paper also finds evidence suggesting a link between the overall strength of technical assistance systems and understanding problems.

Keywords: contracting out, contract monitoring, social services, privatization

Many public services are not directly delivered by public organizations. Instead, public organizations contract with private organizations to deliver a wide variety of public services (Behn & Kaht, 1999; Donahue, 1989; Kettl, 1993, 2000; Savas, 1987, 2000; Sclar, 2000). Everything from garbage collection (Brown & Potoski, 2004) to the production of nuclear weapons (Kettl, 1993) has been contracted out. Contracting out for social services is particularly common (Kettl, 1993; Smith & Lipsky, 1993; Van Slyke,

2002), Reflecting this, government support of social service agencies increased by 200% from 1977 to 1997 (Salamon, 2002). As a result of contracting out, the role of government is gradually shifting from service deliverer to contract manager.

This transformation has created what Kettl (1993) refers to as the “smart buyer” challenge for government. In order to be a smart buyer, a government agency must know: (1) what service it wants to buy, (2) who it wants to buy the service from, and (3) the quality of what it has purchased. This paper examines one dimension of the smart buyer challenge: situations in which the government is monitoring contracted providers based at least in part on information that contracted providers are collecting. Hereafter, the information sources collected by contracted providers are referred to as service monitoring tools. This paper defines a service monitoring tool very broadly as any source of information used by a government agency to monitor service inputs, outputs, and/or outcomes that a contracted provider is required to give to a government agency as a condition of a government contract.<sup>1</sup> As an example of a service monitoring tool, this study focused on reporting forms that early childhood programs in three communities in Upstate New York were required by government agencies to complete.

Considerable research indicates that government agencies often lack the capacity to adequately monitor contracted providers themselves (GAO, 1997; Kettl, 1993, 2000; Milward, Provan, & Else, 1993; Van Slyke, 2003). For example, Cigler (1990) reports that nearly two-thirds of North Carolina county officials completing her survey on contracting out practices cited the “difficulty in monitoring the performance of

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<sup>1</sup> There is a burgeoning literature on performance contracting (Behn & Kant, 1999; Blasi, 2002; Kettner & Martin, 1995; Martin, 2000; Martin, 2002). However, the broader term service monitoring tool is used in this study rather than performance monitoring tool because many of the government agencies included in this study only collected information on contracted providers’ service inputs and outputs and did not attempt to evaluate service outcomes or the quality of services contracted providers were delivering.

contractors” as the “greatest disadvantage with contracting experienced by their government” (p. 293). As a result of this lack of capacity to monitor contracted providers, government officials often rely on data collected by contracted providers as key sources of information (Brown & Potoski, 2006; DeHoog, 1984; Kettl, 1993; Smith & Lipsky, 1993). A contracted provider is properly using a service monitoring tool when the contracted provider reports the data collected by this tool in a timely manner and when the data are both accurate and complete.

Contracted providers' use of service monitoring tools has significant consequences for the contract monitoring process. The government agency can use the information from a service monitoring tool to assess to what extent the services being delivered are aligned with contractual provisions and the government’s service delivery goals. The government agency can also use information provided by a service monitoring tools to make better informed future contracting decisions. When used in these ways, service monitoring tools represent an important mechanism for holding contracted providers accountable for the services that they are delivering.

Despite implications for contract monitoring and accountability, the conditions under which a contracted provider will properly use a service monitoring tool have not been well studied. This paper provides a greater understanding of the contract monitoring process and offers insight into the processes through which public agencies obtain information from contracted providers in privatized environments. Using expectancy theory as its “research frame” (Stoecker, 1991), this paper identifies barriers that prevent contracted providers from using service monitoring tools properly. To examine these barriers, seven case studies were conducted on early childhood programs

in three communities in Upstate New York. The case studies specifically focused on the reporting forms that the early childhood programs completed. This paper concludes by discussing some implications of this study's findings for public administrators as well as areas for further research.

### Accountability in Contracting Relationships

The relationship between a government agency and a contracted provider represents a classic principal-agent relationship in which the government is the principal and the contracted provider is the agent. Agents can behave opportunistically (Barney & Hesterly, 1999; Eisenhardt, 1989; Jensen & Meckling, 1976). In particular, problems can arise with principal-agent relationships when the goals of the principal and agent conflict and when it is difficult and costly for the principal to monitor the activities of the agent (Eisenhardt, 1989). The sources of these problems are related to adverse selection and moral hazard (Arrow, 1984).

