

# THE STRUCTURATION OF MANAGING FOR RESULTS

*A Practice Perspective on Middle Managers  
in the Dutch Central Government*



**Michel L. Ehrenhard**



# **The Structuration of Managing for Results**

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IN THE DUTCH CENTRAL GOVERNMENT

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## INTRODUCTION

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“We can no longer afford to pay more for –and get less from– our government. The answer for every problem cannot always be another program or more money. It is time to radically change the way the government operates – to shift from top-down bureaucracy to entrepreneurial government that empowers citizens and communities to change our country from the bottom up. We must reward the people and ideas that work and get rid of those that don't.”

-- Bill Clinton and Al Gore (1992: 22-23)

### 1.1 PREFACE

The above quote is an eloquent formulation of the administrative problems facing modern Western governments in the last couple of decades. Based on this almost utopic vision, one of the biggest and –albeit arguably– most successful reforms in modern public administration was drawn: the U.S. National Performance Review (1993-2000). According to Thompson (2000), successful in the sense that objectives such as downsizing and budget cuts were often achieved; yet arguably successful as higher order objectives related to culture change and quality of service were not achieved. Likewise, in other time periods and locales, reforms aimed at improving the culture and quality of service of government appear to come to a standstill. This study is driven by a desire to understand why organizational changes in general, but especially in government, are so difficult to achieve.

Try to image what happens when one day you find the automated door in your office suddenly opening in the other direction.<sup>1</sup> Although the physical pain might be less in organizational change, it is essentially the unexpected element that makes change difficult. Changes in formal and informal structures have – often unintended– consequences for people’s work routines, capacity to act, and the meaning they contribute to their work. Then again, people are also actively involved in organizational change as they try to influence the process and its outcomes in their favor. Whereas changes in formal structures have clear formal consequences, the informal side of these changes is underrated. Perhaps a work process can be redesigned on paper, yet the practical execution does not follow one on one from this design. This is to a large extent due to people’s

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<sup>1</sup> One of our case organizations had almost all automated doors opening inwards, however some opened in opposing directions ...

knowledge, beliefs, values, norms, attitudes, and the like. Especially when these are integrated and widely shared within an organization they can form a strong organizational culture. Changes that will demand adaptations of a strong culture are bound to be tough. In contrast, a strong organizational culture is often mentioned as the foundation for high performance organizations (Calori & Sarnin 1991; Denison 1984, 1990; Gordon & DiTomaso 1992; Kotter & Heskett 1992; Ouchi & Price 1978; Peters & Waterman 1982; Wilderom, Glunk, & Maslowksi 2000).

Undoubtedly, public sector organizations have strong cultures that are mostly rooted in Weber's (1978) ideal type of the legal-rational bureaucracy. Nonetheless, their performance levels are almost always under discussion. Whether this critique is correct –particularly in the light of more recent affairs in the private sector leading to, e.g., the Sarbanes-Oxley act, or the subprime lending induced financial crisis– is debatable. Yet it is most unlikely that performance cannot be improved further. In our view, governments worldwide can learn from each others' experiences as they are, unlike business organizations, not direct competitors. An important role is fulfilled by the OECD that through its PUMA/Public Governance division disseminates knowledge on public management tools and practices for government reform. In the academic world a large but scattered body of knowledge on these tools and practices is put under the rubric of New Public Management (NPM). There is a specific branch of NPM called Managing for Results (MFR). It is to this branch that I want to contribute with this thesis. This track or body of knowledge does not make change less tough. Sound knowledge would however help in clarifying when, how, and why a public sector organization moves from a culture firmly rooted in the ideal type of the legal-rational bureaucracy to a more results-oriented culture. Institutional contexts provide these 'templates for organizing' (DiMaggio & Powell 1991: 27). According to Greenwood and Hinings (1996) this means that the configuration of an organization's structures and systems is provided by underpinning ideas and values, that is, an interpretive scheme (Barley 1986; Bartunek 1983; Ranson, Hinings, & Greenwood 1980). Studying change in the form of templates helps to identify behaviors as either template enforcing or template breaking and thus templates provide an anchor point for studying the much more dynamic organizational culture. Moreover, by looking at a local instantiation of the global NPM, we take a multi-level approach.

In this opening chapter we will provide a brief introduction to legal-rational bureaucracy, MFR, and the Dutch central government context of this study. Hereafter, we review the change aspects of MFR where we specifically focus on three perspectives: critical success factors, contextual influence, and contradiction, conflict and ambiguity. Then we delineate the scope of this thesis



by stating the research objective and the academic relevance of the study, formulate the central research problem and questions, and present the structure of the thesis as well as the relations between the chapters, research questions and central problem statement. Final, we offer a note on the research method employed.

## 1.2 BUREAUCRACY AND MANAGING FOR RESULTS

Public sector organizations are often stereotyped as Kafkaesque bureaucracies, while in Weber's (1978) work this organizational form was seen as the ideal type for rational decision making in public and private organizations. However, the drawback of the bureaucracy is that flexibility is low as the legal procedures that guide decision making are set. By focusing more on results, the people employed in public sector organizations are given more autonomy to tailor their decisions to specific circumstances unforeseen in the procedures. In the following sections we will introduce Weber's legal-rational bureaucracy and contrast it with the rising MFR paradigm. We will then briefly describe the attempts at implementing MFR in the Netherlands over the past decade.

### 1.2.1 LEGAL-RATIONAL BUREAUCRACY

According to Weber (1978) bureaucracy is a goal-oriented form of social action in which the means to attain a certain goal are rationally chosen. Social action is further improved when decision making is resting on a legal-rational authority, meaning that there is a belief in the legality of rules and the right of those in authority by those roles to issue commands. Weber sees legal-rational bureaucracy as a means to exercise control over an organization. Furthermore, the knowledge encoded in rules provides guidelines for decision making without demanding substantial expert knowledge. As an organizational form the bureaucracy can therefore be characterized as efficient, precise, impartial, and robust.

Yet, Weber also pointed to the perverse effects if legal-rational bureaucracy becomes a goal in itself. For instance in the case of government, civil servants are forced to be loyal to their elected officials and to behave according to legal procedures. However, when bureaucrats are fully institutionalized in their organization, it will be impossible for them to realize goals by other means than set out by the rules and procedures. When conformity to the rules and procedures replaces the achievement of organizational goals, organizations lose their capacity to adapt (Merton 1940). Especially Selznick (1957) pointed out how the rational performance of a task can be broadened to include values that

go beyond the mere technical requirements. Where rules and procedures replace rational decision making the bureaucracy becomes an 'iron cage' for those inside it.

We must not however discard of the bureaucratic organization too quickly. Walton (2005) pointed out that most new organizational forms still have many elements of bureaucracy. Also, elements from bureaucracy can foster flexibility. Take for instance the need for standardization for networked organizations to work together. Furthermore, Adler and Borys (1996) distinguish between enabling and coercive bureaucracies. They postulate that bureaucracies can be enabling when rules and procedures provide guidance and clarify responsibilities without spoiling creativity and innovation. In conclusion we can say that bureaucracies are characterized by possible goal displacement, low adaptability, and coercive control (often prevailing over enabling control); yet, contemporary organizations still carry many bureaucratic elements.

### 1.2.2 MANAGING FOR RESULTS

MFR is about turning goals into results. As MFR focuses on the improvement of government's organization and business operations, it can be positioned within the New Public Management (NPM). We chose however to focus on MFR as it is more concrete and practical than the often overly abstract and ambiguous NPM theorizing. Yet studying NPM is necessary for understanding the development of MFR. NPM started in the Anglo-Saxon countries, but rapidly spread to many other countries around the world. Within NPM two originating streams of ideas can be found. One is the 'new-institutional economics' based on public choice, transaction cost theory, and economic agency theory with central notions as contestability, user choice, transparency and incentive structures. The other stream of ideas is the business-type 'managerialism' in the tradition of scientific management and a focus on professional management expertise (paramount over technical expertise), high discretionary power, development of appropriate cultures, and active measurement and adjustment of outputs (Hood 1991). New-institutional economics is mainly involved with organizational and (quasi-) market design, while managerialism focuses on the provision of tools to managers. When both approaches are used at the same time there is bound to be a conflict between the need for transparency and the need for accountability by new-institutional economics and managerialism respectively. In other words, do we need insight through transparency in public managers' actions all the time or do we trust them to report back now and then? This begs the question why these two streams of ideas are considered together within NPM. Hood posits (1991) that the streams share the same underlying values. Two of these groups of values

are a lot like the legal-rational bureaucracy template and the MFR template. The 'keep it honest and fair' values focus on rectitude and process control, whereas the 'keep it lean and purposeful' values focus on frugality and output control.

MFR as a specific branch of NPM developed over the past decades in the US and was reawakened by the 1993 Government Performance and Results Act that led to the National Performance Review (NPR). MFR only focuses on how government should work, i.e. the management and business operations of public sector organizations. Although there were influences from abroad, most ideas came from federal bureaucrats themselves and the private sector. Federal agencies were required to develop strategic plans, performance measures, annual performance plans, and performance reporting. This performance information can then be used by stakeholders to hold government accountable. Key to MFR is the use of performance information by public managers in relation to goal-setting and account giving to stakeholders. Especially the type of goals set by public managers will have a strong influence on the performance of their employees. When learning goals are combined with a substantial degree of autonomy performance will improve considerably.

Then again, MFR is not the panacea for all public management problems. Opponents of performance measurement contend that government performance cannot be measured. There is some truth in this rather bold statement as many perverse effects can result from the performance measurement systems implemented in government (Boyne & Law 2005). Yet, most academics agree that performance information should be the basis for dialogue to bridge ambiguity and interpretive space. Another important problem for MFR is the relation between politicians and public managers. Politicians may blame low performance on public managers, while at the same time reshuffling the priorities set in the strategic plan. Furthermore, politicians are more interested in announcing reforms than actually seeing them through. Additionally, even the breadth and depth of MFR implementation that was seen as successful is doubted. For instance, in the case of the NPR lower objectives related to downsizing and budget cuts were achieved, but the higher objectives related to culture change and quality of service were not (Thompson 2000). Moreover, empirical research –like this thesis– on these so-called higher order objectives is rather scarce.

In conclusion, legal-rational bureaucracy and MFR are both goal-oriented forms of social action. The difference is however that for legal-rational bureaucracy the process is fixed by a procedure, while for MFR the result is set. A perverse effect for the legal-rational bureaucracy is a substitution of goals with means. Conversely, the perverse effect for MFR is a deficit of morally prescribed norms. In chapter two the differences between the legal-rational

bureaucracy and MFR will be further delved into. Here we will also distinguish between enabling and coercive variants of the legal-rational bureaucracy and MFR.

### 1.3 DEVELOPMENTS IN THE DUTCH CENTRAL GOVERNMENT

The reforms in the Netherlands since the 1980s were almost exemplary for NPM (Kickert 2003). Especially the 1999 results-oriented budgeting legislation can be seen as a major Dutch step towards MFR. The Ministry of Finance was responsible for the coordination of this project, but the actual implementation of accompanying measures was left to the authority of the separate ministries. Also, the Netherlands Court of Audit plays a role as their evaluations have a strong influence on the direction of reforms.

The groundwork for this results-oriented budgeting legislation was laid in 1997 as both the Netherlands Court of Audit and the Committee for the Budget of the Dutch Parliament proposed to improve the provision of performance information through the budget. In 1999 this led the Dutch central government to propose a separation between the presentation of the budget and account giving. The Ministry of Finance recognized that the implementation of results-oriented budgeting demanded a culture shift in the ministries. Also, funding was made available for the adaptation or replacement of ministerial information systems. After the first couple of years the path set out for results-oriented budgeting was relabeled as a growth path, as to acknowledge the differences in culture and formal structure within the ministries. Although results-oriented budgeting was primarily intended to revolve around the budgeting process, the implementation became much broader and developed into an instrument for a more effective and efficient operating government (IOFEZ 2004). In the meantime, the actual budgets did not improve in user-value because the ministries were more focused on fulfilling the demands and norms (Van Schooten 2003). Also, the support of public managers for results-oriented budgeting became less (Van Gils & Muioli 2004). Moreover, the Netherlands' Court of Audit (Netherlands Court of Audit 2003a, 2003b; 2003c, 2004) declared that the implementation of MFR was stalled within the ministries. Yet, throughout the implementation of results-oriented budgeting there was strong support from parliament (Handelingen II 2000/01: 2995; Handelingen II 2004/05: 4262). Parliament even demanded that norms were established for non-financial information to make sure that qualitative information was not underrepresented in the budget. Eventually, results-oriented budgeting was brought back to its core by the Ministry of Finance –the

budget– without having widespread consequences for the entire management and business operations of government.

Meanwhile, in 2003 a new Cabinet launched a program aimed at modernizing the entire public sector. The goal of this reform was to downsize government while performing its core tasks better. The results of this program are unclear, to say the least. The introduction of risk management was another approach mainly aimed at reducing the number of rules. Despite the number of initiatives, actual changes in culture are to be seen. Hence, Ter Bogt and Van Helden (2000) state that considerable efforts still have to be made to really change the organizational culture in the Dutch government. When planning to make these considerable efforts it might be useful to consider multiple dimensions of change. This begs the question which exact dimensions can be identified?

## **1.4 CHANGE ASPECTS OF MANAGING FOR RESULTS**

Roughly speaking, research into organizational change is divided into two camps. On one side, the critical success factors camp maintains that a manager can be in full control of a project's outcome. The other camp, however, argues how managers' actions are the result of the context they are situated in. We fulfill a middle position in between these two perspectives, while also devoting attention to the contradictions, conflict and ambiguity that accompanies all organizational changes. Finally, we will also explicate the role of middle managers and change agents in the process of change implementation.

### **1.4.1 PUTTING CHANGE INTO EFFECT**

We know that people activate various defense mechanisms when they are faced with change (Argyris 1985, 1993; Giddens 1986). Implementing an organizational change as MFR is therefore more crucial than its conceptualization (McNulty & Ferlie 2004; Sorge & Van Witteloostuijn 2004). Also Peled (2002) contends that the idea of reform is not as important as its implementation. Mainly because only a small number of abstract ideas form the basis of reforms in the past century and, moreover, these reform ideas are often recycled after they have fallen out of favor. But already Pressman and Wildavsky (1984) and Sabatier and Mazmanian (1979) pointed at the adaptation of policy when it is put into practice. Yet, curiously enough, research and theory on organizational change is underrepresented in the field of public administration as compared to general management and organization theory (Fernandez & Rainey 2006). Be that as it may, even more worrying is

that the bulk of related public administration research is focused on failures to change. For example, in addition to the specific MFR and performance measurement implementation literature mentioned in the previous section, one government study (Lapsley, Brown, Jackson, Oldfield, & Pong 2003) found that change mechanisms such as budgetary reforms, value for money studies, IT initiatives and the use of agents of change, such as management consultants, did not achieve transformational change. These change mechanisms were, at best, transitional and predominantly developmental. McNulty and Ferlie (2004) revealed important limits to reengineering in government due to pre-existing organizational arrangements and relationships. Moreover, Robey and Boudreau (2004) found that users initially tried to avoid using a new system as much as possible, and later worked around system constraints in unintended ways. Despite this small selection of organization change failures we see in many countries, explanations for these failures are still to be found. A start can be made by contemplating why there is change. Is change driven by intentional managerial behavior, or are contextual factors largely determining the, sometimes unintended, outcomes of change?

#### 1.4.2 CRITICAL SUCCESS FACTORS

As in general management, public administration literature does provide in lists of critical success factors for managers to steer on. For instance, Cavaluzzo and Ittner (2004) found organizational factors such as top management commitment, decision making authority, and training to have a significant influence on the successful implementation of measurement systems. Thompson and Fulla (2001) found political leadership, crisis and priority on the policy agenda as enabling factors, while ambivalent interest groups serve as a constraint. Fernandez and Rainey (2006) even went so far as to infuse findings from the general management and organization theory literature into public administration research. In combination with relevant public administration literature, they present eight key factors: ensure the need, provide a plan, build internal support for change and overcome resistance, ensure top management support and commitment, build external support, provide resources, institutionalize change, and pursue comprehensive change. McNulty (2003) adds the need to secure legitimacy from the local level for any managerial or policy sponsored change to create intended effects. Likewise, Moynihan (2005b) found the ability to link public management to more pressing policy issues a potent political lever for change. A final pointer is given by Boyne (2006) who found changes in formal structures to be the most popular turnaround strategy in his case studies of successful public sector turnarounds. Often these formal reorganizations include the appointment of a new top manager. Although these

factors are important in their own right, they tell us little on how to proceed with change in a more concrete situation. How then about the influence of context?

#### 1.4.3 CONTEXTUAL INFLUENCE

Ferlie, Hartley and Martin (2003) propose to take NPM theory out of the realm of the one best way by building models that reflect environmental, policy and historical contexts. Changes differ from locality to locality (Wise 2002). Long and Franklin (2004), for instance point at the influence of unique challenges that agencies face in their study of the implementation of the US Government Performance and Results Act. In Jones' (2002) study, internally appointed managers were more likely to conduct evolutionary reform while externally appointed managers were more likely to conduct frame-breaking reform. Evolutionary managers display greater sympathy and affinity to existing personnel, structures and symbols. They drive reform by building on existing strengths and weaknesses rather than removing them and are more tolerant, adaptive and persistent in their behavior to achieve long-term success. On the other hand, frame-breaking managers appear to be "more impatient, ruthless, charismatic, and career ambitious; less tolerant, persistent, loyal and adaptive; and with shorter time horizons and lower boredom thresholds" (Jones 2002: 52). Jas and Skelcher (2005) argue that in times of performance decline, turnaround will be self-initiated when political and managerial leadership has knowledge about the poor performance and there is sufficient leadership capacity to change, although this knowledge is often limited by weaknesses in feedback mechanisms. Stewart and Kringas (2003) found that in self-initiated change the alignment between day-to-day jobs and the values proclaimed by management form an important driver for culture change; for instance by leadership, especially in the form of communicating the why, what, and meaning of change. In the same manner, Peled's (2002) study into Israeli reform efforts exemplifies that a top-down and centralized reform style accomplished many concrete short-term changes, while an open-book, negotiated, and participatory reform style achieved far fewer concrete results. However, the former, formal style also created an environment dominated by suspicion, thus hampering future reform efforts.

#### 1.4.4 CONTRADICTION, CONFLICT, AND AMBIGUITY

As such, context and intentional managerial behavior mutually constitute the past, but also the future trajectory of change. We must thus bear in mind that

administrative reform will always be an unfinished business and that what appears a short road in the short run, could become a long and winding road in the long run (Peled 2002). As Dierickx (2003) states: “much will depend on the establishment of a new cultural tradition as stable and powerful as the old bureaucratic culture once was.” However, Christensen (1997: 143) argues that “civil servants both feel a strong incentive to, and have good chances of defending the existing organization.” He points out that the bargaining relationship between politicians and public managers mostly permits incremental change. This bargaining relationship makes the decision making process of organizational change appear to be that of the garbage can model (March & Olsen 1983: 285-287). Yet, this overlooks the predictability of the behaviors of actors and the outcome of the bargaining process.

Furthermore, we can learn from budgeting research that MFR may be more a social intervention that aims to construct reality, than the rational reflection of a technical reality (Burchell, Clubb, Hopwood, Hughes, & Nahapiet 1980; Covalleski & Dirsmith 1988; Hopwood 1978; Weick 1976). Similarly, others have stressed the role of politicking in ‘the game of budget control’ (Argyris 1952; Cyert & March 1963; Hofstede 1967; Pfeffer 1981; Pfeffer & Salancik 1974, 1978; Pondy 1970; Wildavsky 1975). No wonder researchers have recognized the role of accounting techniques in legitimizing decisions as conforming to social practices and norms (Covalleski & Dirsmith 1991). MFR needs to take a new perspective on the complex social processes of organizational change (Jun & Rivera 1997). We aim to do so by taking contradiction, conflict, and ambiguity into account.

#### 1.4.5 MIDDLE MANAGERS AND CHANGE AGENTS

In this study into the implementation of MFR it is imperative to focus on both the enabling and constraining contexts of change for the behaviors of public managers. Although contexts can differ vastly, inherited organizational behavioral patterns are an important factor in predicting future forms of organization (Christensen 1997: 170). Also Butler (2003), while drawing on receptivity theory, concludes that processes of change may be similar despite different contextual factors. Or, to put it simply: “changes in organizations depend on a few stable processes” (March 1981: 563). On the other hand, in various phases of the change implementation process civil servants have a strong influence (Marier 2005). Especially crucial actors in implementing large-scale change are middle managers. Middle managers connect top management and operational management. Hence, middle managers have to put any change strategy into effect and are, as such, the purveyors as well as the recipients of change (Balogun & Johnson 2004; Cole & Jones 2005; Currie 1999). By



focusing on the behaviors of public middle managers in specific governmental change contexts we aim to bring the MFR implementation literature in particular, and the (public sector) change literature in general, one step further.

## 1.5 RESEARCH APPROACH TAKEN

Based on the aforementioned change aspects this study needs an approach that considers context, contradiction, and ambiguity, next to the role of individual actors. Most organization and information science studies are positioned as either belonging to the positivist or the interpretive research paradigm (Jones 2000; Lee 1991; Mingers 2001). If these two approaches would be the only options available this study would be –because of the focus on contradiction and ambiguity– firmly rooted in the interpretive domain. Yet, we think this false dichotomy obscures the premises whereupon a study is build. We believe that any researcher needs to be very clear about his or her views on reality and the nature of knowledge, if to prevent unfruitful energy consuming debates. In this section we will first discuss the characteristics of (post) positivist and interpretive research. Then, we attempt to bridge these two approaches. Specifically, we choose a structurational approach, of which we elaborate the two key philosophical pillars: memory traces and social practice.

### 1.5.1 RESEARCH PARADIGMS

In fact the philosophy of science offers numerous positions that can be taken by researchers. For example, Johnson and Duberly (2000) distinguish between positivism and post-positivism, conventionalism, post-modernism, critical theory, pragmatism, and critical-realism. Based on these separate research paradigms, they identify three main dimensions along the ontological and epistemological nature of these paradigms. Three instead of four, as a subjective ontology cannot be combined with an objectively epistemology. Where ontology is concerned with the nature of being, epistemology is concerned with the nature of knowledge. Both ontology and epistemology can be viewed objectively and subjectively. An objectivist ontology assumes that reality exists independently from human cognition, whereas a subjective view assumes that what we take as reality is an output of human cognitive processes. Likewise, an objectivist epistemology presupposes that it is possible to access the external world objectively, whereas a subjective view denies the possibility of a theory-neutral observational language (Johnson & Duberley 2000). Broadly speaking one can say that the philosophy of science developed

form the dialectic between the ‘realist’ positivism and post-positivism versus the ‘relativist’ post modernism, with a synthesis in for instance paradigms as critical theory, critical-realism and pragmatism.

### 1.5.2 CRITICAL-RATIONALISM, NOT POSITIVISM

But first of all, what is positivism? Briefly, (logical) positivism relies on the principle of ‘verification,’ which means that only empirical observations can inductively lead to theory (Popper 2002). This is not what we mostly find in contemporary so-called positivist studies. Rather –since most studies are done deductively, i.e. theory driven– we see a variant of *post*-positivism. Popper (2002) heavily criticized –in his own words killed– positivism and proposed to replace ‘verification’ by ‘falsification’ as 1) we never know for sure that our observations are correct, and 2) our observations are tainted by our previous knowledge. Popper (2002: xix) dubbed this position critical-rationalism (labeled by some as post-positivism) as it is imperative to state one’s problem clearly to support *rational* discussion and examine its various proposed solutions *critically* by inter-subjective (!) empirical testing. The most important representative of conventionalism, Kuhn (1996), attacked Popper’s position and stated that ‘normal’ scientists are merely following the fashion of the day, with now and then a revolution causing a paradigm shift. Popper (1970: 53) counterargues that: “He [the ‘normal’ scientist] has learned a technique which can be applied without asking for the reason why [...] as a consequence, he has become what may be called an *applied scientist*, in contradistinction to what I should call a *pure scientist*.”

Lakatos reinforced the position taken by Popper –due to the attacks of Kuhn, but also Feyerabend (1993)– by distinguishing between what he called naïve and methodological falsificationism. In methodological falsificationism, no experiment, experimental report, observational statement or well-corroborated low-level falsifying hypothesis alone can lead to falsificationism. “There is no falsification before the emergence of a better theory” (Lakatos 1970: 119). Hence, the relative autonomy of theoretical science is emphasized more than in Popper’s earlier work. Or, as Lakatos (1970: 130) puts it: “it is not that we propose a theory and Nature may shout NO; rather, we propose a maze of theories, and Nature may shout INCONSISTENT.”

Lakatos (1970) emphasizes another important distinction between the *interpretive* theory (or measurement theory, see, Tsang & Kwan 1999: 764) that provides the facts and the *explanatory* theory that explains these facts. Because the difference is not always clear and interpretive theories are often implicit, Lakatos proposes to regard the higher level theory as the interpretive theory. “The sophisticated falsificationist will first replace the explanatory

theory, then the interpretive theory, then possibly both, and opt for that new set-up that provides the biggest increase in corroborated content, which provides the most progressive problem shift” (Lakatos 1970: 130).

In short, critical-rationalism holds that based on rational discussion and critical investigation we get closer to the truth or ‘real’ state of the world. However, because of the attacks mounted on this early position, later critical-rationalists emphasize the competition between theories as both interpretive and explanatory theories could be in need of revision. Within this paradigm a different view on reality is caused by a lack of knowledge, i.e. there is no recognition of different views on reality. Let alone that there can be multiple realities.

### 1.5.3 THE ‘OTHER’ PARADIGM: INTERPRETIVE RESEARCH

The interpretive paradigm is usually placed opposite to the positivist (and post-positivist?) paradigm. Yet, symbolic interactionism, phenomenology, ethnography, and hermeneutics are all usually considered as belonging to the interpretive approach (Joas 1993; Lee 1991). If interpretivism would be the opposite of (post)positivism, than both multiple realities and different views on reality would be acknowledged. Yet, this position is better labeled as post-modern (Johnson & Duberley 2000). Moreover, it is exactly the use of the label interpretive as some kind of vaguely delineated approach that is most confusing. For instance case studies, but also qualitative research is seen as interpretive.

For those who think we are exaggerating, here is an excerpt of an invited editorial in the *Academy of Management Journal* – one of the highly regarded empirical management journals: “Qualitative research is multi-method research that uses an interpretive, naturalistic approach to its subject matter [...] Qualitative research can be conceived of as inductive and interpretive” (Gephart 2004: 454-455) citing (Denzin & Lincoln 1994; Van Maanen 1998). Yet, later in this editorial Gephart says that qualitative research can be (post) positivistic, interpretive, or critical postmodern. In addition, Gephart states that case study research can be positivistic – despite being based on concepts that are not empirically observable (!).

A more modest position is taken by Orlikowski and Baroudi (1991) who solely describe what is actually happening in their field. Based on their findings they argue that much can be gained if a plurality of research perspectives is effectively employed. Also, Lee (1991) and Mingers (2001) stress how multi-method research, preferably from different paradigms, can provide

interesting and useful results.<sup>2</sup> Yet, we should not be too disenchanted with the ‘energy consuming debate’ in the management and IS field. The most interesting comment on research approaches we found in the very highly regarded Annual Review of Psychology: “*recent* advances in the psychological, social, and neural science, however, have caused a number of scholars to begin to question the assumption that all of behavior can be regarded as fundamentally deterministic in character” (Glimcher 2005: 25). On the other hand, what is to be expected when social science is solely limited to formal economics (see, Glimcher 2005: 29-35); perhaps the author actually wishes to convey that formal economics is the only real science in social science as it has no interpretive element?

To sum up, the interpretive approach is often positioned opposite to (post)positivism. Yet, there are many separate underlying currents within interpretive research, of which some can even be positivistic. Often, case study and qualitative research are considered to be interpretive, which –if seen from the broad label– is in that sense correct, but it does not say a lot about the exact position taken by the researcher. Perhaps it is best to acknowledge that all *social science* research has an interpretive element as both quantitative and qualitative data are ‘interpreted’ by the researcher (Giddens 1976, 1986).

#### 1.5.4 BRIDGING PARADIGMS

At this point, we still did not get passed the energy consuming debate between so-called positivists and interpretivists. Yet, this broad –and most likely too succinct– overview of (post) positivism and interpretivism *does* allow us to get passed this point. Why not combine the realist ontology of (post) positivism with the subjective epistemology of interpretivism? An appealing case has been built by critical-realists, who posit that “if we overreact to the demise of positivism by denying any need for objective testing –say, by replication– there is the danger of landing on relativism, which denies the possibility of objective truth” (Tsang & Kwan 1999: 761). Likewise, we find it difficult to maintain that different interpretations of reality are due to a lack of knowledge. Furthermore, social sciences do not only have the problem of interpretation within the community of scientists, but also the problem of interpreting the actions and utterances of their ‘objects’ of investigation. Giddens (1976) dubbed this the double hermeneutic. Yet, even in the ‘hard sciences’ complete closure

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<sup>2</sup> For now, we will just ignore that Orlikowski, Baroudi and Lee again use interpretive research as an umbrella for all non-positivist methods except critical theory. Furthermore, they also confuse the term positivism and post-positivism. It makes us wonder how many people would confuse ‘modern’ with ‘post-modern.’

for an ‘experiment’ or study is not possible. According to Tsang and Kwan (1999) the best social science can do, is to control for the conditions that are plausibly regarded to be relevant and reject the claim for replication in a strict sense. Critical-realism is seen by for instance Tsang and Kwan (1999) and Mingers (2004) as a promising and relatively new research approach that can fulfill this demand.

Critical-realism is based on a realist philosophy of science and is, according to Bhaskar (1998), characterized by a multi-tiered conception of reality. Critical-realism proposes to treat society as an ensemble of structures, practices and conventions which individuals reproduce or transform, but which would not exist unless they did so (Bhaskar 1998). Bhaskar insists upon the importance of a quasi-Lamarckian evolutionary perspective on reproduction and transformation (Bhaskar 1986). In short, according to Bhaskar society does not exist independently of human activity (error of reification) and society is not the product of human activity (error of voluntarism) (Gregory 1982: 255). This holds that critical-realism gives ontological status to social structure (Archer 1990, 1996; Craib 1992; Layder 1985, 1987, 1989; Porpora 1989; Thompson 1989). Yet, do social structures really exist as independent entities? If so, we should be able to empirically observe these social structures.

Giddens (1986) –who’s structuration theory is very close to critical-realism– refuses to accept an objective constraining social structure and treats agency and structure as inseparable within social practice (for a comparison of critical-realism and structuration theory see, Mingers 2004). Also, Harré (Harré & Bhaskar 2001) asserts that social structures are only taxonomies, tools of categorizing, and thus cannot be causally powerful particulars in the way Bhaskar has proposed. We must further note that Giddens’ notion of structure is somewhat different from its normal use in sociology. The reason for this is that “in formulating structuration theory I wish to escape from the dualism associated with objectivism and subjectivism” (Giddens 1986: xxvii). As a consequence, a great advantage of structuration theory over critical-realism is that Giddens explains how social structures are (re)produced (Baert 1996). By drawing on Freud, Garfinkel, Goffman, and Erikson, Giddens’ argument is that people’s rule-following and rule-restoring behaviors are related to feelings of ontological security (Giddens 1986). Hence, the only main reason to prefer critical-realism over structuration theory as a research approach is the claim (Joas 1993; Mingers 2004) that Giddens did not clearly work out the philosophical underpinnings of his theory.

We disagree. Giddens is quite clear about both his position in the ontological and epistemological debates and about the philosophical underpinnings of structuration theory. Giddens ontology is that “reality is grasped through day-to-day praxis” (Giddens 1991: 56), which is the kernel of

his structuration theory. Hence, one of the pillars of structuration theory is social practice, which is related to British and American philosophy of action (Giddens 1979: 2) also often referred to as pragmatist philosophy. This major philosophical pillar will be discussed later in section 1.5.6. Concerning his stance on epistemology, Giddens is not unclear –on the contrary– he takes the pragmatic approach: “rather than becoming preoccupied with epistemological disputes and with the question whether or not anything like ‘epistemology’ in its time-honored sense can be formulated at all, those working in social theory, we suggest, should be concerned first and foremost with reworking conceptions of human being and human doing, social reproduction and social transformation” (Giddens 1991: xx).

What’s more, there is a second major yet often disregarded philosophical pillar for structuration theory. Next to social practices, social structure exists in memory traces and thus structure is *not* conflated with action (cf., Archer 1990, 1996). Hence, structuration theory is underpinned by insights from the philosophy of mind, in particular the philosophy of memory. A number of insights for the (re)production of social structures can therefore be drawn from the memory traces field. For instance, the paradox of how structure only comes into existence when acted out, despite existing as memory traces.

### 1.5.5 MEMORY TRACES

The idea of memory traces goes back as far as Aristotle (350BCE/1931), nevertheless the idea of memory traces as the organic basis of human knowledgeability is still justified. The neuroscientist Thompson (2005), for instance, localized lower-order memory traces for a given form of learning and memory through reversible inactivation. Within the philosophy of memory the idea that a trace acquired in past experience somehow represents that experience, or carries information about it, is at the heart of ‘representative’ or ‘indirect’ realism (Sutton 2004). This idea of representation is also the dominant view of memory in the modern philosophy of mind. Yet, it should not be mistaken with the representationalism that Rorty (1979) aims his arrows at, which is the idea that an independent object world can be described in a neutral language of observation. Rorty stresses that knowledge is not the reflection of the world in a mirror located in the mind (Rorty 1979).

To our current knowledge (see, Sutton 1998), the working of human memory is more complex than Rorty’s ‘naïve’ representationalism as memory is *connectionist* and *reconstructive*. Rather than the retrieval of a discrete stored symbol, remembering is the filling in of a pattern on the basis of particular – perhaps, partial or distorted– input. McClelland (1995: 69-70) has described how memory is reconstructed: “forming a memory trace for something –say, an

episode or event— begins with the construction of a pattern of activity over the processing units, with the experience itself strongly influencing the pattern. But the existing connections among the units will also influence the pattern constructed, thereby introducing the possibility of additions, omissions, and distortions. Storage of a trace of the episode or event then occurs through the modifications of the strengths of the connections among the units.” In short, when inputs are continually presented, patterns of activation come and go, but the shifting patterns leave traces behind, whereas traces are in the interrelations between units rather than fixed to individual units and ongoing processing takes place in the very same (parts of a) system as storage (Sutton 1998).

For social structures this reinforcement mechanism of memory provides an explanation for the difficulties in changing routine behavior and strongly held beliefs. The existence of structure as connected memory traces (or schema) is not a definite or determinate cognitive structure, but a useful construct to capture the simultaneously conservative and creative aspects of memory (Bartlett 1932/1961). These developments have also led to the increasing recognition of the context-dependent nature of memory (e.g., Strauss & Quinn 1997). The traces culture leaves on individual brains are not downloaded copies of any specified (or specifiable) cultural instructions, but are dispositions to partial, flexible, and action-oriented responses (Sutton 1998). In a nutshell, memory traces are not discrete stored symbols, but by the reconstruction of connected units an experience can be recalled, whereas the recall is influenced, and perhaps distorted, by related experiences. The generalization of these experiences leads to a scheme, or social structure if recurrently shared with others.

#### 1.5.6 SOCIAL PRACTICE AND PRAGMATISM

Back now to the philosophy of science: after this sidestep into the philosophy of mind and memory. Next to memory traces, social practice is central to structuration theory. Or, as Giddens (1986: xxii) maintains: “social practices, biting into space and time, are considered to be at the root of the constitution of both subject and social object.” Giddens (1991: 42) further asserts that “acquired routines, and forms of mastery associated with them [...] are constitutive of an emotional acceptance of the reality of the ‘external world’ without which a secure human existence is impossible.” He claims this is in line with the view of the nature of external reality offered by Wittgenstein, that is: a universally experienced world of external reality (Wittgenstein 1967). Especially the experiencing of the external world is of utmost importance, as

“what cannot be put into words’ –interchanges with persons and objects on the level of daily practice– forms the necessary condition of what can be said and of the meanings involved in practical consciousness” (Giddens 1991: 42-43).

This position is very close to the school of thought under the rubric of pragmatism. Moreover, Giddens fits this school perfectly as most scholars who are considered to belong to this school usually do not call themselves pragmatist, a notable exception being Rorty. Pragmatist social scientists are interested in “sorting out how certain interwoven activities, preceded by certain past human activities, together yield the consequences they do – usually consequences not planned or intended by anyone but nonetheless resulting from the intentions and actions of individuals” (Kivinen & Piironen 2004: 235). Pragmatic research is driven by anticipated consequences and “pragmatists choose some explanations or theories or stories and dismiss others when the former produce results they desire better than the latter” (Cherryholmes 1992: 15). This does not mean that these results are closer to reality but that one approach is better than another at producing anticipated or desired outcomes. Hence, research with a pragmatic approach seeks to clarify meanings and looks to consequences. Justified knowledge is then an artifact aiding people in settling problematic situations (Dewey 1929).

This pragmatist approach means that an entirely different criterion is required to validate the research methods employed (Rescher 1977). The reason is that a method cannot be true or false, only effective or ineffective. “The objective of validation should not be to demonstrate that the method is ‘correct’ but that it is rational practice to adopt the method based on its pragmatic success. Pragmatic success is defined as the efficiency and effectiveness with which a method achieves its objectives (Moody 2003). We know that changes in public sector cultures has not been very effective up to now. From a pragmatic perspective the logical next step is to scrutinize the social practices and methods of those trying to put change into effect in the public sector. Why do their activities yield the consequences they do?

## 1.6 SCOPE OF THIS THESIS

Thus for this introductory chapter we linked macro-level global change with changes at the micro-level in government organizations. For over three decades, government appears to have been in an epoch in which the traditional legal-rational bureaucracy is continuously being defied by the MFR template. This template is seen by most observers as a more-economic approach to government, illustrated by the increased importance of the budgeting process, i.e., the allocation of resources (see, Giddens 1986). Now and then, this MFR



template underlies a change episode in which intentional or planned actions are undertaken to move the governmental bureaucracy in the direction of the MFR ideal: that is, a government more focused on results and accountability and less on process, rules and procedures. Yet, from as well practice as the scientific literature in the field of MFR and related fields we know that achieving fundamental change in government is not an easy task.

#### 1.6.1 RESEARCH OBJECTIVE AND ACADEMIC RELEVANCE

Although some scholars are still amazed at the lack of consideration for critical success factors, we all intuitively know that implementing change is not as straightforward as monitoring and intervening upon a simple shortlist of factors. On the other hand, it does not help much if we as academics advice that practitioners should consider context: and then what? In between these two positions of superficial simplicity and confused complexity (see, Weick 2004), March (1981) postulates (profoundly simple) that there are stable processes of change. How can we identify these stable processes that underlie many and diverse situated practices?

Edelman and Suchman (1997) point to culturally-oriented literature called the 'new institutionalism' in organizational analysis. This literature stresses the impact of cultural rules, models, and mythologies on organizational structures and practices. Research in the field of new institutionalism focuses on the interaction between norms and culture and how they force organizations in the same field to converge to the same organizational form, while also providing evidence of the opposite in which innovations spread from few organizations to the entire field. Therefore, new institutionalism provides a compelling perspective on culture change and competing templates. Yet, new institutionalism explains how the structuration of organizational fields leads to stability (DiMaggio & Powell 1983). To some extent this downplays the roles of individual change agents in the change process, while public managers and their staff are still the ones who have to put these changes into effect. Contemporary research in new institutionalism is therefore putting a lot of energy in studying institutional entrepreneurship (Battilana 2006; DiMaggio 1988; Greenwood & Suddaby 2006), although this has not yet provided one or more convincing explanations for template breaking change. This would not surprise Emirbayer and Mische (1998) as they argue in their landmark article "What is agency?" that the perspective on action in institutional theory is solely oriented on the past, while behaviors can also be oriented on the present and future. The same objection is made to one of the pillars for the new institutionalism: Giddens' (1986) structuration theory.

Nonetheless, Giddens is renowned just *because* in structuration theory he emphasized the duality of structure; i.e. the mutually constitutive nature of social structure and human agency. Fortunately, the Information Systems field provides a way out of this quagmire. As the new institutionalism has never been very influential in this field, structuration theory was applied in numerous ways (see, DeSanctis & Poole 1994; Orlikowski 1992, 2000; Pozzebon & Pinsonneault 2001). Furthermore, there has always been a tendency to stay close to the original work by Giddens. A more present and future oriented use of structuration theory can be found in Walsham (2002). By focusing on contradictions between social structures and the possibility for future conflict, Walsham demonstrates a broader application of structuration theory than is usually the case in the general management literature. Likewise, Orlikowski has experimented with structuration theory for studying the use of information technology (Orlikowski 1996) and developing a practice-based perspective (Orlikowski 2000). How to proceed with the study, based on this short introduction of templates, (contextually) situated practices, new institutionalism, structuration theory and their role in MFR implementation?

Our research objective is to bring the MFR implementation literature in particular *and* the (public sector) change literature in general, one step further. This research objective is scientifically relevant for six reasons. First, by empirically exploring the implementation of MFR in the Dutch central ministries we address a number of the gaps in the literature on public management noted by Ferlie, Hartley, and Martin (2003). We look at public managers in specific policy and political contexts, in which we explore the effects of introducing a new management template –MFR– that explicitly links the practice of public management to a general policy aimed at making government more efficient and effective. Specifically, we study how public managers try to alter or adopt the rhetoric of MFR policy when implementing change (Ferlie et al. 2003). Second, we contribute Dutch experiences to the mostly Anglo-Saxon literature in the MFR and NPM fields. Third, by building upon structuration theory, refined with institutional theory and agency theory, we put forward a more comprehensive approach to organizational change, considering bottom-up behaviors, contradictions, and complexities (Collins 2000). Fourth, studying divergent change in highly institutionalized fields like central government is already in itself a valuable contribution to the academic literature (see, Greenwood & Suddaby 2006). Fifth, by focusing on middle managers, we aim to improve our understanding of these important yet in the literature largely neglected organizational actors. And last, all these contributions touch upon the notion of situated practice. By analyzing MFR implementation successes and failures we hope to contribute to a better performing government practice.

## 1.6.2 PROBLEM FORMULATION AND RESEARCH QUESTIONS

We know that achieving template change in government, as well as in other highly institutionalized fields can be quite an arduous activity (Greenwood & Hinings 1996). But we do not really know how these dynamics work: exactly why is a change in template so difficult? Above we outlined an approach that takes Giddens' structuration theory as a fundament to study the implementation of MFR. Thus, there needs to be consideration of as well the influence of structure on shaping human behavior, as of the structure (re)producing power that human beings possess. Middle managers are both designing and implementating MFR-type initiatives and are therefore pivotal in these kinds of change processes. It is also important to note that social structures do not only constrain, but also enable social action (Giddens 1986). Based on the building blocks provided above, our central problem statement is:

“Why do middle managers' behaviors and social structures enable and constrain the implementation of Managing for Results within the Dutch central government?”

A number of underlying research questions need to be resolved to be able to solve our central problem statement. First, we want to explore the two templates that can be found in contemporary governmental organizations. Therefore we will study what is exactly meant with a) the government as a 'legal-rational bureaucracy', and b) a government that is 'Managing for Results'. Clarifying the differences and similarities between both templates will enable us to link specific behaviors in practice to one of the templates. We will also elaborate on the reification of MFR in the Netherlands in the past decade as this study is situated in a Dutch central government context. Then, we want to refine our perspective on what constitutes organization change, after which this perspective will be applied to the change enabling or constraining behavior of middle managers and change agents in the public sector. Applying this eclectic perspective to study change in a number of central government ministries then leads to an analysis of the structuration of MFR implementation in government. Our research questions are as follows:

1. What is understood by the 'traditional legal-rational bureaucracy' and 'Managing for Results' templates and what are consequently the differences and similarities between both templates?
2. How did Managing for Results develop over the past decade in the

- context of the Dutch central government?
3. How to study from a structuration theory perspective the roles of middle managers and change agents in organizational change implementation?
  4. Which enablers and constraints do change agents perceive in the social structures of middle managers employed in Dutch ministries during the implementation of an MFR-type initiative?
  5. How do middle managers and relevant others in a Dutch ministry (re)produce social structures during the implementation of an MFR-type initiative?
  6. What can we synthesize and conclude about the structuration of MFR implementation in the Dutch central government?

The first question will be resolved by describing key elements of the 'legal-rational bureaucracy' and 'Managing for Results' template, the development of both templates over time, and possible critique and extensions to the templates. Question 2 is addressed by describing the historical development of MFR in the Dutch central government over the past decade. Questions 3 needs to be answered by looking further into relevant theory to extend our understanding of what constitutes change in organizations from an organizational behavior and sociological perspective. Question 4 will focus on the social structures of middle managers. Next, question 5 will be addressed by examining practice and based on our findings we develop and test a model of enablers and constraints in middle managers' behaviors and social structures during MFR implementation. By tackling our final research question, number 6, we will try to answer our central problem statement.

### 1.6.3 STRUCTURE OF THIS THESIS

This book contains eight chapters and presents a thesis about the behaviors of middle managers and relevant others during the implementation of MFR-type initiatives observed through a structuration theory perspective. First, a theoretical framework is built in chapters two and three to understand how middle managers' behavior enables and constrains the change processes within the Dutch central government. Chapter two will discuss the two main templates in government, namely the legal-rational bureaucracy and MFR; the literature in the field of MFR implementation and related fields; and recent experiences with MFR implementation in the Dutch central government. We discuss these templates to be able to elicit the role of these competing rationalities (Townley 2002), archetypes (Greenwood & Hinings 1993), templates (DiMaggio & Powell 1991; Greenwood & Hinings 1996) or logics

(Dacin, Goodstein, & Scott 2002) in multi-level change; i.e., at the global, national, field, organizational, group, and individual level. Framing government reform in the shape of competing templates permits the researcher to identify the protagonists and antagonists of MFR-style change programs on all levels of change. The next step is then to contrast this abstract debate with a national context by typifying the recent history of MFR-related governmental reform in the Netherlands. Chapter three will then introduce *and* build on Giddens' (1986) structuration theory as a method to study change in organizations, while also focusing on the roles of middle managers and change agents. For this, we will also make use of research in the fields of institutional theory and agency theory. These two theoretical chapters provide in a 'lens' to guide our observations of the MFR phenomenon in practice.

In chapters four, five and six, we iteratively develop and refine a model of middle management behavior during MFR implementation by empirically studying the implementation of a number of MFR-type initiatives. The empirical adagio for these chapters will be "accurate evidence is not so crucial for generating theory" (Glaser & Strauss 1967: 30), yet accurate evidence is essential for further developing a theory (Tsang & Kwan 1999). The fourth chapter kicks off the empirical investigation by looking into key change agents' interpretations (derived from semi-structured in-depth interviews) of middle managers' behaviors at a number of ministries during the implementation of results-oriented budgeting into their respective ministries. The fifth chapter describes –based on semi-structured in-depth interviews with middle managers and key internal stakeholders, document study, and a well documented third party action research– the behavior of middle managers, change agents, and other relevant stakeholders during the implementation of Shared Services in a Dutch central government ministry. Next, the sixth chapter compares, over a period of time and through participant-observations and action research, the implementation of five projects aimed at improving cross-department business operations of the support departments in another central government ministry. We draw on data collected through semi-structured interviews, middle managers' and change agents' diaries, field observations, and archival data. Subsequently, the seventh chapter synthesizes the results of the empirical chapters, maps and defines central constructs, and ends by constructing a tentative model of competing templates. The thesis is then concluded with a discussion of the key findings by answering the research questions, limitations of our research, implications for practice, and the future research agenda. The relations between the central problem statement, chapters and related research questions are depicted in Figure 1.1 on the next page.

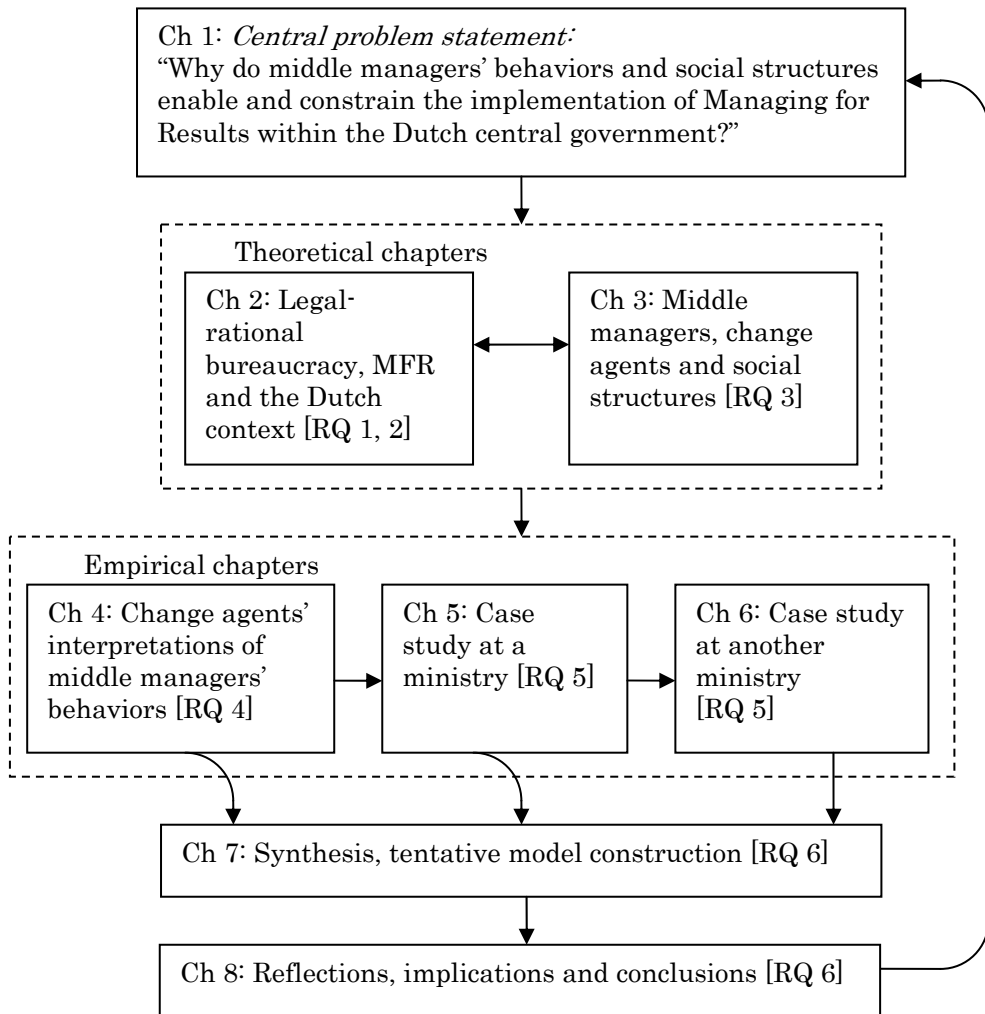


Figure 1.1: Structure of the thesis and the relations between the central problem statement, book chapters (Ch) and related research questions [RQ]

## BUREAUCRACY AND MANAGING FOR RESULTS IN THE DUTCH CENTRAL GOVERNMENT

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“If you don’t know what you want [...] you’ll end up with a lot you don’t”

-- Chuck Palahniuk (1996)

This chapter will discuss the two main templates in government; that is the legal-rational bureaucracy and MFR. Next to describing their main characteristics, we will also provide a critique of both. In addition, we will discuss the literature in the field of MFR implementation and related fields. We discuss these templates to be able to analyze how these templates compete (DiMaggio & Powell 1991; Greenwood & Hinings 1996) in multi-level change. After this discussion we will contrast the two templates to clarify the differences and similarities between legal-rational bureaucracy and MFR. In this manner we will answer research question 1: “What is understood by the ‘traditional legal-rational bureaucracy’ and ‘Managing for Results’ templates and what are consequently the differences and similarities between both templates?” The next step is then to contrast this abstract debate with a national context by typifying the recent history of MFR-related governmental reform in the Netherlands. As such we provide an answer to research question 2: “How did Managing for Results develop over the past decade in the context of the Dutch central government?”

### 2.1 GOVERNMENT’S INERTIA: LEGAL-RATIONAL BUREAUCRACY

The term 'bureaucracy' often provokes Kafkaesque images of organizations: long procedures, strict adherence to rules and regulations, and unfriendly employees who have long forgotten why their jobs exist in the first place. But these images and contemporary popular beliefs about bureaucracy are quite different from those to be drawn from Weber's (1978) ‘ideal type’ of bureaucracy as an instrumental, goal-oriented and rational form of social action called Zweckrationalität. Goal-oriented social action is further enhanced when based on a 'legal-rational authority,' defined as “resting on a belief in the legality of enacted rules and the right of those elevated to authority under such rules to issue commands” (Weber 1968: 215). Decision rules therefore help people act purposefully in complex situations by allowing them to tap into a previously codified body of expert knowledge, presented in such a form that they need not

internalize it before putting it to productive use (Heugens 2005). Of the nine characteristics of bureaucracy listed by Weber, at least seven are explicitly related to rules and rule-following behavior (March, Schultz, & Zhou 2000). Thus the 'ideal type' of legal-rational bureaucracy is an organizational form promoting "technical efficiency, with a premium placed on precision, speed, expert control, continuity, discretion, and optimal returns on input" (Merton 1940: 561). However, as the next section will demonstrate, there appears to be at least some truth in popular beliefs about bureaucracy.

### 2.1.1 THE IRON CAGE

For Weber, a bureaucratic structure, being legally-rationally based, is always a means and is controlled from some point outside itself (Constas 1958), just as, for instance, governments are controlled by citizens through parliament or other representative bodies. For Weber, legal-rational bureaucracy more-or-less forces civil servants to be loyal towards their elected officials, a great advantage of democratic government. "They [civil servants] are the outcome of a specific organizational habitus –'declaring' one's own deeply held convictions to the dictates of procedural decision making etc.– through which individuals learn to comport themselves in a manner befitting the vocation of office holding" (Du Gay 1999: 581). Ideally, following the appropriate procedures would fulfill desires of elected officials and thus, in turn, the will of the public.

While Weber promotes a legal-rational bureaucracy as the ideal organizational form, he also cautioned that the domination of a legal-rational *culture* would have perverse effects on an organization. Following Heugens (2005), Weber calls this the iron cage of normative control. When individuals come to believe that their interests are synonymous with those of the organization and, moreover, that there are no other means available for realizing those interests, the bureaucrat can no longer 'squirm out of the apparatus into which he has been harnessed' (Weber 1978: 987-988). The rules, which were originally conceived as means, becomes transformed into an end-in-themselves. Merton (1940: 563) labeled this process as goal displacement; when "an instrumental value becomes a terminal value." He further elaborates this process by stating that "formalism, even ritualism, ensues with an unchallenged insistence upon punctilious adherence to formalized procedures. This may be exaggerated to the point where primary concern with conformity to the rules interferes with the achievement of the purposes of the organization" (Merton 1940: 563). Here Merton touches upon the main critique of a legal-rational bureaucracy: it reduces the capacity of organizations to adapt. Successful actions, reinforced through training and codified in rules, may also lead to inappropriate responses when conditions change. In other



words, "rule-obsessed organizations turn the timid into cowards and the bold into outlaws" (Zegans, 1997).

### 2.1.2 PERSISTENCE OF BUREAUCRATIC ELEMENTS

According to Jun (1986) bureaucratic modes of organization turn out, over time, to be rather ineffective primarily because of the increased alienation they create within the members of the organization itself. But what might the alternatives to Weber's model be? While many administrative and operational innovations have emerged, Walton (2005) provides evidence that most are variants of a bureaucratic model control, exhibiting moderately strong relationships among their core variables. Also, so-called post-bureaucratic project work often incorporates many elements of old-fashioned bureaucratic control (Hodgson 2004). Hence, these innovations occur with systems of control that are constrained, decentred and hierarchical, while relying on new mechanisms for monitoring and evaluating conduct and outcomes (Smith 1997).

Furthermore, Kallinikos (2004) persuasively argues that various forms of standardization –a central characteristic of the popular image of rigid bureaucracies– are quite common in the market-driven and customer targeting organizations of the 'new economy.' Recent examples include service protocols that describe minute aspects of human conduct, the standardization of software packages, the pervasive adoption of ISO and other quality standards. These kinds of innovations may largely enhance the adaptability of the model of bureaucratic control, rather than herald its impending demise (Gazell & Pugh 1990).

The persistence of bureaucratic elements in contemporary organizational forms can also be partially explained by the perceived benefits these elements provide. In their discussion of enabling versus coercive bureaucracies, for example, Adler and Borys (1996: 61) contend that bureaucratic formalization "provides needed guidance and clarifies responsibilities, thereby easing role stress and helping individuals be and feel more effective."

To complete the discussion on legal-rational bureaucracy, we identify the main problems of legal-rational bureaucracy as: 1) the institutionalization of rules can cause goal displacement, 2) the bureaucratic organization has difficulties to adapt to change, and 3) coercive control mechanisms dominate the potentially enabling means of organizational control. Additionally, we must not forget that most contemporary organizational forms still carry many bureaucratic elements. Next, we proceed with describing the Managing for

Results paradigm and contrast it with the legal-rational bureaucracy to see which alternatives it provides for the management of government.

## 2.2 A RISING PARADIGM: MANAGING FOR RESULTS

The rise of New Public Management (NPM) over the past decades is one of the most striking international trends in public administration. NPM, like many administrative labels, is a loose term. As Hood (1991: 3) points out: “Its usefulness lies in its convenience as a shorthand name for the set of broadly similar administrative doctrines which dominated the bureaucratic reform agenda in many of the OECD group of countries from the late 1970s” (also see, Aucoin 1990a; Pollitt 1990). Although the broad NPM label was convenient when researching major government reforms of recent decades, a more precise focus is necessary to further understand the dynamics of cultural change processes within government organizations. The Managing for Results (MFR) concept is but one of many possible focal points. Yet, we explicitly chose to focus on MFR as it provides a concrete and practical anchor point, counteracting the often overly abstract and ambiguous theorizing around NPM. Turning goals into results is at the core of what constitutes more effective government (Kamensky & Abramson 2001; Kamensky, Morales, & Abramson 2005). This section will first elaborate on the position of MFR within NPM and then describe the historical development of MFR. Hereafter we will review MFR-relevant academic literatures, for instance that of goal-setting theory. Finally, we conclude with a critique of MFR based on the scant literature in the MFR domain.

### 2.2.1 NEW PUBLIC MANAGEMENT: WHAT IS IT AND WHERE DID IT COME FROM?

In his seminal work on NPM, Hood (1991; also see, Hood & Jackson 1991) asks: What exactly is NPM and where does it come from? His interest is driven by the proponents of NPM, who claim it to be “a public management for all seasons” (Hood 1991: 3). In part, this claim to universality is based on the putative portability and diffusion of NPM. NPM can be applied in many different organizations, policy fields, levels of government, and countries. Most comparative studies deal with the development of NPM in different countries. Although at first NPM appeared to influence only the Anglo-Saxon countries, NPM has now spread to many other countries all over the world (e.g., Cole & Jones 2005; Hammerschmid & Meyer 2005; Ohemeng 2005). An important role in this diffusion of NPM practices was played by the OECD. This organization globally and enthusiastically promoted public management as a preferred

pathway to good governance (see e.g., OECD 2005). Although the ideas of NPM are widespread nowadays, their instantiation varies considerably from one context to another.

#### NEW-INSTITUTIONAL ECONOMICS AND MANAGERIALISM

Despite the different interpretations of NPM, Hood identifies seven common central doctrines. Most public sector organizations in Western countries have had some exposure to most of these doctrines, although Hood stresses that not all of the seven are always present. These doctrines can be classified into two originating streams of ideas, the first being the ‘new-institutional economics’ constituted by public choice, transaction cost theory and principal-agent theory (see, Arrow 1963; Black 1958; Niskanen 1971). The second stream is the business-type ‘managerialism’ in the tradition of the scientific management movement (Barzelay 1992; Box 1999; Hood 1991; Hume 1981; Merkle 1980; Osborne & Gaebler 1992; Pollitt 1990, 2003).

The new-institutional economics generated a set of reform doctrines built on ideas of *contestability*, *user choice*, *transparency* and close attention to *incentive structures*. Likewise, managerialism generated a set of reform doctrines based on *professional management* expertise as *portable*, *paramount* over technical expertise, requiring high *discretionary power* to achieve results, and *central* and *indispensable* to better organizational performance, through the development of appropriate cultures and the active measurement and adjustment of organizational outputs (Hood 1991: 3-4). These two streams of reform doctrines were not applied similarly across the globe. For example managerialism is more salient in the UK, Australia and the US; whereas in New Zealand the new-institutional economics has quite a strong influence. Yet, whatever the exact composition of the NPM amalgam, due to dissimilarities between the two underlying approaches there are bound to be frictions. In Figure 2.1 the relations between the doctrines are depicted in an effort to categorize the different approaches that constitute NPM, based on Hood’s description of the relations. A new-institutional economics approach will mainly be used for organizational and (quasi-) market *design*, whereas managerialism is predominantly the provision of *tools* to managers. Hence, MFR fits in this second managerialism stream.

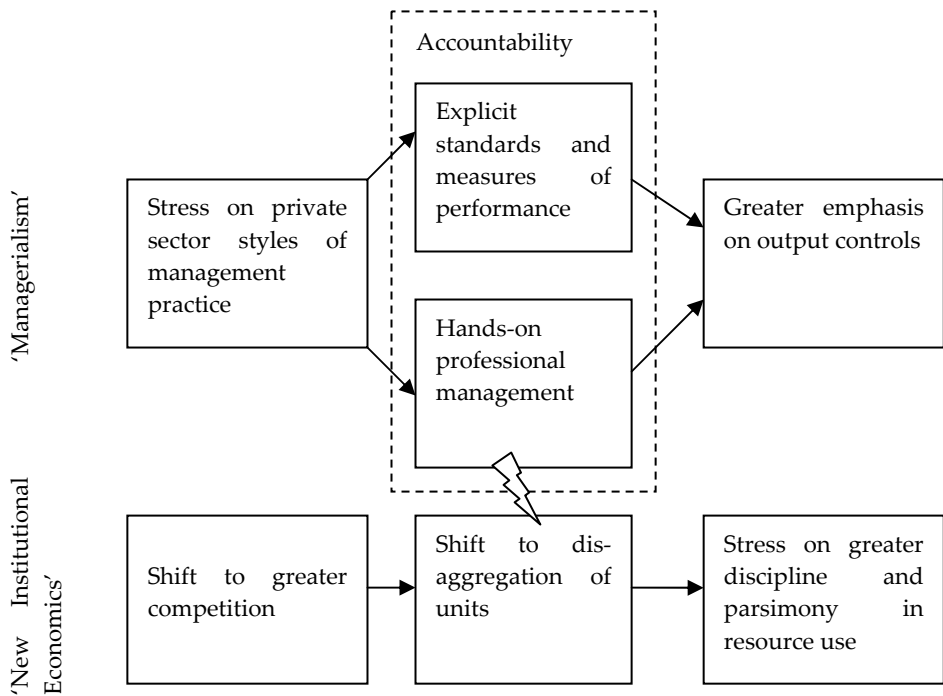


Figure 2.1: Relations derived from Hood's (1991) description of doctrinal components of New Public Management

#### ACCOUNTABILITY OR TRANSPARANCY

Depicting these relations allows us to direct our attention at presumably the biggest conflict when merging the two current NPM approaches: that between hands-on professional management and the shift toward the disaggregation of units. Both professional management and the disaggregation of units demand a clear relation between the 'controlling organ' and the 'target system' (see, De Leeuw 2000). Here, the target system consists of either a named person or an organizational unit. Yet, hands-on professional management implies the freedom to manage as long as there is output control, while the disaggregation of units leads to tighter control of the means chosen by the manager through the separation of production and provision interests, decentralized one-line budgets, and arms-length steering by contracts or franchise arrangements (Hood 1991: 4-5). Transparency is central to the new-institutional economics approach as transparency mitigates information-asymmetry – the key issue in new-institutional economics.

Yet, Hood explicitly relates elements of managerialism to *accountability*. Hands-on professional management in this settings means “active, visible,

discretionary control of organizations from named persons at the top, free to manage,” which is typically justified since “accountability requires clear assignment of responsibility for action, not diffusion of power” (Hood 1991: 4). Accountability only exists when a person has the ability to choose from a set of alternatives. Furthermore, explicit standards and measures of performance in this setting means the “definition of goals, targets, indicators of success, preferably expressed in quantitative terms, especially for professional services” (Hood 1991: 4). This is justified by Hood (1991: 4) as “accountability requires clear statement of goals.” Thus, a person can only be held accountable when it is clear what objective s\he has to achieve.

Do we put our trust in public managers, in the institutional design, or both? The risk of combining both approaches is that the autonomy desired by the hands-on professional management of MFR moves to the background; as was for instance found by Moynihan (2006). Explicit standards and measures of performance within disaggregated units provide output control as well as discipline and parsimony in resource use. Then, in other words, managers will be subject to ‘pervasive control,’ without freedom to choose neither the means nor the targets. To sum up, when targets are not achieved, managerialism holds managers accountable, while from a new-institutional perspective, the fault lies with the institutional design.

#### CORE VALUES IN PUBLIC MANAGEMENT

The other part of the claim to universality – a new public management for all seasons- is based on NPM’s putative political neutrality. NPM is purported to be a neutral, all-purpose instrument for realizing whatever goals elected representatives might set (Hood 1987; Ostrom 1974; Thomas 1978). Yet, critics argue that “different administrative values have different implications for fundamental aspects of administrative design – implications which go beyond altering the setting of the systems” (Hood 1991: 9). In practice, however, over the years we have seen both centre-left as centre-right governments utilizing elements from NPM. This is especially true for the tools developed to improve the internal, more results-oriented steering of the governmental organization.

Still, why are the two streams of ideas within NPM -managerialism and new-institutional economics- considered together? According to Hood (1991) they share the same underlying values. Hood (1991) identifies at least three different families of values common in current administrative design: economy and parsimony; honesty and fairness; and security and resilience. As the latter group of core values –security and resilience– are most applicable to crisis-control type organizations such as the army, nuclear power plants and the like,

they fall outside the scope of this study. We present the remaining two groups of Hood’s core values in Table 2.1.

Core values Characteristics	KEEP IT LEAN AND PURPOSEFUL	KEEP IT HONEST AND FAIR
Standard of success	Frugality (matching of resources to tasks for given goals)	Rectitude (achievement of fairness, mutuality, the proper discharge of duties)
Standard of failure	Waste (muddle, confusion, inefficiency)	Malversation (unfairness, bias, abuse of office)
Currency of success and failure	Money and time (resource costs of producers and consumers)	Trust and entitlements (consent, legitimacy, due process, political entitlements)
Control emphasis	Output	Process
Slack	Low	Medium
Goals	Fixed/single	Incompatible 'double bind'
Information	Costed, segmented (commercial assets)	Structured
Coupling	Tight	Medium

Table 2.1: Two sets of core values in public management (Hood 1991: 11)

From Table 2.1 it is evident that the ‘keep it lean and purposeful’ strain is very much in line with what is usually understood by MFR, whereas the ‘keep it honest and fair’ can be seen as the core values of the legal-rational bureaucracy. Important in this scheme is the role of information, especially for output control. A heavy emphasis on output information requires databases and a technological infrastructure of reporting that will tend to make each unit tightly coupled in informational terms. Also, there needs to be a sharp definition of responsibilities –separating non-overlapping parts, for instance by breaking up policy and execution– to have as much single-objective, traceable and manageable units as possible (Hood 1991). Information in such a control system will therefore be highly segmented and valuable, so the currency of information will come to be traded rather than given away. Additionally, employees could be motivated to provide misinformation.

In sum, exploring the NPM provides valuable insights in the development of MFR. NPM can be considered as a broad set of ideas based on new-institutional economics and a set of tools and methods derived from the private sector. Internal conflict might come into existence when both hands-on professional management and institutional incentive structures are combined. Managerialism takes a pragmatist view and contends that managers are the most knowledgeable decision-makers in their specific context and makes them *accountable*, whereas new-institutional economics advises to design institutions such that incentives and *transparency* will force managers to do the right thing (whatever that may be). Obviously, politicians and top manager's choice for stressing accountability over transparency or vice versa affects governmental practices and should depend on the kind of information that can be gathered for means of management control.

### 2.2.2 DEVELOPMENT OF MANAGING FOR RESULTS

The previous section sketched what NPM is, where it came from and why it may seem universally applicable. Especially the core values of NPM as summarized earlier in Table 2.1 clarify the differences between MFR and the legal-rational bureaucracy. We will now try to answer the following related questions: Why should MFR have emerged in the particular time and place that it did and what exactly is it? We do this by describing the historical development and the key elements of MFR.

#### A HISTORY OF MANAGING FOR RESULTS

The United States Government Performance and Results Act of 1993, which was promoted intensively under the Clinton administration by means of the National Performance Review (NPR), mostly reawakened interest in MFR. Initially, MFR -as formulated in the NPR- was influenced from three sources (Kettl 1998). Ideas flowed in from abroad, which provided background philosophy and some tactical options, but they seemed to have little direct influence on the NPR. Federal bureaucrats produced hundreds of ideas for reform, largely based on their own experiences. The strongest intellectual provenance, however, came from the private sector. Nevertheless, because government is different from business – “its monopolies, its lack of bottom line, its obsession with process rather than results [...] our approach goes beyond private sector methods [...] instead it is aimed at the heart and soul of government” (Gore 1993: 8). NPR's goal was to move from red tape to ‘results’ and to create a government that works better and costs less, by recommending methods to increase accountability. In order to reinvent government, “we must

seek guidance of those who have successfully transformed large organizations in both the private and public sectors” (Gore 1993: 121). The Government Performance and Results Act requires federal agencies to develop strategic plans, performance measures, annual performance plans, and performance reporting. These bundles of performance information are meant to demonstrate to top management, elected officials, the public, and the media how government spends the taxpayers’ money: accountability in optima forma.

Although Gore and Clinton strived to reinvent government, they also –to some extent– reinvented the wheel. There were already ten previous attempts at reinventing the bureaucracy in the 20<sup>th</sup> century alone (Qiao & Thai 2002). Although some of the recommendations put forward by earlier commissions had been adopted, they typically are not seen to have produced a long-lasting or radical impact on government performance: “The public-at-large continues to hold the opinion that government, at all levels, fails to provide the needed or desired services at the desired level, and in a cost effective and efficient manner” (Hollings 1996: 5). Others (Goodsell 1993; Hays & Kearney 1997; Light 2006; Pffifner 1997) stress the numerous similarities with proposed reforms in various earlier eras. In addition, Aristigueta (2002) argues that support for specifically MFR is at least five decades old. Peter Drucker and Wholey, for instance, have long advocated MFR as a comprehensive planning, goal setting, and measurement system. Drucker (1974) argued that government should take steps to manage for performance and results by defining objectives by the outcomes achieved, setting priorities, defining qualitative and quantitative performance targets, assessing performance and results, using performance information to improve performance and results; and by identifying and abandoning unproductive activities. Wholey (1983) made similar recommendations to deal with the policy-making and management environment that may hinder progress in MFR. Obstacles include: vague or unachievable program goals; difficulty in defining and measuring program performance; and political and bureaucratic constraints to the use of program performance information. In addition, Wholey mentions the importance of communicating program performance and results to different levels of government and to the public. A foundation for Drucker’s and Wholey’s recommendations can be found in the 1970s Management By Objectives (MBO), stressing participation in decision making, goal-setting, and objective feedback as good management practice (Rodgers & Hunter 1992). At the US federal level one could even reach back to the 1960s and the implementation of the Planning, Programming and Budgeting System, which encouraged public administrators to focus their attention on programs rather than the individual items of a budget.



What distinguishes the NPR from previous reforms is that the reform agenda is more articulated than it has ever been (Hays & Kearney 1997), and government has never been under such pressure from the public to be more productive and effective, nor has government itself appeared more willing to change (Callahan & Holzer 1994; Hays & Kearney 1997; Hollings 1996; Ingraham 1996). Other differences are that the NPR reform has its focus on "changing the internal culture of government agencies by changing the incentives employees face in doing their work, rather than investing administration's political capital in restructuring the mission and organization of government" (Kamensky 1996: 248). Also, the NPR focused primarily on *how* government should work, not on *what* it should do (Gore 1993). Perhaps illustrative of the distinctiveness of the NPR is that "the management agenda of the Bush administration pursues many of the concerns of the Clinton era" (Moynihan 2005b: 171).

#### DEMARCATING MANAGING FOR RESULTS

In sum, MFR is usually described in contemporary academic literature as a specific U.S. strand of NPM. Furthermore, MFR mainly focuses on how government should work the management and operations of governmental organizations. MFR as such is an instrument that tries to counterbalance the Kafkaesque extreme of the legal-rational bureaucracy. The provenance for MFR tools and methods lies in the private sector and governmental 'best practices'; yet, there are also some influences of principles from new-institutional economics. Key MFR tools and methods for the internal management of governmental organizations include: identifying desired outcomes; setting accompanying goals; defining qualitative and/or quantitative measures; using performance information to manage and provide feedback; and giving account to stakeholders. Whereas NPM research is based on the normative question of how should governmental organizations be organized, current MFR research is mainly descriptive. Contrary to what this may imply, ideology is also important for the practice of MFR.

Based on the foregoing historical development and key elements of MFR it is possible now to more precisely define what constitutes MFR. In my view this definition must be more precise than Moynihan and Ingraham's overly broad assumption (2004: 447) that "the creation and distribution of performance information leads to improved public decision making." Later, Moynihan (2006: 78) defines the core idea of MFR as: "using performance information to increase performance by holding managers accountable for clearly specified goals and providing them with adequate authority to achieve these goals." Likewise, Page (2004: 593) defines MFR as "the capacity to use data about results strategically

to assess progress and to improve policies and operations in the future.” By taking the essential elements from the three aforementioned definitions, we define MFR as:

Public managers’ use of *performance information* –derived from measures related to *managerial goal-setting*– to support their decision making for reaching desired outcomes and to *give account* to stakeholders.

This definition implies that managers are the ones responsible to set goals, which should lead to the outcomes desired by the organization as a whole. Also, it implies that the granting of accountability is central to MFR, i.e. granting public managers increased flexibility in exchange for increased accountability (Barzelay 1992; Behn 2001; Kettl 1998). Likewise, decision making in a public sector context usually means weighing financial costs against non-financial benefits. This means that, in addition to organizational initiatives commonly associated with MFR –e.g., results-oriented budgeting and the balanced scorecard– initiatives such as Shared Services and project-based teams are instantiations of MFR. Whereas the former provide information on the current state-of-affairs, the latter (Shared Services and project-based teams) provide information on the costs of and responsibilities for performing certain tasks. The next section focuses on the central constructs of MFR, namely (performance) information, goal-setting, and accountability.

### 2.2.3 PERFORMANCE INFORMATION, GOAL-SETTING, AND ACCOUNTABILITY

Perhaps most striking when studying the field of MFR, is the number of approaches and the lack of interdisciplinary crossover between public administration and other social science disciplines. One of the few attempts at integrating goal-setting theory into MFR research is Moynihan (2005a). Broadly speaking, MFR is studied mostly by finance and accounting experts within public administration, as they focus on the construction and (often perverse) effects of performance measures. Similar –but not the same– are the studies into transparency and accountability, driven partially by Sarbanes-Oxley. We will first discuss a representative portion of the bulk of research, i.e. prescriptive research on how to implement performance measurement and management, along with the supporting IT. A review of all the research in this field could easily get bogged down in the minutiae of how to best design performance measures, which is beyond the scope of this thesis. The somewhat ambiguous notion of transparency will not be discussed in-depth as it is “just another name for information” (Stiglitz 2000: 1466), although it is often mentioned together with accountability. Further, we prefer to present some of

the latest findings in goal-setting theory as they should not be seen as a critique of, but rather as a valuable addition to, MFR.

In practice and in a substantial part of the academic literature as well, MFR is narrowed down to performance measurement and management. Already, Simon (1997: 239) argued that it is usually more difficult to define appropriate output measures for service organizations than for manufacturers. Much of the performance measurement MFR literature is focused on design, and some of the advice is quite elementary. For instance, Boyne and Law (2005) argue that a crucial element is the clear definition of the desired outcomes and a specification of appropriate performance indicators. Other research suggests that to be effective, measurement systems should feature quantifiable goals, and be linked to a responsible actor or actors (Hatry 1999; Ingraham & Moynihan 2001).

There are also more thorough guidelines that deal with, for example, the perverse effects of performance measurement systems. De Bruijn (2002b) argues for five successive strategies aimed at preventing these effects: tolerating competing product and service definitions; banning a monopoly on interpreting product and service figures; limiting the functions of and forums for performance measurement; strategically limiting the products and services that can be subjected to performance measurement; and using a process perspective of performance in addition to a product or service perspective. Harmon, Hensel and Lukes (2006) provide additional advice for measuring services: use of internal benchmarking, looking deeper than financial costs, and setting up broad cost-measurement systems to report and compare all expenses across the functional silos that are common to service delivery organizations. Yet, top executives are likely to face resistance from managers and frontline personnel who insist that services are inherently random and that service situations are unique. Underlying all of these problems is the challenge to identifying what, specifically, to measure and how to normalize data across different environments (Harmon et al. 2006). Still other authors provide specific advice on grouping long lists of performance measures into clusters or prioritizing key measures for more immediate action, for instance as in Balanced Scorecards (Gormley & Weimer 1999).

The inclusion of measures in the budget documents does not, however, lead automatically to their effective use. Instead, active integration of measures consistently over time is important in determining real budget and communication effects (Melkers & Willoughby 2005). Transparent information about results, then, can motivate performance and improve the quality of policy, management, and purchasing decisions, even in the absence of formal incentive systems (Gormley & Weimer 1999).

The measurement activity itself is both enabled and limited by the political and social context in which it occurs. Proponents of performance measurement must build the political support necessary for long-term viability and avoid misuse of performance reports. Users must be aware of the political constraints that determine what and how information is reported (Williams 2003). Also, the problem of managerial acceptance involves two issues: if agencies feel that legislators will use performance information more often for reprimanding than for rewarding, support for the initiative will suffer; also measurements that are not seen as useful or impactful will lower support.

## PERFORMANCE INFORMATION

One of the important reasons for the renewed interest in performance measures are the possibilities that now IT provides, for instance in the form of Business Intelligence and Enterprise Resource Planning (see, Ehrenhard 2006). Kohli and Kettinger (2004) specifically stress the power that information technology has in enabling greater transparency and, in turn, the potential for greater control. Similarly, Danziger and Andersen (2002) tentatively conclude, based on their meta-review, that the clearest positive impacts generated by IT on public administration are in the areas of efficiency and productivity of government performance: exactly the areas that MFR targets. Also, Halachmi (2000) argues that performance measurement systems that do not exploit the (increasing or continuously changing) benefits of IT, will be at best inadequate and, at worst, be doomed to failure due to cost, poor reliability, and the resentment of employees and managers who must perform additional tasks to collect, analyze, and compile the performance reports. On the other hand, Simon (1997: 242) already pointed out that “in designing systems there was a tendency to give top management access to all this information [...] the question was not asked whether top or middle management either wanted or needed such information, nor whether the information could in fact be derived.” Likewise, Moynihan and Ingraham (2003) state that information collection can simply be yet another burden in administrative life. Thus, we must consider that “the key to the successful design of information systems lies in matching the technology to the limits of the attentional resources” (Simon 1997: 248). Thus, IT provides a number of ways to support managerial decision making although we should be careful not to overload managers with information. For most public-sector organizations today, however, having performance information readily accessible to individuals is the exception rather than the rule (Halachmi 2000).

The literature on performance management recommends that organizations do more than simply collect data about their performance. It also

indicates that, at the same time of being confronted with their results, they may get an impetus for improving processes for (understanding and using data strategically to improve) their performance. Moynihan (2005a), for instance, argues that from a design perspective, the processes for discussion of the outcomes data are every bit as important as the processes for the collection and dissemination of it. Behn (2003) recognizes eight purposes that public managers have for measuring performance: evaluate, control, budget, motivate, promote, celebrate, learn, and improve. Among these, motivating, promoting, celebrating, learning and improving purposes draw our attention to the human side of MFR. For instance, Webb (2004) found the strength of the relation between performance measures and managers' beliefs in their ability to achieve non-financial goals positively related to goal commitment in settings where multiple, causally linked goals exist.

## GOAL-SETTING

Ultimately, the importance of performance measures is determined not by their correlation with other variables but by whether or not they can help improve performance. And, because performance measures have been shown to have the potential for dramatically affecting human and organizational performance—both positively or negatively—it seems useful to know more about the properties of performance measures that make them effective (Starbuck 2005). Thus, it would seem to be a wasted opportunity to study managing for results and simply ignore the widely accumulated knowledge in the adjacent and very relevant field of goal-setting, and the pioneering work of Ed Locke, often in cooperation with Gary Latham. They elaborated how the setting of specific goals leads to a certain performance level, and the influence of moderators (commitment, importance, self-efficacy, feedback and task complexity) and mechanisms (choice/direction, effort, persistence, and strategies) (Locke & Latham 2002). Their studies also make clear that satisfaction with improved performance and rewards further increases the commitment to new challenges and still further performance improvement.

Fundamental for the success of MFR, however, are the recent findings in goal-setting theory regarding the problematic nature of a performance orientation as opposed to a learning or mastery orientation. A sole focus on performance or outcome goals can have a deleterious effect on one's performance (Seijts & Latham 2005). In situations that call for the acquisition of knowledge and skills, it was found that a specific challenging learning goal improves performance the most (Locke & Latham 2002). Also, individuals with a learning goal have higher commitment to their goal compared to those with a

performance goal (Seijts & Latham 2005). Janssen and Van Yperen (2004) found that the in-role job performance was high only for employees who had both a high performance orientation and a high mastery orientation as well. Bell and Kozlowski (2002) also found that learning orientation was positively related to self-efficacy, performance, and knowledge, but that performance orientation was negatively related to performance. Overall, the direct relationships obtained in these aforementioned studies supports the adaptive nature of a learning orientation and the maladaptive nature of a performance orientation.<sup>3</sup>

Janssen and Van Yperen (2004) explain this by referring to the basic tenets of the achievement goal approach: predominantly mastery-oriented individuals focus more on the job itself than on outcomes, and they perceive job demands as challenging task demands rather than as threatening competitive demands. Moreover they tend to emphasize controllable factors that lead to successful job performance (that is, improvement and mastery) and thus tend to persist effectively in the face of obstacles (Dweck 1999). Organizations would be wise to design a culture and practices that facilitate mastery orientations among their employees in order to buffer potential detrimental consequences of performance orientations primed by a given achievement situation (Janssen & Van Yperen 2004; also see, Van Yperen 2003; VandeWalle, Brown, Cron, & Slocum 1999). A mastery orientation might be facilitated by, among other things, self-referenced rather than other-referenced feedback and compensation systems that focus on effort, personal improvement, skill development, experimentation, and cooperation (Ames 1992; Van Yperen & Janssen 2002). Therefore, managers need to direct attention toward effort, personal improvement, development, and growth to make employees feel “fatigued at the end of a working day – but satisfied” (Van Yperen & Janssen 2002: 1169).

The research by Janssen and Van Yperen (2004) also studied the quality of exchange between leaders and members. They found leader-member exchange to mediate positive relationships between a mastery orientation and leader-rated in-role job performance, leader-rated innovative job performance, and job satisfaction. In contrast a performance orientation was negatively related or unrelated to those outcomes. This finding might suggest that employees with stronger mastery orientations are more effective on the job because they tend to establish higher-quality exchanges with their supervisors. High quality exchange relationships are characterized by mutual trust, respect, and

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<sup>3</sup> Learning orientation was generally adaptive for high-ability individuals but not adaptive for low-ability individuals, and the effects of performance orientation were contingent on both individuals' level of cognitive ability and the outcome examined (Bell & Kozlowski 2002).

obligation that generate influence between an employee and his or her supervisor. Low quality exchange relationships, on the other hand, are characterized by formal, role-defined interactions and predominantly contractual exchanges that result in hierarchy-based downward influence and distance between the parties (Janssen & Van Yperen 2004). A low quality exchange relation is, as such, quite close to the ideal type of the traditional legal-rational bureaucracy.

## ACCOUNTABILITY

A mastery orientation with a high quality leader-member exchange would provide more autonomy to public managers. However, autonomy cannot exist without accountability. Elected officials running a ministry, often under the pressure of parliament, need to set outcome targets. Based on these outcome targets public managers can decide which goals they need to achieve. Yet, in practice output goals are often set. Whatever the type of set targets, the idea is that by holding managers accountable, they are kept on track of the general will of their stakeholders (for a more detailed discussion see (Behn 2001; Bovens 1998; 2004; Dubnick 2005). Keating and Holmes (1990a: 179) stress this issue of accountability in Australia: "In seeking to enhance performance, the Australian reforms have principally relied upon the provision of much improved information to Parliament as well as to managers. There is a deliberate attempt to focus accountability on performance and what is being achieved with the resources made available. This contrasts with the previous system of accountability which concentrated almost exclusively on reporting inputs and processes." Yet, Lapsley and his associates (Jackson & Lapsley 2003; Lapsley & Wright 2004) found that a wide array of accounting techniques are in use in the public sector, but only key performance indicators are in use by most organizations. Also, only key performance indicators seem to have created any real general enthusiasm in their studies. Nevertheless, Rubenstein, Schwartz and Stiefel (2003) argue that given the broad range of goals for most public organizations, accountability may be best served by focusing on a broad array of outcomes, including both raw and adjusted (e.g., weighted or normalized) performance measures.

Despite the narrow focus often found on accountability in relation to performance measures, Page (2006) identifies multiple key accountability relationships that public managers must consider: hierarchical, legal, political, professional, and market accountability. Whereas the first four accountability relationships are self-explanatory, market accountability means that 'clients' hold managers accountable by (threatening with) exiting their services and thus they risk losing political clout. Each public manager has accountability

relationships with numerous parties. For instance, executive administrators use hierarchical supervision to hold managers and staff to account, but many find professional norms and political voice to be helpful complements (Miller 1992).

Page (2006) empirically studied the changes in accountability due to MFR by comparing the reinvention of federal welfare, education, and environmental programs. He found that legal and hierarchical accountability has moved away from monitoring procedural compliance toward measuring program outcomes in key respects. Thus, although the shift in monitoring away from procedures and toward outcomes has freed public managers and staff from some requirements, it has not reduced their legal or hierarchical accountability. Also, Page (2006) points out that political and market accountability may be enhanced by the public availability of data on managerial and staff performance that a shift toward performance measurement makes possible. In other words, transparent information fosters accountability (e.g. see, Sage 1999; Zumeta 2005). Finally, Page (2006) points at the risk administrative reformers take when they neglect professional accountability. Changes in formal training and informal norms can create new pressures, capacities, and working relationships among public managers and staff. For example, Jackson and Lapsley (2003) found that it is mainly the professional associations that support financial managers in acquiring the necessary knowledge to implement new systems. Overall, MFR may have increased public managers' procedural discretion in relation to their legal overseers and hierarchical supervisors, but its impact on their programmatic authority and other accountability relationships varies (Page 2006). In other words, although public managers have more autonomy they are still bound to obey rules and their superiors, while the possibilities for strengthening MFR through professional accountability is yet to be explored.

#### 2.2.4 CRITIQUE OF MANAGING FOR RESULTS

Although initiatives to manage performance have existed for some time, their implementation has been irregular across the public sector (Ball & Monaghan 1996). In this section we will discuss a number of causes mentioned in the literature. First, the argument used most, is the rather bold statement that government performance cannot be measured. Although there are of course difficulties –some already mentioned in the previous chapter– we will counter this point of view with other literatures. Next, we will discuss the relationship between politics and public managers and the influence on MFR. Finally, we will conclude with our view on why MFR is so hard to implement.



## MEASUREMENT AMID AMBIGUITY

In cases where performance indicators do not accurately reflect intended performance or desired outcomes, the potential for perverse results is greater, and this problem is compounded when the indicators themselves are not robust (Boyne & Law 2005). To more effectively assess performance, many organizations augment objective measures with subjective assessments of performance, although these subjective measures are vulnerable to renegeing (Baker, Gibbons, & Murphy 1994). Disembedding mechanisms (Giddens 1991) play a role too: although public management practices can be augmented with private sector practices, public management operates in a different context. When practices are applied into a different context one needs to be very aware of the possibilities for unforeseen conditions and unintended consequences (Giddens 1986). An examples is the US Paperwork Reduction Act where measures intended to produce broader strategic thinking turned into yet another middle-level of bureaucracy (Margetts 1999).

Noordegraaf and Abma (2003: 853) focus on the negative aspects of performance measurement as they argue that management by measurement fits “canonical practices where issues are known and standards are shared, but it is less appropriate for evaluating non-canonical practices and practices-in-transition where such a classification of issues is weak and consensus on standards is absent.” They state that management by measurement should solely focus on data; the other practices require dialogue in order to manage ambiguity and interpretive spaces. We wonder why they do not view performance information as the basis for dialogue to bridge ambiguity and interpretive space?