Given the potential of contracted providers behaving opportunistically, several scholars have stressed the importance of accountability in the contracting out literature (Blasi, 2002; Breaux, Duncan, & Keller, 2002; Coats, 2002; Dicke, 2002; Johnston & Romzek, 1999; Klingner, Nalbandian, & Romzek, 2002; Ott & Dicke, 2000; Romzek & Johnston, 2005). Contracting out further complicates the complex web of overlapping accountability relationships that exist in public administration (Klingner, Nalbandian, & Romzek, 2002). Work by Johnston & Romzek (1999) and Romzek & Johnston (2005) highlights three types of accountability as being particularly salient in contracting relationships: (1) legal accountability which focuses on the external monitoring of contractual compliance, (2) political accountability which focuses on the responsiveness

of key stakeholders, and (3) professional accountability which focuses on deference to professional norms and practices.

Service monitoring tools represent one of several ways governments can hold contracted providers accountable for the services they deliver. Public administrators can use both internal and external mechanisms in an effort to ensure contracted provider accountability (Dicke, 2002). As an internal mechanism, trust can play a critical role in ensuring accountability in contracting relationships (Beineke & DeFillippi, 1999; Bennett & Ferlie, 1996; Ott & Dicke, 2000; Sclar, 2000; Smith, 1996; Smith & Smyth, 1996; Van Slyke, 2007). The most basic external mechanism for ensuring contracted provider accountability is carefully detailing contract terms and conditions (Brown, Potoski, & Van Slyke, 2006). However, it is often impossible for parties to foresee all possible scenarios that may arise in a contracting relationship. As a result, most contracts do not specify all of the different contracting contingencies that may occur and are "incomplete" (Battigalli & Maggi, 2002; Brown, Potoski, & Van Slyke, 2006; Milgrom & Roberts, 1992; Tirole, 1999). As an alternative external control mechanism, government agencies can offer incentives to reward good contracted provider performance (Behn & Kant, 1999; Blasi, 2002; Kettner & Martin, 1995; Martin, 2000, 2002). With performance contracting, contracted provider compensation and retention of the contract may be linked to contracted provider performance.

Another common external mechanism for ensuring contracted provider accountability is contract monitoring (Dicke, 2002). By examining contracted providers' use of service monitoring tools, this article contributes to the small but growing literature on the contract monitoring process (Brown & Potoski, 2004, 2006; Romzek & Johnston,

2002). Recent research has examined government reliance on contracted providers to collect data on their own performance as a substitute for direct monitoring by government managers (Brown & Potoski, 2006). However, little is known about the barriers that prevent contracted providers from using service monitoring tools properly, the focus of this article. The next section develops a theoretical framework for understanding barriers to proper tool use.

### Barriers to Proper Tool Use

As previously defined, a contracted provider is properly using a service monitoring tool when the contracted provider reports the data collected by this tool in a timely manner and when the data is both accurate and complete. This paper draws on expectancy theory (Vroom, 1964; Porter & Lawler, 1968) and its general framework for understanding performance in organizations to identify potential barriers to proper tool use.<sup>2</sup> In the context of this study, the type of performance being considered is the extent to which a contracted provider properly uses a service monitoring tool. While expectancy theorists primarily focus on the determinants of motivation,<sup>3</sup> they also recognize the impact of other factors on performance. According to expectancy theory, motivation, ability, and understanding determine performance (Porter & Lawler, 1968).<sup>4</sup> This framework has been used to understand other public sector issues such as

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<sup>2</sup> The earliest version of expectancy theory presented by Vroom (1964) focuses on need-based outcomes and is tied more directly to content-based theories of motivation. However, later versions of the model such as the framework presented by Campbell, Dunnette, Lawler, and Weick (1970) view performance as an outcome, examining motivation as a process. The description of expectancy theory presented in this study is consistent with this latter approach.

<sup>3</sup> According to expectancy theory, the interactions among three different beliefs determine motivation to perform: expectancy, instrumentality, and valence of rewards (Vroom, 1964; Porter & Lawler, 1968).

<sup>4</sup> In this study, the more intuitive term “understanding” is substituted for the term role perception used by Porter & Lawler (1968).

collaborative efforts of citizens and public officials to provide public services (Powers & Thompson, 1994).

A variety of theories have guided past studies on contracting out including public choice theory (Cohen, 2001; Kelman, 2002; Savas, 1987), principal-agent theory (Coats, 2002; Breaux, Duncan, & Keller, 2002; Stein, 1990; Van Slyke, 2007), transaction cost economics (Brown & Potoski, 2006; Domberger, 1998; Sclar, 2000), resource dependency (Graddy & Chen, 2006; Heimovics, Herman, & Jurkiewicz, 1993; Sidel, 1991), and new institutionalism (Brown & Potoski, 2003). Expectancy theory has not been applied in a contracting out context. This study expands the theoretical base of the contracting out literature and provides an additional lens for understanding the phenomenon of contracting out. Expectancy theory was selected as the principal theory guiding this study because a broad framework on organizational performance was needed to understand contracted providers' use of service monitoring tools.

Applying expectancy theory, three factors determine a contracted provider's proper use of a service monitoring tool: contracted provider motivation, contracted provider ability, and government and contracted provider understanding. Figure 1 details three different barriers to a contracted provider using a service monitoring tool properly. The first barrier is when the contracted provider knows how and is able to use the service monitoring tool properly but is not interested in doing so. In this circumstance, there is a motivation barrier. For example, a contracted provider may believe it will receive future contracts with the government if it properly uses a service monitoring tool. However, the contracted provider may not place a high value on receiving these future contracts because the revenue that it will receive is very small compared to the rest of the



organization's budget. As a result, the contracted provider may not be motivated to use the service monitoring tool properly under these conditions.

Figure 1. Barriers to Contracted Provider Proper Tool Usage

**Motivation Barrier:** A contracted provider is not interested in properly using a service monitoring tool.

**Ability Barrier:** A contracted provider is unable to use a service monitoring tool properly.

**Understanding Barrier:** A contracted provider's understanding of what proper tool use is does not match how the government intended the contracted provider to use the tool.

Even though a contracted provider is willing to use a service monitoring tool the way it thinks that the government agency wants it to use the tool, this does not guarantee that the contracted provider will use the tool properly. The contracted provider may be unable to use the tool properly due to either lack of resources or skill. Improper use in this case involves an ability barrier. As an example, contracted provider staff may need to be knowledgeable about specific accounting practices in order to be able to properly complete financial statements required by the government as a condition of a contract. If the contracted provider lacks these accounting skills, it is not going to be able to properly complete the forms.

Finally, the contracted provider's understanding of what proper tool use is may not match the government agency's intentions on how the tool should be used. This type of improper use occurs when there is a good faith misunderstanding about what proper tool usage entails. This is referred to as an understanding barrier. For instance, the government may want the contracted provider to include both clients currently enrolled in the program and clients who have left the program when calculating the percentage of clients meeting a particular goal. On the other hand, the contracted provider may think they should just be basing their calculations on clients currently enrolled in the program.

In this case, the government intends one thing but the contracted provider unknowingly does another. Technical assistance plays an important role in contracting relationships (Romzek & Johnston, 1999) and can help reduce understanding problems between the government and contracted providers (Gooden, 1998). By providing technical assistance on proper tool use, the government agency can supplement the information on proper tool use specified in the contract and clarify potential misunderstandings.

### Research Design

This paper examines possible barriers to proper tool usage employing a case study design. Specifically, seven different case studies were conducted on service monitoring tools that early childhood programs in three counties in Upstate New York were required by government agencies to complete. Hereafter, these counties are referred to as Communities A, B, and C. Table 1 provides basic demographic information on the three communities.

Table 1. Basic Demographic Information from 2000 Census by Community

	Community A	Community B	Community C
% white (county)	85%	97%	88%
% white (city)	64%	96%	77%
% individuals below poverty level (county)	12%	16%	11%
% individuals below poverty level (city)	27%	25%	21%
% speaks a language other than English at home (county)	9%	4%	10%
% speaks a language other than English at home (city)	13%	6%	13%
Urban/rural (county)	Primarily urban	Half urban/half rural	Primarily urban

In an effort to increase this study’s generalizability, multi-site case studies were conducted (Schofield, 2000). Three of the seven case studies focused on service monitoring tools that the county’s city school district in Communities A, B, and C

required contracted providers receiving universal pre-kindergarten (UPK) funds to complete. Another three of the seven case studies focused on service monitoring tools that the county Department of Social Services (DSS) in Communities A, B, and C required contracted providers receiving day care services funds to complete. The final of the seven case studies focused on service monitoring tools that the Administration for Children and Families required Head Start grantees to complete. The UPK and DSS programs were local programs so the reporting forms contracted providers were completing were unique to each community. On the other hand, Head Start is a federal program so the Head Start reporting forms contracted providers were completing were the same in the three communities. In instances in which a government agency reported that contracted providers were required to complete multiple reporting forms, the case studies focused on forms providing information on the services contracted providers were delivering.

The information about contracted provider service provision collected on the different reporting forms examined as part of this study varied considerably. The DSS reporting forms that this study focused were similar across the three counties and included information on children's attendance and providers' calculations of the amount of money the county owed them based on children's attendance. Contracted providers submitted these forms on a monthly basis in each case. Each of the UPK case studies as well as the Head Start case study focused on the individual assessments of children's skills that contracted providers were required to complete. There was a wide variation in the content covered on the different assessments. The individual assessments of children's skills were completed three times per year for Community A's UPK program,

two times per year for Community B's UPK program and the Head Start program, and one time per year for Community C's UPK program. In addition to the individual assessments of children's skills, this study focused on other forms that contracted providers were required to complete for the UPK programs in Communities A and C and the Head Start program. As part of the case studies on the UPK programs in Communities A and C, the attendance forms that contracted providers were required to complete were examined. The case study on Community C's UPK program also examined a semi-annual report on contracted provider achievement of program goals. The Program Information Report (PIR) was the other reporting requirement examined as part of the Head Start case study. This report was completed annually and provided a wide array of information on program design, staffing, enrollment, and services.