Of course, information is always imperfect, obtaining it can be costly, and there are important asymmetries, the extent of which is affected by actions of firms and individuals (Stiglitz 2000). But typical is that Norman (2002) found respondents to generally be in favor of the principles of control and accountability, but more reserved in their support when their own resources or reputations were likely to be affected.

The key problem is more often the way in which performance measures are being created and refined (see, Wouters & Wilderom 2008). For instance, a global study on enterprise-wide systems across five ‘industrial’ sectors found the governmental sector to score the second highest on management reporting and metrics functionality. However, actual usage of these data was the least (Davenport, Harris, & Cantrell 2002; 2004). Still, managers are often faced with redundant measures of the same outputs, each of which may be preferred by a different political principal or stakeholder (Nicholson-Crotty, Theobald, & Nicholson-Crotty 2006). Also, a manager’s choice of measures can have serious

consequences for both the estimation of agency problems and the success of programmatic solutions. Moreover, measures at multiple levels of government could encourage gamesmanship, and governments should be careful of simply substituting new measures for old. Ironically, Dubnick (2005) found the relationship between account giving and administrative performance paradoxical and either spurious or so contingent as to raise questions regarding administrative reforms based on it.

#### POLITICIANS VS. PUBLIC MANAGERS: A BLAME GAME?

The political dimension plays an important role in MFR too. While the consequences of performance-based management are often experienced over the long run, political considerations are often focused on issues of immediate concern (Simeone, Carnevale, & Millar 2005). Nonetheless, the setting of strategic goals and priorities are essentially political priorities (Smith & Street 2005). This means that whatever goals are set; they are trade-offs or the results of politicking instead of boiling down to a clear bottom line. Therefore, there will always be a need for dialogue between public managers and elected officials to ensure that the models deployed reflect policy priorities. As such, performance measurement in the public sector can be seen as a game of consultation and negotiation (De Bruijn 2002a), providing managers with at least some, but often substantial, room for autonomous decision making. A motivation for public managers to resist MFR might therefore lie in the greater transparency IT establishes and in turn the potential for greater control IT gives to elected officials (Kohli & Kettinger 2004).

On the other hand, Hood provides a caveat concerning the main role of public managers: “if policy is to be driven by pollsters and professional party strategists, the voice of experience from the bureaucracy will increasingly be at discount; and the skills which the politicians need from the bureaucracy will lie mainly in management, not in policy formulation” (Hood 1990: 206). Keating and Holmes (1990b: 218), however, counter-argue that “there is a need to ensure a better integration of policy advice and policy implementation. This does not represent a rejection of policy in favor of management (or vice versa), but a desire to ensure that they properly support each other.”

Similarly, Hood (2002) has drawn attention to the relation between the risk society (Beck 1992) and the ‘blame game.’ The blame game is a set of interactions between elected politicians and the general public, or voters at large. According to Hood (2002), three broad ways to manage blame are presentational strategies, policy strategies, and agency strategies. It is the latter –the selection of institutional arrangements to minimize or avoid blame– which is relevant for this study. Agency strategies explain for example the choice between direct control and delegation. Obviously, by delegating

responsibility down the chain-of-command the blame can be shifted or shared with public managers. The same holds for the relation between top and middle management. In sum, there is a need for critical reflection on, and questioning and challenging of existing practices, beliefs, and values.

#### BACKBREAKING IMPLEMENTATION

The 'blame culture' which promotes manipulative behavior can only be overcome by achieving a 'high trust' culture which rewards honesty and risk taking (Sanderson 2001). Otherwise, there is a danger that performance management and review will degenerate into a mechanistic process, "exacerbated to the extent that the motivation for performance management is to control staff, budgets and activities rather than to learn about what is going on and to achieve continuous improvement" (Sanderson 2001: 311). Likewise, Townley, Cooper, and Oakes (2003) found that public managers' initial enthusiasm with the justification of actions and policies was replaced with skepticism and cynicism when they increasingly saw performance measures as denying their expertise, closing off debate, and promoting instrumental rationalization. These experiences and unintended consequences show that we need to learn more about ways to more effectively implement MFR. Compared to the global NPM, MFR as laid down in the NPR was made very explicit and went much into detail. Nonetheless, most government reforms are recognizable for their strong, if not dominant, rhetorical character rather than for their results (Ferlie et al. 2003). Likewise, Lapsley and Wright (2004) argue that ceremonial and legitimating functions may be the reason their respondents find performance indicators the most important, yet irrelevant to their daily work routine. As Moynihan (2004) puts it: who would be against improving performance? Paying lip-service to these reforms is easy, as the actual implementation is laborious and not the prime interest of politicians.

So the question arises: are there actual changes happening despite the allegations of empty rhetoric? The idea of a general shift in control toward a results orientation has been questioned in detailed implementation studies (Hood & Peters 2004). But even when a major measurement effort of the reform wave shows signs of success, doubts about the breadth of implementation or authenticity have arisen (Burke & Costello 2005; Calista 2002; Kearney, Feldman, & Scavo 2000; Poster & Streib 1999; Willoughby & Melkers 2001). The U.S. government had similar experiences a decade ago in the National Performance Review as lower order objectives, such as downsizing and budget cuts, were often achieved but higher order objectives related to culture change and quality of service were not (Thompson 2000). In spite of

this, the research into MFR has mainly focused on the formal consequences of changes in budgeting; performance measurement, management, and evaluation; and the implementation of supporting information systems (e.g., Moynihan 2004; Moynihan & Ingraham 2003; 2004; Schalock & Bonham 2003; Wholey 2001). The empirical research focusing on the relation of MFR with specific culture change programs and the organizational politics of implementation is, at the best, scarce. Yet, the success of implementing a change in culture hinges on shifting from the traditional legal-rational bureaucracy to the MFR template.

## 2.3 CONTRASTING MFR WITH LEGAL-RATIONAL BUREAUCRACY

The movement to de-bureaucratize public administration with new/added performance measures, ironically, is not simply the results of a temporary fad. “The pressure from managers themselves, as well as those they manage, is part of a significant sociological change in attitudes towards authority in all institutions. The point is not so much to ‘let managers manage,’ rather, it is to ‘make managers manage,’ given that they already have significant power and influence within their organizations” (Aucoin 1990b: 200). After delineating what is commonly understood by legal-rational bureaucracy and MFR, we will now contrast these templates in order to obtain a full overview of similarities and differences.

### 2.3.1 PROCEDURES OR RESULTS

Upon closer investigation legal-rational bureaucracy and MFR are alike in the sense that they are both goal-oriented forms of social action. The quintessential difference is however that for legal-rational bureaucracy the focus is on the procedure (a formally demarcated process), while for MFR the focus is on the result. Of course, because of special circumstances one can deviate from either the procedure or the result; but it is the procedure or the result that should be the basis for social action. From this it logically follows that for MFR the process itself might not be in accordance with what is socially acceptable despite the result. Likewise for legal-rational bureaucracy, the result of a procedure might not be the result desired by society as a whole. Bureaucrats mistakenly take the procedure to be their goal; in Merton’s (1940) words individuals adapt to cultural pressure by goal displacement or ‘ritualism’. Yet, Merton (1938) also labeled the focus on results without following the institutionalized means as ‘innovation,’ which for him means a deficit of morally prescribed norms. Thus Mertonian ritualism and innovation are a form of anomie, but innovation specifically could lead to a society wherein

“calculations of advantage and fear of punishment are the sole regulating agencies” (Merton 1938: 682).

### 2.3.2 COERCIVE OR ENABLING ENACTMENT

Upon closer investigation, the contrast between the two ideal types legal-rational bureaucracy and MFR can be further differentiated into a number of variants. Based on the aforementioned literature we identify a number of ways these ideal types can be put into practice. Adler and Borys (1996) already identified coercive and enabling bureaucracies, whereas Hood (1991) identified a new-institutional economics and a managerialism strand within NPM. Furthermore, based on the way goals are set, we can identify two forms of how MFR is used in practice. Coercive MFR is more in line with strict managerialism and the bulk of the academic writing on MFR, i.e. the literature that normatively describes strategic planning, performance measurement and output targets. Enabling MFR is more pragmatic, which means ‘getting the job done’ when considering unacknowledged conditions and the emergence of unintended consequences, and focuses on learning goals. These two variants of MFR do not have to be that distinct in practice as learning goals can be –and are often– combined with performance goals. Mostly the application of Coercive MFR or Enabling MFR depends on the context: the kind of work that is done, possibility of quantifying results, training and expertise of staff, but also personal preference. These five variants and their characteristics are summarized in Table 2.2 on the next page.

Recognizing the separate variants of legal-rational bureaucracy and MFR will help in diagnosing the direction of the change process. The scheme developed in Table 2.2 integrates the work of Hood, Adler and Borys, and Mintzberg on organizational forms for specific public sector use. Hence, Table 2.2 can aid in determining the appropriateness of the organization change goal. As stated before, the role of information is quite important in (governmental) decision making. The advancement of IT inspired MFR as especially coercive MFR puts a heavy emphasis on output databases (Hood 1991), but IT has also further enabled working in project teams and can be fundamental for achieving more transparency. However, when control is based on performance information, information is traded by public managers rather than given away. Yet, when managing for results, information could also be the basis for dialogue to manage ambiguity and interpretive space. Claims that experience will be at discount and that dialogue is closed off are therefore dependent on the specific situation at hand. The information in a legal-rational bureaucracy is structured since public managers must be able to show that procedures were followed correctly.

Template	Legal-rational Bureaucracy		New Public Management		
Variant	Coercive bureaucracy	Enabling bureaucracy	New-Inst. Economics	Coercive MFR	Enabling MFR
Objective	rules and procedures	rules and procedures	(dis)incentives in organizational design	performance goals	learning goals ( <i>possibly</i> with performance goal)
Standard of success	compliance to top-down imposed procedures	rules and procedures as guiding principles based on bottom-up dialogue; best practices	alignment of principal and agent's interests	goal attainment	acquisition of knowledge and skills
Possible perverse effects	'ritualism'; goal displacement	'one best way'; protracted consensus-building	'innovation'; moral hazard, adverse selection	'innovation'; gaming of performance system	'reinventing the wheel'; redundancy
Control mechanism	procedure	due process	transparency	accountability	accountability
Information	structured	structured	asymmetry; basis for negotiation	basis for negotiation; feedback for effort	basis for dialogue; feedback for learning
Organization type	machine bureaucracy	professional bureaucracy	diversified organization, use of quasi-markets	diversified organization, use of performance contracts	innovative org.: e.g. matrix organization or project teams
Coordination by standardization of:	work processes	skills	outputs	outputs	mutual adjustment (not standardized)
Level of autonomy	low	medium	medium	high	high
Adaptability	low	medium	low	medium	high
Slack	medium	medium	low	low	medium

Table 2.2: Variants of the two ideal types or templates in government

Different uses of information, forms of control, and objectives are related to different types of organizational structures and their method of coordination. Mintzberg (1980) already identified two types of bureaucracies, which are very much in line with the coercive and enabling bureaucracy. Furthermore, the diversified configuration is coordinated by standardization of outputs. A key difference between new-institutional economics and coercive MFR is that for the former the output is achieved by organizational design, while for the latter output is achieved by the setting of performance goals. Setting learning goals is more befitting an innovative organization where creativity and experimentation lead to the desired outcome.

Finally, we introduce the level of autonomy, adaptability, and slack in these variants as key characteristics, e.g. slack as opposed to efficiency. As discussed earlier, the level of autonomy is higher in NPM than in legal-rational bureaucracy. Yet, for an enabling bureaucracy, stressing participation in the designing of rules and procedures, and the new-institutional economics, providing choice by the design of (dis)incentives for behavior, autonomy is at the intermediate level. The level of adaptability, however, provides another picture. When organizational design is fixed, either in rules and procedures or in (dis)incentive mechanisms, the possibility for adapting to changing circumstances is dependent on a top management decision to change. Enabling MFR has the highest adaptability potential, as learning goals provide managers with the opportunity to change outputs if that would, in their opinion, lead to a faster or more efficient achievement of outcome. The downside is that learning goals will demand a higher level of slack than the other NPM variants as to have some space for experimentation to find out what works best, more organically and situationally specific.

## **2.4 MANAGING FOR RESULTS WITHIN THE DUTCH CENTRAL GOVERNMENT**

Since the 1980s the reforms in the Netherlands were almost prototypical of what was later called NPM (Kickert 2003). Kickert points out that this new mode of governance differs from the classic legalist account and control tradition of governance as “the new modern monitoring, inspection, and control techniques apply rather to outputs and performance” (Kickert 2003: 127; also see, Ter Bogt & Van Helden 2000). These reforms led to the rehabilitation of accountability and control instruments. The monitoring and control function of the Netherlands Court of Audit was enhanced and the Dutch parliament established an annual ‘day of accountability and control’ besides the annual

‘day of the budget.’ It is especially this latter reform, the 1999’s VBTB<sup>4</sup> legislation, which is of particular interest to this study as it prescribes a form of results-oriented budgeting and encourages MFR practices (Ministry of Finance 1999). Next, we will briefly describe the events that led up to VBTB and its implementation plan. Hereafter, we describe the actual implementation of VBTB, including the official evaluation report as well as studies done by the Netherlands Court of Audit. We will end with a short discussion of the follow-up to the VBTB scheme: the ‘Andere Overheid’ program, which aims at modernizing government in a broader sense.

Patashnik (1999) attributes the revival of budgeting during the 1980s and 1990s to the fiscalization of the policy debate. The OECD (1999) proclaims that government’s need for a balanced budget is becoming a more and more important driver for change as it stimulates continuous improvement of both formal structure and culture in order to enhance effectiveness and efficiency. However, when large scale change needs to be brought about in the Netherlands, there is a strong reliance on external consultants (OECD 1999). As the hiring of external consultants is becoming more and more restrained, the Dutch Ministry of Finance was mainly responsible for providing instructions, guidelines and best practices. In general, the Ministry of Finance has a coordinating role concerning the financial aspects of public management, whereas general public management reforms are left to the authority of the separate ministries. Thus, the power of the Ministry of Finance to impose measures on other ministries is very limited. Additionally, the Netherlands Court of Audit has an important role in central government reforms: when its reports show a need for improvement it can initiate reform, while after implementation the Court has an evaluative function that can lead to further reform (OECD 1999).

#### 2.4.1 INITIAL DEVELOPMENT OF RESULTS-ORIENTED BUDGETING: 1997 - 2002

Although the Netherlands has a long history in budgeting reforms on all levels of government, the actual start for VBTB was in 1997 as both a study by the Netherlands Court of Audit and a proposal by the Committee for the Budget revealed opportunities for large improvement. The Netherlands Court of Audit (1997) studied the quality and quantity of the performance indicators in the

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<sup>4</sup> The Dutch VBTB acronym stands for: “Van Beleidsbegroting Tot Beleidsverantwoording,” which means “[going] from policy budget to budget accountability,” although insiders also use the term “Van Borrel Tot Borrel” which means “[going] from reception to reception,” hinting at the large number of associated meetings.



budget. They found that the information provision through performance indicators was increasing, but that there was still a long way to go.<sup>5</sup> In the same year the Committee for the Budget of the Dutch Parliament proposed to speed up and improve the quality of the financial account giving by the Dutch central government ministries (Van der Knaap 2000). The advice from this committee led to the 1999 VBTB report by the Dutch central government. As a consequence Parliament, the Ministry of Finance, the other ministries and the Netherlands Court of Audit agreed that in future financial account giving, by means of an annual report, would be done separately from the presentation of the budget. May 2000 was the first time that the annual report was presented separately to Parliament. However, next to improving the quality of the financial account giving, also an improvement in the quality of the budgets was desired. Thus, the VBTB program covers the entire cycle from budget proposal to annual report. To be able to assess government performance, both documents concentrate on the goals, activities, and means of government; in other words, results-oriented budgeting. As a side-effect, VBTB renewed the attention for government's business operations. Business operations are seen as an important aid for managers to realize the desired goals through the planned activities for the budgeted costs.

Fully-fledged results-oriented budgeting goes further than simply changing the presentation of the budget. The underlying processes also need to be changed in order to be capable to answer the questions about goals, resources, and the costs of policy correctly. This means that besides the adhering to this legislation each of the thirteen ministries were encouraged to design their own specific MFR measures (Ministry of Finance 1999). Last, the Ministry of Finance also recognized that the implementation of results-oriented budgeting demanded a cultural shift in the organizations: "the core of changing the culture lies in thinking in terms of policy priorities, goals, and performance. In line with that, a good interaction between the financial and policy column is necessary within the ministries to make the link between goals, performance and resources" (Ministry of Finance 1999: 45).

Berkhout and Sanders (1999) found from their interviews with a number of members of parliament and public managers that applying results-oriented steering to the budget is in principle attainable and a widely supported development. Van der Knaap (2000) indicates that in his study the other Ministries perceive VBTB as their own project and approach it pragmatically,

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<sup>5</sup> Interestingly, the Netherlands Court of Audit expected that as a consequence of improving performance indicators also the external information provision would improve, although this was not the first priority for the ministries (Netherlands Court of Audit 1997).

supported by a strong emphasis on the user-value of the budget and the annual report. He also points out that –based on past Dutch experiences with (failed) performance budgeting implementation– the two main risks for VBTB are: becoming an isolated operation of the Ministry of Finance, and the belief that complex reality can always be simplified to concrete numbers.

Yet, the complex reality that *can* be represented in numbers requires a solid technological infrastructure of reporting (Hood 1991). Adaptation or replacement of their current information systems was deemed necessary to cope with the need for vastly improved information flows within ministerial organizations to enable results-oriented budgeting. The Ministry of Finance thus chose to support the other ministries by providing extra funding for IT (Ministry of Finance 1999; 2001). Still, the Netherlands Court of Audit (2001) found that the informational consequences and the availability and reliability of the information for third parties mainly had a procedural character: there was little information about the actual content of policy. Although the VBTB project itself was still on track in 2001, the Minister of Finance stressed that the development of VBTB should be seen as a growth path; not only on the technical aspects but also in terms of changing from thinking in inputs towards more results-orientation (Netherlands Court of Audit 2001). This was again stressed by the Ministry of Finance (2002) as differences in culture and formal organizational structure between the ministries influence their change trajectories.

#### 2.4.2 RESULTS-ORIENTED BUDGETING GROWTH PATH: 2003 - 2006

The original goal as stated in the VBTB report was to improve the information value of the budget and annual report; eventually VBTB became much broader and developed into an instrument for a more effective and efficient operating government (IOFEZ 2004). Captivatingly, half of the ten concluding remarks in the VBTB evaluation report recommend making VBTB broader than results-oriented budgeting to achieve the VBTB goals. This includes the content of policy documents as they should mention the problem, role of the government, activities (what and when), contribution to the goal (why, how, degree), comparison with alternatives, and input and output (IOFEZ 2004: 53-54).

Yet, when looking at the ‘narrow’ VBTB, the compliance to the demands of VBTB legislation has risen from 5-10% to 50-66% (IOFEZ 2004: 11). Although definitely a success when perceived as relative growth, it still means that for instance information about performance, results or effectiveness is only present in slightly more than half of the studied budgets. Apparently it is almost impossible to measure the effects of policy; but the evaluation report argues that positive effects of VBTB on efficiency and effectiveness do not arise

because of measurement, but because of the clear definition of goals and how specific instruments contribute to those goals (IOFEZ 2004). On the other hand, the VBTB evaluation report stresses that the two main problems identified by respondents were an overemphasis on 1) quantifiable policy causing perverse effects and a paper reality, and 2) putting policy into a VBTB framework without any real consequences for the policy content (IOFEZ 2004). In addition an interdepartmental study into red tape (IBO 2004) found two major issues in VBTB. Similarly, VBTB is focusing too much on what is measurable and as a consequence more value is given to financial aspects instead of goal attainment. In addition, the number of policy goals in the budget is so large that deciding on priorities is to say the least challenging, or as the VBTB evaluation committee put it: “everything is priority and thus factually nothing” (IOFEZ 2004: 16).

The findings of the VBTB evaluation are, however, to be disputed. For example, Van Schooten (2005) strongly criticizes the research design, support for conclusions, and referencing of the VBTB evaluation. Also, she posits, the policy theory behind VBTB, results-oriented budgeting as a driver for MFR, is not mentioned in the evaluation. She therefore ponders if a further technical refinement of VBTB proposed by the evaluation will lead to more user-value. This is especially relevant for business operations sections in the budget in which the growth path towards MFR is made explicit. This section should include events that influenced the business operations of a Ministry. However, how does one know which events to report? Therefore, the Netherlands Court of Audit emphasized the need to set norms, which led to the reference framework for business operations by the Ministry of Finance (Netherlands Court of Audit 2002). Key to this reference framework is a systemic risk analysis of the path towards full-blown VBTB in 2005. Although all ministries have this section in their budget, both the covered topics and the envisioned growth paths differ widely between the ministries. Van Schooten (2003) blames this on goal displacement as she argues that ministries are busy to fulfill the demands and norms of VBTB, while the ultimate goal of user-value is forgotten. She found that although the ministries adhered to the VBTB scheme, the budgets have not become more readable (Van Schooten 2003). According to her the root causes are the lack of coherency between parts of the budget, the size and the technical character of the budget, and the lack of argumentation for making choices. Also, Postma (2005) criticizes the information value and accessibility of the documents. This impression is further backed up by the relative small attention paid to culture change in the budget. Moreover, Goed and Huistra (2003) noted that despite the announcement by most ministries in their 2003 budgets that the development of performance indicators is a high priority, most ministries lack insight on their activities and are not able to make policy effects

visible since the goals are not defined in a measurable manner. Also, the support for VBTB has lessened as for instance policy departments do not see VBTB as their responsibility (Van Gils & Moioli 2004). This leads Van Gils and Moioli to reaffirm that VBTB might appear simple, yet is in fact a fundamental culture change aimed at changing work routines from an orientation on effort to results (Van Gils & Moioli 2004).

Nonetheless, there was still strong support from Parliament. Already in 2000 Parliament unanimously passed a motion in favor of the Minister of Finance to keep the pressure on the VBTB project (Handelingen II 2000/01: 2995). In 2005 again a number of motions were passed to enforce the previous agreements, or as the Minister of Finance put it: “to put VBTB on track again” (Handelingen II 2004/05: 4262). One consequence of these motions was that norms for non-financial information were explicitly determined to prevent that information that costs less effort would prevail above better policy information (Ministry of Finance 2006). All in all, and against the advice of the VBTB evaluation report, VBTB was brought back to its initial status of results-oriented budgeting.

#### 2.4.3 EXPANDING REFORM: MODERNIZING GOVERNMENT

In the mean time, the new cabinet –with the leading party in the new coalition being the Christen Democrats instead of the Social Democrats– had launched the ‘Andere Overheid’ program aimed at modernizing the entire public sector. The program mainly aims to achieve a smaller government that provides fewer rules but performs its core tasks better (Andere Overheid 2003). To achieve this ambitious goal the cabinet installed a special project team with a total annual budget of about 1.5 million Euro including salaries. Furthermore, the cabinet put a high stake on utilizing ICTs for improving service delivery and relieving administrative burden for citizens. A ‘courageous’ proposal –to paraphrase the Yes Minister sitcom– considering the average success rate ascribed to IT implementation (e.g., Keil & Robey 2001; Linberg 1999; Scott & Vessey 2002), let alone the experiences with government IT implementation (see e.g., Brown 2001). In 2006 two Dutch parliament members concluded in their study that government had wasted hundreds of millions on IT and even went so far as to call the failed implementation of a shared personnel system sabotage by civil servants (Van Dam & Timmer 2006). In other domains however, especially among the more autonomous agencies, there have been some successes. For instance the website of the National Department for Road Traffic was mentioned by the European Commission as one of the thirty best examples of government websites in Europe. Yet, the director of the department was quoted

to downplay the influence of ‘Andere Overheid’ on this success (Castricum 2006).

Another development, related to the aforementioned business operations section in the budget, was set in motion by an interdepartmental study into red tape proposing risk management as a solution for what the researchers saw as a risk-averse culture epitomized by the abundance of rules and procedures (IBO 2004). Risk management would then lead to a more conscious cost-benefit analysis of the introduction of new rules to prevent certain risks. This could then, for instance, improve the consideration of practical limitations on the execution of policy: political attention usually focuses on policy instead of execution. The same study also criticized the inefficiency caused by the large number of overlapping supervisory and auditing organizations.

#### 2.4.4 IN CONCLUSION: MFR IN THE DUTCH CENTRAL GOVERNMENT

“The Dutch public sector changes in an incremental way, by an ongoing sequence of small adaptations” (OECD 1999: 1). Past experiences have shown the unfeasibility of top-down implementation of large scale planned change. On one hand this is due to the Dutch coalition-forming system, on the other there is the resistance towards comprehensive change programs that do not comply with the vested interests of actors within networks of relationships between the public sector and society (OECD 1999). The implementation of results-oriented budgeting was supposed to have a flywheel effect by also encouraging MFR practices within the Dutch ministries. Although VBTB at one point became broader, the actually implemented changes were mainly restricted to budgeting itself. As a result, the restructuring of the national budget into a results-oriented budget –providing performance goals instead of resource allocation– is completed. Yet, according to the Netherlands Court of Audit (2003a; 2003b; 2003c; 2004), MFR within the ministries is stalled within each of their organizational black boxes.

We found a number of causes in the preceding discussion. Although the Ministry of Finance financially supported the other Ministries to adapt or replace their IT systems, it is not exactly clear what happened with these funds. Also, despite repeated warnings, VBTB turned –to some degree– into a technical operation and became isolated from the policy departments that should have provided content in the first place. This happened even though Parliament was over the years a strong supporter of VBTB. In a large number of government documents and studies mediocre implementation results are written off with vague references to ‘culture.’

Similarly, Ter Bogt and Van Helden (2000) found a wide gap in the Netherlands between the ideal concept of formal accounting change and its ultimate development and between the newly-developed accounting instruments and their actual application. Reasons they provide for these gaps include: lack of budgetary pressure, insufficient commitment by top management and too little attention paid to enablers of the change process. The latter refers e.g. to maintaining traditional compensation schemes and paying insufficient attention to training employees. Ter Bogt and Van Helden (2000) also state that these changes will probably not be fully accepted until considerable effort has been made to change the organizational culture and the working methods.

## STRUCTURES, AGENCY AND MIDDLE MANAGERS

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"First there were losses, then there was a plan of change, and then there was an implementation, which led to unexpected results"

-- Barbara Czarniawska & Bernward Joerges (1996: 20)

"And therein lies the whole of man's plight. Human time does not turn in a circle; it runs ahead in a straight line. That is why man cannot be happy: happiness is the longing for repetition"

-- Milan Kundera (1984: 298)

The preceding chapter contrasted the traditional legal-rational bureaucracy template with MFR. It included an introduction on the macro-level changes occurring in Western democracies' public sectors and in particular in the Netherlands. In this chapter we enhance our multilevel approach by linking these macro-level changes to the behaviors of (groups of) people within these public sector organizations at the meso- and micro-levels, using structuration theory as a guide and as an interpretive lens. Hence, the question to be tackled in this chapter is "How to study, from a structuration theory perspective, the roles of middle managers and change agents during organizational change implementation?" In the first chapter we introduced templates, (contextually) situated practice, institutional theory, structuration theory and the roles of all these in MFR implementation. In this chapter we aspire to put forward a more reflective approach to organizational change, considering bottom-up behaviors, contradictions, and complexities (Collins 2000), by using structuration theory, refined with institutional theory and agency theory. In addition, we will review various possible change agent roles and the role of middle managers, as middle managers are pivotal in this kind of change processes.

The chapter is structured as follows: first, we will introduce Giddens' (1986) structuration theory as a method for studying both change and stability in organizations. Next, we will discuss the role of material constraints in structuration theory to clarify how the material world and socially constructed world are related in structuration theory. As structuration theory is rather abstract, we will incorporate additional insights on organizational change and 'institutional entrepreneurship' from institutional theory. In addition, theory on agency and social interactions are brought to the fore to further guide our empirical investigations of agency within the structuration of MFR. Finally, we

synthesize the literature on the role of change agents and argue why we focus on public sector middle managers.

### 3.1 GIDDENS' STRUCTURATION THEORY

In section 1.5, we elaborated the philosophical underpinnings of structuration theory and this study. There, we discussed how social structure is exactly related to memory traces and daily practices, and how Giddens views structuration theory as an ontology of social life. Yet, structuration theory is not just an abstract theory with little relevance for practice. Structuration theory also had and still has a major influence within social science research. For instance within information systems research, an extant body of literature applying structuration theory has developed over the last two decades (for reviews see: Jones 1999; Jones & Karsten 2003; Walsham & Han 1991). But also in other fields an increasing number of studies directly apply structuration theory (e.g., Feldman & Pentland 2003; Heracleous & Barrett 2001; McPhee 2004; Moldoveanu & Bauer 2004; Ranson et al. 1980). Especially worth mentioning is that structuration theory also had a strong influence on institutional theory as this theory explains the “structuration of organizational fields” (DiMaggio & Powell 1983: 147).

#### 3.1.1 DIMENSIONS OF STRUCTURE AND AGENCY

However, before going into too much detail, we will first describe the elements of structuration theory that are especially relevant for our empirical investigation, i.e. how we use structuration theory to illuminate the social structures of Dutch central government's middle managers during the implementation of MFR-type interventions. For this we need to consider that structure is defined by Giddens (1986: 377) as the “rules and resources, recursively implicated in the reproduction of social systems; structure exists only as memory traces, the organic basis of human knowledgeability, and as instantiated in action.” Hence, structure can just as easily enable or constrain human behavior, while structure itself only exists through the behavior of human beings. This means that not only the aforementioned structures drive middle managers' behavior, but also that the middle managers produce and reproduce these structures in their behavior. In this process of structuration human beings are knowledgeable and enabled, which implies that “those agents are capable of putting their structurally formed capacities to work in



creative or innovative ways” (Sewell 1992: 4). In other words, the knowledge of structure makes people capable of action.<sup>6</sup>

Giddens (1986) distinguishes between structures of signification, domination, and legitimation. These should be considered different analytical dimensions of the same phenomenon as, in practice, they are closely interlinked. This distinction provides us with the three dimensions of the mutually constitutive nature of structure and behavior during MFR implementation (depicted in Figure 3.1). These dimensions of the MFR phenomenon will be examined within the Dutch ministries: to describe structural enablers and barriers. We will now introduce Giddens’ three key dimensions.

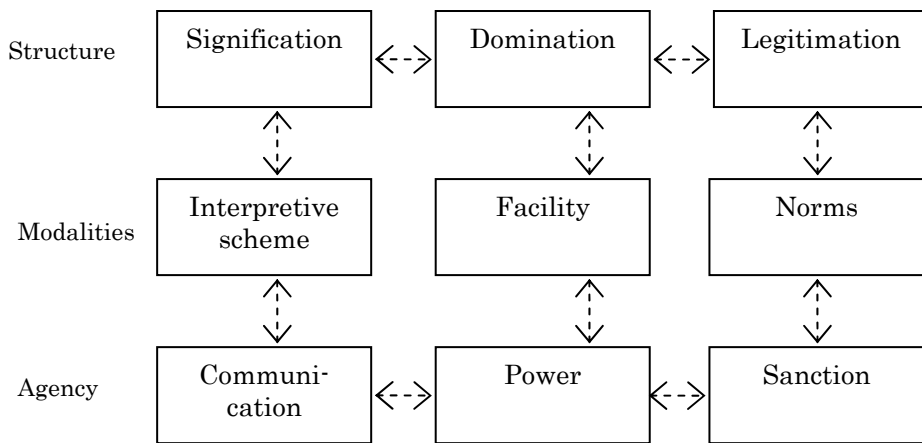


Figure 3.1: Model of the duality of structure (Giddens 1986: 29)

In Giddens’ signification dimension, human communication involves interpretive schemes – the stocks of knowledge that human actors draw upon to make sense of their own and others’ actions (Schutz 1974). They thus produce and reproduce structures of meaning, which are termed structures of signification (Walsham & Han 1991). This interaction between communicative action and interpretive schemes is central to the construction of social reality and thus to human behaviors that are based on this reality (Gioia 1986). The close link between interpretive schemes and action is enacted when individuals act out and thus realize their ideas (Weick 1977). In other words, change is patterned by pervasive and generally deep structures that guide the course of events through their effects on human beings’ interpretations and communicative actions (Heracleous & Barrett 2001). Using this signification

<sup>6</sup> The usual social scientific term for ‘what people know’ is ‘culture’ (Sewell 1992: 7).

dimension, we will interpret how middle managers are seen to make sense of MFR implementation.

Giddens notes, furthermore, people's ability to allocate material and human resources. In doing so, they produce and reproduce structures of domination (Walsham & Han 1991). Giddens makes a distinction between authoritative power that refers to command over people or actors, and allocative power which refers to the command over objects, goods or material phenomena (Giddens 1986: 33). It is important to know that Giddens, like Foucault (1979), assumes dialectic control in which power is only effective to the extent that human beings comply. MFR implementation has consequences for the allocation of material and human resources in the ministries. It is therefore vital in how middle managers are facilitated to do their work. Furthermore, MFR alters the ways in which middle managers can exert power and, at the same time, also the way in which power is exercised over them. With this dimension we hope to discover how middle managers try to secure their interests during the change process.

In addition, according to Giddens, human beings sanction their actions by drawing on norms or standards of morality, and thus produce and reproduce social structures of legitimation (Walsham & Han 1991). Danielle Warren (2003) categorizes actual or regularly exhibited behaviors as informal norms (e.g., work routines) and expected behaviors as formal norms (e.g., rules, procedures, codes of conduct). Within MFR this structurational dimension is especially important as it addresses the problems related to accountability, which is the interplay between interpretive schemes and norms (Giddens 1986). This implies that one can only be held accountable for one's behavior when one can explicate the reasons for that behavior and is able to refer to norms by which the behavior is justified. The implementation of MFR is, in part, the substitution of norms. It stresses the delivery of agreements and imposes performance standards. Through this dimension we will highlight the norms associated with MFR implementation by middle managers in the Dutch ministries.

With the help of these three dimensions we will also examine conflict and structural contradiction among middle managers and between middle managers and other stakeholders within the ministries. Conflict and contradiction are not widely referred to in the literature, yet they are inherent in structuration theory (Walsham 2002). Conflict is seen as the actual struggle between actors or groups. Contradiction is a potential basis for conflict, as conflict may arise from structural contradictions within and between social groups (Giddens 1986: 198). Contradictions may result in conflict if actors feel that the differences affect them negatively, and they are able and sufficiently

motivated to take positive action of some sort (Greenwood & Hinings 1996; Seo & Creed 2002; Walsham 2002).

### 3.1.2 STRUCTURATION THEORY AND THE MATERIAL WORLD

In section 1.5, we already discussed the major critique on structuration theory –mainly from the critical-realist camp– that structuration theory does not give independent ontological status to structures. We explained how this is actually a weakness of critical-realism. Yet, still another issue remains, which is the role of technology. Giddens does not explicitly discuss the role of technology at all, except for his almost renowned quote: “technology does nothing, except as implicated in the actions of human beings” (Giddens & Pierson 1998: 82). DeSanctis and Poole (1994: 124) euphemistically state that this “approach underplays the role of technology in organizational change”. However, their evolutionary approach labeled Adaptive Structuration Theory is in sharp contrast with Giddens ideas on evolution and evolutionary adaptation (see, Giddens 1986: 233-243, 263-274).

The problem starts with the material world only being included in structuration theory as a constraint. Examples of how human behavior is materially constrained are “the indivisibility of the body, finitude of the life span, and ‘packing’ difficulties in time-space [as well as] the sensory and communicative capabilities of the human body” (Giddens 1986: 174). Yet, resources are a central part of structuration theory and according to Giddens resources are ‘virtual.’ Nevertheless, according to Sewell, labeling non-human (or ‘allocative’) resources as virtual is rather doubtful. “Nonhuman resources have a material existence that is not reducible to rules or schemas, but the activation of material things as resources, the determination of their value and social power, is dependant on the cultural schema that inform their use” (Sewell 1992: 12). Sewell’s solution is thus to conceive structures simultaneously as schema, which are virtual, and resources, which are actual. Linking structures to individuals by the introduction of schema is an appealing proposal, yet Sewell’s discussion of resources appears to be misconceived (see, Giddens 1986: 33). Giddens explicitly elaborates the concept of resources within structuration theory as the command of these resources, i.e., the way they are used in practice.

Orlikowski (2000) sought to extend the structuration theory perspective in the direction of emergence and improvisation in technology and technology usage. Although a technology was constructed with particular materials and inscribed with developers’ assumptions and knowledge about the world at a point in time (Perrow 1983; Thomas 1994), it is “only when this technology is

used in recurrent social practices that it can be said to structure users' actions" (Orlikowski 2000: 408). Also, the remarks of intermediaries as consultants, managers, trainers, and the like on a technology's nature, capacity, use, and value intervene on the interpretation of the user (Woolgar 1991).

On the other hand, Giddens does refer to communication technologies as enhancing the communicative capabilities of the human body. So, technology as artifact can break through material constraints. Could this also be the case the other way around: can structure exist outside of memory traces and as instantiated in action? The storage of structures may be understood as involving the retention and control of information or knowledge. "Storage presumes media of information representation, modes of information retrieval or recall and [...] modes of its dissemination" (Giddens 1986: 261). Likewise, Draaisma (2001: 153) poses: "language is both our most important vehicle of symbolic communication and the dominant medium in which information is externally stored." According to Giddens, even in this case retrieval still depends on human memory and the interpretive skills of those retrieving, i.e., the command over these resources and not the resources themselves.

### 3.1.3 EXTENDING THE STRUCTURATIONAL LENS: A STRUCTURATIONAL MODEL

Structuration theory might be internally consistent as evidenced by this discussion of the role of technology, but we need to revert to middle-range theories (Merton 1949) to extend the structuration lens and prevent it to become some kind of 'Newspeak' (Orwell 1949). In Figure 3.2 we present a structuration model that extends structuration theory to be more easily applied in studying organizational change settings. In this model we distinguish between the middle managers' system<sup>7</sup> and the change agency that attempts to influence that system. In this structuration model change agency is depicted outside of the middle managers' system. However, this separation is solely analytical as change agency can just as well come from the ranks of middle management. In addition, we stress both the strategic and reflexive capacity of actors under Emirbayer and Mische's (1998) 'chordal triad of agency' (described more in-depth in section 3.3.1).

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<sup>7</sup> While we mainly research the role of middle managers, any (inter)organizational 'system' could be studied in this manner.

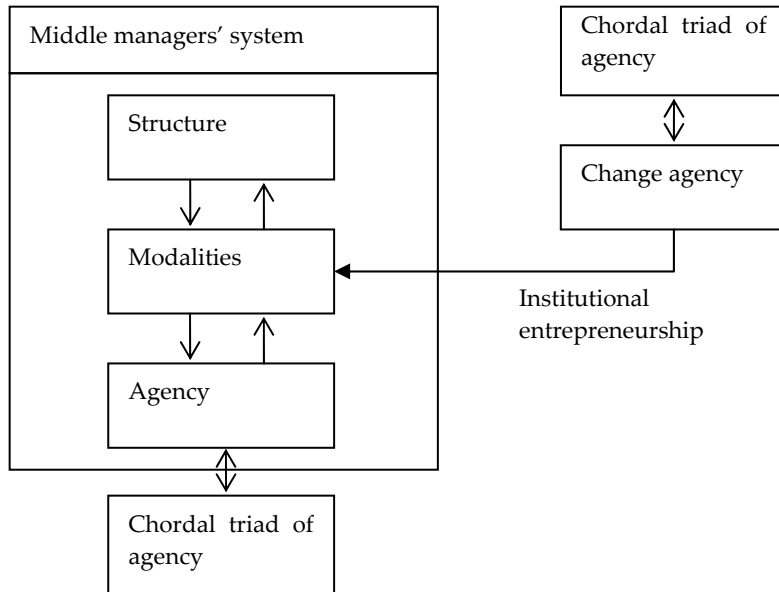


Figure 3.2: Structurational model of change agency

The central concepts of this structurational model will be elaborated in this chapter. We take insights from institutional theory with its strong focus on social structures and recent rising attention for structure-agency interaction called institutional entrepreneurship. This developing perspective on agency will be strengthened with agency theory, in particular the ‘chordal triad of agency’ (the *why*), and dramaturgical theory (the *how*) from sociology. Finally, we take a look at change agent roles and specifically what is known about middle managers. With this model we expect to improve upon the practical applicability of the structuration theory lens. As it is beyond the scope of this study to review all the literature in these vast domains, we will build our extended lens on the key (review) studies instead of conducting an in-depth systematic literature review. Such a review would be more appropriate for a field in its infancy.

### 3.2 DRAWING INSIGHTS FROM INSTITUTIONAL THEORY

Early institutional theory was developed in the middle of the previous century, although the application in organization science is younger (DiMaggio & Powell 1983; Meyer & Rowan 1977; Meyer & Scott 1983; Powell & DiMaggio 1991; Scott 1995; Scott & Meyer 1991; Zucker 1977). Unlike traditional theories, institutional theory highlights cultural influences on decision making and formal structures (Barley & Tolbert 1997). Like structuration theory, the

assumption that humans have a preference for certainty and predictability in organizational life is central to institutional theory (DiMaggio & Powell 1983; Hannah & Freeman 1984; Zucker 1977). Yet, we must also consider that “the beginning of wisdom in approaching institutional theory is to recognize that there is not one but several variants” (Scott 1987: 493). We will mostly refer to the version tied to structuration theory as laid out by DiMaggio and Powell (1983).

New institutionalism “has often been criticized as largely being used to explain both the persistence and the homogeneity of phenomena” (Dacin et al. 2002: 45). Because the public sector—in particular the central government—is a highly institutionalized field, public managers more or less share a similar mindset throughout the entire central government. Changes in this sector would therefore be mostly convergent, i.e. organizations become more and more like each other. Studying the changes in the Dutch central government from a new institutional perspective would therefore focus too much on stability and might strengthen the misconception that actually no changes are happening.

This ‘change-as-convergence’ view is further endorsed by the work of organization ecologists Hannah and Freeman (1984), who argue that selection pressures in modern societies favor organizations that reliably produce collective action and can account rationally for their activities. A prerequisite for reliable and accountable performance is the capacity to reproduce a structure with high fidelity. The price paid for high-fidelity reproduction is structural inertia as also our previous discussion of traditional legal-rational bureaucracy has illustrated. Though, why then even draw on institutional theory, one might ask? In the first place, because institutional theory provides practical illustrations of how social structures affect behavior. However, the foremost reason is the recent efforts in this field to explain endogenous change. Recent work in institutional theory has sought to address the criticism to new institutionalism by acknowledging both variation and change (Goodrick & Salancik 1996; Goodstein 1994; Oliver 1997). “This diversity is derived from exogenous sources; and perceptions, interpretations and enactments of institutional logics by actors who give meaning and life to institutions” (Dacin et al. 2002: 47).

### 3.2.1 BRINGING TOGETHER OLD AND NEW INSTITUTIONALISM

A large step in explaining change by both exogenous and endogenous factors was made by the groundbreaking work of Greenwood and Hinings (1996), who brought together the old institutionalism and the new institutionalism in an extensive review of both fields. In the old institutionalism, issues of influence, coalitions, and competing values were central, along with power and informal

structure (Selznick 1949, 1957). The new institutionalism underscored legitimacy, the embeddedness of organizational fields, and the centrality of classification, routines, scripts, and schema (DiMaggio & Powell 1983; Meyer & Rowan 1977). Greenwood and Hinings (1996) argue that institutional theory contains an excellent basis for an account of change, first by providing a convincing definition of radical change, i.e. frame bending change, and, second by signaling the contextual dynamics that precipitate the need for organizational adaptation (Leblebici, Salancik, Copay, & King 1991; Oliver 1991).

Greenwood and Hinings' primary contribution lies in their combination of old and new institutionalism. They used new-institutional theory for explaining organizational resistance to change derived from the normative embeddedness of an organization within its institutional context. Old institutionalism is then used to explain the internal organizational dynamics. We will now briefly discuss the model Greenwood and Hinings developed (depicted in Figure 3.3) and draw from this model a number of key lessons for public sector template change.

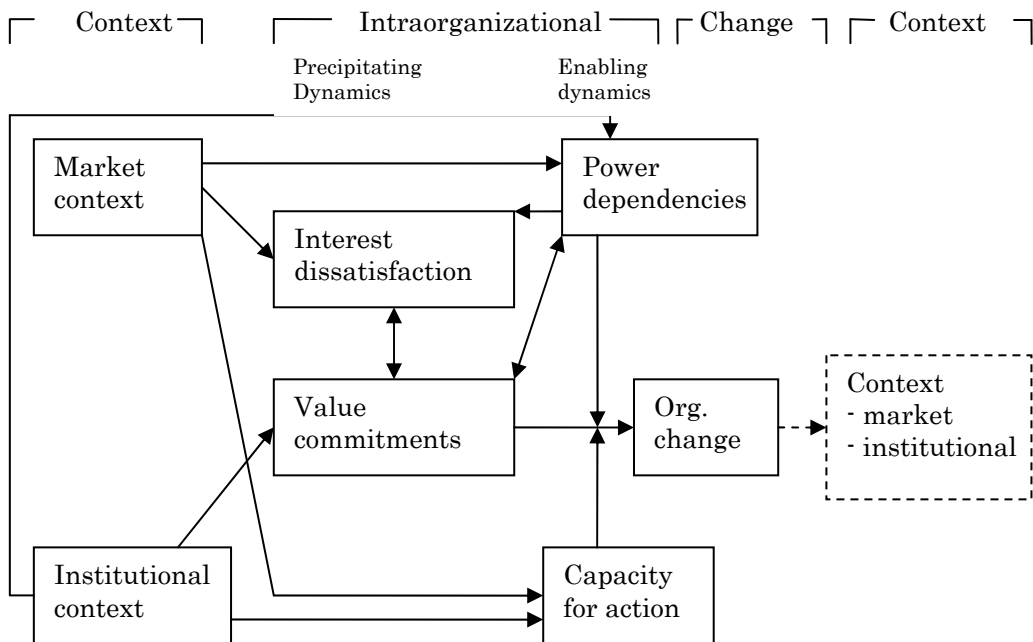


Figure 3.3: Model for understanding organizational change (Greenwood & Hinings 1996: 1034)

On first sight the model in Figure 3.3 looks rather complex. Therefore, we shall briefly clarify the central concepts, after which we will sketch the picture

for the government sector in Western democracies in general, and the Dutch central government in particular. In Greenwood and Hinings model the institutional context represents the normative embeddedness of the organization and the market context represents the external resources available to the organization as well as the demand for its products and services. *Within* the organization the concepts ‘interest dissatisfaction’ and ‘value commitments’ precipitate actual organizational change. Disadvantaged groups would be inclined to embrace an alternative template when this serves their interests. In addition, groups that value an articulated alternative above the template-in-use will be inclined to embrace another template. Hiring people from other institutional sectors can help in articulating alternatives as new sets of expectations and thus commitments to ways of doing things are built into the organization.

Contradictions in context and precipitating dynamics play a central role in motivating radical change as they can force institutional change by blocking reproduction (Jepperson 1991). Seo and Creed (2002) identify four sources of contradiction: alternative market opportunities can provide in higher performance; an inability to respond to external events because of locked-in patterns of behavior; mutually inconsistent yet deeply held value sets, and divergent interests between those privileged and those disadvantaged by the status quo. Still, contradictions will only lead to radical change when they are enabled by both power dependencies in favor of radical change and sufficient capacity for action.

Power dependencies supporting radical change only exist when either a new set of actors gains power or it is in the interest of those in power to alter the organization’s goals (Fligstein 1991). Consequently, when a competitive pattern of value commitments exists, “radical change would not be a likely outcome, *unless* those in positions of privilege and power were in favor of the proposed change” (Greenwood & Hinings 1996: 1038). Finally, capacity for action is related to leadership as it is the degree to which actors are able to mobilize available skills and resources by charismatic, instrumental and institutional activities (Nadler & Tushman 1990). A clear understanding of the new destination and of how to get to that destination may give an organization the confidence to push ahead rapidly with change, whereas “lack of clarity and lack of expertise may promote lack of sureness and slower, almost experimental steps” (Greenwood & Hinings 1996: 1040). For this reason, appeals to normative visions are better at accomplishing radical change than blatantly prescribed compliance (Collins & Porras 1991).



### 3.2.2 DRAWING LESSONS FOR STUDYING THE DUTCH CENTRAL GOVERNMENT

Now, what does this learn us about the probable form of change in government sectors of contemporary Western democracies? We already know that central government ministries have a great normative embeddedness in the institutional context of the central government; therefore it is according to Greenwood and Hinings (1996) more likely that if change occurs it will be revolutionary. However, we must not ignore the embeddedness of organizations and individuals in multiple systems (Giddens 1986). For instance the Ministry of Education in the educational sector and the relation of the Ministry of Economic Affairs with the business sector in general. Furthermore, radical change in tightly coupled fields like the highly regulated government sectors (Hinings & Greenwood 1988; Kikulis, Slack, & Hinings 1995) will be unusual, but when it occurs, it will be revolutionary. Tolbert and Zucker (1983) however found that civil service reform only diffuses quickly when required by regulation and slowly when not required. They also stress the template maintaining role of leading organizations and oversight bodies. The Dutch central government does not have 'leading organizations' and it is exactly the Netherlands Court of Audit that is strongly in favor of MFR-type reforms. Moreover, although government was relatively closed to ideas from other institutional ideas, public managers are more-and-more considering other fields for possible solutions in response to looming performance as illustrated by the rise of NPM. Institutional fields that are permeable will be associated with evolutionary change and with a higher incidence of radical change (Greenwood & Hinings 1996). Hence, the institutional environment of the Dutch central government provides mixed signals about the desirability of either template. These mixed signals are not very much out of the ordinary as there usually are latent contradictions in a field (Seo & Creed 2002).

Additionally, we can identify the government market as the electoral market (Spencer Wellhofer 1990). This market context has –over the past decades– been in favor of MFR as the various government coalitions had MFR-related topics on top of their agenda. Recent examples are results-oriented budgeting and the modernizing government initiative. With these strong market forces and strong but heterogeneous institutional forces radical change is likely to happen (D'Aunno, Succi, & Alexander 2000).

Now that the context of the change process under study is broadly clear, the question remains what the consequences are for the intraorganizational dynamics. As we described in the previous two chapters, contemporary government sectors in Western democracies are characterized by the competition between the traditional legal-rational bureaucracy and the alternative MFR-template. The pattern of value commitments in contemporary

government is therefore competitive and thus change will be associated with evolutionary change (Greenwood & Hinings 1996). Furthermore, Greenwood and Hinings (1996) argue that radical change will not occur in combination with a competitive pattern of value commitments unless an enabling pattern of power dependencies exists, and a sufficient enabling capacity for action is present.

In sum, we can draw a number of lessons from the Greenwood and Hinings' model. First, power dependencies and capacity for action will by themselves not lead to radical change, but they can and do *enable* or *constrain* it. Second, a shift to the MFR template will only be a likely outcome when those in positions of power are in support of it. And third, the motivation for (groups of) individuals to act depends on their interest; while their capacity to act depends partly on the resources they have access to (Lawrence 1999). What we do not yet know, is how (groups of) individuals in positions of power *conduct* these changes?

### 3.2.3 INSTITUTIONAL ENTREPRENEURSHIP

Greenwood and Hinings (1996) mostly paid attention to the environmental context in which (groups of) individuals are embedded. This begs the question how, and which, embedded actors are able to envision and then impose alternative futures (Greenwood & Suddaby 2006; Holm 1995; Seo & Creed 2002). Seo and Creed (Seo & Creed 2002) refer to this as the paradox of embedded agency. Accounts of institutional entrepreneurship confront this paradox (Clemens & Cook 1999; Sewell 1992). Institutional entrepreneurs “lead efforts to identify political opportunities, frame issues and problems, and mobilize constituencies” and “spearhead collective attempts to infuse new beliefs, norms, and values into social structures” (Rao, Morrill, & Zald 2000: 240). According to Battilana (2006) institutional entrepreneurs can either be organizations or groups of organizations (e.g., Garud, Jain, & Kumaraswamy 2002; Greenwood, Hinings, & Suddaby 2002) or individuals or groups of individuals (e.g., Fligstein 1997; Greenwood & Suddaby 2006; Maguire, Hardy, & Lawrence 2004). Most studies on institutional entrepreneurship have been conducted on the organizational field level and the behavior of organizations. Yet, recent studies about institutional entrepreneurship have brought the issue of individual agency to the fore (see, Battilana 2004).

To be an agent means “to be capable of exerting some degree of control over the social relations in which one is enmeshed, which in turn implies the ability to transform those social relations to some degree” (Sewell 1992: 20). Agency also entails “an ability to coordinate one’s actions with others and against others, to form collective projects, to persuade, to coerce, and to monitor the

simultaneous effects of one's own and other's activities" (Sewell 1992: 20). Consequently, agency refers to individuals' ability to intentionally pursue interest and have effect on the organization, changing the rules and distribution of resources (see, Scott 2000). It is exactly these studies that are still quite limited (Battilana 2006). Particularly scarce are "efforts to document the behaviors and decision making processes that underwrite diffusion" (Barley & Tolbert 1997: 112), while these are critical in understanding cases that do not involve some sort of legal coercion.

By analyzing actual attempts at conducting divergent organizational changes, institutional entrepreneurship can be studied at the individual level (Battilana 2006). Whether these attempts will be successful depends on a number of factors. For instance, by exploiting existing cues and repertoires, entrepreneurs can enhance the likelihood of successful adoption. Also, according to Dacin, Goodstein, and Scott (2002), special emphasis needs to be given to the legitimation of change, for instance by conformity to field-level cognitive interpretations (Glynn & Abzug 2002), through market feedback (Lee & Pennings 2002), or through the development of constitutive rules that provide guidelines for change (Greenwood et al. 2002) as well as links to these institutional entrepreneurs (Casile & Davis-Blake 2002). Another factor to consider is that the higher individuals in the organizational hierarchy are, the more likely they are to conduct divergent organizational change (Battilana 2006; Hambrick & Mason 1984; Kraatz & Moore 2002; Tushman & Romanelli 1985). Furthermore, the institutional environment, in which individuals are embedded, is not homogeneous: it is composed of a plurality of organizational fields (Battilana 2004; Whittington 1992). Moreover, Mead (1932) draws attention to the capacity to be both temporally and relationally in a variety of systems at once.

According to Battilana (2006), it is wise to identify potential institutional entrepreneurs when implementing public reforms. We learned that potential institutional entrepreneurs are individuals in a position of power, high in the organizational hierarchy, and whose interests are served by promoting the MFR-template. Also, they need to have the skills to legitimize change. However, institutional theory still offers an oversocialized view on the 'social position' that institutional entrepreneurs fulfill. Therefore, we will turn to the literature on change agency in section 3.4.1 to identify the various roles individuals can play when implementing change. But first we want to present the literature on agency theory and social encounters. These theories focus more on the micro-level of agency although they maintain a link to larger social structures.

### 3.3 AGENCY AND ENCOUNTERS

How is it possible for individuals to choose alternative courses of action amid numerous social constraints? Giddens' writings (e.g., 1986: 5-16) on agency rely on the stratification model of the agent. This model holds that people reflexively monitor their own and other peoples' actions, as well as their respective social and physical contexts. According to Giddens, people can verbalize reasons for their actions if prompted, although these reasons are provided post-hoc and not the same as the motivations that led to their actions. Motives provide programs, plans, or projects within which a range of behavior is enacted (Giddens 1986). Motives for even routine behaviors are complex. And, unlike reasons, people remain unaware of their own motives. The reflexive monitoring of action is needed to take stock of unintended consequences enabled by unacknowledged conditions when acting out. Hence, "agency refers not to the intentions people have in doing things but to their capability of doing those things in the first place" (Giddens 1986: 9). In Giddens' structuration theory –as in Greenwood and Hinings' model– agency is therefore the capacity for action. But is the capability to act out on intentions not core to being a knowledgeable agent? Or, in other words, are the capacity to act and intention not equally important in agency?

#### 3.3.1 WHAT IS AGENCY?

Much of the relevant literature describes agency in terms of selfhood, motivation, will, purposiveness, intentionality, choice, initiative, freedom, and creativity. This differs from Giddens' view of agency, which Emirbayer and Mische (1998) have criticized as habitual, repetitive, and taken for granted. Still other theories of action have emphasized goal seeking and purposivity or deliberation and judgment. We argue that all of these various descriptors are relevant, and that a comprehensive theory of agency should incorporate all of them. Similarly, Emirbayer and Mische (1998: 963) make a call to "reconceptualize human agency as a temporary embedded process of social engagement, informed by the past (in its habitual aspect), but also oriented toward the future (as a capacity to imagine alternative possibilities) and toward the present (as a capacity to contextualize past habits and future projects within the contingencies of the moment)."

In their reconceptualization of human agency Emirbayer and Mische (1998) distinguish three constitutive elements: the iterational, the projective and the practical-evaluative. The iterational element is characterized by the selective reactivation of *past* patterns of thoughts and action. The projective element is characterized by the imaginative generation of possible *future*

trajectories of action. And, finally, the practical-evaluative element is characterized by the practical and normative judgments among alternative possible trajectories of action. This exercise of situationally based *judgment* has been variously termed practical wisdom, prudence, art (e.g., Muntslag 2001), tact, productive inquiry (Dewey 1938/1991), discretion, application, improvisation, and intelligence. They refer to these three as the ‘chordal triad of agency’ that resonate separate –but not always harmonious– tones. Furthermore, they stress that individuals are oriented to all three elements, although there will be an emphasis on one or another of these at any one time.

Though Emirbayer and Mische conceptualize agency more systematically, their dimensions of agency are, in our opinion, not that different from Giddens. Motivation provides purpose and reflexive monitoring of action can be perceived as an –albeit limited– form of practical-evaluation. However, what we find more appealing in the Emirbayer and Mische reconceptualization is the combination of the past and future into the present, instead of a loosely coupled stratified model. The projective element, for example, sets out signposts for orientation. Thus agency is directed towards a concrete envisioned future goal, which is more than just a want or an undefined motive. Or formulated more eloquently: human intelligence is based on the capacity to “read future results in present on-goings” (Dewey 1981: 69). In Figure 3.4 we have combined the chordal triad of agency with the stratification model of agency.

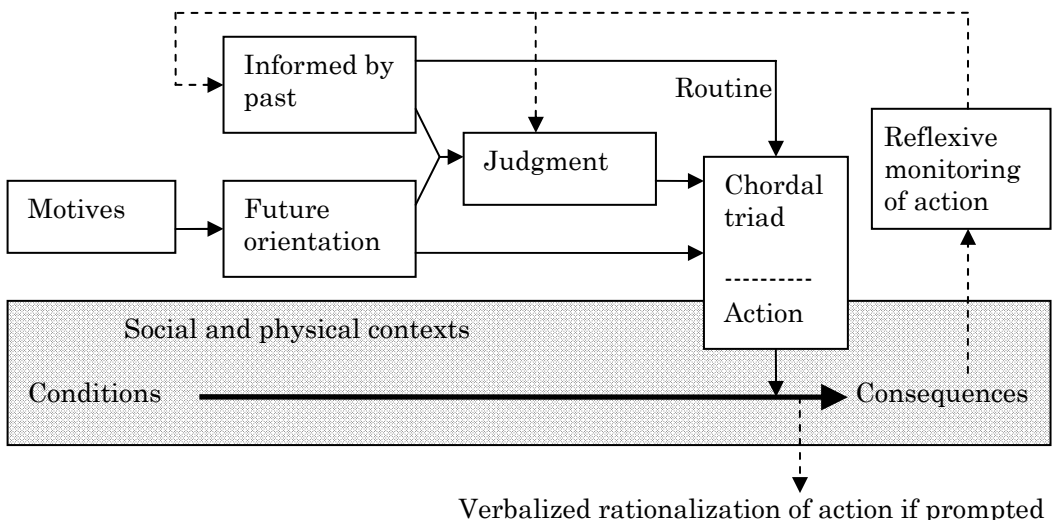


Figure 3.4: The chordal triad of agency combined with Giddens’ stratification model of agency

This figure depicts how individuals reflexively monitor the consequences of their own and other's actions, providing input for the elements of the chordal triad of agency. Most behavior is routine and the occurrence of minor unintended consequences will not disturb the iterations and re-iterations of established routines. But when unintended consequences are larger or more significant, actors will give primacy to the practical-evaluative element of agency, by considering the best way to proceed and trying to identify previously unacknowledged conditions. Battilana (2004) has argued that institutional entrepreneurs are characterized by greater practical-evaluative and projective capacities than others.

The implementation of MFR or any other significant interventions is bound to lead to unintended consequences, hence triggering the less iterative behavior of as well the emergence of proponents and opponents of the change. Where those supportive of change will become institutional entrepreneurs and agents of change, those resistant to change will defy these interventions. Of course, generally speaking, people that are not confronted with these consequences will be less engaged and more passive. Now, the question is how proponents and opponents interact and attempt to influence the others' frames within their shared context of MFR implementation.

### 3.3.2 DRAMATURGICAL PERSPECTIVE

To the degree that institutions are encoded in individuals' stocks of knowledge (in the form of interpretive schemes, resources, and norms adapted to a particular setting called 'modalities'), they influence how people communicate, enact power, and determine what behaviors to sanction (Giddens 1986). Barley and Tolbert (1997) have attempted to bring structuration and institutionalization together by positing scripts as the link between action and institution. By doing this they replace Giddens' concept of modality with that of script. Barley (1986) had also pointed out how institutions are enacted through scripts, defined as "observable, recurrent activities and patterns of interactions characteristic of a particular setting"<sup>8</sup> (Barley & Tolbert 1997: 98). Although this might seem a inconsequential semantic nuance, the substitution of modality by script opens up an interesting venue for studying how frame bending actually takes place, as demonstrated by Goffman's (1983) 'interaction order.' In Goffman's dramaturgical approach scripts encode the social logic of interaction.

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<sup>8</sup> This is different from the use of the term in cognitive psychology.

Goffman (1959) uses a dramaturgical perspective to study the social interactions between people. This perspective holds that when an individual “presents himself before others, his performance will tend to incorporate and exemplify the officially accredited values of the society, more so, in fact, than does his behavior as a whole” (also see, Cooley 1922; Goffman 1959: 35). In other words, in the presence of and during normal or day-to-day interaction with others people will be less inclined to openly present their value patterns and beliefs. However, during a ‘social drama’ these value patterns and beliefs, and their accompanying frames will come to the fore. “Social dramas are volatile episodes of social action that erupt forth from the otherwise smooth surface of routine social life” (McFarland 2004: 1251; Mische & White 1998; Turner 1969). In these situations social order gets deconstructed, and then either reproduced in its old form or transformed into a new one. Hence, for the study of frame bending (Goffman 1974), it is useful to describe how actors go through stages of social drama (Turner 1974, 1982). During these stages of social drama, actors intentionally cue scripts in order to guide interaction. For this reason, qualitative studies of micro-to-macro change are fruitful if they reveal how localized dramas can reverberate and change larger social structures.

Using Turner’s (1974; 1982) perspective of the social drama offers a different, less negative view on resistance. In this view resistance is a structured process that is variably enacted through the strategic framing efforts of actors (Giddens 1986; Sewell 1992). More precisely, McFarland (2004: 1251) describes the concept as “resistance acts as a type of nonconformist behavior that questions the legitimacy of the current social order. Resistant acts challenge the definition of the situation and –in more dramatic instances– attempt to supplant it through appeals to a different normative or cognitive framework of interaction.” This perspective supports Piderit’s (2000) argument for viewing resistance as an ambivalent concept rather than entirely negative.

Turner’s (1974; 1982) social drama theory distinguishes four stages of public action. First, deconstruction starts with a breach or challenge to the dominant frame. If this breach escalates then there will be a crisis stage, during which the hidden intrigues and motives of individuals are exposed (McFarland 2004). After the crisis stage the reconstruction starts with the redress stage, characterized by frame contestation and frame alignment. Finally, during the reintegration stage, the social order is either reproduced or transformed. In future “participants recall how similar problems were collectively managed in the past, and they invoke the memory of those narratives to repeat or further their efforts“ (McFarland 2004: 1254). The four-stage social drama is depicted in Figure 3.5.

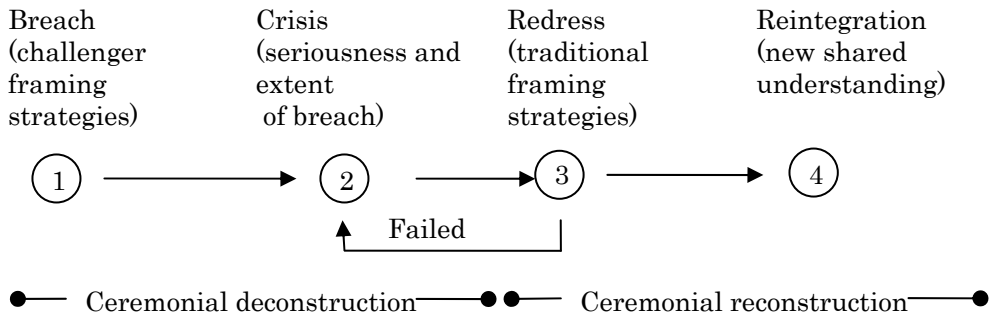


Figure 3.5: Four stages of social drama (McFarland 2004)

To demonstrate how every stage in a social drama has its own internal dynamics we turn to McFarland’s (2004) elaboration of Turner’s (1974; 1982) social drama perspective. McFarland used this method to study resistance to learning. In this study he provides an interesting extension of the social drama model for all four stages. Deconstruction starts with a challenge of the dominant framework. This challenge can come from both within as outside the dominant framework (including the non-social, personal frame). The degree of frame bending then depends on the degree of resistance. When the breach was unintended, for instance caused by accidental or deviant (e.g. covert) behavior, the behavior is non-resistant and the social order is reproduced. Similarly, passive resistance may take place through jokes or complaints but also does not aim for transformation. Active resistance, however, does call for transformation and openly challenges the dominant frame in the form of disputes (mutiny). The most serious form of active resistance is rebellion as it entails counterframing (piracy). In its most extreme form, rebellion posits the challenger frame as the dominant interpretive mode.

Following crisis, reconstruction begins with an attempt at redress. Redress is characterized by debate in which both parties attempt alignment and contestation of frames. These alignment and contestation strategies 1) amplify ones own frame, while trying to dampen the other frame; 2) bridge and include others, while detaching and excluding resisters; 3) extend frame boundaries to incorporate interests and content, and understand the other as a person, while limiting others’ interests and contents; and 4) transform one's own frame, while reversing or transforming the frame of the other – for instance by insult and staging failed transformation. If the attempted redress fails, actors will fall back into crisis. Successful redress, on the other hand, will lead to reintegration, and social order is reproduced. Should the original breach be sustained, either open or closed negotiations will likely occur, leading to concessions by both parties. Other outcomes might be that a new frame becomes dominant and hence a revolution of the social order has taken place,



or there is a schism in which both parties agree to disagree and live in state of dissonance.

While there are some limits to the generalizability of McFarland's study to other situations, the findings here are nevertheless useful. In most other organizational settings, the members are present by their own will. If these individuals would become displeased, they will either quit or enact challenges of authority. McFarland (2004: 1313) supposes that "passive resistance and mutinous behaviors are the most common in typical organizational settings and that, when repeatedly enacted, they change the social order over time." With greater domination there will probably be more hidden scripts and resistance dramas (Scott 1990). For instance, Tucker (1993) found for temporary employees that passive resistance and hidden behaviors were popular, while active resistance was rare. On the contrary, Symon (2005) found in a public sector organization both passive and active resistance.

Now what do we need to consider when we apply the dramaturgical perspective to MFR implementation? First of all, the institutional context of the Dutch central government is typified by the two competing frames: legal-rational bureaucracy and MFR. In general, traditional legal-rational bureaucracy will be the dominant frame, yet the question of which of the frames is dominant will depend on the specific context. Probably the MFR frame will be more prominent at the top of the organization as we know that individuals higher in the organizational hierarchy are more prone to radical change and the MFR implementation efforts up-to-now mostly have been top-down. Second, in general we suspect that middle managers will be mostly non-resistant or passively resistant. Acts of active resistance will probably be scarce as MFR is high on the political agenda. However, the more proximal and negative the consequences for these middle managers, the higher the occurrence of active resistance will be. Most probably there will also be acts of deviance, although these will obviously be difficult to monitor. In addition, "actors frequently use humor and fabrications as a means to manage contradictions of frame without attracting negative attributions of character" (McFarland 2004: 1314). Third, as episodes of social drama follow standard patterns, these dramas might provide in general scripts of MFR implementation. Identifying certain scripts might provide guidelines for intervening in the institutional context and hence improving the implementation of MFR and its related manifestations.

### 3.4 CENTRAL ACTORS IN ORGANIZATIONAL CHANGE

Capacity for action is, in part, the skill to institutionalize change. In addition to instrumental changes in formal structures and processes, institutional entrepreneurs can institutionalize change by playing specific change agent roles that are appropriate within the implementation context. Specifying these roles would improve understanding about the context-dependency of change agency (Buchanan & Badham 1999; Buchanan 1999; Hardy 1996; Hartley, Bennington, & Binns 1997). For instance Townley (2002) highlights the importance of change agents and how their interpretations shape the implementation of new systems in the public sector. Middle managers play important roles in any organization due to their position in the organizational hierarchy. Whether they want to fulfill the role of change agent towards a greater results-orientation is to be seen. First, we will discuss the various roles change agents can fulfill when implementing such change.

#### 3.4.1 CHANGE AGENT ROLES AND INTERVENTIONS

More than a decade ago, Markus and Benjamin (1996) emphasized change agency as the next research frontier. Markus and Benjamin focused on the various roles IS specialists could play in technology-enabled change processes. They believe that the commonly held view of IS specialists playing a fixed and single role of change agent has negative consequences for organizations and the credibility of IS specialists. Markus and Benjamin concluded that allowance for increased behavioral flexibility –such as the freedom to switch roles in different circumstances– would improve organizational effectiveness and change agent credibility.

When we look at the general literature on change agency, more or less the same picture arises. Most propose one-dimensional models of change agency and ignore the full complexity and scope of change agent roles (Caldwell 2003). Moreover, the few articles that do propose separate roles for change agents are often vague (Kaarst-Brown 1999) or abstract (Caldwell 2003). And, even worse, there is little research studying the roles and practices of internal change agents at all (Balogun, Gleadle, Hope Hailey, & Willmott 2005). Therefore, we would like to extend Markus and Benjamin's (1996) framework with a number of studies in the field of organizational intervention (Chin & Benne 1961; 1994; Huy 2001) and also take a side-step into the social intervention literature (Warwick & Kelman 1973). Based on these four studies, we distinguish five generic intervention roles for the change agent. In Table 3.1 the more-or-less similar orientation for each category becomes apparent. We distinguish between authoritative, design, training, sponsor, and support roles. Now, we will

take a closer look at the defining characteristics of each role, the problems the role is best suited for, and the drawbacks of each role.

Role \ Author(s)	Chin & Benne (1994)	Huy (2001)	Markus & Benjamin (1996)	Warwick & Kelman (1974)
Authoritative Design	Power-coercive Rational-empirical	Commanding Engineering	- Traditional IS	Coercion Environmental manipulation
Training	Normative Re-educative	- Teaching	-	Psychic manipulation
Sponsor	-	-	Advocate	Persuasion
Support	-	Socializing	Facilitator	Facilitating

Table 3.1: Comparison of roles in intervention studies

The authoritative role holds that the change agent is in full formal control of the project. This means that all authoritative and allocative power –the former concerns formal structure and the latter budget and staff– regarding the project is in the hands of one person. There is one vision on how the project should be run and that is the way it is to be executed. Usually this approach fits a task or project that has to be finished under high time or political pressure, or when a project is being revived after having been severely stalled or stopped.

The design role includes most process engineers and technology experts. The given ‘technical’ problem is analyzed and solutions are presented in the form of proposed changes to processes and technologies. The change agent is in control of the design that is introduced, but will not drive through changes in formal organizational structures and resource allocation. This approach aims for higher efficiency and effectiveness by redesigning work processes and practices.

The training role is aimed at changing the knowledge of those involved in the change process. This can mean that employees are instructed on how to do thing, for example how to use a system, but it can also mean that the change agent is trying to influence and effectuate a behavior through training. Training can take place out of the normal working situation, in a typical ‘training’ (e.g. classroom) environment, but can take place also ‘on the job.’ This approach aims at replacing the knowledge or beliefs of those involved in the change process.

The sponsor role is more open than the training role. A sponsor tries to change the attitudes or behavior of a person by means of argument, reasoning, or, in certain cases, structured listening. In this sense the change agent tries to build a strong coalition for the implementation. The main advantage is that if a

tipping point can be reached, a dominant majority will propel and reinforce the changes in the organization. The major drawbacks are, however, that there is a high risk of failure mainly due to politicking and the time intensiveness of the approach.

The final role we discuss, which also gives most freedom to those involved in the change process, is the support role. Support comprehends making it easier for individuals or groups to implement change in their own style or satisfy their own desires, provided of course these persons have a sense of what they want to do and lack only the means to do it. The change agent is merely there to support those involved in the change process in finding ways to solve their problems. Usually the change agent tries to broaden the view of the change subjects or offers new perspectives on a problem at hand. This approach is the most time-intensive, but also the strongest in institutionalizing change (cf., Kets de Vries 2005).

In practice a change agent will combine a number of these roles to implement change. The authoritative role and design role are most suitable for moderate to fast improvements in economic performance, whereas the other roles are more suitable for building organizational capabilities (Beer & Nohria 2000). Further, the time frame will often determine which combination of roles is found most suitable for effectively implementing change. Based on the tempo of change, Weick and Quinn (1999) distinguish between episodic and continuous organizational change. Episodic change is directed at replacement when inertia has built up too much. It tends to be dramatic, and is externally driven while created by intent (Barnett & Carroll 1995; Greenwood & Hinings 1996). In contrast, continuous change is emergent, consists of endless modifications in work processes and social practices, and is driven by organizational instability and daily contingencies. Continuous change is the redirection of what is already underway (March 1981; Orlikowski 1996). A comparison of the five roles is presented in Table 3.2.

For the implementation of MFR a few lessons can be drawn from these generic roles. For instance, the introduction of results-oriented budgeting would primarily be an intervention from the design role aimed at changing work processes (Huy 2001). The primary goal is improving economic performance (Beer & Nohria 2000). However, the adapting or replacing of these performance systems is a continuous process (Weick & Quinn 1999), which indeed –albeit eventually, after some time– turned into the dominant role for the Ministry of Finance. The design role holds that employees need to develop new work habits, and that success hinges on employees' sustained use of new work processes and practices (Huy 2001; Markus 2004).

Role Features	Authoritative	Design	Training	Sponsor	Support
Metaphor	'Leader'	'Mechanic'	'Teacher'	'Salesperson'	'Coach'
Goal-orientation	Improving economic performance	Improving economic performance	Building capabilities	Building capabilities	Building capabilities
Change action	Eliminate, select	Redesign	Educate	Negotiate	Enlighten
Timing	Episodic	Continuous	Episodic	Continuous	Continuous
Aimed at changing	Resources (budget, staff, formal structure)	Processes, information technology	Cognitions, knowledge, beliefs	Coalitions	Way of thinking
Business titles	Interim manager	Process engineer	Trainer, teacher	Program manager	Coach, psychologist

Table 3.2: Explication of change agent roles in organizational intervention

But other roles would also need to come into play in order to fully succeed in implementing this MFR reform. Markus and Pfeffer (1983) for instance, argue that to maximize system success, accounting and control systems can be designed to be consonant with organizational power distributions and cultures. On the other hand, they argue that when the goal is to attain significant organizational change –the main reason for introducing results-oriented budgeting– issues of resistance and potential system failure will need to be addressed explicitly. The implementation plan for results-oriented budgeting did not address the building of capabilities (Beer & Nohria 2000). Merely, the initial plan stated that culture is an important factor next to the technology (Ministry of Finance 1999), but the Ministry of Finance did not centrally coordinate teaching or facilitating of culture-related interventions (Ehrenhard, Muntslag, & Wilderom 2005). Changing the template or culture, i.e., changing shared beliefs, can be tackled from the training, advocate, facilitation roles.

In general, both in the introduction of results-oriented budgeting and the modernizing government initiative, the choice for ministerial –i.e., decentralized– coordination of organizational culture change, means that ministries need to develop their own change measures which they feel are necessary to implement MFR. Where ministerial interventions are limited to economic ones, one can expect to see the change in culture and organizational capabilities lagging behind the technical implementation of MFR (Beer & Nohria 2000; Weick & Quinn 1999).

### 3.4.2 MIDDLE MANAGERS

Our study focuses specifically on the behavior of middle managers as they have a pivotal role as both agents of change and of stability during the implementation of MFR within Dutch ministries. Middle managers have often been singled out as the primary locus for resistance to planned change (Biggart 1977; Cole & Jones 2005: 582; Miles 1997; Osborne & Gaebler 1992; Peters & Waterman 1983). However, according to Huy (2002), the planned-change literature has de-emphasized the role of middle managers and portrayed them in a relatively self-effacing role. Conventional wisdom suggests, however, that middle managers tend to attenuate the pace and magnitude of the organizational learning required in organizational change (Floyd & Wooldridge 1996). Top executives frequently view middle managers as part of their inertial system, or as barriers to change. They are often sidelined or removed if attempts at co-optation fail (Biggart 1977; Tichy & Sherman 1994). The most common view on middle managers is that they are costly, resistant to change, and a barrier to both upward and downward communication (Scarborough & Burrell 1996).

Such a view overlooks the positive role that middle managers can play in maintaining continuity during radical change (Balogun 2003; Floyd & Wooldridge 1996; 1997; Huy 2002). Middle managers link an organization's strategic and operation levels through mediation, negotiation, and interpretation activities (Balogun 2003; Floyd & Wooldridge 1997; King, Fowler, & Zeithaml 2001). In regards to performance management, the exchange of information plays an essential role in linking strategy to performance (Boston & Pallot 1997). And, it is middle management that is positioned at the intersection of vertical and horizontal information flows within organizations (Nonaka & Takeuchi 1995). Given this pivotal position, middle managers can play a key role in organizational change processes (Kanter 1982) and may be able to make a strategic contribution (Floyd & Wooldridge 1997). Some see middle managers as alienated recipients of change or as mere implementers; they may have little involvement in the strategic design or decision making process that leads to MFR (Balogun & Johnson 2004; Currie 1999).

Balogun and Johnson (2004) stress the importance of extending research on the importance of middle managers towards a better understanding of how middle managers influence an organizational transition. Turnbull (2001) in turn points at the strong need for research on middle managers in culture change programs: primarily because the profound long-term impact can neither be controlled nor predicted. Furthermore, one of the chief differences between middle managers in the public versus private sectors is the role public middle

managers play in dealing with a variety of accountability issues. Consequently, it is astounding that so little serious attention has been given to what middle managers actually are seen to do, especially within the public sector (Morgan, Bacon, Bunch, Cameron, & Deis 1996). Also, the National Performance Review neglected middle management as, for instance, there were no middle managers appointed to the National Partnership Council (Qiao & Thai 2002). Nonetheless, even middle managers themselves point out that they are pivotal in improving collaboration and hence establishing MFR within the Dutch ministries (Van Dommelen et al. 2004).

### 3.5 RECAPITALIZING THE THEORIZING SO FAR

This research endeavor started off with the central problem of middle managers' behavior and social structures enabling and constraining the implementation of MFR within the Dutch central government. Both this chapter and the previous one shed light on the underlying processes of macro- and micro-level change viewed from a structuration theory perspective and a number of other theoretical perspectives. In chapter two, government reform aimed at making government more efficient and effective was framed as a shift from the traditional legal-rational bureaucracy template to the MFR template. This chapter elicited how structures drive behavior, while simultaneously reproducing or transforming these same structures. External institutional and market contexts, as well as internal interests and value commitments were identified as causes for frame bending change. Then, internal power dependencies and capacity for action enable or constrain the actual occurrence of frame bending change. Actors that partake in frame bending change are dubbed institutional entrepreneurs, although not a lot is known on how they actually make divergent changes stick and they are not necessarily middle managers. Hence, agency theory contended that past experiences and future orientations provide input for determining the best next action within a specific situation. Additionally, the social drama metaphor provides a means to study how the actual reproduction or transformation of frames takes place at the micro-level of interaction. Next, various generic roles for change agents were distinguished to be able to diagnose if interventions are in line with the change goal. Finally, the focus on middle managers as both enabling and resisting change was explicated.

This accumulated theoretical lens –or interpretive theory– provides general explanations of key actors' behaviors. The following three empirical chapters describe and analyze how public middle managers and related stakeholders reproduce and transform social structures. By studying the

implementation of MFR-type initiatives in the Dutch central government a theory of middle managers' behavior during MFR implementation is iteratively developed in the form of propositions. The first study develops propositions on the social structures influencing middle managers' behavior during MFR implementation. We chose to use propositions as they allow us to abstract the main findings of each study. The second study builds on the first, but will also focus on agency by taking a longitudinal approach. The propositions refined and extended in this second study will then be mapped onto a structural model (Figure 3.2). The third study replicates and extends the second empirical study. For study two and three we follow Dacin, Goodstein, and Scott (2002) as they argue that the combined use of intensive interviews, archival records, and participant observation allows researchers to pursue the study of institutional change in a way that "would have gone unnoticed with analysis by approaches that focus on the macro level and on structures and practices alone" (Zilber 2002: 250). A brief overview of focus, theory, methods and type of output of the three empirical studies is provided in Table 3.3 on the next page.



Chapter # / Study #	Chapter 4 / Study 1	Chapter 5 / Study 2	Chapter 6 / Study 3
Level	Dutch Central government ministries	Within ministry	Within ministry
Initiator of change	Ministry of Finance	Secretary-General (Chief Executive)	Vice Secretary-General (Chief Business Operations)
Respondents	Key change agents (responsible for implementing results-oriented budgeting)	Middle managers and relevant stakeholders (top management and project team)	Middle managers and relevant stakeholders (top management, project managers, and relevant others)
Exploring	Social structures of middle managers during results-oriented budgeting implementation	Social structures and agency during Shared Services implementation	Social structures and agency during MFR-type vision implementation
Data collection methods	In-depth, semi-structured interviews Archival data	In-depth, semi-structured interviews Participant-observations Archival data	In-depth, semi-structured interviews Non-participatory observations Action research Research diaries Archival data
Time Output (input for next study)	Cross-sectional Propositions on middle managers' social structures in MFR implementation	Longitudinal Refined and extended propositions on middle managers' social structures and change agency in MFR implementation Mapping of propositions onto structural model of change agency	Longitudinal Further refined and extended propositions on middle managers' social structures and change agency in MFR implementation Refining and extending elaborated structural model of change agency

Table 3.3: Brief overview of focus, theory, methods and output of the three empirical studies



## CHANGE AGENTS' INTERPRETATIONS OF MIDDLE MANAGERS' BEHAVIORS

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“But we are now sort of pushing from the bottom, from the side; and tell them, this is how it must be done and then it doesn't help if the Chief Executive doesn't really demand it. [...] And I don't think he's that tough in that respect.”

-- Change agent interview

This chapter commences the empirical part reported in this thesis. We studied first key change agents' interpretations of middle managers' behaviors at approximately half of the Dutch ministries. By means of a semi-structured questionnaire we asked the key change agents –responsible for implementing results-oriented budgeting into their respective ministry– for their interpretations. In addition we made use of internal and central government reports. The study was conducted in 2003 during the implementation of results-oriented budgeting into their respective ministries.

### 4.1 METHODOLOGY

The data in this chapter was gathered for the purpose of providing an answer to research question 4: “Which enablers and constraints do change agents perceive in the social structures of middle managers employed in Dutch ministries when implementing an MFR-type initiative?” Before presenting and discussing our findings we will first describe the research design and how we selected, measured, collected and analyzed our data.

#### 4.1.1 RESEARCH DESIGN

Our case-study research design aimed at identifying the enablers and barriers to MFR implementation. In order to provide new insights into the understanding of social processes emerging from the context in which they occur we used grounded theory. That way we will not be forcing and adjusting the data to fit existing theoretical frameworks (Glaser & Strauss 1967). We designed the study in a number of sequential steps: initially, by means of a pilot, we conducted an open, in-depth interview (lasting for nearly three hours) with a change agent who had extensive experience with implementing MFR in two ministries. This was done to develop a sense of the context and practice of

MFR. Next, we approached a government agency, founded to disseminate knowledge on information systems implementation and business-process improvement in the Dutch central government. This liaison agency proposed six other Dutch ministries. Within each of these ministries, we contacted the change agents who are especially appointed to implement results-oriented budgeting. These change agents were queried about their views on the behavior of middle managers in the context of MFR implementation within their ministry.

Although we conducted the series of in-depth, semi-structured interviews within a short timeframe, we covered the change process over time by asking each respondent to comment on MFR implementation both at the time of the interview and in the recent past in their ministry. We extended this data with internal ministerial documents, for instance about a new planning and control cycle, and the budgets and annual reports. Furthermore, we make use of intermediary reports by the Netherlands Court of Audit (2003a; 2003b; 2003c; 2004). The Court of Audit monitors the MFR progress made by the various ministries. Plus, we were able to use the final results-oriented budgeting evaluation report, made by the Inter-ministerial Consultations for Financial and Economic Affairs (IOFEZ 2004). Our methodology is similar to that of Jacobs and Barnett (2000): interviewing key project members and using documentary sources. Also, we took advantage of the experiences and practical knowledge of one of the researchers who had been conducting action research within Dutch ministries for over a decade. Finally, we obtained the cooperation of, the results-oriented budgeting program coordinator at the Ministry of Finance. Among his program coordination tasks is the final evaluation of results-oriented budgeting (IOFEZ 2004). He provided feedback on our findings and confirmed that our results were in line with his own experiences and intuition.

#### 4.1.2 SELECTION AND SAMPLE

We chose not to interview a sample of middle managers because we suspected that they would be less inclined to articulate their own possible resistance to MFR implementation. When studying the enablers and barriers to MFR one needs to see past the presentational data that reflects the image respondents want to convey to the researcher (Van Maanen 1979). In the light of ongoing public sector restructuring, the pressure on public managers to promote central government as effective and efficient is strong. This creates a strong incentive for managers to conceal information that might be at odds with this image. One way to better study the behavior of middle managers is to view this through

the eyes of key change agents –in this case the especially appointed results-oriented budgeting project leaders– in the change process.

We chose to interview the key change agents instead of the middle managers themselves for four additional reasons. First, their departments of financial and economic affairs lead both the results-oriented budgeting project and the development of MFR within their ministry, and this makes these key change agents the most knowledgeable people about the process of MFR implementation within their ministries. Second, as they are positioned between their own ministry and their ‘head office’, the Ministry of Finance, these change agents get to hear both sides of the story: from one side in the process of implementation they hear the formal ‘theory’ from the Ministry of Finance, while at the other they translate MFR into practice in their interactions with ministerial middle management. Third, we can expect the change agents to perceive more or less the same behaviors of ‘their’ middle managers. Middle managers appear to have cognitive homogeneity; Daniels, Johnson, and De Chernatony (2002), for example, found that the influence of the institutional environment is most noticeable through the convergence of mental models within middle managers across an organizational field. Fourth, interviewing key change agents would be less time consuming than interviewing the middle managers themselves.

However, despite their pivotal position, since all the key change agents were trained as financial and/or IT professionals, we should not overlook the possibility that they might be biased in favor of design role or ‘technocratic’ MFR-type interventions (Markus & Benjamin 1996). Yet, a bias in favor of technocratic interventions does not imply a bias in their interpretation of middle managers behavior. As professionals working in staff departments these change agents will not easily present an overly positive image of an effective and efficient central government (Raelin 1984). Moreover, the Dutch government promotes that civil servants working in staff functions move between staff and line departments to understand both sides. This fact guarded against any overly critical staff bias.

Because of the sensitive nature of the inquiry for the ministerial organizations involved, we did not select the key change agents ourselves. We approached the Dutch central government ‘Expert Center for Improvements in IT and Management.’ They assisted us in selecting the key change agents. Our criteria were that they: 1) were implementing the results-oriented budgeting initiative, and 2) quite knowledgeable about MFR. We convinced all six change agents to participate in our study. All the six interviews were executed within two and a half weeks.