One of the key reasons that this study focused on UPK, Head Start, and county DSS day care services programs relates to the structure of UPK programs in New York. New York school districts with UPK programs must allocate at least 10% of the state funds they receive for this service to contracting with community agencies. Many community agencies receiving UPK funds also receive funding from Head Start or their county DSS office, two other common funding sources for early childhood programs. As a result, several of the contracted providers participating in this study were monitored by multiple government agencies and were required to use multiple service monitoring tools. Also as social service agencies, the early childhood programs this study focuses on provided an interesting setting for examining this paper's research question. Social services is a policy area where contracting out is prevalent (Kettl, 1993; Smith & Lipsky, 1993; Van Slyke, 2002), and government reliance on contracted providers as its main

source of information on contracted provider performance is common (DeHoog, 1984; Kettl, 1993; Smith & Lipsky, 1993).

Selection of Communities A, B, and C was based on a review of UPK reporting forms from eight city school districts in Upstate New York. The required UPK reporting in these three communities was representative of the variation in the amount and type of information that UPK contracted providers in the eight districts were required to collect. In order to minimize the potential for confounding factors, research sites from the same general geographic area and similar economic conditions were chosen. This study also only focused on reporting forms in one service area, early childhood programs.

In an effort to triangulate the data, this study relied on several different data sources. The data sources included: (1) interviews with government agency and contracted provider employees, (2) content analysis of key documents relating to reporting form completion, and (3) attendance at meetings between government agencies and contracted providers on the reporting forms.

A total of 52 semi-structured interviews were conducted from July 2004 to April 2005 with employees from seven government agencies and twenty-four contracted provider agencies. At the beginning of each interview, the confidentiality of the individual being interviewed was guaranteed. Average interview length was an hour. A purposive sampling strategy was used to select study participants in order to ensure that only individuals familiar with the service monitoring tools that the study focused on were interviewed.

One employee from each of the seven government agencies was interviewed. Topics discussed in the interviews with government agency employees included the

general contract monitoring environment, instructions for reporting form completion, agency use of reporting forms, and consequences relating to data provided on the reporting forms. All of the government agency employees who were interviewed were female and held administrative positions within their respective organizations.

Table 2. Contracted Provider Funding Sources

	Community A	Community B	Community C
UPK funding only	1	0	2
DSS funding only	2	3	4
UPK and DSS funding	4	3	2
UPK and Head Start funding	1	1	1

Forty-five interviews with employees from contracted providers were also conducted. All of the employees interviewed were involved with the completion of service monitoring tools required by at least one of the seven government agencies participating in the study. Table 2 provides a breakdown of contracted provider funding sources. In cases in which a contracted provider received funding from two government agencies, separate interviews were conducted about the completion of reporting forms for each government agency. Of the twenty-four contracted provider organizations participating in the study, nineteen were non-profits, three were for-profits, and two were public colleges. In total, forty-three contracted provider employees participated in the study.<sup>5</sup> All but two of these contracted provider employees were female. Thirteen of the contracted provider employees were front-line staff while the remainder was not involved with direct service delivery.

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<sup>5</sup> Some contracted provider employees were interviewed multiple times because they were involved with the completion of multiple service monitoring tools. In a few of the contracted provider interviews, two or more employees from the organization participated.

The interview protocol with contracted provider employees included questions on different reasons that might motivate a contracted provider to properly use a service monitoring tool. In addition, contracted providers were asked to assess their organization's ability to properly complete the reporting forms. Problems relating to understanding were identified in two different ways. During the contracted provider interviews, employees were asked to read instructions on reporting form completion and assess how well the instructions matched their understanding of how they should have been filling out the reporting forms. Later in the interview, contracted provider employees were asked if they were ever confused about how they should have been completing the reporting forms. The interview protocol with contracted providers also included a question on instances in which their organization was unable to fill out the reporting forms properly. Employees were asked which of the following factors explained why reporting forms were not filled out properly: (1) lack of motivation, (2) lack of ability, or (3) confusion about what the government agency wanted.

All interviews with government agency and contracted provider employees were taped, transcribed, and coded. Initial codes were developed based on the government and contracted provider interview instruments. This list of codes was then revised and augmented through an inductive process based on analysis of the interview transcripts. Detailed definitions of each code were developed in order to ensure consistent usage. Memoing was used throughout the coding process (Miles & Huberman, 1994). Coded interview data was then analyzed using QSR Nud\*ist v. 4.0. Pattern-matching was employed as part of the data analysis (Yin, 1994).