This resulting, small sample size is not always problematic. In discourse analysis (Potter & Wetherell 1987), for instance, large variations in linguistic

patterning can emerge from a small number of people. Also, Buchanan and Badham (1999) relied on idiographic accounts from a sample of five for their study into the shaping role of political behavior in organizational change. As Mintzberg once tentatively put it: “what, for example, is wrong with samples of one?” (1979: 583), and “the data do not generate the theory –only researchers do that– any more than the theory can be proved true in terms of the data” (Mintzberg 1979: 584; also see Popper 2002: 8-9). Also, a larger sample size would have made the analysis unmanageable, and may not have added to the analytic outcomes, leading to the analysts thus missing important information, overweighing some findings, skewing the analysis (Huberman & Miles 1998). In such a project the number of additional insights tends to diminish with each added interview. Although more interviews could add context, we feel confident that we uncovered the majority of insight in our interviews (Zaltman & Coulter 1995); our sample contained the one key change agent from each of the six Dutch ministries. Including the Ministry of Finance, these ministries employ about eighty percent of all central government staff (see Table 4.1). Our sample also excludes the pilot interview we conducted with a change agent who had MFR implementation experience in two separate ministries: results of which are not explicitly incorporated in this study.

MINISTRY	STAFF SIZE 2003 (#)	STAFF VOLUME 2003 (%)	PRIMAL TASK
Defense	72,814	37	Execution
Justice	38,246	19	Execution
Economic Affairs	6,461	3	Policy
Housing, Spatial Planning & Environment	4,411	2	Policy
Interior & Kingdom Relations	2,765	1	Policy
Finance	34,501	18	Supportive

Table 4.1: The six Dutch ministries that employ our interviewed key change agents

#### 4.1.3 MEASUREMENT AND DATA COLLECTION

Our semi-structured questionnaire was designed to expose the social structures that drive the behavior of middle managers. We wanted to discuss the held views on the role of middle managers in MFR implementation. With this approach, two of the three author were active participants in in-depth conversations rather than just being a “speaking questionnaire” (Potter & Wetherell 1987).

The questionnaire contains fourteen items, divided into five categories (see Appendix A). The five first questions dealt with defining MFR and its

relationship to results-oriented budgeting and IT, the specific implementation method chosen within each ministry, and the current state of implementation. These questions were primarily posed to get to know the specific ministerial context and they ensured that the researchers and the respondent shared a common language and reference points when discussing basic concepts (for instance: who is defined as middle management, and what does MFR mean within this ministry?). Next, three categories –with a total of six questions– were focused on the three dimensions of structuration theory, which were relabeled by us to fit the specific public management context. We also projected these three dimensions onto middle managers’ experiences and attitudes, their interests, and norms and values. The questionnaire concluded with three additional questions in a category labeled ‘contradictions and possible conflicts.’ These latter items also served to some extent as control items, as the answers to the previous items should have already pointed to any structural contradictions. Apart from contextual descriptions, most of the interview items were rooted in the conceptual scheme for structurational analysis as developed by Walsham (2002).

The questionnaire was sent in advance to each of the selected key change agents. After each respondent answered a question in the interview, their response was probed to examine the central themes of MFR implementation within their ministries, reflecting the in-depth character of the interview approach. We were thus actively involved in the interviews and we stimulated variability by asking provocative questions, confronting respondents with opposite opinions, organizing the dialogue, and facilitating disagreements (Glaser & Strauss 1967; Klein & Myers 1999). During the interviews we used a ‘snowballing’ technique: additional questions emerged during the conversations, to an extent based on our increasing knowledge of the context. Hence, each new interview built upon the previous ones. We used information we heard earlier in the conversations. In order to stay focused on the interview, and not lose any of the details in the responses, all the interviews were recorded. Prior to analysis, all six audio-taped interviews were transcribed.

#### 4.1.4 DATA ANALYSIS

The two researchers involved in the various interviews each, separately, coded the transcribed interviews. This open coding (Strauss & Corbin 1998) was used to uncover any recurrent issues concerning MFR implementation within the ministries. Then, through constant comparison (Glaser & Strauss 1967) by the two interviewers, these two separate lists were combined into an agreed single list of issues associated with MFR implementation. Next, by looking for

overarching change themes among the issues, MFR implementation's main categories arose (i.e., axial coding, Strauss & Corbin 1998). As such, the interpretation of constructs, and their part in the larger narrative, was modified and elaborated in this hermeneutic process. Throughout the analysis there was rigorous questioning of the interpretation to ensure its continued grounding in the transcribed texts. Once the categories had emerged, the issues within the themes were allocated to one of the three dimensions of structuration theory (i.e., selective coding, Strauss & Corbin 1998). This was done to see whether all the structural dimensions of a category had come to the fore during the interviews. The role of the third researcher was to verify the vertical division of the constructed main change themes and the horizontal division of issues among the structural dimensions (Table 4.2). This third researcher had not been involved in the initial analyses and was therefore able to question some parts of the initial categorization. Adjustments were made if found to be appropriate by all three researchers. By moving from the issues (parts) to the main themes in the Dutch ministries (wholes) and then back to the dimension of these issues within the main themes of MFR implementation (parts), we closed the hermeneutic circle.

## 4.2 CHANGE AGENTS' PERSPECTIVE

As expected, the interviews gave a very colorful picture of MFR and its implementation at the different ministries. Before the imposition of results-oriented budgeting in 2001, most ministries had specific projects aimed at implementing MFR but these had not been successful. Some respondents commented that this was due to the abstract level of the discussion and a lack of pressure to produce MFR results. Also, respondents did not perceive that a real decision had been made to either plan for a tight schedule, or for any step-by-step involvement of the employees most influenced by the MFR changes. The implementation efforts were directed at results-oriented budgeting, but without a formal policy to address MFR implementation at the same time. To sum up, MFR had been on the agenda for a long time, and various attempts had been made to implement it. However, these attempts were executed in isolation from previous MFR-type interventions within other ministries, resulting in a lack of government-wide progress.

From 2001 onwards, all the respondents were more satisfied about the progress made in implementing results-oriented budgeting. However, the implementation of MFR is more than sheer budgets. Most change agents noted that performance goals, even if stated explicitly, still lack the necessary level of detail to really be able to manage for results. Besides the annual budgets, the



most common manifestations of MFR were: new planning and control cycles; the introduction of performance indicators, working in teams; and management contracts. These, and other, smaller changes aimed at MFR were mostly implemented in a top-down way, under heavy pressure from (a contextual factor, namely) budget cuts. Despite the perceived progress in the development of results-oriented budgeting, the ministries were still seen by our respondents to be struggling with the organizational consequences of MFR in general. One may safely infer from our respondents' comments and the Netherlands Court of Audit's reports that while the budget may look fine, the detailed underlying figures do not represent well what is really going on in the policy domains.

The Ministry of Finance supported the various ministries by providing extra MFR-funding for IT adaptation and replacement. Our respondents did not mention major problems with the information systems in relation to MFR. After probing their initial responses, the respondents stated that IT is only used to support basic functionalities, and that the potential benefits of an enterprise-wide system are not fully utilized yet. The main reason provided by our respondents for not adopting an enterprise-wide system was that these systems are thought of as too rigid and inappropriate for the more policy-oriented ministries. The functionalities of the enterprise-wide systems appeared mostly used for supporting services such as finance, personal, and procurement, rather than for the primary processes. Hence, we can draw the conclusion that IT is not fully utilized for full-blown MFR implementation. Table 4.2 summarizes the results of the interviews in terms of the extant social structures, which will be discussed in the remainder of this section.



STRUCTURATION THEORY DIMENSION			
THEME	SIGNIFICATION	DOMINATION	LEGITIMATION
Environment	+ Results-orientation	+ Budget cuts + Reorganization + Parliament	+ Results-oriented budgeting legislation
Autonomy	- Enlargement of responsibilities - paradox - Performance	- Task specialization and power of staff departments - Changes in personnel/budget - Resistance to centralization	- Uniformity / standardization - Professional autonomy
Traditional Beliefs	- Total time of the change - process - Initiative fatigue - Fear of transparency	- Group pressure - Fear of losing influence	- Dominance of input and process steering
Limited Influence on Results	- Sudden events - Complexity	- Many parties involved / policy chains	- Difference between output and outcome - Time span between budget proposal and annual report - Relationship between budget & policy cycle and planning & control cycle
Top management support	± (Deputy) minister and/or Chief Executive personally committed	- Top executives pursue self-interest	+ Department of Financial and Economic Affairs pushing from the side

Table 4.2: Main enablers and barriers to MFR implementation in the Dutch central government (+ = enabler, - = barrier, and ± can be either).

## 4.2.1 CATEGORIZATION OF STRUCTURES

### ENVIRONMENT

Although an almost infinite number of environmental factors can influence change, these factors all have in common that they are very difficult for actors in the organization to influence. For our study we define environment as the circumstances and conditions in which the middle managers work. Examples are: legislation issued in favor of MFR or the reorganization of their ministry. Based on the interpretations of the change agents, all the identified environmental dimensions enabled the MFR-related behaviors of the middle managers. MFR itself is an intervention that reflects a New Public Management perspective on public administration, one that demands that the government works more effectively and efficiently. By definition, MFR will demand a results-orientated mindset from the public managers involved. According to all our respondents, there are also some strong environmental powers involved in forcing this mindset onto the Dutch public managers. First of all, the Dutch parliament repeatedly demands the government to become more results-oriented. In combination with the budget cuts in 2003, and due to a decline of economic growth, results-oriented budgeting went straight to the top of the political agenda. As one of our respondents put it:

“[...] Because of the pressure of budget cuts, we are now able to steer and control in a very different manner. [...] Now you really need to make clear what you are doing with your budget.” (change agent interview)

These budget cuts led to both large and small reorganizations within the ministries. If ministries could save money by working more efficiently, they hoped that their core tasks would not be affected by budget cuts. Additionally, MFR was encouraged along with the results-oriented budgeting legislation. However, each Dutch ministry is free to implement its own form of MFR. This could explain why the top-down central government-wide implementation of results-oriented budgeting is working out more effectively than the more encompassing MFR implementation at large. Based thus on our respondents' perceptions of middle managers' behavior, all the five identified environmental factors (see Table 4.2) enable MFR implementation. Hence, environmental factors are not causing the slow progress in MFR in the Netherlands. Yet, it might be that, without them, MFR implementation would have stalled completely.

## AUTONOMY

A theme that is often touched upon but less often studied in relation to MFR is middle manager's 'autonomy.' Democratic theory holds that public managers are supposed to carry out what they are told to do by their politically appointed superiors (also see, Meier, O'Toole Jr., & Nicholon-Crotty 2004). However, we also know that these superiors cannot decide on every single issue. Based on our respondents' experiences, we found all the identified seven 'autonomy' issues (see Table 4.2) to have a negative impact on the perceived MFR behavior of middle managers. In particular middle managers are seen to fear an increase in their responsibilities as well as a larger demand on their already scarce time; typically managers of executive agencies try to gain as much autonomy as possible, while resisting measures that make them more accountable and transparent. We coined this as the performance paradox: results-oriented measures are not actively implemented in the executive agencies where they are most desirable. When we focused on middle managers' autonomy from a power perspective, our respondents commented that the specialization of tasks had, in particular, increased the power of decentralized staff:

"[...] Now you can really see that it's the policymaking departments against the staff departments and that's why we are currently in a reorganization. Central and decentralized staff are keeping each other busy, decentralization has gone too far [...] policymaking departments are almost autarkic, they can take care of themselves." (change agent interview)

Our respondents mentioned that such problems with staff departments had led a large number of ministries to recentralize staff (also see, Brown 1992). However, as in any bureaucratic organization, most struggles tend to be about the amount of personnel and budget.

We should not draw a picture of the public middle managers as being merely in a permanent struggle for power; our respondents highlighted as well the importance of professional values for public managers: public middle managers try to do their jobs as well as possible, and they deem 'outsiders' as incapable of judging their performance. Professional values are felt to be undermined through MFR's implied uniformity and standardization. Service delivery is probably more consistent by imposing unified and standardized norms of behavior. However, middle managers are perceived of as believing that giving insufficient specific attention to each individual case in hand lowers service quality. We conclude that middle managers' autonomy-related issues form a barrier to MFR implementation. The extent to which fear of losing autonomy is legitimately based on the fear for losing quality would need more study, of course.

## TRADITIONAL BELIEFS

We found a dominance of ‘traditional beliefs’ in the MFR change process. Traditional beliefs are the ideas related to the traditional legal-rational bureaucracy paradigm in which action is based on habits and values expressed in routines, rules, regulations, and procedures as opposed to a means-end rational (see e.g., Townley 2002). The six identified traditional-belief issues have a negative influence on the MFR behavior of the middle managers. According to our respondents, much of the resistance by middle managers results from their view that their traditional ways of working are as suited to current society as they were a quarter of a century ago. Middle managers are seen by our change agents as hoping that the focus on MFR will pass, as topics can move off the political agenda quite fast. Furthermore, change agents noted a fear among middle managers for transparency. As one respondent puts it, resistance to transparency is a key fear or hurdle:

"[...] Now they [middle managers] can, sort of, make their own decision and it is very difficult for an outsider to say: ‘you are not making the right decision’ [...] the data is just not that good [...] if data would be provided, then it could appear a [middle] manager did not make the right decision. That could be painful for a [middle] manager. [...] I think that is the root of the problem." (change agent interview)

Particularly interesting, from a power perspective, is that our respondents perceived that some middle managers felt peer pressure to be silent if they were in favor of MFR-initiatives. Nevertheless, especially the younger, middle managers are perceived of as being keen to show their achievements, although they do not speak about this openly. Furthermore, our respondents indicated that resistance was also caused by middle managers’ fear of losing influence due to MFR measures. Finally, it was our respondents’ view that middle managers found it difficult to change their mindset from input and process steering towards output steering. Our respondents also related this to the previously mentioned measurement paradox. Based on our respondents’ interpretations, we conclude that traditional beliefs about how the government ought to be organized, act as a barrier to MFR implementation.

## LIMITED INFLUENCE ON RESULTS

This theme was quite prominent in all interviews. The success of MFR pivots on the influence the managers feel they actually have on achieving the planned results. How can an individual manager be held accountable for achieving results when so many other factors play an important role? When managers feel that the achievement of a result is beyond their control, they will not want

to be held accountable for it. We found that, according to our respondents, middle managers' limited influence on results has a negative influence on their behavior. Our respondents saw the occurrence of sudden events as the most prominent limitation. Despite long- and mid- term planning, parliament often demands that ad hoc attention be given to the 'hot topic' of the day. One can imagine the consequences for the planning and execution of day-to-day activities. At one ministry this problem was partly resolved by allowing agencies to reserve budgets for unspecified activities.

Another issue important in middle managers' perception of MFR is the vast complexity of the government's environment, and the problems this causes in setting goals and specifying, in advance, the intended results. Our respondents indicate that middle managers feel that a lot of issues have to be resolved, in the face of a substantial number of stakeholders, especially in the more policy-oriented ministerial departments or teams. From a power perspective results are difficult to influence when many parties with differing interests are involved in the delivery of results. According to our respondents, this can lead to contradictory aims in MFR implementation:

"[...] One of the issues here is the good execution of an entire policy chain [...] Up to now, budget allocation is based on the achievements of individual ministerial departments [...] However, from a societal perspective the [interdepartmental] chain as a whole has to perform, so we are now going to make a budget in which the [interdepartmental] chain is central [...] slightly against the grain, but we'll see where it ends." (change agent interview)

A well-known problem in public service delivery is the difference between output and outcome. As our respondents stressed, the desired societal effects are dependent on a large number of actors, and government output is only one factor. Another problem is that, due to democratic demands, substantial time elapses between the budget proposal and the annual report. There can be large discrepancies between the estimated and achieved expenditures and incomes, with only limited possibilities to change course in midstream. Another issue is that the budget, policy, and planning and control cycles need to be far more tightly integrated. In some cases, the cycles are not even linked to each other (although most ministries have made progress, recently, in improving their planning and control cycles). To conclude, middle managers perceive limited influence on 'their' results, which can be interpreted as a substantial barrier to MFR implementation in government.

## TOP MANAGEMENT SUPPORT

The degree of support given by the various stakeholders within the ministries is another issue affecting the MFR behavior of middle managers in the Netherlands. Stakeholders can create opposing forces within the ministries, and most respondents noted the decisive role of top management: either the minister or their deputy, or the Chief Executive (the Secretary-General in the Dutch system). The narratives of all the interviewed change agents reflect a stalemate within the ministries between opposing stakeholders unless the minister or the Chief Executive was personally committed to MFR. Ministerial top executives tend to have a negative influence on MFR implementation. We therefore conclude, from the interviews, that MFR implementation has become an issue of self-interest for middle managers as well as for the top executives. Most of these interests could lead to clashes between middle managers' departments with within-ministerial departments of financial and economic affairs. The latter department's main job is to implement the results-oriented budgeting legislation throughout each entire ministry:

"But we are now sort of pushing from the bottom, from the side; and tell them, this is how it must be done and then it doesn't help if the Chief Executive doesn't really demand it. [...] And I don't think he's that tough in that respect." (change agent interview)

In our view, our respondents from the departments of financial and economic affairs had a very nuanced idea of MFR. They explain how their own within-ministerial departments officially presented themselves as enthusiastic supporters of MFR. This was necessary to oppose the negative forces within the ministries, and to present themselves as good followers of the guidelines from the Ministry of Finance. To sum up, the personal commitment of the minister or Chief Executive is often decisive in this stakeholder stalemate over MFR implementation.

### 4.2.2 NARRATIVES ILLUSTRATING CHANGE DYNAMICS

In the three case descriptions that follow, we will illustrate the key themes of our analyses. The three cases are based on the standpoints of individual change agents (see also Buchanan & Badham 1999). These accounts are limited in perspective, detail, and representiveness, but serve to illustrate different ways of dealing with MFR, and thus provide a more complete picture of MFR implementation within the Dutch central ministries. We chose these three cases because they each represent and illustrate a number of different approaches to MFR implementation within the Dutch central government.



## CASE 1 – MFR AND EXECUTIVE AGENCIES

Within one of the ministries the efforts towards MFR implementation were mostly directed at the executive departments and agencies. In particular, the executive agencies now had to provide accurate and detailed information on their costs, or the ministry's top management would revoke their semi-autonomy. Executive agencies could only be steered 'from a distance' by top management if they were provided with the correct information about performance and costs.

*Autonomy.* Most middle managers tend to like leading an executive agency, because they have the freedom to conduct their work as they think best within a negotiated framework. Also, the budgeting system then gives them the freedom to use their resources as they deem best. This is in contrast with the middle managers of non-autonomous ministerial departments who have to spend resources on specific issues, and what they do not spend within a specific year is taken back.

*Traditional Beliefs.* No public manager opposes the abstract idea of a result-orientation; however, in the concrete implementation, public managers tend to get bogged down in the increased red tape. Then change agents get easily pulled into a discussion in which they are asked: "Why does this need to be specified? What is the use of all this information?" The same holds for transparency: "Why do you need to know that? What do you need this information for? What is this information going to be used for?"

The attitudes of those middle managers leading the more established agencies differ from those who lead the newer executive agencies. The first category of middle managers are used to contacting top management about budget shortages and asking for money to fill any gaps. The latter category middle managers, however, have tight agreements with top management on their costs, which should already include a cover for certain risks. If a risk comes under the normal operation of the executive agency, then the agency has to pay any incurred costs itself. If a change agent made similar demands to the manager of a longer existing executive agency the change agent would expect a fuming response. A lot of work has thus still to be done with the older executive agencies.

*Influence on Results.* The change agent in this ministry saw the differences between the policymaking and executive departments in MFR implementation as the most essential one. Whereas executive departments are able to be explicit on what they want to achieve, policymaking departments aim for societal effects and function more or less as beacons. Nowadays, nearly all the executive departments have information systems in place that keep track of input, throughput, and progress. Policymaking departments, on the other

hand, are very afraid of being held accountable for achieving societal outcomes. Therefore, policymaking departments are managed using so-called management contracts, which provide more room for discussion. Policy chains are another issue within this ministry: it is difficult to hold individual managers accountable if their results depend on a chain of actors. Within this ministry, there is a somewhat contradictory notion since the chain itself is stressed in the budget to achieve societal outcomes, whereas the smaller budget components (such as for policy belonging to a single department) are results-oriented.

*Top management support.* The Chief Executive of this ministry sees the advantages of MFR, but thinks it should only be applied where it is necessary. The change agent considers this as very important: you cannot achieve anything without the support of the Chief Executive. The Chief Executive also stressed the differences between the policymaking and executive departments.

## CASE 2 – MFR AND FLEXIBILITY

Two years ago, another ministry was involved in a major reorganization: the goal being to introduce a project-based way of working. The main idea was that employees would register their time against specific projects, which would provide insights into the efforts made. The methodology is that goals are translated into the work plans of the executives, which becomes the basis for the middle managers' plans, and eventually trickles down to individual work plans. The managers below middle management level no longer lead units, but are now appointed as project leaders. This change put additional demands on managers as it established a link between policy content and policy results, and demands a clear prioritizing of goals. It is important to note that the vast majority, but not all, of the work is now organized as projects. Overall, at the heart of the reorganization, was the aim of improving the flexibility of the ministry.

*Autonomy.* Initially, there were some disputes between managers about the staffing of projects but the situation was reported as improving. The autonomy of the middle managers has declined in the sense that the results of projects are much clearer. There were only a few complaints from middle managers, probably because they could keep their departments intact, thereby creating a matrix-type structure. The project leaders however have mixed feelings as their autonomy largely depends on the level of responsibility and freedom they get from their middle managers. Furthermore, project leaders are not that happy about losing their position as managers of units. In addition, MFR makes middle managers more cautious when they set out their goals, as they know that they will be held accountable for the results. Also, middle

managers are reluctant to start on a new venture since it may cost them part of their budget. According to the change agent, this is largely a power issue: the more money, the more staff, the more important you become. Middle managers are afraid to lose the positions they have attained within the ministry.

*Traditional Beliefs.* Immediately after the reorganization, middle managers found it difficult to set goals and demand results, especially those who had worked for the ministry for a long time. Further, some departments were unwilling to cooperate and, despite the fact that several people have left these departments, resistance is still high. However, as new people join the organization, they see the opportunities that the changes can bring them. Furthermore, line management is beginning to grasp the idea that every document they send to parliament has to contain information on expectations and effects, and has to be in line with the results-oriented budgeting legislation. However, making choices and prioritizing are not the strongest points of this organization. Moreover, in government, many issues revolve around the execution of processes rather than the results that are achieved.

*Influence on Results.* The degree to which managers can manage for results does not just depend on efficiency and effectiveness considerations. Mostly, managing is based on prioritizing, especially during periods of reduced budgets. When less money is available, priorities need to be changed. Also, individual middle managers cannot attain the desired outcomes by themselves; they can only aim for output that is related to a certain outcome. The same holds true for political issues; for instance when a minister is appointed temporarily, no definitive decisions can be made and organizational decision making grinds to a halt. To summarize, MFR cannot be implemented in all parts of the ministry. In addition, people within this ministry are questioning how far one can go with performance measurement: the time spent on measuring performance is not being used for task execution.

*Top management support.* There is a very strong sponsorship by the Chief Executive for implementing MFR in this ministry. The reorganization was imposed in a top-down manner. The Chief Executive said how things ought to be done, and this was an important driver for the change process.

### CASE 3 – MFR AND ATTEMPTED CENTRALIZATION

Five years ago, a third ministry had a project on MFR, but the project was stopped after six months because it did not get beyond the abstract discussion phase. The change agent for this ministry saw results-oriented budgeting, and its consequences, as an impulse towards achieving a more concrete form of MFR. Further, this ministry is reorganizing and centralizing its service

departments, another project that had been halted in the past but which again received an impulse as a result of a round of budget cuts.

*Autonomy.* MFR is seen as very controlling: middle managers think that they will have less freedom to act, but primarily because they fear the potential consequences of centralization and standardization. Middle managers of the more execution-oriented departments would like to transform their departments into autonomous executive agencies to increase their freedom, and preferably without being held accountable. An attempt at improving the provision of information to managers through the implementation of an enterprise-wide system backfired when the operation was presented as an attempt at centralization. Support departments were afraid of losing tasks and, because of this, they claimed that they did not have enough resources to implement the system.

*Traditional Beliefs.* Middle managers were afraid of improvements in the provision of performance information because they did not want their mistakes to be made public. The change agent in this ministry does not perceive there to be a high level of ambition among middle managers; and there is a lot of group pressure to keep a low achievement profile. Also, the middle managers claim that their tasks are slightly different from those of others, and that therefore they cannot be compared; while, according to the change agent, their tasks are in fact very comparable.

*Influence on Results.* Middle managers are slowly accepting that they are held accountable for their performance. However, the nature of performance is still vague. What possibilities does a manager have to influence performance? A manager needs to achieve a certain goal but, as the change agent puts it, society is large and complex and there are many parties involved. The ministry also lacks performance information because performance is difficult to quantify, especially given the long-term effects of task execution in some departments.

*Top management support.* The Chief Executive in this ministry believes that the role of the Department of Financial and Economic Affairs should be limited to purely financial matters. Further, when problems arise, the Chief Executive does not force MFR implementation. However, the Chief Executive does give attention to performance indicators and has made integrity one of the top priorities, albeit that integrity is not linked to transparency in the management of the organization.

#### 4.2.3 RELATIONS BETWEEN PROPOSITIONS

Our goal for this chapter was to explore the enablers and constraints change agents perceive in the social structures of middle managers when

implementing an MFR-type initiative. We particularly looked at the implementation of results-oriented budgeting in a number of Dutch central government ministries. Based on our in-depth semi-structured interviews we developed five propositions on structural enablers and barriers in middle managers' behavior.

However, to be able to study in further detail the change processes in the Dutch central government we need to clarify how these propositions are to be seen from the theoretical framework developed in chapter three. In Figure 4.1 we position our five propositions related to middle manager's structure within the structurational model (Figure 3.2).

In Figure 4.1 we distinguish between the middle managers' system and the change agency intended to change these social structures. Change agency is directed at changing middle managers' modalities and hence changing middle managers' structures. For example, the results-oriented budgeting scheme was designed to shift middle managers' behavior to a more results-oriented structure or template. For this purpose, change agency could be directed at changing modalities such as budgeting norms, resource allocation, and budgetary expectations. However, results-oriented budgeting implementation was mostly executed from the rather straightforward technocratic design role (see Table 3.2) and focused more on the formal than the informal side of budgeting. Mainly because of the focus of our study on middle managers' structures, but also due to change agents' limited change role interpretation, we did not uncover specific change agency and attempts at institutional entrepreneurship. Nonetheless, in this chapter we filled in the first part of our structurational model by developing five propositions on enablers and constraints in middle managers' social structures during MFR implementation. In the next two empirical chapters we will add to our model by also incorporating change agency and refining and extending our structure related propositions.

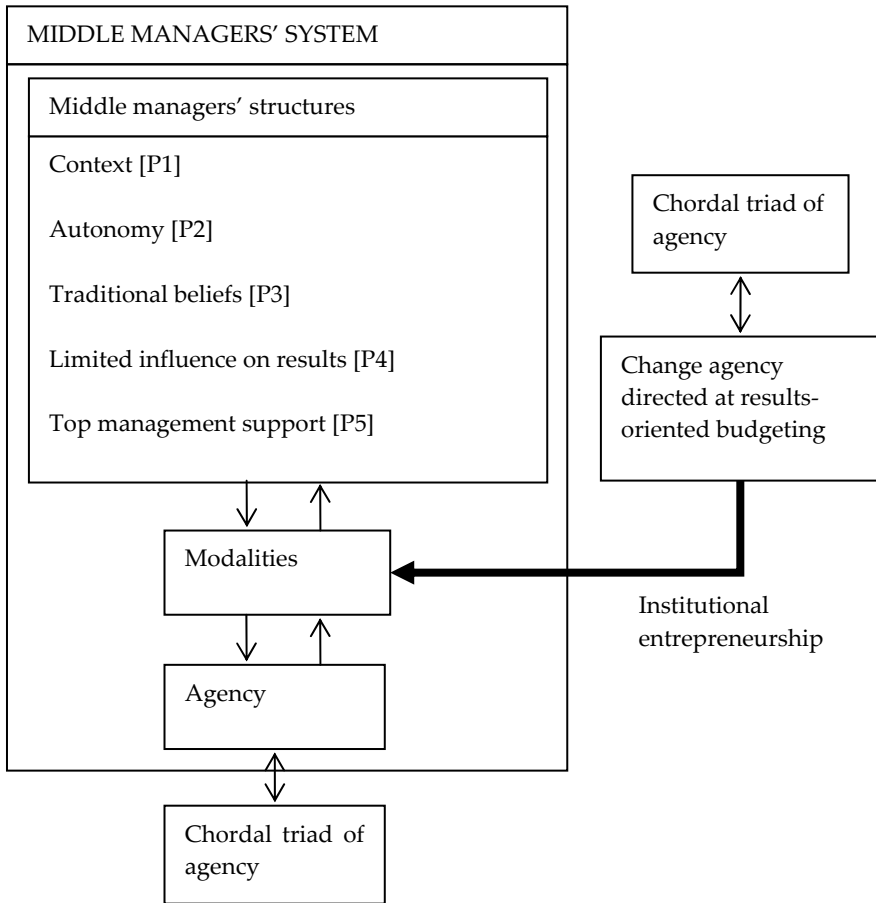


Figure 4.1: Elaboration of the structurational model (Figure 3.2) of change agency for the institutionalization of MFR among Dutch public sector middle managers.

### 4.3 SUMMARY AND DISCUSSION

Implementing MFR within governmental organizations in the Western world is seen as one of the public-sector's greatest bottleneck. It was our objective to go beyond the lists of critical success factors. Our underlying key research question was to find out why it still is so difficult for the Dutch government to take a significant step towards actual MFR implementation. We provided a contextual and integrated, theory-driven approach, illuminating the self-reinforcing structures that drive public middle managers' behavior in MFR implementation. For this we chose to study an episode in the Dutch central

government in which a results-oriented budgeting scheme was implemented within the different ministries. We showed how global government reform affects those who have to put these policies into effect: middle managers. We first elaborated upon Walsham's (2002) conceptual scheme for conducting a structurational analysis. We used the three dimensions of Giddens' (1986) structuration theory as sensitizing devices for the purpose of highlighting the various elements of the social structure that impede or enable change. Out of the interviews with the change agents came a number of themes in regards to the implementation of MFR in the Dutch system of central government. When implementing MFR in those ministries, resistance can be lowered by taking these themes into account. Based on them, change agents could consider specific intervention types (also see, Aydin & Ehrenhard 2005; Chin & Benne 1994; Huy 2001; Warwick & Kelman 1973) which would then include the roots of the problem, instead of trying to overcome incidental outbursts of covert resistance.

#### 4.3.1 KEY FINDINGS

From the three structurational dimensions, 'Environment' was found to be the only MFR theme that was seen to have a positive influence on public middle managers' behavior during the implementation of MFR. If such environmental pressure were to disappear, the implementation of MFR would most probably be halted. Pettigrew, Woodman, and Cameron (2001) had earlier stressed the importance of taking the environment of change into consideration and, even more in line with our findings, Huy (2001) stresses the strong driving force resulting from crisis in times of change due to the raised awareness of the need for change.

P1: The less environmental MFR pressure on public sector middle managers, the more implementation of MFR is resisted.

Negative issues in middle managers' behavior during MFR implementation were found within the themes 'Autonomy', 'Traditional Beliefs', and 'Influence on Results'. These three MFR themes are generally closest to middle managers' values, attitudes, opinions, and practices. In regards to 'Autonomy', the behavior of middle managers was seen as resisting attempts to lower their autonomy. Interestingly, studies on the more autonomous middle managers who are in charge of executive agencies found the same. From a NPM perspective resistance sounds plausible as public managers should be given managerial autonomy (Hood 1991). However, Hood also stresses that public managers need to be held accountable for their actions. In other words, middle

managers need to deal with “the often conflicting NPM strictures to let the managers manage and make the managers manage” (Aberbach 2003: 318). According to relevant literature MFR is the best approach and the easiest to implement in executive agencies (De Bruijn 2002a; Pollitt & Bouckaert 2000). Even in those more-or-less privatized settings middle managers try to avert the greater demands placed on transparency and accountability. Those settings have created managers who are more concerned about guarding their territories than about collaborating with others to benefit the organization’s measurable and other strategic results (Brown, Lawrence, & Robinson 2005; Kanter 1982).

P2: During MFR implementation public sector middle managers resist lowering their autonomy if it reduces their territory.

Likewise, with respect to ‘Traditional Beliefs’ we saw barriers to MFR implementation on all the structural dimensions. Here we found the relatively common change issues such as a fear of transparency and losing influence, group pressure, and a different way of steering; i.e. on output. The most overriding insight was, however, that, given the lengthy period of change, middle managers thought that the attention given to MFR would pass. Huy stressed the importance of the time factor; sequencing, timing, pacing, and combining change appear of essence for successful change (Huy 2001; Huy & Mintzberg 2003).

P3: The stronger public sector middle managers hold traditional beliefs, the more they resist MFR implementation.

Less commonly raised in the literature on public sector reform is our theme of ‘Influence on Results’. Middle managers’ perceptions of the extent to which they can influence results –in effect: their perceived self-efficacy (see, Bandura 1994)– is fundamental to the success of Managing for Results. When managers feel that the achievement of a result is beyond their control, they will not want to be held accountable for it. The most important issues uncovered in this respect are the occurrence of sudden events, which divert attention from the original planning, and the constraints imposed on public management decision making by democratic demands and the rule of law. However, is this just a convenient argument for middle managers to resist MFR? Further research on the actual implementation of MFR could shed light on the validity of this argument.



P4: The more public sector middle managers deem that obtaining their goals is beyond their control the more they resist MFR implementation.

We also found the theme ‘Top Management Support’ of importance, where we found both enablers and disablers to MFR implementation. Top management support is, by definition, an issue of power and organizational politics (Jaspersen et al. 2002). While the department of Financial and Economic Affairs was pushing MFR from its formal position within the organization, for the minister or deputy minister in charge, and likewise for the Chief Executives, it comes down to personal commitment (also see, Meier et al. 2004). If the powers within a ministry reach a stalemate, and this seems to happen frequently, the personal preferences of the top managers appear to be the decisive factor in MFR implementation.

P5: Without the personal MFR commitment of the (deputy) minister or the Chief Executive of a ministry MFR implementation is resisted by public sector middle managers.

#### 4.3.2 LIMITATIONS

It is important to evaluate the study’s results and contributions in light of its limitations. First, the study was conducted at one specific point in time, which imposes certain constraints on studying the further development of MFR and results-oriented budgeting. Finally, no link was established between the change processes and organizational outcomes (Pettigrew et al. 2001). Although the results-oriented budgeting project is completed, the implementation of MFR is still ongoing within governmental organizations.

Secondly, one could raise whether MFR implementation in this specific Dutch context is generalizable to a global, or even Western public-sector, context. We did root the MFR measures in the government reform movements around the globe, and we know, as witnessed by the U.S. National Performance Review (see, Thompson 2000), that MFR and resistance to change is prominent beyond our specific national context. The role of the Dutch Ministry of Finance in MFR implementation is noteworthy. Apparently a top-down MFR implementation was not obtainable: hence their adoption of an ‘advocate’ role for implementing MFR. In many other Western countries MFR implementation is getting the same half-hearted reception, albeit in different forms (Pollitt & Bouckaert 2000).

Thirdly, the study was conducted among a limited number of respondents in half of the Dutch ministries, which raises the question as to what extent the results are generalizable to the entire central Dutch government (also see,

Klein & Myers 1999; Lee & Baskerville 2003; Pettigrew et al. 2001). However, sample size is usually not seen as a major issue in discourse analysis (Potter & Wetherell 1987; Zaltman & Coulter 1995). We would also emphasize that our aim is foremost analytical generalization to the relevant theory, rather than statistical generalization to a wider population of middle managers (Buchanan & Badham 1999; Stake 1994; Yin 1994). Also, we provided solid reasons for focusing on those change agents who are, on a daily basis, charged with implementing MFR. In the next chapter we will focus more on the agency of the actors involved in MFR implementation.

## BRICOLAGE IN THE TURNAROUND OF A DUTCH MINISTRY

"I didn't think [that] up at the start."

"Not everything was thought up three years ago."

"I didn't plan that all up front."

-- Quotes indicating bricolage (2005; 2007)

In the previous chapter we explicated social structures that drive middle managers' behavior during results-oriented budgeting implementation in the Dutch central government. We did this via the interpretations of key change agents –responsible for implementing results-oriented budgeting– in about half of the Dutch central government ministries. Next to a more general organizational 'environment' and within-ministry 'top management support,' the themes 'autonomy,' 'traditional beliefs 'and' limited influence on results' were found to play a central role in middle managers' behavior. Based on these findings a number of propositions were put forth (see Table 5.1).

- P1: The less environmental MFR pressure on public sector middle managers, the more implementation of MFR is resisted
- P2: During MFR implementation public sector middle managers resist lowering their autonomy if it reduces their territory
- P3: The stronger public sector middle managers hold traditional beliefs, the more they resist MFR implementation
- P4: The more public sector middle managers deem that obtaining results is beyond their control, the more they resist MFR implementation
- P5: Without the personal MFR commitment of the (deputy) minister or the secretary-general of a ministry MFR implementation is resisted by public sector middle managers

Table 5.1: Grounded theory based propositions on MFR behaviors of public sector middle managers during results-oriented budgeting implementation in the Dutch central government.

Based on our structurational view we need to study both social structure *and* agency (see Figure 3.2). Whereas the change agents interviewed in the previous chapter provided generalized accounts on middle managers' behaviors, actual change agency was much less discussed. The research question guiding this and the following chapter is "How do middle managers and relevant others in a Dutch ministry (re)produce social structures during the implementation of

an MFR-type initiative?” The goal of this chapter is to build on the first study, but also focus more on agency by taking a longitudinal approach. Therefore, our propositions will be examined and refined by means of a longitudinal case study. Additionally, by choosing the in-depth case study method social structures will be further ‘excavated’ – in another context than the previous study.

This study will be conducted in a central government ministry in which a newly appointed top manager, in the Dutch system called secretary-general (SG), aims at regaining control over middle management.<sup>9</sup> He does this by implementing a new governance model, in which the creation of so-called ‘shared services’ plays a key role. As we want to further develop our theory of MFR implementation, accurate evidence becomes more essential (Tsang & Kwan 1999). By testing and extending our previous findings, possibly developing new propositions and determining possible relations between these propositions, a tentative model of MFR implementation is built. Hence, the findings from this case study are analytically generalized to relevant theory (Buchanan & Badham 1999).

In this chapter we will develop and test our model of enablers and constraints –as represented in the propositions mentioned in Table 5.1– in middle managers’ behaviors and social structures during MFR implementation. First, we briefly describe the shared services concept. Then, we discuss our research design. Next, we present our descriptive and analytical findings. We end with our conclusions and discussion.

## 5.1 WHAT IS SHARED SERVICES?

Whereas the shared services concept has in practice become somewhat of a panacea for the organization of support functions (see for instance, Gershon 2004), the academic literature on this topic is scarce. A search with the key words “shared services” in Web of Science yielded 32 articles. However, of these 32 articles exactly half was published between 1969 and 1995 and solely dealt with shared services for hospitals. For example, Griffin and Adams (1981) studied the extent of shared services participation by US metropolitan hospitals. More recently, the research into shared services has expanded to other sectors although nowadays a rather strong emphasis is on the IT that

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<sup>9</sup> In chapter three we chose to define the director function in the Dutch central government as being at the middle management level although some directors could be considered top managers as they are in charge of over 15.000 employees: more than five times the size of the smaller ministries.

enables shared services. Nonetheless, recently Cooke (2006) for instance looked at shared services models for delivering the human resources function.

From both the business and the academic literature we synthesize that shared services is the centralization and/or concentration of business functions –like finance, HR, facilities, IT, public relations, logistics, and the like– in a semi-autonomous business unit. Shared services can thus be described as a business model for the management of internal service functions (Craike & Singh 2006). However, we must keep in mind that shared services can take a multitude of forms and often involves centralization and/or outsourcing.

The aim of introducing shared services are usually business-like efficiency improvements, value generation, cost savings, and improved service for the internal customers (see e.g., Bergeron 2003: 3). Also, MFR’s central constructs –performance information, accountability, and to a lesser degree goal-setting– play a central role in shared services too. For these reasons, but especially for the focus on autonomy, we see shared services in concept as a typical MFR-initiative.

## 5.2 METHODOLOGY OF THE SECOND EMPIRICAL STUDY

### 5.2.1 RESEARCH DESIGN

This second study’s overall research design is again based on a grounded theory building approach (Strauss & Corbin 1998). This approach allows us to build on and broaden previous findings in order to generate new theoretical insights. Moreover, this approach is particularly useful for studying processes and is therefore suitable for capturing the dynamics of MFR implementation over time (Langley 1999).

This second study aims to replicate the previous study in the form of both ‘empirical generalization’, and ‘generalization and extension’ (Tsang & Kwan 1999). ‘*Empirical generalization*’ is realized by applying the same measurement and analyses to a different population. We administered the same in-depth semi-structured questionnaire (reported on in chapter four). This time we queried the middle managers themselves instead of the key change agents. Furthermore, we focus on middle managers in one single organization: one of the thirteen Dutch ministries. We obtained ‘*generalization and extension*’ through our use of additional measurements and analyses within this ministry. Focusing on a single organization provides us with the opportunity to examine over a period of time, and in-depth, the implementation process of shared services (i.e., an MFR-type initiative) within the broader context of top management attempting to improve managerial accountability within the ministry.

In addition to the answers to our survey questions, we studied the ministries' project documentation and archival records and we obtained an emic perspective (see, Morris, Leung, Ames, & Lickel 1999) on the implementation process in the form of participant-observations (one of the researchers became a member of the shared services project team). This second study resulted in a vast amount of data, including 17 interviews with all involved middle managers as well as a project manager and a number of top managers; field notes of most relevant project meetings and other relevant meetings; and project documentation (minutes, reports, memos, etc.). In addition, the on-site researcher –not the author of this thesis– kept a diary to write down the day-to-day experiences within the project.

### 5.2.2 SELECTION AND SAMPLE

Barley and Tolbert (1997) point at the importance of identifying, in advance, events with system-disturbing potential. We decided to approach the case organization when the recently appointed SG publicly announced an ambitious change plan. The background for this plan was the looming performance of the organization as well as a number of past public scandals. The SG was especially appointed by the cabinet to tackle these problems and 'regain control' over the organization; which essentially boils down to restoring the organizational hierarchy by improving top and middle management accountability. What made the case especially interesting for us was the explicit desire in the SG's analysis to improve the ministerial culture, i.e. making it more results-oriented.

Our initial contact with the case organization was established with the, then director of the Management Advice and Support department, who was also appointed as the overall change program manager. This director informed us on how the generic change plan of the SG was elaborated into a change program, labeled Dionysus, by the newly installed change project bureau. A steering committee was installed to supervise the direction and progress of the Dionysus program. Of the program's six main projects, improvement of accountability was seen as the foremost important project for enhancing the ministry's results-orientation. As accountability is one of the key concepts within MFR (see chapter two), this project is very interesting for our study. The accountability improvement project consisted of a new governance model in which top management (SG, vice SG and three Director-Generals; who together constitute the management board of the ministry) instead of middle management became primarily accountable for planning and control and for achieving results.

Sub-projects within this main project were: setting up centralized support for top management; sharing of services provided by staff and support departments to top and middle management; reinstalling employee participation; and setting up procedures to protect internal whistle-blowers. Out of these four sub-projects, the shared services project was central to the new governance model as it aimed to make the Director-Generals more powerful in steering the behavior of ministerial middle managers and enable the Director-Generals to integrally take care of their business operations. Based on the project proposal we agreed that one of the research team members was allowed on board of the shared services project in exchange for fulfilling an operational role in the project team for the entire duration of the project.

Concentrating on the shared services project provided a number of advantages to us. First, as the project is key for improving accountability we would be able to study the intricacies of MFR implementation. Second, the introduction of shared services will provide an overview of behaviors in the ministry as it has consequences for all middle managers involved. Especially, the consequences will be the greatest for staff and support departments and hence managers of these departments will probably be most affected by the change process. A specific focus on these middle managers would provide a third advantage: these departments have a large influence on either an MFR or bureaucratic focus within the business operations of the ministry. Fourth, the staff and support departments have more or less similar tasks in all ministries while the policy and execution oriented departments have widely varying tasks across the ministries. For this reason, there is a high chance that observed behaviors are representative for middle managers behaviors within many other ministerial support departments.

### 5.2.3 MEASUREMENT AND DATA COLLECTION

By working on the project, the on-site researchers was able to follow the shared services project longitudinally –from start to finish– for a period of over two years. Three data sources were used during this period: an in-depth semi-structured questionnaire, project and related documentation, and participant-observations. Except for the second interview with the SG, the questionnaire used was similar to the one used in chapter four and consequently also aimed at uncovering the social structures. As mentioned before, the difference with the questionnaire used in chapter four was the focus on shared services as the studied MFR-type initiative; instead of results-oriented budgeting (see Appendix B). All in-depth semi-structured interviews with this questionnaire were executed within in April 2005 – halfway the shared project. The

questionnaire was administered to all twelve support department directors (middle managers), one of the project managers, and four top managers.<sup>10</sup>

In 2007, approximately a year after the shared services project had ended, two other members of our research team again conducted an interview with the SG of the ministry. On the one hand, this interview aimed to uncover his perceptions of the goals of the shared services project, the project's implementation process, and the project's position in the wider ministerial change context. On the other hand it also gave the SG an opportunity to reflect on our preliminary findings and provide reasons for his actions in the process. In total we conducted 17 interviews with our semi-structured questionnaire, plus this one extra interview with the SG. All interviews were audio-taped and transcribed, yielding over 16 hours of audio data and 200 pages of text.

In addition to the 17 in-depth semi-structured interviews, we collected policy reports, press bulletins, project plans, internal reports, memo's, project meeting minutes, and parliament minutes for as far as they dealt with the ministerial change process, and particularly this shared services project and its implementation. The on-site researcher was also co-responsible for writing up a number of the internal minutes and reports. These archival records were very helpful as anchor points for constructing the narrative of the shared services project and its implementation process. However, because these documents mostly provide the 'officially sanctioned' view of the project, the on-site researcher also kept field notes of project related meetings and relevant informal talks. The specific focus for the latter data was on the behaviors of middle managers and relevant others during the shared services implementation. In addition, after the project was officially finished, we were still updated on the state of affairs: for instance, by being able to access documentation related to new projects and to informal meetings with those involved on related projects. By means of these three data sources –interviews, archival records, and observations– the on-site researcher obtained the opportunity to be fully immersed in the project. The major drawback, of course, was the risk of over-identification with the project team and its goals. However, the other members of the research team fulfilled the role of critical soundboard, thus considerably limiting the risk of over-identification.

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<sup>10</sup> Top management consists of the Secretary-General, the vice Secretary-General and a number of Director-Generals. One of the Director-Generals could not participate and was replaced by his second-in-command.



#### 5.2.4 DATA ANALYSES

Our goals for data analyses in this second empirical study were twofold. We wanted to explore both structure and agency during MFR implementation within a Dutch ministry. Within this study we chose to analyze the implementation of a new governance model in which shared services played a key role. First, we constructed the process of shared services implementation based on the data we collected. This resulted in a chronology of events depicted by means of a visual map (see, Langley 1999). The events in the visual map were then converted to a case description of the implementation of shared services and its broader context. The visual map –in combination with the written case description– provided the ‘larger picture’ of the shared services implementation process over time and its relation to the introduction of the new governance model.

Furthermore, based on our semi-structured questionnaire, we present respondents’ views on shared services, the reasons for shared services implementation according to our respondents, and respondents’ perception of the actual process up to the launch of the products and services catalog. We then continue with describing the remainder of the shared services project and a number of events that occurred after the end of the project, but that were nonetheless related to the project.

Then, the main section of our semi-structured questionnaire was aimed at uncovering the social structures of middle managers during the implementation of this MFR-type initiative. One member of the research team –one of the two researchers that interviewed the SG based on the preliminary findings– openly coded (see, Strauss & Corbin 1998) the interviews to uncover any recurrent issues during shared services implementation. These recurrent issues we summarized as topics. Additionally, we derived topics from our case description based on the visual map. Then, as in the previous study, we looked for overarching themes among the topics. Hence, the main categories of the case’s shared services implementation arose (i.e., axial coding, Strauss & Corbin 1998). Once the categories had emerged, the topics within the themes were allocated to one of the three dimensions of structuration theory (i.e., selective coding, Strauss & Corbin 1998). This was done to see whether all the structural dimensions of a category had come to the fore during the interviews.

We then used both the case description and our findings about the social structures to further develop and refine the five propositions we developed in chapter four. Here, we also pay attention to the actions made by the key actor in the implementation process –the SG– and the consequences of these actions

in the shared services implementation process. Next, we try to connect our propositions to provide a more dynamic model of the structuration of MFR.

### 5.3 DESCRIPTIVE RESULTS

Being aboard the project team provided interesting insights on the specific development in time of the implementation of shared services within one of the Dutch central government ministries. We start with describing the first half of the implementation process up to April 2005. Then, based on part of our semi-structured questionnaire, we look back how the involved middle managers and relevant others experienced the process of shared services implementation up to then at their ministry. After presenting these perspectives, we continue by describing how the design and implementation of the shared services project unfolded further and a number of events after the project was formally finished.

The visual map of the shared services project and its relation to the larger Dionysus project are depicted in Figures 5.1 to 5.7. In this visual map the round cornered rectangles represent events external yet relevant to the shared services project. Sharp cornered rectangles represent activities, hexagons represent decisions, and rectangles with a wavy base represent the release of essential documents.

### 5.3.1 FROM CHANGE PLAN TO PRODUCTS AND SERVICES CATALOG

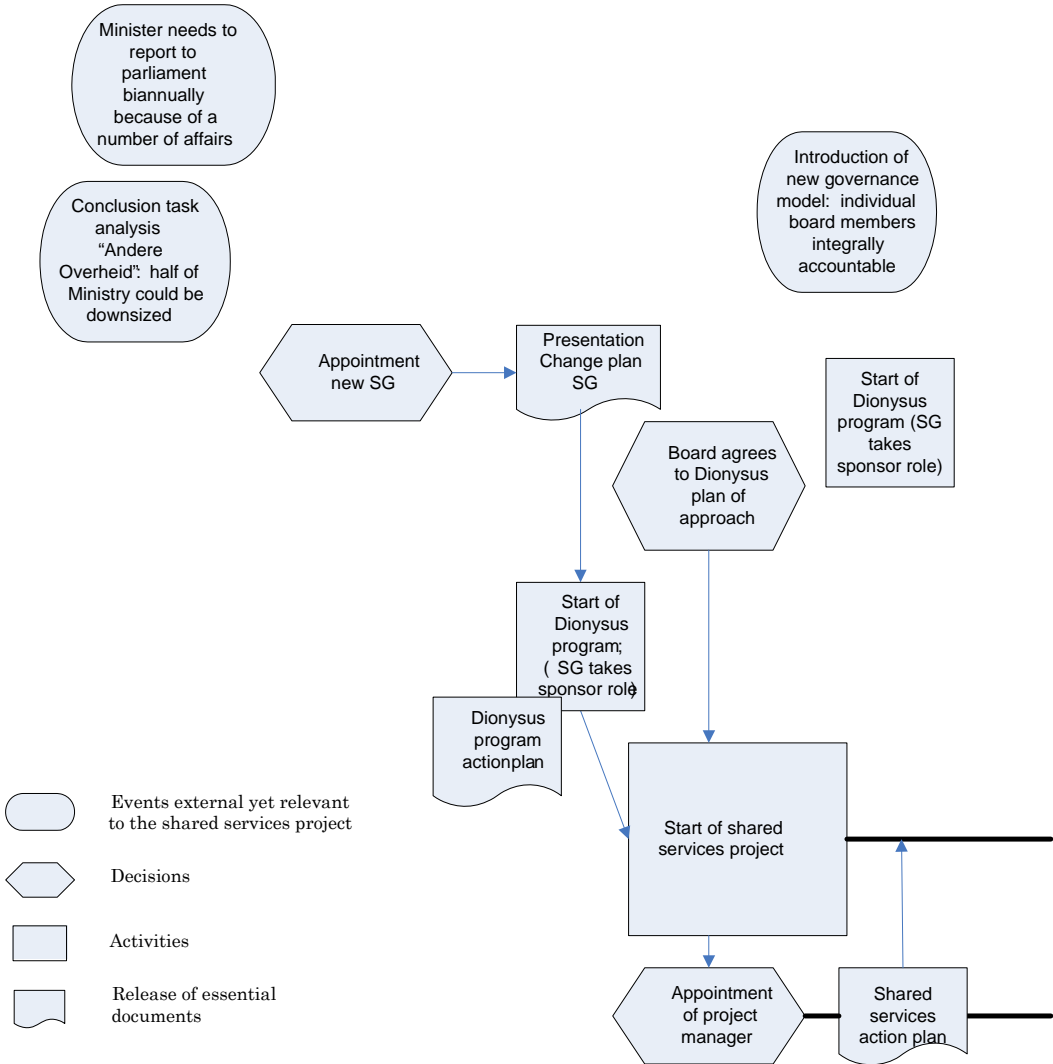


Figure 5.1: Visual map of shared services implementation (September 2003 to February 2004)

Our interest in this case intensified when the Secretary-General (SG) of the ministry publicly announced his plans to turn around the ministry. The SG was appointed three months before he launched these plans to improve the looming performance of the ministry. These three months he spend to make a thorough analysis of the current state of affairs within the ministry. In recent years the ministry had made the news by a number of affairs both internally as in one of

the fields the ministry oversees. In addition, the task analysis demanded by the modernizing government program pointed out that at that time more or less half of the ministry could be downsized.

The new SG found that the problems within the ministry were the lack of central steering, organizational stovepipes, dispersed responsibility for support services, and its culture typified by a head in the sand attitude. According to the SG's change plan, previously attempted culture changes were doomed to fail because of the organization's impeding formal structure. Most of his arrows were therefore aimed at the so called governance model of the ministry. Relevant for this study is that he proposed to change the composition of the management board by removing one of four Director-Generals and the director of Financial-Economic Affairs and make top management integrally accountable for their subordinate departments. In addition, he wanted to clarify who was doing what in support departments and proposed to introduce shared services for this reason.

To support the desired changes the program bureau Dionysus was founded, led by a program manager: the director of Advice and Support. The Dionysus program delineated six key projects of which shared services was a subproject within the main accountability project. The Dionysus program was set to last two years, in which most changes should be achieved in the first year. Furthermore, because the program should not be a separate entity within the organization, there will not be any program specific communication – all communication will be done by the SG and vice SG. The shared services project will have the same duration as the Dionysus program. The action plan presents the goal of the shared services project as:

*“more efficient and higher quality support functions within the ministry, fitting the changing governance model by centralizing support tasks and functions and to offer these, either concentrated or not, to top management per business line. Service Level Agreements will be made for this purpose.” (internal document, 2004)*

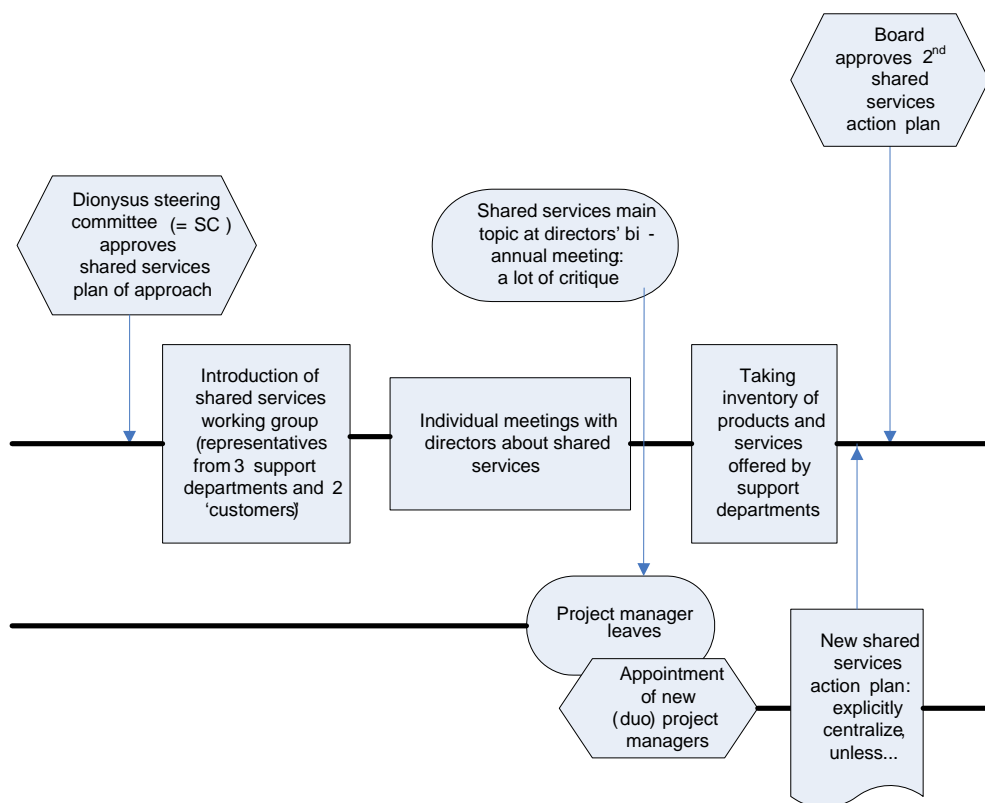


Figure 5.2: Visual map of shared services implementation (February to June 2004)

The shared services action plan was approved by the Dionysus steering committee (hereafter: Dionysus SC), with among its members the SG, vice SG and program manager. Also, a soundboard group was installed with representatives of four support departments and two line departments. One of the first activities by the project team was the interviewing of the directors of line departments about the performance and services offered by the current support departments. The results indicated that the support departments were solely providing services and not taking much the demand-side into account.

“I think the reason for introducing shared services was solely that the support departments themselves determined what they wanted to offer and said ‘no’ too often to customer requests.” (interview, 2005)

In addition, in the perception of line department directors, some of the support departments defined their main task as the making of policy instead of supporting operational processes. Close to the end of the interview series, the biannual directors meeting was held and shared services was the main point on

the agenda. During this meeting the gathered directors gave a lot of critique on both the process and content of the shared services project up to then. Critique was directed at the boundaries and premises of the project, the proposed formal structure of shared services, the steering of support product and service performance; and, in fact, on almost everything related to this project. At the end of the meeting the participants stressed that the soundboard group should be involved before top management makes decisions on the project. However, after the directors meeting the soundboard group never got together again. Furthermore, just a couple of days after the directors meeting –and mostly because of the critique at this meeting– the project manager was replaced by two other project managers.

The next step made by the renewed project team was tacking stock of all the products and services offered by the support departments and the launch of a new action plan. The new action plan explicitly mentioned centralization of support services unless this would harm the primary process or substantially lower efficiency. The deliverables of the shared services project was reformulated as: 1) a products and services catalog, 2) the rules of the game (for matching supply and demand), 3) explicit performance contracts between Director-Generals and support departments in the second year of implementation, and 4) a new formal structure for support departments. The management board approved this action plan, yet stressed that the project team should keep a keen eye on the efficiency and effectiveness of the plans.

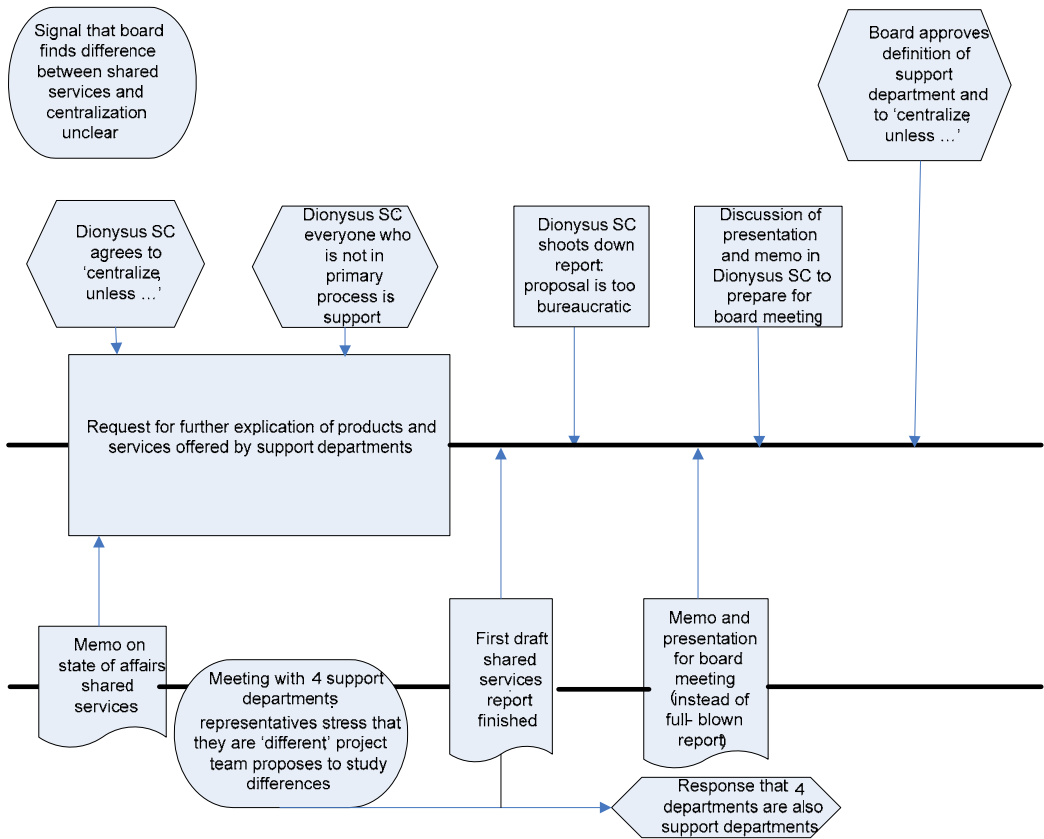


Figure 5.3: Visual map of shared services implementation (July to October 2004)

In the summer of 2004 the project team asked the support departments to further explicate their offered products and services. For example, if these products and services should be considered as ‘basic,’ specific for a group of departments, or ‘plus’ (which means tailor made for one department); and if these products and services need to be centrally or decentrally offered. In the mean time the Dionysus SC had two meetings related to shared services. In the first meeting the organizational principle ‘centralize, unless ...’ was confirmed. However, there was also a signal that the management board finds the distinction between shared services and centralization confusing, so the project team would prepare a memo to clarify the distinction. In the second meeting the Dionysus SC confirmed that every task that is not part of the primary process belongs to the support departments. Four out of eleven departments disagreed with their label as support departments and their representatives had a meeting with the project team to stress that they are ‘different.’ The project team proposed to study the differences but later reports that the

differences are not substantial enough to be excluded from shared support services.

At the end of the summer the project team finishes their shared services report –sometimes called the shared services ‘bible’ alluding to its size– and sends it to the Dionysus SC. The Dionysus SC finds the ‘bible’ too large to be decided-upon by the management board. Furthermore, the SC finds the proposal too bureaucratic and hence dismisses the use of service contracts, the already simplified variant of Service Level Agreements.

“I don’t want a bureaucracy, on the contrary, there have to be agreements, but that must be simple agreements. [...] just agree in a catalog what you offer and let the customers have their say.” (interview, 2005)

The SC decides that the project team should prepare a presentation and memo for the management board meeting at the end of September 2004, which should first be discussed by the SC. The SC approves the plans which now include the role of smart buyer (supporting top management) next to the role of account manager (central contact with support departments). Next, the management board approves the new plans including the black-and-white demarcation between policy and support departments, and the ‘centralize, unless ...’ principle.



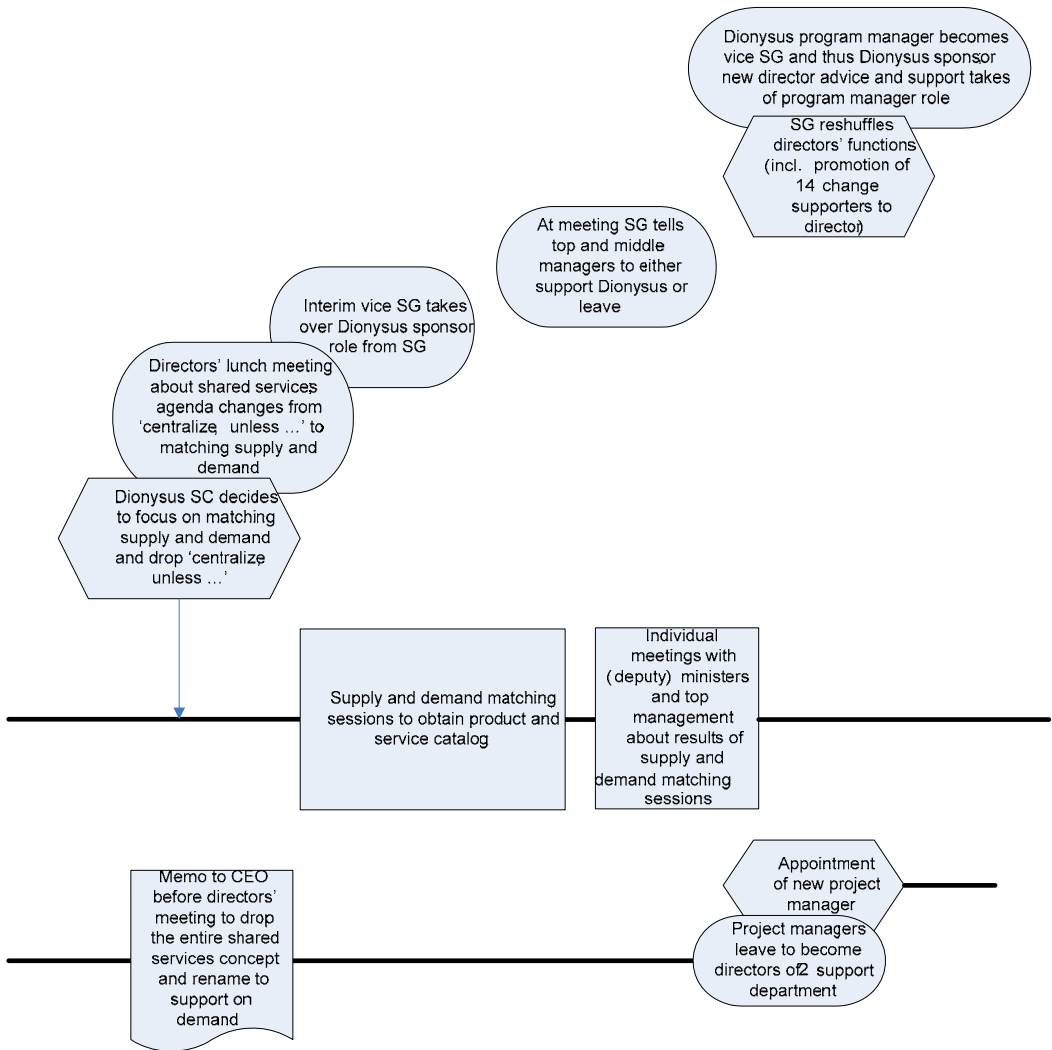


Figure 5.4: Visual map of shared services implementation (October 2004 to January 2005)

Then, mid October, the project takes a dramatic turn. The memo that was presented to the management board was going to be presented at a directors' lunch meeting. However, the Dionysus SC decided on the morning before the lunch meeting that the 'centralize, unless ...' principle should be removed from the shared services plans:

"[...] the pillar 'centralize, unless', and as a consequence the plan for uniform business operations, will not be elaborated in the near future. Full attention will now be directed at the second pillar, in which supply and demand of departments are attempted to be

harmonized. Meanwhile, two smart buyers have been appointed, who will take inventory of departments' demands. The goal is to make the difference between supply and demand as clear as possible to discuss these in the management board meeting. This relates to the supply by all support departments." (internal memo, 2004)

The agenda of the directors' lunch meeting was changed to discuss the matching of supply and demand. In the meantime, the project leaders sent an agitated note to the SG to ask confirmation that the project's assignment has changed from shared services to support on demand. As this has little effect, the project team continues with the organization of supply and demand sessions that aim to develop a final products and services catalog. Meanwhile, the interim vice SG takes over the Dionysus sponsor role from the SG. After finishing the supply and demand sessions, the project team interviews the (deputy) ministers and top managers about the outcomes, who appear to have a lot of critique on the performance of the support departments.

Part of this critique surfaces on the ministerial management day in December 2004 where the SG states in relation to the Dionysus project: *"You do not have to participate in it, but then go work somewhere else."* At the start of 2005 the SG assigns a large number of the ministries' directors to other functions and fills almost two thirds of the director vacancies with talented frontline managers, hence promoting them to the middle manager level. As the SG himself explained:

*"But the personnel changes created the largest change at that moment. I also think that if I would go to another ministry where the problems would be big, I would do it in the same manner. Again taking a look at with whom I must win this war and make quick interventions based on that; so saying goodbye to the people who are not happy anymore or who do not perform."* (interview, 2007)

The reshuffling of directors also has large consequences for the shared services project. The two project managers both become director of two of the support departments and leave the shared services project. Already, the fourth project manager is appointed. Also, the Dionysus program manager becomes the new vice SG and to prevent two roles being held by the same person, the new director for advice and support becomes program manager.

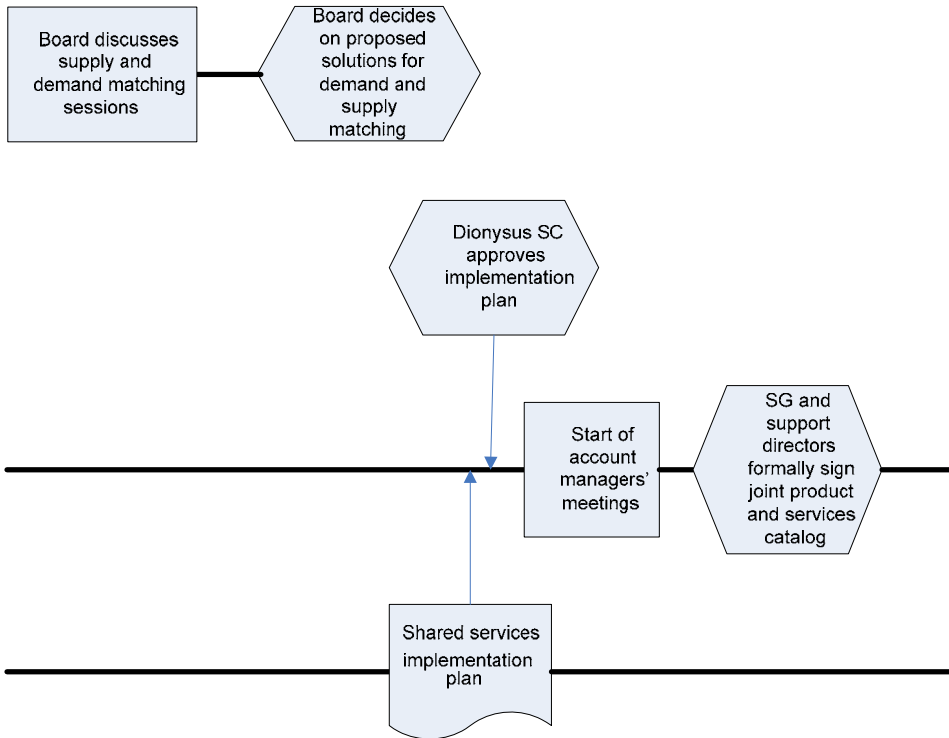


Figure 5.5: Visual map of shared services implementation (January to April 2005)

Mid January and early February of 2005 the management board has two meetings to discuss the supply and demand sessions. In the first meeting the gaps between supply and demand are discussed and the management board asks support departments to sketch a possible solution. In the second management board meeting a decision is made about the proposed solutions and their implementation. Based on these outcomes, the project team draws up an implementation plan, which is later approved by the Dionysus SC. One of the elements of the plan is that the project team will design and execute a customer satisfaction survey and that the project will end with an advice on possible opportunities for downsizing in 2006, the year after the project had ended. Then, in April 2005, the shared services project reaches a major milestone when the SG and all support directors officially sign the first joint products and services catalog.

### 5.3.2 PERSPECTIVES ON SHARED SERVICES

Shortly after the official launch of the products and services catalog in April 2005, we administered our semi-structured questionnaire to the support

department directors and other relevant stakeholders. These stakeholders were the SG as program sponsor, the vice SG as program manager, and a number of Director-Generals and directors who represent the 'customers.' In this section we will describe how the shared services concept is characterized by these respondents and how this differs from the perceived current situation, the perceived reasons for implementation, and the perceived process of implementation.

The respondents usually described their ideal type shared services to be the bundling of activities and the centralization of staff to improve efficiency, effectiveness, and service quality. However, a couple of respondents go one step further and stress the physical concentration of employees as a key aspect of shared services. Moreover, whereas the program and project managers stress physical concentration, the SG as program sponsor actually does not desire centralization let alone concentration of staff. Nonetheless, the idea of distinguishing between those who offer services and those who use these services is mentioned by all 17 respondents.

Interestingly, the answers to the second interview question –asking respondents to compare their ideal type shared services with the current practice– were much more diverse. Here, the answers ranged from 'yes current practice is similar to the ideal type' to 'it is just the first step.' Even more interesting is that some of the respondents state that despite the limited success compared to the ideal, the success was great considering the ministry's history. Comments along these lines were for example: "more would be a bridge too far", "otherwise there would be too many separate contacts between suppliers and buyers", and "this was the maximum result possible."

There was more consensus among respondents about the reasons for implementing a shared services concept in the ministry. Most respondents mentioned one or more of the following reasons: reinstatement of the organizational hierarchy, differentiating between line departments and support departments, and improving efficiency and quality. Breaking through organizational stovepipes was a reason also mentioned by some of the respondents. Remarkably, only two out of the 17 respondents pointed at a shared services hype in the central government or the Secretary-General's previous positive experiences as reasons for implementing a shared services concept. Actually, the SG himself mentioned during these interviews that his primary reasons were the reinstatement of the organizational hierarchy and more clearly differentiating between policy and support.

When asked about the process of implementation, about half of the respondents pointed at the poor communication. A smaller, but nonetheless substantial, number of respondents mentioned the slow start of the project. On the other hand, after the project was on track the respondents more-or-less

agreed that the changes happened rather swift. Somewhat related to the poor communication is that some respondents ponder if the governance model that was introduced can really be called shared services (for example, the meaning of the acronym SSC changed during the project from Shared Services Centre to Shared Services Concept). Of course, the respondents mention the dropping of “centralize, unless ...” yet, most of them saw it as a good development during the project.

### 5.3.3 FROM PRODUCTS AND SERVICES CATALOG TO THE BUNDLING OF SERVICES

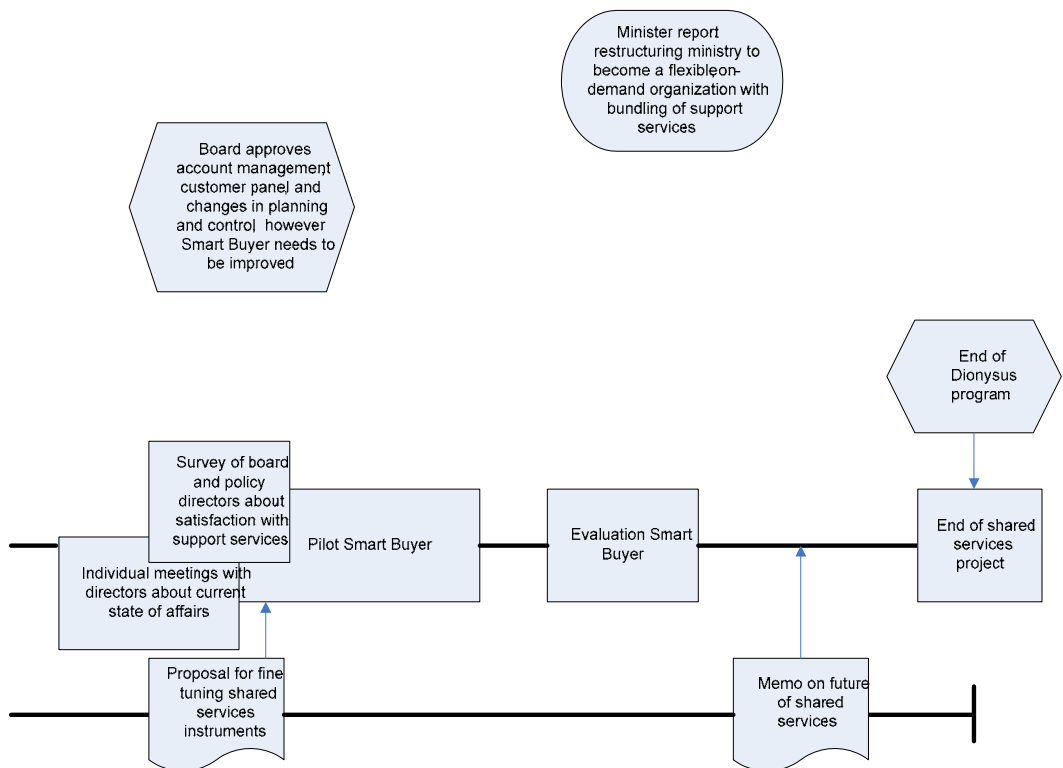


Figure 5.6: Visual map of shared services implementation (May to December 2005)

After the products and services catalog was officially signed, the project team again has individual meetings in May and June 2005 with all ministerial directors about the current state of affairs and to elucidate the implementation plan as well as the roles of the account manager and the Smart Buyer. Remarkably, in some support departments the director –i.e., a middle manager– is the account manager, instead of a front line manager. One of the main points made by line directors in these meetings is that the desired

feedback of the supply and demand sessions was not optimal. In addition to this personal approach, the project team sent a short survey in June 2005 to the management board members and line directors to find out more about their satisfaction levels with the support departments. At the same time, they also sent a survey to the support departments to find how satisfied they are with the assignments they got from their 'customers.' The results indicated that the offered support has improved in performance, but that further improvements are still necessary. Likewise, two thirds of the support directors think that at least half of their customer counterparts provide clearer assignments.

Based on the received input the project team sends a proposal to the management board on how to fine-tune the account manager and Smart Buyer roles; the installation of a customer panel, regular individualized customer contact, and the inclusion in the planning and control cycle. The management board agrees to almost all instruments, yet they would like the Smart Buyer's role to be further demarcated. For this purpose, the project team has already experimented with a Smart Buyer pilot, which ran from April till September 2005. The evaluation of this pilot indicated that the Smart Buyer would further improve the functioning of the shared services and is actually a necessity when the shared services project ends in December. The final task of the project team is the drawing up of a memo for the SG on the future direction of shared services. Core to this memo is the redistribution of tasks over the support departments and the bundling of services (!). The idea is that first four support departments will become separate units within a support department, then parts of two other support departments will be added, and in the end the units will dissolve and there will only be three main units: policy and strategy, advice, and execution. At the end of 2005, the Dionysus project and thus the shared services project have officially ended.

In the meantime, in November 2005 a report was published, signed by the minister, which among other things stated that the number of support departments will be reduced and that business operations units and support departments will be bundled. In the light of dropping the 'centralize, unless ...' principle this bundling is rather an unexpected move, but follows logically from the future-steps memo released by the shared services project team. In addition, the report mentions that a study will be made into the possibilities for other inter-ministerial shared services like the already existing personnel centre called P-Direct. More generally, this change plan approved by the minister draws out how the ministry will be formally organized in the future. Next to the bundling of support functions, societal themes will be the leading principle for organizing departments instead of organizational functions (the famous stovepipes) and the employees will be employed centrally instead of being formally placed in one department to make the workforce more flexible.

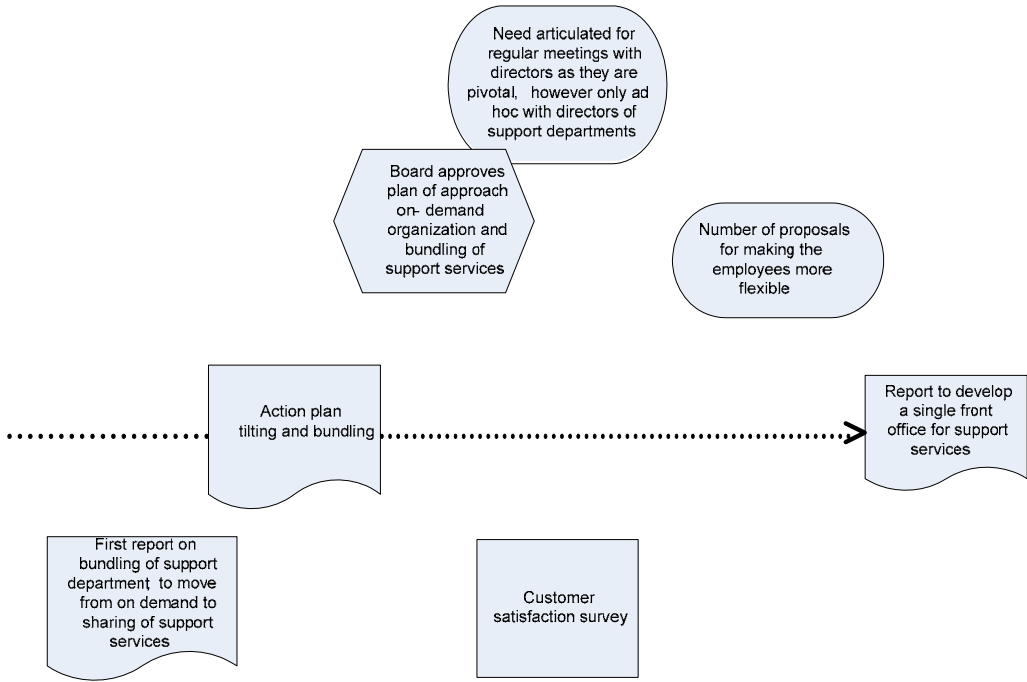


Figure 5.7: Visual map of shared services implementation (February to December 2006)

In February 2006 an internal memo was sent to the management board which proposes the first steps towards bundling the support departments. The goal is to make a large improvement in the quality of the support services. This memo is followed in March 2006 by an action plan in which bundling is positioned as the follow-up to the shared services project. The action plan states:

“After the support departments started working on demand in 2005, it is a logical step to see where the support of the ministry can be bundled to arrive at an effective, efficient, and high quality design of support and business operations for the ministry.” (internal document, 2006)

Furthermore, the plan states that the bundling project team will conduct a customer satisfaction survey, determine the financial structure, and further improve and institutionalize the matching of supply and demand for support products and services. Also, in the action plan the essential role of ministerial middle management –the directors– in making the changes a success is stressed. The action plan advocates the involvement of this group by proposing

to organize regular meetings with the line directors. Remarkably, the plan continues by stating that on an ad-hoc basis the directors of support departments will also be informed and involved. At the end of 2006 the project to design one front office for four support departments is commissioned. Also, the second half of 2006, a number of plans are released that aim to make the workforce more flexible by central placement, matching and mobility, career scans, and the like. This all aims at being able to organize on societal themes and to be able to more flexibly move employees to positions where they are most needed in order to achieve results.

## 5.4 ANALYTICAL RESULTS

Based on the previous description of the implementation process, we now continue with analyzing our findings. First, as described in the methodology section, we derive from both the rich case description and our in-depth semi-structured interviews key elements of the structuration of MFR in the ministry through the introduction of a new governance model, in particular the introduction of shared services. We will use these findings to refine and extend the propositions developed in the previous chapter. Subsequently, based on the propositions, we further develop our model of MFR structuration. This model includes the relations between the propositions.

### 5.4.1 REFINING AND EXTENDING PROPOSITIONS

The goal of this section is to refine and extend the propositions developed in chapter four. First, as in chapter four, we allocate topics that arose out of our data to one of the three dimensions of structuration theory: signification, domination, and legitimation. Naturally, we also focused our attention on possible contradictions between social structures. Our topics we derived from both our case description and semi-structured questionnaire. The longitudinal nature of this second study enabled us to study how structures were reproduced or changed in social interaction, thus the role of agency was made more prominent.

We must stress that in this case the role of the SG was significant; perhaps due to the relatively passive role of middle management. The SG initiated the new governance model and had a strong hand in the design and, more importantly, the implementation of the shared services project. For us the prominent role of the SG was reason to conduct an extra interview to confront him with our preliminary findings. As a preamble to our analytical results in the agency domain we would like to emphasize that we initially did not focus



on the role of the SG. Our attention for his agency arose during the development of the shared services project in time. Except for the meeting between four support directors and the project team, we observed little resistance by middle managers to MFR. Based on this finding we believe that middle managers' behavior was mostly routine. That is, there was neither strong resistance to, nor strong promotion of MFR or legal-rational bureaucracy.

The topics we derived were again, as in chapter four, clustered into the dominant themes of MFR implementation. The three dimensions of structuration theory functioned as a 'check' to make sure that we covered all three aspects of the themes that played a role during the change process. Next to the themes we found in chapter four –during the implementation of results-oriented budgeting– we found a new theme that we labeled 'change approach.' The new theme 'change approach' differs from the existing theme 'top management support.' The latter describes what top management support consists of, whereas the former describes *how* change is implemented. Note that 'change approach' does not have to be limited to top management alone. All in all, we analyzed our data to both report the relevant social structures and agency within this case. Table 5.1 summarizes these enablers and barriers to MFR implementation.

STRUCTURATION THEORY DIMENSION			
THEME	SIGNIFICATION	DOMINATION	LEGITIMATION
Environment	+ results orientation + shared services concept	+ affaires/parliament driver of change Dionysus project + strengthening control over middle management	+ primacy of politics + improving accountability
Autonomy	- 'special' departments - performance paradox - managers to much focused on content	+ priority of policy over support - staff in line vs. support departments - resistance to centralization	- no service-orientation - professional autonomy
Traditional beliefs	- 'will not work here' - change fatigue - fear of transparency	+ promotion of younger talents/ change supporters - group pressure	- 'say yes, do no' ± committed to their work + more business like cooperation style
Limited influence on results	- change uncertainty employees	- cooperation lacking/stovepipes	- accountability unclear - products and services catalog paper tiger
Top management support	- misunderstanding between project managers and sponsor	+ SG driver of change + vice SG proponent of change - directors loosely coupled from top management	+ minister supports change
Change approach (NEW)	- poor communication - most of blame on middle managers developing capabilities	- little involvement of stakeholders in project decision making + bricolage	± general change plan + participation of 'customers' - loss of trust

Table 5.1: Main enablers and barriers to MFR implementation in the case organization: among the middle managers in the support departments (+ = enabler, - = barrier, and ± can be either).

When we compare the topics in Table 5.1 to Table 4.2 three main differences come to the fore. First of all, as illustrated mainly by the new theme ‘change approach,’ because of the longitudinal approach we were able to much closer observe change agency, albeit from outside the ranks of middle management. This is for example also illustrated by the promotion of change supporters to alleviate traditional beliefs. Second, there were also a number of specific shared services related topics, for instance the service-orientation. This time the ‘limited influence on results’ theme appeared to have a less strong influence compared to our study into results-oriented budgeting. Finally, the prominence of the SG in this case has a strong influence on our findings. His role is not confined to ‘top management support’ and ‘change approach’ but indirectly relates to the other themes as well. For example, through the promotion of change supporters and the emphasizing of the priority of line over support departments. This finding confirms and refines the crucial role of top management we found in the previous study.

#### 5.4.2 ENVIRONMENT

P1: The less environmental MFR pressure on public sector middle managers, the more implementation of MFR is resisted.

In the introduction of this chapter we already sketched the situation that led to the appointment of a new SG and the subsequent ‘special interest’ in this ministry by parliament. Recall the semi-annual progress report the ministry had to deliver to parliament. The SG’s task was to restore the organizational hierarchy within the ministry, particularly focusing on the role of middle management: the primacy of politics needed to be restored. Exactly for this reason the SG started the Dionysus project in which improving accountability played a key role. For P1 we found that the relation between environmental pressure and resistance is actually indirect. Accountability plays an intermediary role as it is mostly elected officials and top management that have to respond to environment pressure instead of middle managers. Therefore we introduced an intermediary step: higher environmental pressure leads to a higher demand for accountability.

P1.1: The more environmental MFR pressure, the higher the demand for public sector middle managers to be accountable

Mainly, by introducing shared services the support departments would become more results-oriented by providing products and services of a higher quality in a more efficient manner to their ‘customers.’ Also, ‘customers’ would

become more results-oriented as they need to be more aware which products and services they obtain from support departments. Although at first a sophisticated shared services concept was not introduced, accountability was strengthened by the products and services catalog. This products and services catalog made the services offered by the support departments more transparent and opened the opportunity to match supply and demand better. Hence, the main objective of the Dionysus project –improving accountability– was attained by the shared services project. Later plans would improve accountability further by limiting the number of support departments and hence concentrating responsibilities.

P1.2: If public sector middle managers' are held accountable for their behavior during MFR implementation their resistance to MFR implementation will be low

As in the previous study, the topics within the environment theme all enabled MFR implementation. In addition, we found that as accountability was weak within the ministry, parliament took a keen interest in the management of the ministry. Management itself became a political priority and should not to be left to the civil servants. Because of the political dimension, openly resisting accountability towards the legislative power would go against the public sector morale of the primacy of politics, hence only leaving room for covert resistance.