Content analysis on key documents relating to reporting form completion was also conducted in all seven of the case studies. Examples of documents reviewed included the reporting forms themselves, instructions on reporting form completion, legal contracts between government agencies and contracted providers, training materials, and written correspondence. Data from these documents were used to assess legal contract explicitness on reporting form completion, the complexity of reporting form completion, and the technical assistance contracted providers received on reporting form completion. As a final information source, meetings between government agencies and contracted providers on the reporting forms were observed whenever possible. Field notes from these meetings were used to assess the technical assistance contracted providers received on reporting form completion.

Combining data collected from the interviews, content analysis, and fieldnotes, the overall strength of a program's technical assistance system for the reporting forms was evaluated. As part of this assessment, the following four characteristics were considered: (1) whether the government offered training on reporting form completion when the forms were first introduced; (2) whether the government organized ongoing meetings with contracted providers on the reporting forms; (3) whether the government gave contracted providers written instructions on reporting form completion; and (4) whether the government's technical assistance for the reporting forms was accessible to contracted providers. A program that had all of these characteristics was considered to have a strong technical assistance system for the reporting forms. On the other hand, a program that lacked many of these elements was considered to have a weak technical assistance system.



### Motivation as a Barrier to Proper Tool Use

Lack of motivation was not perceived as a barrier to proper tool use. This finding was consistent across all seven case studies regardless of the programming area. In all forty-five of the contracted provider interviews, employees could identify at least one factor motivating them to properly complete the reporting forms. Contracted provider employees' identification of barriers to properly filling out the reporting forms provides further evidence that lack of motivation was not perceived as a barrier. As depicted in Table 3, motivation was identified as a barrier to properly filling out the reporting forms in only one of the forty-five contracted provider interviews.

Table 3. Lack of Motivation as a Barrier

Case study	Total number of case study interviews	Total number (%) of interviews citing motivation as a barrier
Community A: UPK	10	0 (0%)
Community A: DSS	6	0 (0%)
Community B: UPK	5	0 (0%)
Community B: DSS	6	0 (0%)
Community C: UPK	6	0 (0%)
Community C: DSS	6	1 (17%)
Head Start	6	0 (0%)
<b>Total</b>	<b>45</b>	<b>1 (2%)</b>

### Ability as a Barrier to Proper Tool Use

While lack of motivation was not perceived as a barrier to proper tool use, lack of ability was reported as a moderate barrier to proper tool use. Contracted providers who indicated that their organization lacked the ability to fill out the reporting forms properly at least one time were classified as experiencing an ability barrier. Table 4 lists the number of interviews broken down by case study in which contracted provider employees indicated experiencing specific ability barriers. The first ability barrier relates to staffing issues. Interviews classified in this category include those in which contracted provider

employees reported inadequate staffing, staff turnover, and/or lack of training had prevented their organization from properly completing the reporting forms at least one time. The second barrier relates to financial issues. The third barrier relates to problems getting information from the government. The last column lists the total number of interviews in which at least one ability barrier was mentioned. This column is not a sum of the other three because some people cited more than one type of ability barrier.

Table 4. Lack of Ability as a Barrier

Case study	Total number of case study interviews	Number (%) of interviews citing staffing as a barrier	Number (%) of interviews citing finances as a barrier	Number (%) of interviews citing getting information from gov't as a barrier	Total number (%) of interviews citing an ability barrier
Community A: UPK	10	3 (30%)	0 (0%)	0 (0%)	3 (30%)
Community A: DSS	6	1 (17%)	0 (0%)	3 (50%)	3 (50%)
Community B: UPK	5	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Community B: DSS	6	1 (17%)	0 (0%)	1 (17%)	2 (33%)
Community C: UPK	6	4 (67%)	0 (0%)	0 (0%)	4 (67%)
Community C: DSS	6	0 (0%)	0 (0%)	1 (17%)	1 (17%)
Head Start	6	0 (0%)	0 (0%)	0 (0%)	0 (0%)
<b>Total</b>	<b>45</b>	<b>9 (20%)</b>	<b>0 (0%)</b>	<b>5 (11%)</b>	<b>13 (29%)</b>

As illustrated by Table 4, employees in thirteen interviews reported that their ability prevented them from properly completing the forms at least one time. One of the primary ability barriers was inadequate staffing. Among the nine interviews where staffing was a barrier, employees in seven interviews reported that their organizations lacked the staffing to complete the reporting forms properly at least one time. Other job responsibilities sometimes took precedence over filling out the reporting forms. For example, one contracted provider employee reported that her organization sometimes

couldn't complete the UPK reporting forms on time because a teaching assistant would be absent. This would mean that the classroom teacher had to cover for the teaching assistant in the classroom instead of completing the reporting forms.<sup>6</sup> To quote another contracted provider employee: "Childcare is extremely busy, and children come first. So if we need to take care of the kids, this is going to wait. That's essentially what it is."