#### 5.4.3 AUTONOMY

P2: During MFR implementation public sector middle managers resist lowering their autonomy if it reduces their territory

The introduction of shared services had far-reaching consequences for the autonomy of the departments whose services are concerned. A typical response from support department managers was therefore that their products and services were special and could not be compared to the products and services of other departments.

“The support departments had more resistance [compared to the line departments] because they felt, a couple of departments really felt that their mission was changing, they never saw themselves as a support department. They saw themselves as a fellow line department.” (interview, 2005)

This behavior is also closely related to professional autonomy, which deems others unable to judge performance and is characterized by managers who are

too much focused on content instead of results. Hence, one of the main problems encountered by the SG upon his arrival was the lack of a service-orientation. Given these findings, we found no reason to modify our initial proposition.

P2.1: During MFR implementation public sector middle managers resist lowering their autonomy if it reduces their territory

However, also within a ministry the primary process –in this case the development and execution of policy– has priority over the support of these functions. Nonetheless, perhaps because of dissatisfaction with the support services, line departments often had installed their own decentralized support services.

“Look, if you are not very satisfied with the service you get from a centrally organized department and you are nonetheless responsible than you will make your own arrangements.” (interview, 2005)

Obviously, departments with decentralized staff will resist centralization. Typically, the SG ordered the project team to remove centralization from the plans for shared services. He did so too for the Service Level Agreements to prevent the devised system to become too bureaucratic and hence hindering instead of improving performance. We found that during the implementation process the SG argued that line departments had priority over support department to break through attempts at securing autonomy by some support directors. Hence, the theme autonomy is also related to top management support and change approach.

P2.2: Reductions of public sector middle managers’ territory during MFR implementation will be less resisted when top managers clarify middle managers’ roles

Again we found that threats to middle managers’ autonomy played an important role in MFR implementation. Almost all topics within autonomy pointed at resistance to MFR implementation. However, in this study we saw that when top management clarifies role responsibilities, for instance the priority of line over support departments, resistance becomes less. This also means that in this case this theme is connected to the themes top management support and change approach.

#### 5.4.4 TRADITIONAL BELIEFS

P3: The stronger public sector middle managers hold traditional beliefs, the more they resist MFR implementation

The role of traditional beliefs in this study is quite similar to the previous study. Comments that the proposed changes ‘will not work here,’ the general change fatigue caused by a large number of subsequent and malimplemented projects, the fear of transparency, and the group pressure not to comply were at centre stage before. In addition, the attitude to ‘say yes, do no’ is a renowned silent tactic to stifle change endeavors (Heifetz & Laurie 1997). Hence, our initial proposition will be maintained.

P3.1: The stronger public sector middle managers hold traditional beliefs, the more they resist MFR implementation

In this case, however, the role of work commitment is more ambiguous as appears from Table 5.1. How commitment plays out can differ from person to person. Whereas some will see the implementation of MFR as a threat to their work, others might actually perceive it as an enabler. One example is that a more business-like cooperation will lead to a more professional relation between support departments and their customers in which each others’ desires are more explicated. A customer department will find it easier to request for a specific service, while a support department could easier build a case why in this specific instance it is unfeasible to provide in this service (or why it actually is an excellent idea).

“I think it’s very pleasant. [...] The service orientation and clarity and a certain degree of practical results-orientation and businesslikeness. We are all very friendly for each other and that is fine, but if it is unclear, not businesslike, than you are bound to argue.” (interview, 2005)

In that sense we observed that the way managers framed the MFR-type initiative, something that either enables or constrains their work, has a strong influence on resistance. For instance, by stressing how the new way of working will improve cooperation and mutual understanding.

P3.2: Traditional beliefs among public sector middle managers can be moderated by stressing the advantages of MFR

A strong intervention, more explicit than in the first study, was the promotion of younger talented people to middle and top management positions

at the start of 2005. We need to note that these people were on average younger, but that they were also supporters of change. The latter is quite interesting as they mostly came from the same institutional environment as those that they replaced. Both age and orientation appear to play a role. This move explicitly changed the power dependencies; one of the four key concepts of Greenwood and Hinings' (1996) intraorganizational dynamics.

P3.3: Replacing resistant public sector middle managers by promoting younger MFR-oriented lower managers will strongly alleviate resistance to MFR implementation

Overall, as in chapter four, traditional beliefs acted as a constraint on MFR implementation. Nonetheless, traditional beliefs were moderated by replacing a large part of higher and middle management and framing the changes such that the advantages of a more results-oriented cooperation style were stressed. Hence, in this case the traditional beliefs theme is also related to top management support and change approach.

#### 5.4.5 LIMITED INFLUENCE ON RESULTS

P4: The more public sector middle managers deem that obtaining results is beyond their control the more they resist MFR implementation

The 'limited influence on results' dimension came less to the fore than in our previous study. In part, this may be due to the fact that the goals stated in the budget are far more abstract than the goals that shared services aim to achieve. Nevertheless, also during this implementation process, respondents perceived to have limited influence on results. In this case the result being the provision of support products and services of higher quality and in a more efficient manner to line departments. For instance, some of the respondents mentioned that the products and services catalog was just a 'paper tiger', hence not really improving the ability to match supply and demand. Furthermore, the employees experienced high uncertainty on how they were expected to work in future due to the number of changes that were made in the design of shared services. Ironically, although not the focus of our study, even the project team felt they had limited influence on the design of shared services as the SG strongly intervened in their plans at least twice. Hence, respondents in this case also resisted a results-orientation when they believe that the chosen instrument, shared services in this case, does not improve their influence on attaining results.

P4.1: The more public sector middle managers deem that achieving results is beyond their influence the more they resist MFR implementation

Next to the specific influence on results through the shared services project, respondents pointed at the lack of cooperation within the ministry. They attributed this lack of cooperation to both organizational stovepipes and unclear accountability relations.

“What I experienced myself [...] is that within this ministry people are working in stovepipes, but also do not connect to each other on a diversity of things.” (interview, 2005)

It was exactly the key cooperation and accountability issues that the SG was aiming his arrows at with the new governance model. The governance model was changed as the SG believed that the organizational design of the ministry impeded managers to take responsibility. Although solely changing the design will not lead to behavioral change, we found it to be an important contributing factor.

P4.2: Public sector middle managers' influence on results is constrained by organizational stovepipes and the lack of clear accountability relations

In this case, the limited influence on results theme was less prominent than in our previous study. Yet, again we found that public managers experienced a limited control over achieving results. In this case we saw that the main cause for this perceived limited influence on results were organizational stovepipes and the lack of clear accountability relations. Overall, middle managers' feeling of 'limited influence on results' acted as a constraint on the implementation of MFR.

#### 5.4.6 TOP MANAGEMENT SUPPORT

P5: Without the personal MFR commitment of the (deputy) minister or the SG of a ministry MFR implementation is resisted by public sector middle managers

Obviously, the subsequent affairs the ministry was caught in led to large dissatisfaction among the political overseers of the ministry and even to parliamentary inquiries. Hence, in 2003 a new SG from outside the ranks of the Dutch central government was appointed to turnaround the ministry. Institutional theory points out that people from other institutional fields help in articulating alternatives to the way of doing things in an organization



(Sewell 1992). As the SG conveyed about his motivations to move to the ministry:

“I also was a consultant and I like the business, however, at a certain point, because I was advising close to the government and they often just ignored my advice, it is nice to do this [being in line management] again for a while” (interview, 2007)

In addition, individuals positioned high in the organizational hierarchy are more prone to implement radical organizational change (Battilana 2006; Hambrick & Mason 1984; Kraatz & Moore 2002; Tushman & Romanelli 1985). We changed our initial proposition to reflect that top management commitment will ease resistance to MFR instead of preventing it.

P5.1: High MFR commitment of the SG and/or (deputy) minister(s) reduces resistance to MFR implementation by public sector middle managers

Nonetheless, this does not mean that all top managers will truly support the implementation of radical organizational change in the form of MFR. For instance, the SG –backed by the minister– initiated and hence championed the Dionysus project for which the shared services project was key. Yet, his support for the shared services project *team* was ambiguous to say the least. The cause for this paradox was that he SG aimed at improving MFR within the ministry, while the project was occupied with implementing the ideal type shared services concept. The SG more than once indicated both in interviews as in a number of meetings that the fully embellished design would become too bureaucratic to improve effectiveness and efficiency.

This position led to some minor conflicts with his vice SG. The vice SG was directly responsible for the success of the shared services project and therefore focused more on the output of the specific project instead of the building of an enabling MFR culture (Table 2.2). From the perspective of goal-setting theory finishing a project can be classified as a performance goal, whereas working according to an enabling MFR culture can be classified as a mastery or learning goal as employees learn to work in a different manner. In other words, finishing a project does not by itself lead to a more results-oriented culture. It is important to provide projects with learning goals as learning goals built higher commitment and lead to higher performance than performance goals alone (Locke & Latham 2002). Also, learning goals relate to normative visions and we know that appeals to normative visions are better at accomplishing radical change (Collins & Porras 1991).

P5.2: If public sector top managers implement MFR by means of separate projects with only performance goals and without an MFR vision, public sector middle managers will resist the implementation of MFR

In this case the role of top management in the change process, in particular the SG was very strong. Though the minister and vice SG also supported the change process. In that sense there was strong top management commitment. Nevertheless, the way this support is provided can differ from person to person. Whereas the SG focused on his results-oriented vision, the vice SG concentrated mainly on the projects with the risk of losing to engrain a results-orientated culture change among middle management. This was also mentioned by project team members as a cause for confusion. All in all, top management support was in this case as well an enabler as a constraint on MFR implementation.

#### 5.4.7 CHANGE APPROACH

A new theme emerged out of the data analyses in this second study, which we label 'change approach.' This theme is different from top management support as it describes the methods change agents use (the *how*) to implement MFR. Therefore the way middle managers perceive this change approach is part of their social structure, while the actions undertaken mainly by the SG form the agency side of change approach – hence reproducing and transforming the change approach structure. A change in social structure would mean that the middle managers' perception of both the change goal and/or the change approach itself changed.

As stated before, the main change agent in this case is the SG. First of all, the SG found the formal structure to hinder the development of an effective organizational culture and devised a general change plan during the first three months of his tenure in 2003. By having middle and top management agree to this plan he demanded support from top and middle management and formalized the change plan. In other words the plan implicitly became part of social structure:

"I think the shock effect of the change plan [...] they [middle and top management] formally signed, but then to hawk it like I did and for them to estimate the exact consequences of what they signed, that's something they didn't completely realize at that time" (interview, 2007)

In that sense, everyone could know in which direction the change process was heading. However, as the above quote illustrates, middle managers never

expected that the changes would actually reach this far. The plan devised by the SG is an interesting illustration of the projective element of agency as described by Emirbayer and Mische (1998). Indeed, in the behavior of the SG as an institutional entrepreneur the projective and practical-evaluative element of agency were more prominent (Battilana 2006). The practical-evaluative element was especially illustrated by the SG's *bricolage* (see, Ciborra 1996; Lévi-Strauss 1974; Weick 1993): the creative use of unexpectedly rising windows of opportunity. According to Lévi-Strauss (1974: 16-17), who coined the scientific term, a bricoleur is "someone who works with his hands and uses devious means compared to those of craftsman." According to Hatton (1989: 75) "devious" should be interpreted as "remote, circuitous, or indirect." Lévi-Strauss (1974: 16) explains that in old French bricolage "was always used with reference to some extraneous movement; a ball rebounding, a dog straying or a horse swerving from its direct course to avoid an obstacle." Bricolage played a key role in bringing the change process step-by-step further to the desired end-state, while securing the milestones achieved.

"You can see what you can change in such an organization, as it appears. You don't know that from the start. Of course, that was very exciting when the change plan was made. And I also slept badly those three months, especially because the message was quite difficult. [...] But not everything was thought up three years ago [...] I think you should see it as a process and in a ... let's call it a developmental process" (interview, 2007)

"Then we started to reorganize, including the introduction of shared services. And a number of irreversible steps were made. I didn't plan that all up front." (interview, 2007)

A concrete example was the directors' carousel. To improve the considerably low progress of implementation in 2004, the SG decided to intervene by making clear to top and middle managers that those who were not committed to MFR had better leave the organization. Partly as a result, a rather large number of vacancies came into existence. This provided the SG with the opportunity to build a coalition for change by promoting those in favor of MFR to key middle management positions. Although he frankly admits that this was again a form of bricolage – an unintended yet useful development:

"The reshuffling of directors I didn't think up at the start, but at a certain point I thought there are so many vacancies, it would be handy to break the resistance among directors by moving them, because they, off course, are all in their own environment which also again generates resistance." (interview, 2005)

After this intervention more than half of the middle management positions in the organization were filled by new managers. For instance, the Dionysus

program manager was promoted to vice SG and thus then led the majority of support departments. As the SG indicated:

“If you are talking about resistance to shared services, we have of course said goodbye to a lot of people in managerial positions who themselves showed resistance against change.” (interview, 2005)

We found this bricolage as displayed by the change agent quite intriguing from our research perspective. The use of bricolage bridged the gap between the rigid change plan and the day-to-day contingencies experienced during implementation. Hence, the concept of bricolage plays an important role in a practice perspective on organizational change processes.

P6.1: Change agents’ bricolage can counter public sector middle managers’ resistance to MFR-type change initiatives

However, not everything in the change process went smooth. For instance, building commitment to a change goal is deemed important for succeeding in organizational change (Kegan & Laskow Lahey 2001). During the interviews many respondents pointed at the poor communication surrounding the shared services project and the vagueness of the project’s goals. Also, some middle managers indicated that they felt they got the blame for everything that went wrong. No wonder respondents told us that they lost their trust in a successful ending for the shared services project at the time of the semi-structured interviews in April 2005. In addition, in the early stage of the project stakeholders were barely involved in project decision making, although the participation of ‘customers’ was found higher by respondents during the development of the products and services catalog. From goal-setting theory we know that participation in decision making is not a necessity, as long as people are well-informed on the motivations underlying the aspired goal (Locke & Latham 2002).

P6.2: Without either participatory, open-ended, decision making or directed communication of underlying motivations for organizational change, public sector middle managers’ will resist the implementation of MFR

Later in the MFR implementation process, more attention was given directly to organizational culture change by providing leadership training and career scans to optimize employees’ skills. The SG indicated that with hindsight he would have invested more in employee training to deal with the desired new way of working. In sum, whereas the early stages of MFR

implementation were characterized by formal structure changes –now and then supported by charismatic activities, for instance the ‘comply or leave’ talk– the latter stages of MFR implementation were characterized by a larger focus on developing capabilities (Huy 2001). This is in line with findings in social psychology in which self-efficacy (Bandura 1994) or perceived behavioral control (Ajzen 1991) –the degree in which individuals believe they can perform an intended behavior– were found to have a strong influence on actually performing a behavior in practice.

P6.3: Public sector middle managers’ resistance to MFR implementation is reduced by the development of capabilities

On the whole, the change approach demonstrated in this case paints a somewhat ambiguous picture. Be that as it may, Kotter (1995) stresses that even successful change efforts are messy and full of surprises. In the end, the new governance model and the shared services project could be called a success. For instance, the centralizing and to some degree concentration of support services was eventually arranged. As the SG describes the process:

“So don’t give too much in to resistance and keep your course and execute it. Show a couple of good milestones and actions and then the flow will come. [...] Actually the shared services project is a good example. In the beginning there was some misunderstanding between the project managers and myself. But for me it was a fact that support departments were acting like line departments.” (interview, 2007)

We found that the new theme change approach also plays an important role in MFR implementation. This theme is different from top management support as it focuses on the way change agents implement MFR as opposed to the support provided for implementing MFR. In short, the topics constituting this theme act as both an enabler and a barrier to MFR implementation. Enablers were the SG’s bricolage and his later focus on developing capabilities, while the lack of communication and participation were experienced as barriers to MFR implementation.

#### 5.4.8 RELATIONS BETWEEN PROPOSITIONS

Our goal for this chapter was to focus more on change agency in addition to the social structures that play a role in MFR implementation. The longitudinal character of this study permitted us to do so. In the previous section we both extended and refined our initial 5 propositions and added 9 new propositions.

In Figure 5.8 we position our propositions within the structurational model (based on Figure 3.2).

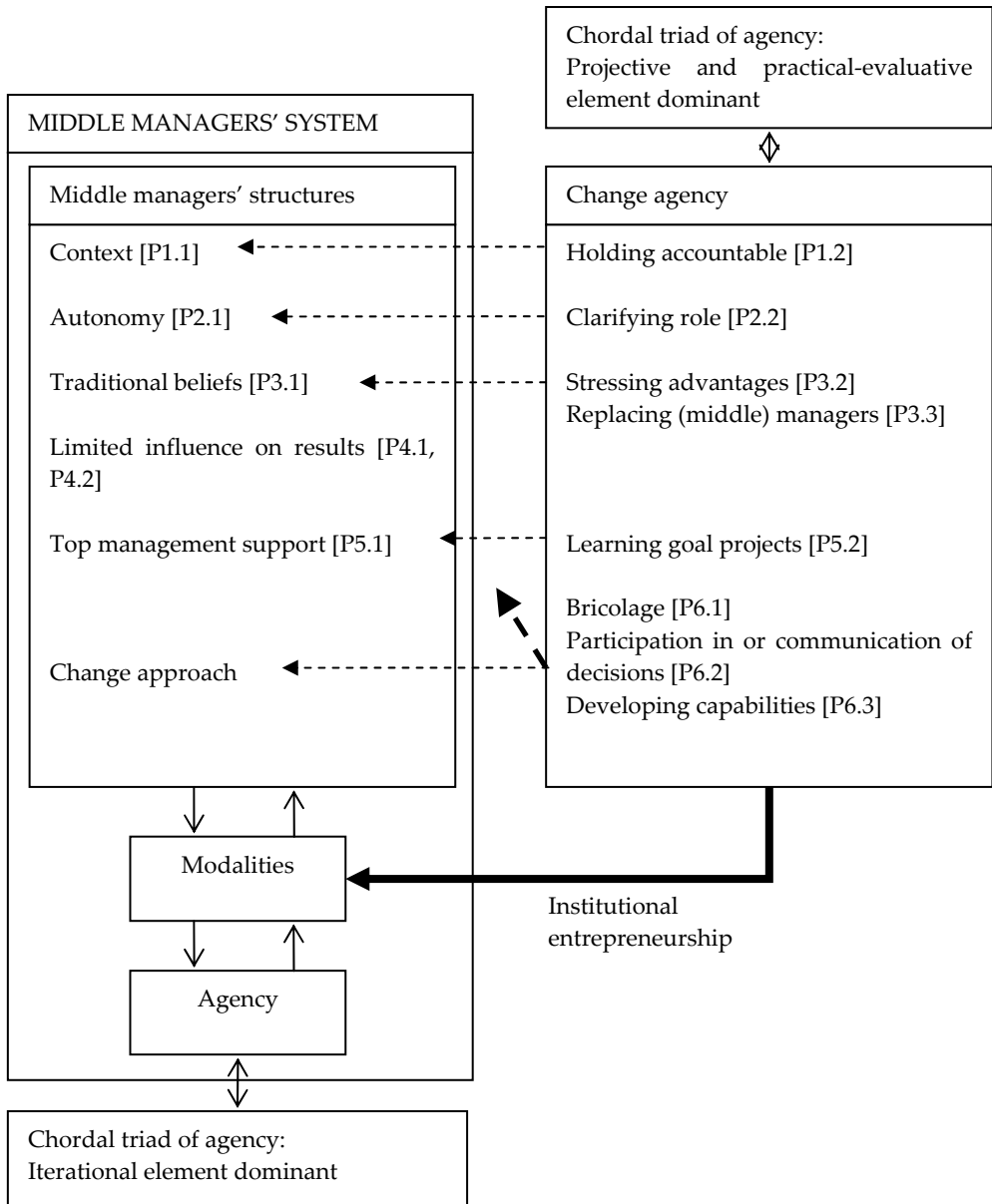


Figure 5.8: Elaboration of the structurational model (Figure 3.2) of change agency for the institutionalization of MFR among Dutch public sector middle managers.

As in chapter four we distinguish between the middle managers' system and the change agency used to change these social structures – in this case by top management, in particular the SG. Although all change agency influences modalities through institutional entrepreneurship, we used the dotted arrows to indicate to which element of social structure a change action is aimed; however all change agency works through modalities. For instance the clarifying of roles is aimed at changing autonomy structures via the modality interpretive schemes. The big dotted arrow emphasizes that the agency under the label of change approach is also present in the other themes

Except at the bi-annual directors' meeting and the lobbying of the four disagreeing departments, we saw little active resistance in this case by middle management. Moreover, we did not witness strong change agency towards legal-rational bureaucracy – intentionally countering MFR implementation. Hence, we conjecture that middle managers' behavior was mostly routine. Or, in the theoretical terms used in chapter three, the dominant element of Emirbayer and Mische's (1998) chordal triad of agency for middle management in this case is the iterational element. In other words, middle management did not actively aim for, and worked towards, one or more clear alternative future scenarios for the ministry and its support departments.

As mentioned in Chapter three, the projective and practical-evaluative elements are more dominant in institutional entrepreneurship (also see, Battilana 2006). For the change agency that led up to institutional entrepreneurship we can distinguish between the drawing up of change plans where the projective element was dominant and the later phases in which bricolage, characterized by the practical-evaluation element, played a more important role. Change agency is the performance of a change-oriented behavior or action.

In the model we distinguish between change agency and institutional entrepreneurship. Institutional entrepreneurship means leading “efforts to identify political opportunities, frame issues and problems, and mobilize constituencies” and “spearhead collective attempts to infuse new beliefs, norms, and values into social structures” (Rao et al. 2000: 240). To put it simple, institutional entrepreneurship puts the actions of change agents into its broader context. In other words, institutional entrepreneurship aims to change social structures by attempting to change modalities, hence social structures. Or, elaborated in Giddens' (1986) terms: agency (communication, power, and sanction) through modalities (interpretive schemes, facilities, and norms) influences structures (of signification, domination, and legitimation).

This distinction between change agency and institutional entrepreneurship may appear minor but is important as it more explicitly links Greenwood and Hinings (1996) somewhat vague concept of capacity for action to their other

intraorganizational dynamics. On the other hand, here we also find the limits of Greenwood and Hinings' model (Figure 3.3). Their model is very useful in linking interorganizational context and intraorganizational dynamics. However, when we attempted to fit the radical organizational change process within the ministry into their framework we were quite disappointed. Their description of intraorganizational dynamics is rather limited when examining the group level of interaction. Indeed, we saw that middle managers' 'interest dissatisfaction' and ambiguous 'value commitments' precipitated change, and that building a power coalition played a role in enabling change. Yet, it is change agency, or capacity for action in their terms, which leads up to the actual institutionalization of radical organizational change.<sup>11</sup> For example, by: replacing middle managers, holding managers accountable for results, bricolage, developing capabilities and the like. By developing eight propositions on how these intended changes are put into practice we specified the observed activities within the change agency domain.

#### 5.4.9 PROPOSITIONS AND CHANGE AGENT ROLES

We now combine these propositions with the five change agent roles we derived in chapter three. We do so to ground our change agency related propositions in our review of the roles for organizational change intervention literature conducted in chapter three. Mind that these five change agent roles are the authoritative, design, training, sponsor, and support roles. The first two roles focus on improving economic performance in the short run (see, Aydin & Ehrenhard 2005; Beer & Nohria 2000; Huy 2001). Especially in the beginning of the project the focus was on the design role as both the changes in the governance model and the shared services project aimed to improve formal accountability [P1.2]. Interestingly, only the directors' carousel [P3.3] and clarifying the support role of some departments [P2.2] was an exhibit of the use of the authoritative role. Nonetheless, this intervention was characterized by the SG as a key event for speeding up the organizational change process.

For developing capabilities to improve performance over the long run we turn to the training, sponsor and support roles (see, Aydin & Ehrenhard 2005; Beer & Nohria 2000; Huy 2001). The SG indicated that perhaps at the start of the process he did not put enough effort into developing capabilities. This view was shared by a number of other respondents. We nonetheless observed such

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<sup>11</sup> Greenwood and Hinings define capacity for action as the degree to which actors are able to mobilize available skills and resources by charismatic, instrumental and institutional activities (also see section 3.2.1).



an activity in the first part of MFR implementation as stressing the advantages of MFR [P3.2] can be classified under the sponsor role. Participation in or communication of decision making [P6.2] however did not occur; the former belongs to the sponsor role, while the latter –albeit arguably– belongs to the training role. The phase after the launch of the products and services catalog much more explicitly focused on the development of capabilities [P6.3] – i.e., leadership training and career scans. Also, implementing projects in the form of learning goals [P5.2] and appealing to a normative vision, hence implementing them from the support role, helped in preventing the shared services concept to become a bureaucratic tool.

The use of bricolage [P6.1] by the SG as the key change agent was perhaps the most striking finding in our study. Yet, the use of bricolage is interesting as the focus is on episodic change –seizing the moment– instead of focusing on either short or long term performance improvement. Therefore, change agent’s bricolage can be exhibited both from the authoritative role for the short run and the training role for the longer run. In sum, where the SG originally started by redesigning the governance model to improve accountability, he actually implemented a results-orientation by using all the five change roles available for change agents. From this finding we derive that for the institutionalization of change, in other words changing middle managers’ social structures, the entire palette of change agency roles needs to be used.

## 5.5 SUMMARY AND DISCUSSION

In this study we choose to examine within a ministry the introduction of a new governance model, in particular shared services, as an MFR-type initiative. The research question for this chapter was: “How do middle managers and relevant others in a Dutch ministry (re)produce social structures during the implementation of an MFR-type initiative?” Therefore, our objective was to study the interplay of social structure *and* agency. We did so by means of a longitudinal in-depth study to bring actual change agency more to the fore. Data was collected using interviews, participant-observations, and archival data. For our analyses we again used Walsham’s (2002) conceptual scheme and the three dimensions of structuration theory as sensitizing devices for the purpose of highlighting the various elements of the social structure and agency that constrain or enable MFR implementation. Based on the data we collected we refined and extended our original five propositions, by adding nine more. Of these nine new propositions, eight elaborated how social structures were transformed by change agency. Hence, we described and analyzed the structuration of MFR within the ministry. In addition, we mapped the change

agency we perceived in this case onto the change agent roles developed in chapter three. Here we saw that the main change agent, the SG, used all change agent roles during the implementation process.

### 5.5.1 KEY FINDINGS

In this study into MFR implementation we found the same themes playing a role in middle managers' behavior as in the previous study plus a new theme. Again we found the institutional context or environment for middle managers to play an important role in making people aware of the opportunity for change (see e.g., Greenwood & Hinings 1996). Here however, we refined this observation with the role of accountability. Stakeholders expect a certain performance level for the organization and when the stakeholders deem that the performance is not up to standard the organization will be under closer scrutiny (see e.g., Nutt 2004). Among middle managers awareness will rise that their behaviors are more closely monitored than in the past; accountability becomes part of their social structure. Especially after the SG designed a new governance model for the ministry. As a consequence their observable resistance to MFR implementation was lower.

- P1.1: The more environmental MFR pressure, the higher the demand for public sector middle managers to be accountable
- P1.2: If public sector middle managers are held accountable for their behavior during MFR implementation their resistance to MFR implementation will be low

Also in this case autonomy was found to be an important theme and social structure for middle managers during MFR implementation. Here we again observed middle managers to resist the lowering of their autonomy if it reduced their territory (see, Brown et al. 2005). However, we saw that middle managers' resistance was countered by clarifying their roles and accompanying responsibilities. The SG made very clear what he expected from certain departments and forced these departments into a support role. Hence, the middle managers of these departments were not allowed to act as if they were line departments and in that way foresee in their own demand.

- P2.1: During MFR implementation public sector middle managers resist lowering their autonomy if it reduces their territory
- P2.2: Reductions of public sector middle managers' territory during MFR implementation will be less resisted when top managers clarify middle managers' roles

Traditional beliefs as well were a prominent theme and social structure in this case. The stronger these beliefs the more middle managers will resist MFR implementation as it does not fit their frame of reference. Nonetheless, we noticed that reframing the proposed changes by stressing the advantages for day-to-day work reduced resistance. A change agent in the sponsor role can be an advocate for MFR and try to convince middle managers that for instance cooperation will improve and hence built a coalition for change. In addition, we perceived the SG to bluntly break through traditional beliefs-based resistance by replacing a large part of the middle management layer. Despite the risk that these new managers came from the same institutional environment as the former managers, this intervention proved to be vital for the success of the change program.

- P3.1: The stronger public sector middle managers hold traditional beliefs, the more they resist MFR implementation
- P3.2: Traditional beliefs among public sector middle managers can be reduced by stressing the advantages of MFR
- P3.3: Replacing resistant public sector middle managers by promoting younger MFR-oriented lower managers will strongly alleviate resistance to MFR implementation

A less prominent theme and social structure in this case study was the limited influence on results as perceived by middle managers. Partly, this was due to the specific results-oriented budgeting orientation in the previous study. Though, in the current case middle managers also experienced that their influence on results would be limited as a consequence of the proposed shared services concept. Also, they experienced a lower level of ownership for the projects (also see, Townley et al. 2003). Additionally, shared services bolster the dependability on other departments. Organizational stovepipes and unclear accountability relations and accompanying responsibilities further limited their perceived influence on results. No specific interventions were noticed which countered these feelings among middle managers in this case.

- P4.1: The more public sector middle managers deem that achieving results is beyond their influence the more they resist MFR implementation
- P4.2: Public sector middle managers' influence on results is constrained by organizational stovepipes and the lack of clear accountability relations

The top management commitment theme and social structure also played an important role in this case. We changed the original proposition because we

found that commitment of the SG and/or (deputy) minister(s) reduces instead of preventing middle managers' resistance. Interestingly, we observed that commitments can play out differently, depending on the approach of the top manager. When the supervision of projects is not based on an MFR vision, the learning goals of projects can get displaced by performance goals. This means for example that the project's deliverables are finished on time and budget, but that the envisioned change is not achieved or made to stick. Hence, the results will be coercive instead of enabling MFR (see Table 2.2). The SG focused much on his vision and the learning or mastery goals related to the vision and hence acted in this instance from the support role.

- P5.1: Personal MFR commitment of the SG and/or (deputy) minister(s) reduces resistance to MFR implementation by public sector middle managers
- P5.2: If public sector top managers implement MFR by means of separate projects with only performance goals and without an MFR vision, public sector middle managers will resist the implementation of MFR

One particularly intriguing part of this chapter was the emergence of the new theme change approach. This theme and social structure describes how change was implemented as opposed to the support provided by top management. We explicitly stated that, despite the role of the SG in this specific case, the change agent deploying a change approach might be anyone in the organization. What we found to be especially operating here was the use of bricolage by the SG. A number of times bricolage was used to overcome obstacles that were not anticipated in the general change plan that was devised up front. Bricolage as a change approach is directed at seizing the moment and hence consisted of change agency from the authoritative or training role. One might argue if some of this bricolage would have been necessary if the SG would have invested more in participatory, open-ended, decision making or directed communication of underlying motivations for organizational change. Nonetheless bricolage turned out to play an important role in the eventual success of implementing a new governance model. The later focus on developing capabilities was also important for success. Still, the question remains if developing capabilities from the start would have speeded up the process in the beginning. However, the early focus on authoritative and design interventions is reasonable as formal structure and processes were diagnosed as the main cause for the lack of performance.

- P6.1: Change agents' bricolage can counter public sector middle managers' resistance to MFR-type change initiatives

- P6.2: Without either participatory, open-ended, decision making or directed communication of underlying motivations for organizational change, public sector middle managers' will resist the implementation of MFR
- P6.3: Public sector middle managers' resistance to MFR implementation is moderated by the development of capabilities

In sum, after the shared services project was finished, the organization was changed to the extent that the actual changes in formal structure could be achieved much easier. A number of respondents explicitly stated that what they would have deemed impossible in 2004 cost relatively little effort in 2006. Therefore, as displayed by the behavior of the SG in this specific case, the projective and practical-evaluative elements of agency do appear to play a much larger role with institutional entrepreneurs as hypothesized by Battilana (2006). Also, the SG deployed the entire spectrum of change agent roles without a strong prominence of one role. Practically, the SG focused on shifting the ministry towards the MFR template instead of focusing on a number of tools or projects which –in the end– can be supportive to both the legal-rational bureaucratic and MFR template.

### 5.5.2 LIMITATIONS

Our study into the implementation of a new governance model, in particular shared services, as an MFR-initiative has a number of limitations. Although, compared with the previous study, we improved upon two of the three main limitations mentioned there. We collected longitudinal data, including the outcome of the project, and we substantially enlarged our data set: especially the sample size. Nonetheless, generalizability remains a limitation. First, as in the previous study, the question remains if the Dutch context is generalizable to a global or even Western public-sector context. However, the counterarguments we put forth in chapter four still hold here, as we look at an instantiation of NPM-style reform.

Second, this study was conducted in one of the thirteen Dutch central government ministries. How comparable is this ministry to the twelve other ministries? By explicating the precipitating events that led up to the new governance model and shared services project of the ministry we showed that the problems the ministry faced were not unique, only more prominent at that specific time. Even so, we still aim for analytical generalization to relevant theory, rather than statistical generalization to a wider population of middle managers (Buchanan & Badham 1999; Stake 1994; Yin 1994). Yet, we will study MFR implementation in another comparable ministry in the next chapter.

Third, a link was established between the process and the organizational outcome (see, Pettigrew et al. 2001). However, this link was based on perceptions and archival records and the results were not conclusive for the actual change in culture towards MFR. No exit-interviews were conducted with the previous respondents.

Fourth, although data was collected longitudinally, data collection (descriptive results) and analyses (analytical results) were primarily done by separate researchers. The person responsible for data collection did however agree with the findings derived from the analyses. Furthermore, the principal investigator was supervised by the other researchers during the data collection process. Also, the questionnaire used for the semi-structured interviews was based on the questionnaire used in chapter four. In addition, archival records were used in the analyses. We might contend that the separation between data collection and analyses is actually a strong point of the study as the other researchers had limited personal involvement.

Fifth and final, during the study it became more obvious that the SG was the key change agent in this organizational change process. Although we did not focus on his role from the start, we did know that top management support was an important factor. However, from our previous study we also know that the role fulfilled by the SG in this process was, alas, definitely not the ordinary role for a person with his function in a Dutch ministry. Because of his prominence, other actors in the change process were less conspicuous in their behavior. This led to a rather simple view on middle management as being all resistant or, more precise, stuck in routine behavior. There was limited consideration for individual differences. The next chapter will therefore focus on the group level and middle manager interaction.

## MINDFULLY IMPLEMENTING AN MFR VISION

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"We think we act, we think we think, but it is another and others who think and act in us"

-- Milan Kundera (1995: 11)

"You only change in times of crisis, otherwise you only moderately adapt"

-- director interview (2007)

"Management team meeting was laborious. Is related to my irritation with the way in which issues are picked up and brought to a close. [...] Not that I have the impression that my irritation contributes to anything. Some sort of mindlessness appears to have taken the group hostage."

-- diary entry related to mindfulness (2006)

This foregoing empirical chapter describes and analyzes the implementation of a results-oriented vision by the management team of a ministry's support division. The study we report in this chapter seeks not only to examine the propositional results reported in chapter 5. It includes a refinement and extension of the previously deployed methods as well. One of the main goals of chapter five was to improve our understanding of the role of change agency in MFR implementation. Compared to chapter three, we introduced the so-called 'change approach' theme and a number of new agency-oriented propositions. Moreover, we mapped our findings onto the structurational model of Figure 3.2. This led to an elaborated model for the institutionalization of MFR among Dutch public sector middle managers (Figure 5.8). This model displays the interaction between change agency and middle managers' social structures. In Table 6.1 we summarize the propositions that emerged and were examined thus far.

P1.1:	The more environmental MFR pressure, the higher the demand for public sector middle managers to be accountable
P1.2:	If public sector middle managers' are held accountable for their behavior during MFR implementation their resistance to MFR implementation will be low
P2.1:	During MFR implementation public sector middle managers resist lowering their autonomy if it reduces their territory
P2.2:	Reductions of public sector middle managers' territory during MFR implementation will be less resisted when top managers clarify middle managers' roles
P3.1:	The stronger public sector middle managers hold traditional beliefs, the more they resist MFR implementation
P3.2:	Traditional beliefs among public sector middle managers can be reduced by stressing the advantages of MFR
P3.3:	Replacing resistant public sector middle managers by promoting younger MFR-oriented lower managers will strongly alleviate resistance to MFR implementation
P4.1:	The more public sector middle managers deem that achieving results is beyond their influence the more they resist MFR implementation
P4.2:	Public sector middle managers' influence on results is constrained by organizational stovepipes and the lack of clear accountability relations
P5.1:	High MFR commitment of the SG and/or (deputy) minister(s) reduces resistance to MFR implementation by public sector middle managers
P5.2:	If public sector top managers implement MFR by means of separate projects with only performance goals and without an MFR vision, public sector middle managers will resist the implementation of MFR
P6.1:	Change agents' bricolage can counter public sector middle managers' resistance to MFR-type change initiatives
P6.2:	Without either participatory, open-ended, decision making or directed communication of underlying motivations for organizational change, public sector middle managers' will resist the implementation of MFR
P6.3:	Public sector middle managers' resistance to MFR implementation is reduced by the development of capabilities

Table 6.1: Grounded theory based propositions on MFR structures and agency of public sector middle managers during MFR implementation in the Dutch central government

In the previous chapter we noted limitations to the reported empirical study. In this third and last empirical study we choose to address these limitations; in another similar Dutch ministry we applied various other means of studying middle managers closely. We focused on the agency displayed by middle managers. The dominant role played by the SG in the ministry of the previous chapter, was seen as atypical for MFR implementation in the Dutch government. We expect that in more regular MFR implementation projects the role of involved public middle managers will be more ambiguous – both supporting and constraining MFR implementation. This implies that we



ultimately expect the elaborated model depicted in Figure 5.8 to develop into a general model of change agency for the institutionalization of a new organizational template; in this case MFR in the Dutch central government.

The key research question guiding chapter six is “How do middle managers and relevant others in a Dutch ministry (re)produce social structures during the implementation of an MFR-type initiative?” The goal of this chapter is to analyze the agency of middle managers in regards to MFR implementation by building on the findings of the previous two empirical studies. Our data is obtained by observing meetings of a management team for over a year (from March 2006 till June 2007). In addition we conducted both informal/unstructured and formal/semi-structured interviews, collected archival records, and asked management team members to keep a diary. Based on these various data sets we organized an action-oriented workshop. The results of which we took into account as well.

In this chapter we aim to further refine and extend the propositions on middle managers’ social structures and change agency: in order to arrive at a general structural model of change agency in MFR implementation. First, we describe the specific case ministry. Then, we briefly describe, based on the literature, why and how management teams develop strategic visions and how visions might be implemented. Next, we present the research design for this third empirical study of the thesis. Subsequently, our descriptive and analytical findings are offered. We end this thesis chapter with a summary and discussion of the findings in light of the findings of the two other, previously reported empirical studies of this thesis.

## 6.1 INTRODUCING THE CASE ORGANIZATION

This study is conducted in a Dutch central government ministry in which a Vice Secretary-General (hereafter: Vice SG) sets out to implement a new vision for the support division, which is simply called ‘business support vision.’ In the Dutch central government a Vice SG is usually responsible for departments that provide business support to line departments. Examples of support departments are the HR, communication, and ICT department, but for instance also a shared service center.<sup>12</sup> The management team of the support division is formed by the Vice SG and the directors of these support departments. This management team decides on issues specifically concerning the business

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<sup>12</sup> Exactly which departments make up the support division varies per ministry: however the financial-economic affairs directorate reports directly to the Secretary-General.

support of the ministry, for instance housing, ICT infrastructure, financial administration and the like.

The idea behind the development of a business support vision is to improve the ministerial business operations. In order to implement this vision within the support division, the management team started up five projects specifically aimed at aspects of the vision. In 6.1 we introduce first the ministry, the management team, the vision, and these five projects.

### 6.1.1 THE MINISTRY

The Dutch central government ministry under study in this chapter is quite similar to the ministry studied in chapter five. Their organizational size<sup>13</sup> is similar and the policy fields of both ministries are closely related. Yet, the number of ‘affairs’ the ministry was involved in over the past years was rather limited, especially for a ministry active in a politically sensitive domain. The attention for MFR is rather high in this ministry, as the Secretary-General is committed to developing MFR under the label of the ‘New way of working.’ Generally, in terms of the Secretary-General this ‘New way of working’ consists of strengthening professional qualities of employees and managers within the ministry. More specifically, this means a high priority for the continuous training and development of employees; improved mobility by job rotation; and project-based work. All in all, in this ministry there was a lot of attention for the soft side of MFR as opposed to the ministry under study in chapter five.

Generally speaking, this Secretary-General displayed little personal involvement in MFR initiatives that were not managed by the training and development department. Consequently, concrete initiatives other than the flexibilization of the workforce were left to the other top managers. One interesting exception was the concrete proposal to put authors’ signatures on reports, hence making employees more visible and accountable to those reading their reports. However, MFR consists of more than making the workforce more flexible, visible and accountable. This is evidenced by the business support paragraph in the budget of the ministry under study. For a couple of years the business support paragraph of the budget stressed initiatives that aimed at improving cooperation between ministries. An example is the previously mentioned P-Direct. Nonetheless, the budget’s section on business support – introduced during the results-oriented budgeting operation– describes just the tip of the iceberg. Most of the developments in the business operations of the

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<sup>13</sup> Derived from: “Sociaal Jaarverslag Rijk 2006 – Volumeontwikkeling Sector Rijk in 2002-2006 in fte”, retrieved from [www.sociaaljaarverslagrijk.nl](http://www.sociaaljaarverslagrijk.nl) on September 12, 2007.

ministry are initiated from the support division, except for financial-economic affairs. In addition, the Vice SG apparently has –at least formally– a strong position in the ministry as eight departments formally resort under him in the support division (on average six departments report to a Vice SG if present).

### 6.1.2 MANAGEMENT TEAM OF THE SUPPORT DIVISION

The management team of the support division of the ministry consists of 10 members: the Vice SG, eight directors, and one department head. Except for the Vice SG and two other members, the members of this management team are all directors of support departments. The two other management team members are the director of an inspection department and a department head representing the financial-economic affairs directorate. We observed the behavior of these two people in the meetings, yet we did not interview them or asked them to keep a diary as they were not directly involved in the implementation of the business support vision. The management team meetings were also attended by the Vice SG's personal assistant who supported the Vice SG during the meetings and made minutes.

The management team was representative for the Dutch central government: middle aged, high educated, white, and predominantly male. The age of the directors and Vice SG at the start of the study ranged between 41 en 60 years: five of the eight directors were younger than 50. All directors had at least obtained a bachelor degree, and five out of eight directors had obtained a master degree or equivalent in one of the social sciences. Two of the eight directors were female.<sup>14</sup> From a structurational and institutional perspective, having work experience in different sectors is important for bringing new templates into the organization (see chapter three). Five of the eight directors have had at least two years working experience in the private sector. Typically for the Dutch government, the Vice SG and three of the directors have working experience in the consulting industry. However, only the Vice SG and one director have worked in the consulting industry for more than three years. Two directors came from other private sectors (media and finance) before entering the Dutch central government. Only one of the eight directors has spent his entire working life at the ministry under study.

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<sup>14</sup> To maintain anonymity for our respondents we will both refer to female and male directors with the words 'he,' 'his' and 'him.'

### 6.1.3 BUSINESS SUPPORT VISION

The goal of the management team that developed the vision was to improve ministry-wide support for more effective business operations. In 2005 they queried line management about their needs vis-à-vis the largest business support; they wanted to know what needed to be improved for their internal 'customers'. Based on the biggest issues the management team devised a vision on business support and how their services and products should be provided. The three overarching concepts for this vision were: 1) efficiency, 2) a results-orientation, and 3) adherence to the ministerial governance model. The adherence to the governance model implies that the departments in the support division would need to have an internal client orientation towards the line departments.

Based on the issues raised by line management and the three overarching concepts the management team derived ten statements (see Table 6.2). The Vice SG chose to use the term 'commandments' for these statements to stress that after the launch of the business support vision these were rules-in-practice as opposed to espoused values. This vision on business support was formalized in a document simply titled 'the business support vision' which had the signatures of the members of the entire management team on it. With these signatures the Vice SG used the same method for creating legitimacy and compliance as the Secretary-General in the previous case organization did by having top and middle managers sign the products and services catalog.