Consistent with reports that inadequate staffing was a barrier to proper form completion, employees in twenty-six of forty-five contracted provider interviews complained that completing the reporting forms were time consuming. Comments such as the following were typical: "It's [filling out the reporting forms is] not complicated. It's just time consuming." It was not uncommon for contracted provider employees to report that their organizations spent five days or more days of staff time completing the reporting forms each time the forms were filled out. Contracted provider employees in two interviews even expressed concern that completing the reporting forms compromised the overall quality of their programs. In the words of one of these employees, "I feel like as though the district requires a lot of paperwork. Sometimes it [filling out the reporting forms] takes away from the children because we're so concerned with getting this done on time." These findings are consistent with other research that indicates government mandated paperwork can be time consuming and impose significant administrative burdens on front-line staff (GAO, 2003; Romzek & Johnston, 1999; Smith, 1996).

The extent to which inadequate staffing was cited as a problem varied by programming area. Five of the seven interviews where inadequate staffing was cited as resulting in improper form completion were with UPK contracted provider employees.

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<sup>6</sup> As early childhood programs, all contracted providers were required to adhere to state requirements regarding child-to-staff ratios.

In another three interviews, UPK contracted provider employees reported that while their organization had the ability to fill out the reporting form properly, doing it was difficult because of the burden placed on existing staff. Only the former group of contracted provider employees was classified as experiencing an ability barrier in Table 4.

UPK contracted provider employees did not report spending more time completing the reporting forms than employees from the other programming areas. Instead, differences in the type of staff completing the reporting forms may explain why UPK contracted provider employees were more likely to cite staffing as a problem. Administrative and other support staff was primarily responsible for completing the DSS and Head Start reporting forms. Unlike classroom teachers, these staff did not have to worry about maintaining state mandated child-to-teacher ratios when completing the reporting forms. On the other hand, classroom teachers primarily completed the UPK forms and had to juggle reporting responsibilities with their normal classroom activities.

Two other staffing barriers were mentioned by contracted provider employees. According to employees in two interviews, staff turnover prevented their organizations at least once from completing the reporting forms on time. Another employee indicated that lack of training on filling out the reporting forms hindered her from completing them accurately and completely. However, overall lack of staff training does not appear to be a barrier to proper form completion. This may be because most contracted providers indicated that the reporting forms were not very complicated to complete. Perhaps if the reporting forms studied had been more complicated to complete, there might have been a stronger link between training and staff capacity to properly complete the forms. In addition, lack of adequate financial resources does not appear to be preventing proper

form completion as none of the contracted provider employees interviewed cited this as a barrier as illustrated in Table 4.

As depicted in Table 4, the other ability barrier cited by several contracted provider employees was difficulty obtaining information from the government. DSS contracted provider employees in five of eighteen interviews reported that their reporting forms sometimes did not match DSS records because they had not obtained the information from DSS government employees that they needed to complete the reporting forms accurately. For example, DSS contracted provider employees in three interviews reported instances in which a child's subsidy was terminated but claimed DSS government employees never notified them that the child had been terminated. As a result, contracted providers had continued to provide child care to children who were no longer authorized to receive DSS subsidies. As explained by one of these employees:

What's frustrating about it [the reporting forms] is the children come and go, and they lose funding [for their child care subsidy.] And you don't always know when they've lost the funding....You ask them [DSS government employees] why [they did not provide reimbursement for a particular child's services] and [the DSS government employees respond] "Oh, the funding stopped." Well, when were you going to tell us?

None of the UPK or Head Start contracted provider employees identified difficulty obtaining information from the government as a barrier. This variation by programming area is likely due to the type of information required on the different forms. DSS contracted provider employees needed to obtain accurate information from the government in order to properly complete their reporting forms. On the other hand, UPK and Head Start employees could obtain the information they needed to complete their forms without coordinating with the government.

## Understanding as a Barrier to Proper Tool Use

In addition to examining motivation and ability barriers to proper tool use, this study explored the prevalence of understanding barriers. Table 5 lists the number of interviews broken down by case study in which contracted provider employees indicated experiencing specific understanding problems. The first type of understanding problem involves instances where the contracted provider's understanding of proper form completion did not match the instructions they were shown and this misunderstanding would have impacted form accuracy, completeness, and/or timeliness. The second involves instances where the contracted provider employee indicated that she was confused about some aspect of form completion and this confusion had not been resolved. The third involves instances where confusion about form completion had been resolved. The last column lists the total number of interviews in which at least one understanding problem was mentioned. This column is not a sum of the other three because some people mentioned more than one type of understanding problem.

Table 5. Understanding as a Barrier

Case study	Total number of case study interviews	Number (%) of interviews which indicated understanding did not match instructions	Number (%) of interviews which indicated there was unresolved confusion	Number (%) of interviews which indicated there was resolved confusion	Total number (%) of interviews citing an understanding problem
Community A: UPK	10	1 (10%)	1 (10%)	2 (20%)	3 (30%)
Community A: DSS	6	5 (83%)	4 (67%)	0 (0%)	5 (83%)
Community B: UPK	5	1 (20%)	0 (0%)	1 (20%)	1 (20%)
Community B: DSS	6	5 (83%)	0 (0%)	1 (17%)	5 (83%)
Community C: UPK	6	1 (17%)	0 (0%)	0 (0%)	1 (17%)
Community C: DSS	6	0 (0%)	1 (17%)	1 (17%)	2 (33%)
Head Start	6	1 (17%)	0 (0%)	2 (33%)	3 (50%)
<b>Total</b>	<b>45</b>	<b>14 (31%)</b>	<b>6 (13%)</b>	<b>7 (16%)</b>	<b>20 (44%)</b>

Like ability, problems relating to differing understandings were reported as a moderate barrier to proper form completion. In twenty of the forty-five contracted provider interviews, employees indicated that there was some understanding problem regarding form completion. As illustrated by Table 5, understanding problems were particularly common with the DSS programs in Communities A and B. In both case studies, employees in five of the six contracted provider interviews reported understanding problems. For example in Community A, employees in three interviews indicated that they did not always understand the system DSS used to calculate their reimbursements and that the formula that DSS used did not seem to be consistent. While less widespread than the understanding problems associated with the DSS programs in Communities A and B, understanding still appeared to be a moderate problem for the Head Start program. The reported understanding problems associated with the remaining programs were relatively minor. In each of these cases, understanding problems were reported in one-third or less of the interviews.

Table 6. Strength of Technical Assistance Systems for Using Forms

Case Study	Training when forms introduced	Ongoing meetings on forms	Written instructions on form completion	Accessible technical assistance
<i>Major issue</i>				
Community A: DSS	x		x	
Community B: DSS			x	
<i>Moderate issue</i>				
Head Start	x	x	x	
<i>Minor issue</i>				
Community C: DSS	x	x	x	
Community A: UPK	x	x	x (some forms)	x
Community B: UPK				n/a
Community C: UPK	x	x	x (some forms)	x

There is some evidence suggesting a link between the overall strength of technical assistance systems and understanding problems. Table 6 compares the strength of the technical assistance system for the reporting forms with the extent of understanding

problems by case study. For each case study, understanding problems were classified as: (1) a major issue if understanding problems were reported in two-thirds or more of the interviews, (2) a moderate issue if understanding problems were reported in more than one-third but less than two-thirds of the interviews, and (3) a minor issue if understanding problems were reported in one-third or less of the interviews.

As depicted by Table 6, understanding problems tended to only be a minor or moderate issue for programs with stronger technical assistance systems. In contrast, understanding problems tended to be a more significant issue for programs with weaker technical assistance systems. One characteristic of strong technical assistance systems that appears to be particularly important in reducing understanding problems is the government's organization of ongoing meetings on the reporting forms. The government organized ongoing meetings on the reporting forms with contracted providers in four of the five case studies with minimal or moderate understanding problems.

Programs with weaker technical assistance systems tended to have more pervasive understanding problems. The DSS programs in Communities A and B, the two programs with the most widespread understanding problems, each lacked at least two elements indicative of strong technical assistance systems. The technical assistance tended to be reactive rather than proactive with contracted providers typically contacting the government when they had a reporting concern. In addition, employees in both communities reported difficulty accessing the limited technical assistance that was available. As a vivid example, DSS contracted providers in Community A were only allowed to call with questions concerning the forms after 2pm. Representative of views



expressed by contracted providers in both communities, one employee commented: “We feel like we have to hunt the [DSS government] workers down.”

Community B’s UPK program is the one outlier contradicting the link between the overall strength of technical assistance systems and understanding problems. As illustrated by Table 6, the technical assistance system for this program was extremely weak but there were also relatively few understanding problems. One reason for this may be that some UPK contracted providers in Community B helped design the reporting forms they were required to complete. In addition, there appears to have been almost no communication between the school district and UPK contracted providers regarding the forms once they were developed according to employees in all five of the UPK contracted provider interviews. To quote one of these employees, “There is no feedback with this program. None.” This lack of feedback may have made it more difficult to identify confusion regarding differing expectations about form completion.

### Discussion and Conclusion

The role of government is gradually shifting from service deliverer to contract manager because of contracting out. As a result, government needs to become better adept at contract management. It is unfortunate but the reality is government often lacks the internal capacity to monitor contracted providers so it has to rely on other mechanisms like service monitoring tools. Given this, having a better understanding of the role service monitoring tools play in the contract monitoring process is important.

This paper identifies different barriers that contracted providers perceive as preventing them from using service monitoring tools properly. It finds that ability was perceived as a moderate barrier. Employees in more than a quarter of the contracted

provider interviews reported that their ability prevented them from properly completing the forms on at least one occasion. Key ability barriers include inadequate staffing and difficulty obtaining needed information from the government. Understanding problems were also perceived as a moderate barrier to proper form completion. In nearly half of the contracted provider interviews, employees indicated that there was some problem regarding understanding on how the reporting forms should have been completed. On the other hand, motivation was not perceived as a barrier to proper tool use.

This study's research design offers some important advantages. By conducting interviews, it was possible to collect rich data on a complicated issue. Using an interview format also may have made it easier to discuss sensitive issues involved with contracted providers' use of service monitoring tools because the researcher could personally guarantee informants' confidentiality. While there are some benefits to this study's research design, there are some limitations. The finding that motivation was not perceived as a barrier to proper tool use may be the result of social desirability bias. The contracted provider employees may have felt more comfortable blaming reporting form problems on structural and personnel issues rather than on more intrinsic qualities like motivation. Another limitation of this research is that only the author of this study coded its data. This raises concerns about the reliability of the study's findings. Although inter-rater reliability was not established, detailed definitions for each code were developed as a strategy for ensuring consistent usage. In addition, the generalizability of this study's findings to other geographic areas and other service areas may be limited. Concerns about external validity were somewhat minimized by conducting research in three communities instead of one and by conducting multiple case studies at each research site.

What are the implications of this research for public administrators? By being realistic about the reporting requirements it imposes on contracted providers, government can reduce the likelihood that inadequate staffing will be a barrier to proper tool use. The government is contracting with contracted providers to deliver a service. Many of the individuals who are completing reporting forms are also directly involved in service delivery so they must juggle several different job responsibilities. There is a trade-off between accountability and service delivery when front-line staff is responsible for both of these functions. The more time front-line staff spends on accountability functions, the less time they will have to focus on service delivery. If excessive, reporting requirements may actually undermine service delivery goals. Government should consider who will be primarily filling out the reporting forms and what their other job responsibilities are when evaluating the feasibility of reporting requirements. The other primary barrier limiting contracted provider ability was difficulty obtaining information from the government. This finding suggests government could increase the likelihood that contracted providers will have the ability necessary to properly fill out reporting forms by having good communication between government and contracted provider employees.

This study finds wide variation in the technical assistance systems for different service monitoring tools and some evidence suggesting a link between the overall strength of technical assistance systems and understanding problems. One characteristic of strong technical assistance systems that appears to be particularly important in reducing understanding problems is the government's organization of ongoing meetings on the reporting forms. Making up-front investments in technical assistance may result in public resources being used more efficiently in the long run. It will reduce the amount

of time public administrators will have to spend resolving misunderstandings about how reporting forms should have been completed and “cleaning up” the inaccurate and incomplete data contracted providers have submitted. Moreover, government employees will have more time to devote to their other job responsibilities. Providing ongoing technical assistance is likely to be particularly important in service areas where there is a lot of contracted provider staff turnover. Future research should further explore the link between technical assistance systems and understanding problems. In addition, future research should examine the underlying causes of variation in the technical assistance systems for service monitoring tools. Why do some governments choose to make substantial investments of time and energy in their technical assistance systems and other governments do not? Moreover, are these investment decisions by governments a reflection of the overall emphasis placed in their contract monitoring systems?

Also significant is what this paper did not find: motivation was not perceived as a barrier to proper tool use. This paper focused on reporting forms in one service area, early childhood programming, in order to minimize the potential for confounding factors. One thing that would be interesting to explore in future research is whether motivation might be a greater barrier to proper tool in other service areas. For example, the findings of this study might have been very different if case studies were conducted on a service area that was dominated by for-profit organizations. All but three of the contracted providers participating in this study were either public or non-profit organizations. Both of these types of organizations tend to emphasize public service values and goals. Thus, government may be able minimize concerns about adverse selection and moral hazard typically associated with principal-agent relationships by contracting with public and/or

non-profit organizations. On the other hand, for-profit contracted providers may be more prone to opportunistic behavior due to this sector's emphasis on maximizing profits. If the majority of contracted providers had been for-profit organizations, perhaps lack of motivation might have been a greater barrier to proper tool use.

Minimizing barriers to proper tool usage is ultimately in the best interests of public administrators and the citizens they serve. Public administrators' contract management decisions are only as good as the information used to make these decisions. The lack of accurate, complete, and timely information on the services contracted providers have delivered compromises public administrators' ability to effectively monitor contracted providers and hold contracted providers accountable. Given the prevalence of contracting out, contract monitoring and contracted providers' use of service monitoring tools are likely to continue to be significant public administration issues for many years to come.

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