In addition to improving the delivery of services and products to line departments, the goal of the vision is also to strengthen collaboration among the departments within the support division. Similar to the previous case, the ministry's effectiveness was hampered by organizational stovepipes. Initially, the Vice SG planned to solely disperse the vision document without related projects, however the other management team members urged to define a number of projects related to the commandments in the vision. In their opinion, this would provide more momentum to the implementation of the vision. In addition, the management team agreed to write a semi-annual feedback letter to all line managers to inform them on their progress with the implementation of the vision and the projects.

1	Together what may, separate what must
2	The customer is to be heard and informed
3	We take co-determination seriously
4	Frugal with new rules, cut back where possible
5	Rules are recognizable as rules and documented
6	The service offerings are transparent
7	Keen eye for processes
8	Preferably we make service provision agreements ministry wide
9	Being held accountable is part of the job
10	Cost awareness yes, bureaucracy no

Table 6.2: The ten ‘commandments’ for the ministry’s support division

#### 6.1.4 FIVE PROJECTS

The management team decided that five projects had priority in their efforts to improve the performance of the support division. These five projects were usually referred to as: 1) Keen on Processes, 2) Transparency, 3) Internal Rules, 4) (Financial) Steering ICT, and 5) Service Provision Agreements. A director was made responsible for every project (two projects were overseen by the same director). Key for these five projects was that they spanned at least two departments.

The goal of each project was to further the implementation of the vision and hence improve efficiency and a results-orientation. How these projects were supposed to lead to more of an MFR culture is described in Table 6.3. Noteworthy is that the labeling by support departments of line departments as ‘customers’ is already a shift in the direction of the MFR template.

Obviously, a number of projects are directly derived from the commandments. However, the ‘steering ICT’ project focuses more on being in control of internal IT related projects. The reason for this was that malimplemented IT projects drew a lot of resources away from other priorities, hence lowering general performance. This project may not *directly* improve customer satisfaction with the division’s products and services, but it aimed to improve the internal performance of the support division.

1	<p><b>KEEN ON PROCESSES</b></p> <p>Improve the integration of the offered services by a process approach:          Redesigning processes based on the experiences of customers with the performance of these processes will need to lead to more efficient (faster) processes. Furthermore, by appointing process owners, responsibility is clearly attributed to a person who can be held accountable.</p>
2	<p><b>TRANSPARANCY</b></p> <p>Enlarge the transparency of the offered products and services:          By improving the design and structure of the intra web, both efficiency (search time) and effectiveness (finding appropriate services) are improved. Transparency will make clearer exactly what services are offered to customers by the support departments. This aims to lead to more clarity about the performance of these support departments.</p>
3	<p><b>INTERNAL RULES</b></p> <p>Scanning and cutting internal organizational rules:          This project is endemic to MFR as it removes rules that obstruct the achievement of results. Rules should be findable, clear, general (instead of detailed), effective, and non-contradictory. The goal is to improve necessary rules, cut away useless rules, and a tight control on new rules. This will lead to both efficiency as well as effectiveness gains.</p>
4	<p><b>(FINANCIAL) STEERING ICT</b></p> <p>Improve the (Financial) Steering of ICT:          Generally ICT projects surpass their allocated time and as such use more resources. Also the responsibilities among project participants are not very clear. The goal is to 'do more with less', having clear responsibilities and steer tightly on realizing the planning (i.e., results). Also, standardization is important to achieve efficiency gains.</p>
5	<p><b>SERVICE PROVISION AGREEMENTS</b></p> <p>Making ministry wide agreements for service provision:          The MFR idea here is simply that of performance contracts, or Service Provision Agreements. Next to explicating the rights, obligations and expectations for each service, agreements will also be standardized. As such efficiency is expected to become higher.</p>

Table 6.3: Five main projects defined to implement the business support vision in the ministry.

## 6.2 A CLOSER LOOK AT THE VISION

In section 6.1.3 we presented the business support vision of the ministry. The goal of the vision was to improve efficiency and results-orientation within the support division. However, we discussed in chapter three how management initiatives can be appropriated by both the legal-rational bureaucracy and the MFR template. What would appropriation by either one of these templates look like? Before we attempt to answer that question, we discuss the literature in the field of vision implementation.

### 6.2.1 MANAGEMENT TEAMS AND STRATEGIC VISIONS

Poister and Streib (1999: 323) argue that “it is impossible to manage for results without a well-developed capacity for strategic management.” Yet, what does and does not belong to strategy is open to discussion. Accordingly, a wealth of research exists in the strategy domain. Roughly speaking this research is often split into two fields (see e.g., Nutt & Backoff 1993). The field of strategic leadership focuses mostly on how top managers develop and implement a strategy (Nutt & Backoff 1993; Vera & Crossan 2004). The field of strategic management mostly deals with the specific tools, instruments, methods and policies used to develop a strategy. The MFR initiative we focus on in this chapter is the implementation of a strategic vision for business support.

According to Hart (1992) the development of a vision belongs to the symbolic mode of strategy making. Other labels applied to this mode are interpretive, perspective, cultural, cybernetic, and ideological. In the symbolic mode, top managers aim to instill a general sense of purpose and direction that will guide the actions taken by organizational members (Bennis & Nanus 1985; Hart 1992: 348; Johnson 1988). A vision provides long term direction as a beacon for short-term action and the vision role of top management is to motivate and inspire organizational members (Nonaka 1988). Likewise, Gioia and Chittipeddi (1991: 446) state that their research “implies that a captivating vision is perhaps a key feature in the initiation of strategic change because it provides a symbolic foundation for stakeholders to develop an alternative interpretive scheme.”

Also, the support of subordinates is indispensable. Westley and Mintzberg (1989) argue that for visionary leadership to be effective commitment from both top management and organizational members is needed. Hence, it is useful to know that when team leaders took team members’ input into consideration, team members perceived the strategy development process as fairer. Consequently members have greater emotional commitment to the decision, greater attachment to the team, and greater trust in the leader (Korsgaard, Schweiger, & Sapienza 1995). Moreover, Eden and Ackerman (1998: 17) found that many team leaders want “the strategy development process to be an indirect management and team building activity” both to provide managers with higher self-awareness about what they are doing and to align them with what other team members are doing. For the public sector Nutt and Backoff (1993: 334) propose that “public organizations are more apt to be successful in carrying out a transformation when the strategy is co-developed with key stakeholders.”

After the vision is developed, Gioia and Chittipeddi (1991) found that sense-making and sense-giving is the primary role for top managers in

instigating the strategic change processes. More precisely, top managers call the dominant template into question, frame a new template in understandable and evocative terms, provide guidance for action toward the initial change, and exert influence to accomplish it. Concrete tools used by top management to institutionalize a vision, are: speeches, persuasion, slogans, new projects and recognition for supporting organizational members (Itami 1987). Vera and Crossan (2004) also point at the role of transformational and transactional leadership in learning the 'New way of working', albeit that transformational leadership is more important for the creation of a vision of change and the institutionalization of change (Tichy & Ulrich 1984). Nonetheless, we would contend that for the institutionalization of change the continuous reinforcement of transactional leadership is just as important (also see, Lowe, Kroeck, & Sivasubramaniam 1996). In a nutshell, a strategic vision inspires organizational members to move to another organizational template. Yet to achieve success top management must use various tools to institutionalize the vision. This begs the question how the vision developed by this ministry's management team is intended to cause a shift from the legal-rational bureaucracy template to the MFR template.

#### 6.2.2 ANALYZING THE VISION

Although the vision aims at improving the results-orientation in the support division, success hinges on actual practice. Will employees and managers accept the rationale underlying the vision? As the Vice SG developed the vision together with his team, there should be high commitment to the vision and trust in the leader (Korsgaard et al. 1995). Yet, the desired change at the ministry is not just a matter of either results-oriented working or being stuck in the procedural template, but also variances of MFR and legal-rational bureaucracy may come into play (see Table 2.2). Based on the explanations in the vision almost all of the ten commandments can be categorized as belonging to the MFR template. The question is, however, if all these commandments will in practice be internalized in line with the MFR template. An interpretation of the ten commandments from the perspective of the two competing templates is given in Table 6.4.



	Managing for Results	Legal-rational Bureaucracy
1	Efficiency, separation of responsibilities	Formal basis for the execution of power/authority
2	Introducing a customer/supplier relationship	Honest decision making processes
3	Preventing long formal procedures	Employee participation
4	Efficiency	Better rule enforcement
5	Faster clarity	Better rule enforcement
6	Clear responsibility to the customer, fast support	Transparency about the execution tasks
7	Redesign of processes to deliver more efficiently to customers	Due process
8	Not custom-made, efficiency	Fair distribution by using the same procedures
9	Holding accountable for 'responsibility for results' by measuring	Transparency, following rules and procedures
10	Efficiency	Fair distribution of cost

Table 6.4: Our interpretation of the 10 commandments as viewed from the competing templates: MFR and legal-rational bureaucracy

Table 6.4 illustrates how the ten commandments can in practice be appropriated by either template. Only the 5<sup>th</sup> and 7<sup>th</sup> commandments (grey in Table 6.4) are difficult to be appropriated by both templates. Commandment 5 is mainly directed at rules and facilitating people in following those rules. Commandment #7, despite mentioning processes, covers mainly how processes can be designed differently to have a better fit with the demands of the customers. These scenarios illustrate that there is a possibility that the 10 commandments will be appropriated by the legal-rational bureaucratic template instead of the MFR template. A practical, often cited, example is that of a part of commandment #9: performance indicators. Performance data are collected in order to have a better idea of the performance of the organization, however often the feedback information is not used for continuous improvement efforts. In that case the only result is more bureaucracy.

From the perspective of MFR the desired change in this ministry is characterized by: efficiency, clear responsibilities (to be held accountable for), and realizing a customer/supplier relationship (type of internal market). However, from the legal-rational bureaucracy template a fair distribution, procedures and enforcement of rules are most important.

### 6.3 METHODOLOGY OF THE THIRD EMPIRICAL STUDY

The research question we want to answer in this chapter is the same as in chapter 5: “How do middle managers and relevant others in a Dutch ministry (re)produce social structures during the implementation of an MFR-type initiative?” Prior to describing the change process and our analyses and findings we first describe the research design and the precise methods we followed for selecting, measuring, collecting and analyzing our data.

#### 6.3.1 RESEARCH DESIGN

For this final study we will again replicate the previous studies by ‘empirical generalization’ and ‘generalization and extension’ (Tsang & Kwan 1999). Further empirical generalization is achieved by applying the questionnaire, developed in the first empirical study described in chapter four, to a new sample. This time, like in chapter 5, we queried middle managers in one Dutch ministry, yet we limited ourselves to the management team of the support division.

We further ‘generalized and extended’ our findings by using additional measurements and analyses within this ministry. Again, by focusing on a single similar ministry we have the opportunity to examine the implementation process of an MFR-type initiative more in-depth and over a period of time (15 months). One of the additional instruments we used was a new in-depth, semi-structured questionnaire. With this questionnaire we conducted a second round of interviewing aimed at exploring the relations between their five self-defined and concrete MFR projects and the MFR vision (including the 10 commandments). In addition to the answers to our survey questions, we studied the ministries’ project documentation and archival records and we strengthened our emic perspective (see, Morris et al. 1999) on the implementation process as both observations and analyses were this time done by the same researcher. Also, we asked the core of 8 management team members for 33 weeks to keep a weekly diary about the progress of the five MFR projects. This can be seen as an interesting innovation as the qualitative diary research method has not been applied much within the domains of management (e.g., Amabile, Schatzel, Moneta, & Kramer 2004; Balogun & Johnson 2004) nor public administration domain (especially not in the Dutch context). Finally, we organized a workshop for the management team to: 1) present our preliminary findings, 2) discuss their perceptions of the progress of MFR implementation, and 3) based on this discussion together find ways to help improve the implementation.

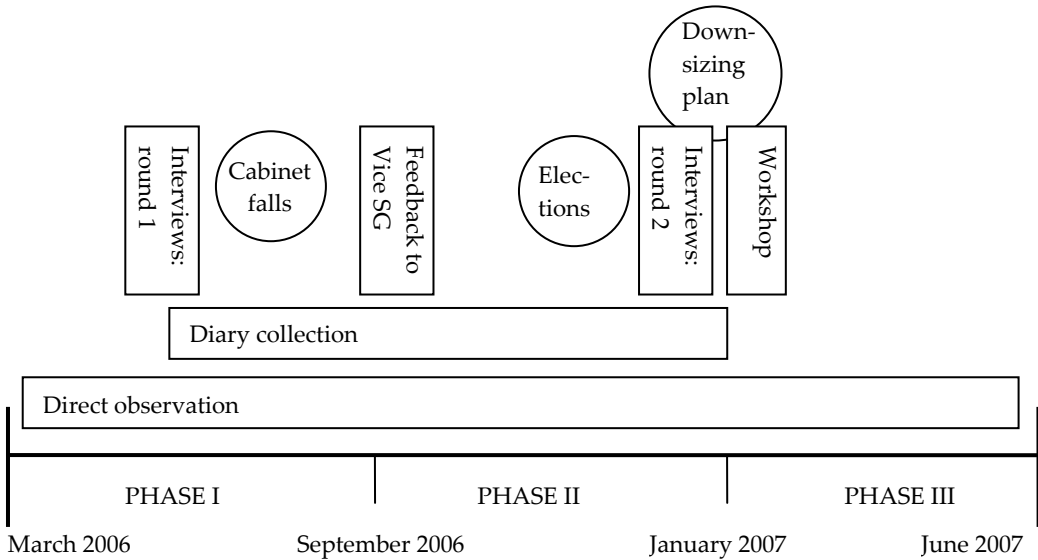


Figure 6.1: Phases in the data collection and the methods deployed within each phase of studying the ministry (the fall of the cabinet, the negotiations for a new government coalition and, consequently, the plan to downsize government was an important series of related external events).

We collected data over a time span of 15 months: from March 2006 till June 2007. The three phases of the case study and the data collection methods are schematically represented in Figure 6.1. In phase I we explored the state of implementation of the projects derived from the vision, which we reported back to the Vice SG. In phase II we deepened our initial analyses to explicitly cover the implementation of the vision itself. The findings of phase I and II provided input for a workshop at the start of phase III, after which we observed the effect of the workshop on the culture, i.e. the way the managers do their work in the ministry. Our mixed methods approach resulted in a wealth of data: 15 (8+7) semi-structured interviews with management team members, 158 diary responses by management team members and project managers, 32 observed weekly management team meetings (plus 5 incidental management team meetings within this period), 18 observed project meetings, and 1 observed workshop (in which the 8 team members filled out a four-item ‘questionnaire’).<sup>15</sup> Not to mention a substantial number of informal interviews (these could be labeled as ‘meetings around the water cooler’). We estimate that within these 15 months we *effectively* had spent over 500 hours on site. We will use our collected data to examine if the propositions developed in chapter 5

<sup>15</sup> Needless to say that the researcher involved made notes of all observed meetings.

hold also for this case. In addition, we will identify to what extent team members' change agency enabled or constrained MFR implementation. We will refine the agency dimension of our model accordingly.

### 6.3.2 SELECTION AND SAMPLE

For the selection of the case organization we again tried to identify, in advance, events with system-disturbing potential (see, Barley & Tolbert 1997). Early 2006 our attention was drawn to the case organization by the business support vision that the Vice SG and his management team's developed. This vision was very much in line with what is commonly understood by Managing for Results. We contacted the Vice SG directly to explore the possibilities for a longitudinal study of the implementation of this business support vision. For the second meeting with the Vice SG we prepared a research proposal in which we explicated how we wanted to study the potential change from legal-rational bureaucracy to MFR. Appealed by our demonstration on how this results-oriented vision could in practice actually be appropriated by both the legal-rational bureaucratic and MFR paradigm (described in 6.3.1), the Vice SG accepted our proposal. This meant we had research access to all management team meetings, project-related meetings, management team documents, and a much appreciated desk within the internal consultancy department.<sup>16</sup> Furthermore, access to the ministry's implementation of their new vision was granted on the condition that the principal investigator –supported by the other researchers– would monitor and give advice on the progress of MFR implementation.

The management team chose to implement the business support vision in the form of five projects. We chose to study all five projects by observing related meetings to be able to compare the projects' progress over time, and the effect they had on the actual implementation of the vision. Also, after a short while we decided to regularly attend all management team meetings as this appeared to be the only interaction, give or take a few exceptions, the directors had with each other.

Focusing on this specific ministry and the business support management team had five advantages. First of all, as the ministry's support division attempted to change their culture as laid out in their vision, the potential for 'system disturbing events' was rather high. Second, for over a prolonged period

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<sup>16</sup> Much appreciated as: 1) project managers from this department ran three of the five projects, 2) the internal consultants have first-hand knowledge of many of the relevant organizational issues, and 3) were quite frank about their own experiences.

of time we were allowed to *in situ* observe decision making related to MFR implementation by the top management<sup>17</sup> for business support within the ministry. Third, our findings are very much comparable to the previous study because we again mainly focus on the support departments of a ministry. Fourth, although the Vice SG led the process, the development of the business support vision was a mutual effort by the management team. Therefore, the Vice SG will not put as much a mark on the implementation as the SG did in the previous study. Also, as a Vice SG he simply is not the highest civil servant in command within the ministry. Fifth and final, looking at five projects under the same umbrella vision provides us with the opportunity to study a number of alternative implementation venues. Due in part to the content and the people involved there will be differences in the implementation of each project.

### 6.3.3 MEASUREMENT AND DATA COLLECTION

In this study we used seven methods for data collection: non-participatory observations and (informal) unstructured interviews, in-depth semi-structured interviews, research diaries, action research, and archival data. In this section we will explicate how these methods helped in interpreting the events and behaviors within the ministry. We will discuss the methods in the order they are stated above. We need to add here that we used two different questionnaires for our two rounds of semi-structured interviews, and that we observed three types of meetings.

#### OBSERVATIONS AND INFORMAL INTERVIEWS

Less structured research methods were the non-participatory observations of weekly management team meetings and project meetings, and the (informal) unstructured interviews. Only a relatively small amount of the observed management team meetings was explicitly dedicated to the five projects or the business support vision; if they were discussed, mostly their current state-of-affairs was dealt with in 5 to 10 minutes. However, these meetings proved to be essential for obtaining an emic perspective on the daily operations of a ministry. Respondents had indicated in the interviews that by far most decion-

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<sup>17</sup> During the introduction to the management team some of the directors stated they deemed themselves to be top managers instead of middle managers (as they would be according to our definition). Considered from the business support perspective they are indeed top managers, yet for consistency purposes and viewed in the context of the entire ministry and Dutch central government we label the directors as middle managers.

making was done in (and informally shortly after the formal closure of) the meeting. In other words, there was very little interaction outside this formal gathering, except for the regular one-on-one meetings directors had with the Vice SG. In total the principal investigator observed 31 weekly management team meetings. In these management team meetings attention was directed at the behaviors of individual participants and their interactions in relation to the decision making concerning the five projects and the business support vision. In addition to the weekly management team meetings, there were a small number of management team meetings, for instance an inspirational session by a famous speaker/consultant or the presentation of a research report, which we also observed. Next to the management team meetings, we initially observed project meetings. However, we quickly found that there were almost no directors present in these project meetings except in meetings of the Internal Rules project. Nonetheless, attending these meetings was very useful for a number of reasons: 1) as an introduction into the projects, 2) getting to know a number of other people in the ministry especially the project managers, and 3) obtaining an information advantage when the projects were discussed in the management team (therefore attention could be more easily focused on directors' behaviors). Especially reason number two – getting to know a number of people in the ministry– was also useful for the informal or unstructured interviews. Project managers in particular provided a frank and sometimes alternative perspective on the actions of directors involved in their projects. Also, informal interviews with the Vice SG and directors often provided interesting food for thought and a variety of perspectives on how the implementation was going in each project.

#### SEMI-STRUCTURED QUESTIONNAIRE: FIRST ROUND

The first in-depth, semi-structured questionnaire we used for this study is again a variant of the questionnaire we used in the previous two studies. The difference with the questionnaire used in chapters four and five was the focus on five concrete specific projects under the guise of an overall MFR vision; instead of results-oriented budgeting or shared services (see Appendix C). By focusing on the five concrete projects we had concrete anchor points to explore the progress of the vision and the ten commandments and hence MFR implementation. Again the goal was to identify the perceptions and behaviors of the respondents in the change process. The first round of interviews was conducted in June 2006 within a three-week period. To our knowledge, there were no events within this period that might have influenced differences in responses. We interviewed the Vice SG and seven support department directors: the entire management team for as far as directly involved in

implementing the business support vision (see Footnote 2). The interviews lasted between 37 and 67 minutes, whereas almost all interviews lasted for about 50 minutes. All interviews were audio taped and transcribed verbatim.

#### SEMI-STRUCTURED QUESTIONNAIRE: SECOND ROUND

We decided to have another round of interviews in December and January after we analyzed the results from the first round. The main reason was that there appeared to be a gap between the implementation of the five projects and the implementation of the actual vision. Five out of the seven interviews were conducted by two researchers, as the added researcher would need to fulfill an important role in the workshop to be discussed in the next paragraph. This second in-depth, semi-structured questionnaire aimed explicitly at the progress made in the implementation of the vision. The questionnaire consists of 8 items (see Appendix D). The interviews were conducted in December 2006 and January 2007 within five and a half weeks. This period of data collection was comparable to the previous interviewing as the ministry was closed for a two week Christmas holiday in the middle of data collection. During the interview period, one large event intervened with our study: the plans of the potential government coalition<sup>18</sup> to substantially cut back central government staff, especially in business support (rumors were 20 to 30% less personnel budget). The interviews lasted between 34 and 72 minutes, whereas most interviews again lasted for about 50 minutes. These interviews were also audio taped and transcribed verbatim. This time we did not interview the Vice SG as we already shared and discussed the results of our previous round of interviews with him in a feedback meeting.

#### QUALITATIVE RESEARCH DIARY

Another instrument not very often used in management and public administration research is that of the qualitative research diary. We administered this tool to 11 people: the Vice SG, the 7 directors, and 3 project managers. Data collection occurred from mid June 2006 till the workshop we

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<sup>18</sup> The cabinet of Christian-democrats, conservative liberals and progressive social-liberals fell in the summer of 2006 over the Hirsi Ali affair, which led to elections in November 2006. The parties negotiating for a new coalition had asked the 13 Secretary-Generals to estimate how much they would be able to downsize central government. The SGs presented a report with their estimate to the potential coalition on the 18th of January 2007 (the slogan accompanying the report could be translated as “do more with less”).

organized end of January 2007. Our goal for using a weekly diary was to gain insight in the experiences of the Vice SG, the directors, and three project managers' with the five projects in the support division. For this purpose we asked the respondents two rather straightforward questions.

Shortly describe an event in the past week which you remember as being relevant to one or more of the five projects, your feelings about those project(s), your work on those project(s), your team's feelings about those project(s), or your team's work on those project(s).

Add any other event that occurred in the past week, which you would like to mention.

We kept the number of questions as limited as possible to prevent respondents from dropping out due to their busy schedules. Early November 2006 we decided to insert a third question in between the first and second question to also look at the relation between projects and vision. This question was:

- 2a. Can you recollect an event in the past week that is enabling the implementation of the business support vision?
- 2b. Can you recollect an event which appears not to be in accordance with the business support vision?

Halfway each week we sent the diary via email to all respondents asking them to reply to our message by answering the two questions before the end of the week. If they did not respond they would get a second message on Friday, and a third on Monday. In Figure 6.2 on the next page the response pattern for these diaries is plotted.

Figure 6.2 demonstrates that the response rate had a downward trend toward the end of the 33 weeks of diary data collection. Two of the 11 respondents indicated in December that keeping a diary was little rewarding to them. On the other hand, half of the respondents consistently kept their diary (unless they were absent off course). One respondent indicated he would keep a diary to himself which he would later share with the researchers: unfortunately we are still waiting for his diary entries. This explains why we never obtained a 100% response. Also, we can see that 2 persons dropped out of the study: one project manager had finished his project in December 2006, while one director left the organization at the start of 2007. Furthermore, the summer period resulted in various large absence rates, and even more obvious are the two weeks Christmas break (week 29 and 30 of our diary data collection efforts).



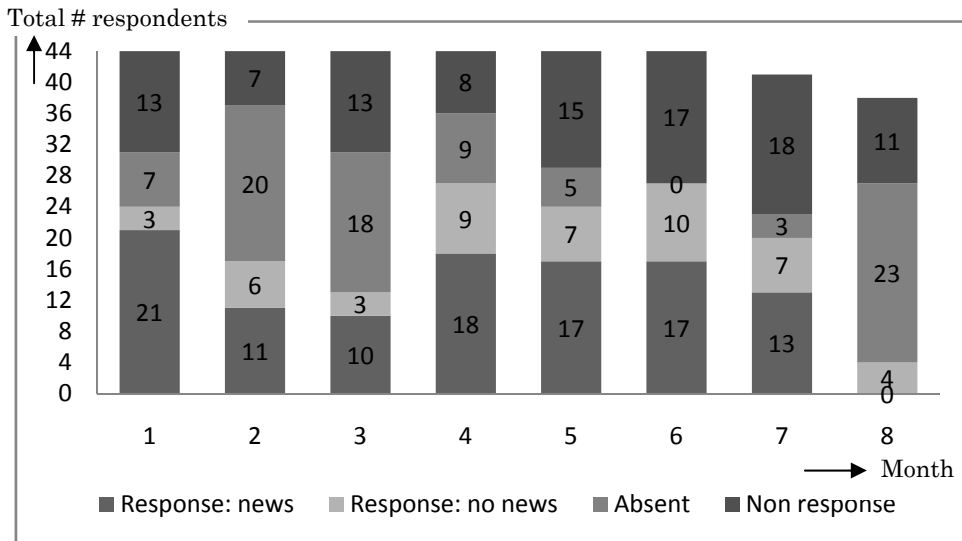


Figure 6.2: Monthly (=4 week) response pattern over the weekly diary query among 8 management team members (incl. Vice SG) and 3 project managers

In total we obtained 158 responses over a period of 33 weeks: 108 completed diary entries and 50 responses indicating there was no noteworthy news. All in all, when we exclude absence (i.e., not in the office), we had a 31% non response, mainly due to the aforementioned person (without this person non response would have been 26%). On average 4.8 people per week responded (SD=2.2), and on average 2.5 people per week were absent (SD=2.7). When people on vacation are excluded, the response rate was 59%, of which completed diary entries accounted for 40% and no news responses accounted for 19%.

#### ACTION RESEARCH: WORKSHOP

Based on the results of the first round of interviews, the Vice SG and we came to the conclusion that we needed to go more in-depth. Yet, individual interviews do not necessarily provide the full group narrative. A facilitated group discussion provides a higher chance of institutionalizing new behavioral patterns (see, Kets de Vries 2005). Hence, we used this form of action research in the form of a one-day workshop. Both the first and second round of interviews provided input for the workshop we organized on the 31<sup>st</sup> of January 2007. The goal of the workshop was 1) to discover the groups' perceptions of the vision implementation process, and 2) to develop future venues for improving the implementation of the business support vision. Two researchers were involved in organizing the workshop: the principal investigator of this study

and a senior researcher with substantial experience in facilitating group discussions. Participants in the workshop were the Vice SG, six of the seven support department directors,<sup>19</sup> and the Vice SG's personal advisor. The workshop consisted of four sessions. First, we presented our preliminary findings on the projects and the implementation of the vision. Then, in a plenary session led by the senior researcher, the participants discussed these findings. Next, the participants were asked to each individually write down and later present their primary emotions in relation to the support division on a so-called mood board (see Figure 6.3). Finally, again facilitated by the senior researcher, the participants discussed how to improve the implementation of the business support vision. The principal investigator made notes of all four plenary sessions during that day.

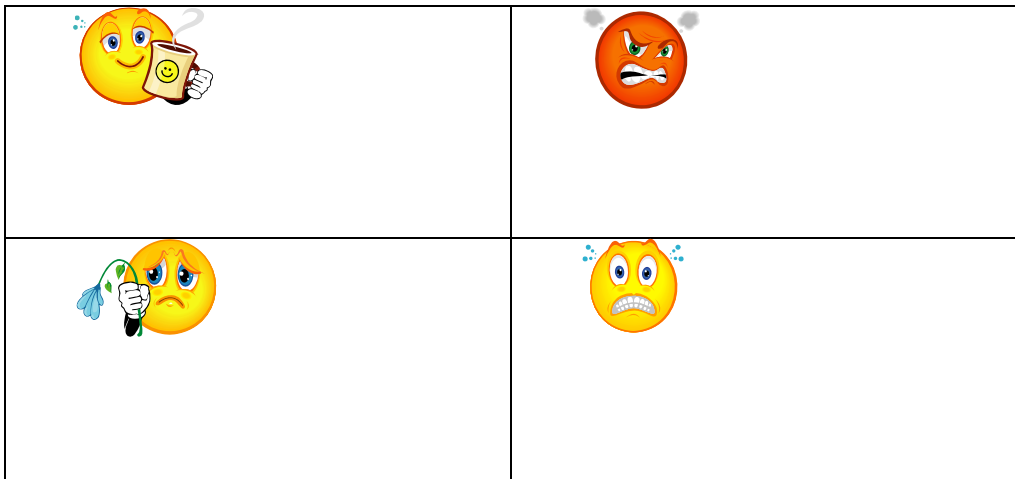


Figure 6.3: The mood board on which participants had to write down their primary emotions. The assignment was: “Describe what makes you happy/angry/sad/scared in the business support division.”

#### ARCHIVAL DATA

Finally we made use of archival data. This type of data consisted of press bulletins, parliament reports, project plans, project progress reports, management reports, policy documents, agendas, minutes, and other types of internal and external reports. As we were involved in the projects most of these reports provided to be useful as supportive documentation of the events. The

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<sup>19</sup> One of the directors had just moved on to a similar position at another ministry.

most important document for this study was however the business support vision, as it elaborated what exactly this vision consists of.

#### 6.3.4 DATA ANALYSES

The data of this third study is analyzed so that we can refine and extend, where possible, the findings of the study in chapter 5. Although the research question for this chapter is the same as for chapter 5, we take a more episodic approach to our analyses by splitting the implementation process up into three phases. The transition from one phase to the other was demarcated by an intervention by the researchers. At the end of Phase I the intervention was feeding back our monitoring results of the five projects to the Vice SG. At the end of Phase II the intervention was a workshop with the management team to feed back the monitoring results of Phase I and II and connect to the vision,

We analyzed our data in these three phases in different manners. In Phase I we first described the development of the five projects as a further introduction to the case. Then, we analyzed our data along the lines of the themes and accompanying propositions developed before. This time we worked the other way around: testing and if necessary refining and/or extending propositions based on our observations and where our data forced us to do so. We chose to focus on testing instead of developing propositions as we wanted to balance the explorative nature of chapters four and five. Nevertheless, this did not withhold us from developing a limited number of new propositions where appropriate. Of course, these new propositions were tested and scrutinized more closely in later phases.

We started Phase II with the analysis of the so-called inspirational workshop. Here we focused on the micro-level interactions between management team members, which we analyzed with the 'social drama' perspective described in Chapter 3. Then, we specifically focused on agency in enabling or resisting MFR implementation. We clustered instances where management team members were 1) actively enabling, 2) actively resisting, and 3) passively resisting MFR implementation. We refined related propositions accordingly. At the end of Phase II we organized a workshop attempting to connect projects and vision. In this workshop we presented our monitoring findings, after which we had a facilitated group discussion. This group discussion is then also analyzed in terms of the implications for our propositions.

For Phase III our analyses were mostly focused on the effects of the workshop. That is, if projects and vision were connected after the workshop and if the middle management team followed up the decisions made during the

workshop. Again, we only focus on refining propositions where the data forced us to do so.

In sum, our analyses were based both on the insights from our presence at a large number of meetings as well as our more structured data collection methods. We analyzed our meeting minutes for agency towards either MFR or legal-rational bureaucracies, i.e. resisting MFR implementation. In addition, we analyzed the notes we made on social dramas and other interaction rituals (Goffman 1974, 1983; McFarland 2004; Turner 1969, 1974, 1982) trying to obtain insights on frame bending and frame breaking events. While iteratively constructing the analyses and descriptions of the implementation process we connect these analyses to the propositions developed in chapters four and five. In our model of the structuration of MFR we aimed at further elaborating middle manager agency.

## 6.4 PHASE I: VISION IMPLEMENTATION THROUGH PROJECTS

Phase I spans the time period from when the principal investigator was introduced to the management team (March 20, 2006), till the week we discussed our first feedback report with the Vice SG (September 4, 2006). Events that are not discussed as they occurred before the start of our field study were the querying of line management on service quality, development of the vision, and the initial drawing up of the projects. First, we describe the developments in the implementation process with a specific focus on the five projects as there was very limited attention to vision implementation in this phase. Then, we compare the empirical data collected in Phase I against the propositions developed in chapters four and five. We end with the feedback we presented to the Vice SG.

### 6.4.1 DESCRIPTIVE RESULTS

We kicked off our empirical investigation on Monday March 20, 2006 when the Vice SG introduced the principal investigator and our study: at the weekly management team meeting. As we learned later, our involvement came as a bit of a surprise to the other management team members: some referred back to the announcement as a ‘fait accompli’. Nonetheless –or perhaps because of that– sharp questions were asked by the team members to the principal investigator, which led after incorporation to more precision in our research proposal. Would the focus for instance be solely on the team, or would the customers also be included? One comment from a director was, in hindsight, particularly interesting: “*to what extent are these five projects actually aimed*

*at changing the culture?* Apparently, the connection between the projects, the accompanying vision and culture as the way of working (in adherence to the vision) was not made explicit; at least that is how some of the directors put it. Consequently, in Phase I of our case we found that no other activities were performed in relation to the vision except for the five projects.

After this introduction, the principal investigator spent the first month immersing himself in project meetings in order to obtain an emic perspective (see, Morris et al. 1999) on the five main projects in service delivery by support departments. An overview of the projects' characteristics can be found in Table 6.5. Remarkably, the directors that were appointed as overseers for the project were not very active within their projects. Only one director was often present during project meetings, while the other directors overseeing projects limited themselves to one-on-one meetings with their project managers.

Interestingly, the success of some projects depended on the success of other projects. The Internal Rules project and the Service Provision Agreements project both depended for their final impact on the Transparency project as the final results of the first two projects should be easily accessible via the intra web. In addition, the Financial Steering of ICT project was aimed at being in control of ICT projects, where a lack of financial resources was ironically the reason the Transparency project was put on hold. Also the Keen on Processes project was to some extent dependant on the availability of ICT resources. All in all, early September four out of five projects were in the process of completing or had completed their initial design phases and thus on the brink of implementation.

We would like to point at the prominent role ascribed to the 'Keen on Processes' project. During the interviews almost all directors and the Vice SG described the Keen on Processes project as the project with the highest priority; both in terms of relevance to line management and the impact on their own directorate. The Keen on Processes project consisted out of six subprojects, each of which spanning at least two if not more directorates. Table 6.6 provides an overview of the subprojects of the Keen on Processes project. In general, the project is on track with one subproject already in the next stage of implementation and one subproject postponed. Now, we will attempt to rise above progress descriptions of the separate projects and describe and analyze the development of social structure and agency within the support division till September 2006.

Projects	Keen on Processes	Transparency	Internal Rules	(Financial) Steering ICT	Service Provision Agreements
Action plan approved	March 13, 2006	March 15, 2006	March 10, 2006	January 31, 2006	March 21, 2006
Planned end dates	End of 2006	End of 2006	End of 2006	Spring 2006 / Will be effective at start of 2007	End of 2006
Methods	For each sub process a meeting is held with stakeholders from both line and support departments to both map current practice and brainstorm for improvements	Redesigning the presentation of content on the intra web, especially the search ability	Making a list of all Internal Rules, discussing their usefulness in small groups of line and support staff, decide which rules to cut	Develop a new policy with key stakeholders for the allocation of resources (both budget and personnel)	Services will be framed as mutual dependencies between provider and customer (rights and obligations); all support departments reframe their services into the specified format
Results in September 2006	Blueprint for redesigned processes	Due to high pressure on the general ICT budget the project was put on hold; proof of concept was realized	Midterm: line staff was convinced by support staff that majority of rules useful, some could be merged	Distinction was made between basic and basic plus ICT needs; only basic funded from central ICT budget	Pre-project for external customers finished; for ministry-wide services first overview was made

Table 6.5: Time schedules, methods, and progress of the five projects in the Ministry till September 2006

Subprojects	Internal Moving	Selection and Recruitment	Reorganizing	Documents Traffic	Purchasing and Contract Management	In and Out of Service
# Participants in stakeholder sessions Characteristic comments as observed by both project manager and principal investigator	13 Informal circuit plays a large role; coordination between departments causes errors; deal is no deal	6 Difficult to find information on intra web; people do not take their responsibility; too many forms	5 The formal organization and finance report is a goal in itself; no coherence in, or vision on what the ministry should look like; accountability is not formalized; execution of implementation is insufficient	6 Informal circuit plays a large role; no one is accountable; deal is no deal	First postponed, later canceled	Other method was used for redesign
Results on August 25, 2006 (dedicated management team meeting)	First concept project plan; actions started, linked to reorganization of department	Earlier proposals for improvement are already being implemented, Keen on Processes is used for further improvement	Project plan is in the making	Postponed as automation would provide the largest improvement	First concept project plan; support from central government advice office	Three teams will compete in making the best redesign

Table 6.6: Observations and progress of the six sub projects of Keen on Processes

## 6.4.2 TESTING, REFINING AND EXTENDING PROPOSITIONS

We will use the data collected in Phase I to test and possibly refine and extend the propositions developed in the previous chapters. In contrast with the previous chapters –where we built up our propositions grounded on the data– we will examine the previously developed propositions with our data.

### ENVIRONMENT

Propositions chapter 5	
P1.1:	The more environmental MFR pressure, the higher the demand for public sector middle managers to be accountable
P1.2:	If public sector middle managers' are held accountable for their behavior during MFR implementation their resistance to MFR implementation will be low

At the start of our case study, there was no particular environmental pressure on the support division to implement MFR, except for the 'New way of working' instigated by the SG. Nonetheless, the 'New way of working' was primarily limited to the continuous training and development of employees, improved mobility by job rotation, and project-based work. Mostly, the motivation for developing a business support vision came from within the support division, in particular the Vice SG. Also, the support division partakes in innovative interministerial initiatives. In line with P1.1, we find that the limited environmental MFR pressure leads to a low environmental demand to hold public sector middle managers accountable. This leads to a minor refinement of our proposition.

P1.1 The more (less) environmental MFR pressure, the higher (lower) the demand for public sector middle managers to be accountable

Despite the low demand in the direct environment for holding middle managers in the support division accountable, they were held accountable by the Vice SG. This is not different from the way of operating of other ministries: ministerial responsibility per definition leads to a hierarchical chain of command. However, here we can provide more context to the role of accountability in P1.2. First of all, directors are held (mostly financially) accountable by means of the management reports that each department has to deliver every four months. Then, there are the one-on-one meetings between directors and Vice SG in which department related issues and achievement of targets are discussed. In addition, some management team meetings were dedicated to issues that concern multiple departments and the progress made



on the five projects initiated to improve MFR. The Vice SG regularly checked for the state-of-affairs of these five projects and took action when needed:

“In the management team meeting we discussed the harvest of last week’s request for the progress report to our customers. Disappointing harvest. Need to tighten the screws to get the club in motion.” (Vice SG diary)

When we look at the relation between accountability and resistance we observe that there is not really resistance but rather inertia as middle managers need to be set in motion. We conjecture that this observed inertia is caused by either disinterest (*laissez-faire*) and/or *passive* (covert) resistance by middle managers in the form of habitual behavior. Whereas this conjecture would require further corroboration, we for now refine P1.2 by eliciting *active* resistance as opposed to more covert or passive acts of resistance.

P1.2 If public sector middle managers’ are held accountable for their behavior during MFR implementation their *active* resistance to MFR implementation will be low

In addition to our earlier studies, we found that interministerial collaboration plays quite a large role for middle managers in the support division. Directors meet with their counterparts in other ministries and share experiences on their respective domains, e.g. facility management, ICT, HR, or auditing:

“Naturally we maintain contact with our counterparts in other ministries. We exchange a lot, every month we meet with the audit directors.” (director interview)

Still, these get-togethers are limited to these specific *functional* domains, and hence strengthen a focus on the directors’ own operations instead of sharing experiences with integrated provision of business support in other ministries. Moreover, the directors find their task complicated enough as it is:

“So I need to take into account what we agree upon interministerially, I have to take into account what we agree here [management team meeting], while, if you wouldn’t have that, well then I could just jump ahead you know.” (director interview)

However, the same held for the Vice SG in relation to overlapping initiatives instigated by his superior. For instance, he found that similar performance information was collected by multiple levels of the central governments despite his earlier notification of this overlapping work:

“The meeting of SGs decided to have a central government wide benchmark for business support. And although I have indicated on multiple occasions that that benchmark information is available on various parts of [central government’s] business support, this train rushes on. It’s frustrating that this extorts time and capacity from the actual improvement of business support via our tracks.” (Vice SG diary)

Within the case organization top management is known to be a keen supporter of interministerial collaboration. However, they also acknowledge the complexity associated with cross-organizational working. In the eyes of top management, barriers for improved interministerial collaboration are not formal structures, but political, cultural and –in particular for business support– a lack of clear interorganizational accountability.

“In the interministerial collaboration we are walking into the outer borders. These borders are the following: a) removing stovepipes on the organizational level has progressed vastly here and there and requests a translation to the political level, b) [...] solutions for more flexibility in the central government are not to be found in formal structures but in cultural changes in the ministries, c) progress can momentarily mostly be made in developing a separate organization for business support. But progress will only be made if accountability for this process is clearly assigned in one place.” (minutes of ministerial top management meeting)

The question is why top management particularly points at business support as the best venue for improvement. Especially considering the not very successful business support collaborations (prime example being P-direct) in comparison with for example the highly acclaimed line and project directorate ‘learning and working’ (accountable to both the ministry of Social Affairs and the ministry of Education). In addition, we might even put forward that centralized business support would lower performance. The central government might become less flexible and responsive as the distance to ministerial customers increases and local adaptability becomes lower. Either way, interministerial collaboration plays an important role in the environment of middle managers, especially those in the support divisions of the Dutch central government ministries we observed. Therefore, we add a third proposition to this theme.

P1.3: Dutch central government middle managers perceive that their environment enables a *functional* focus on business support and constrains *integrated* interministerial collaboration

With this proposition we summarize that accountability forces in the institutional environment. More precisely, we found the following prioritization

by middle managers: 1) their own department, 2) the interministerial domain (e.g., central government wide facility management, ICT, HR, or auditing), 3) within ministry integral business support, and 4) interministerial integral business support. Although for an individual manager it is obvious to keep one's own shop in order (1) and to collaborate with peers (2), the total performance of the central government in terms of efficiency and effectiveness hinges on the entire chain of service provision.

“Look, we can ... we do change things within our directorate, but that's not the essence of what we are doing. That [the essence] is the relations between directorates.” (director interview)

In sum, we refined the two existing propositions and added a third related to interministerial collaboration. P1.1 and P1.3 describe barriers to MFR implementation. P1.2 elicits the role of accountability in reducing active resistance.

#### AUTONOMY

Propositions chapter 5	
P2.1:	During MFR implementation public sector middle managers resist lowering their autonomy if it reduces their territory
P2.2:	Reductions of public sector middle managers' territory during MFR implementation will be less resisted when top managers clarify middle managers' roles

In line with the previous theme, we found that for directors' careers it is most important not to make large mistakes and to keep their departments running at an acceptable performance level. Hence, they are prone to display risk-averse behaviors, which would further strengthen an orientation on incremental instead of radical changes.

“They strengthen each other, so keeping your own shop in order and making sure you don't get bruised” (director interview)

Besides maintaining acceptable directorate performance, directors will attempt to protect or even enlarge their territory within the support division. Hence, we conjecture that the five projects are not only vehicles for implementing MFR, but are also vehicles for enlarging territory:

“Everyone has their separate interests in them [the five projects], I think. So I don't think everyone pulls equally hard. [...] Well, if you have the feeling you will lose territory, than I

can, I could imagine that you are more careful than when you might be able to conquer territory.” (director interview)

This means that middle managers might simultaneously enable and constrain MFR implementation depending on the consequences for their territory. Their behavior will also depend on the opportunity to covertly resist, risk-averse as they usually act. An alternative option is that when directors perceive little opportunity for enlarging territory and small risk for losing territory they might retreat from the ‘scene’ altogether:

“My directorate has little to do with the remaining projects” (director diary)

First of all, we have more evidence for P2.1 and slightly revise P2.1 by specifying the form of resistance as covert or passive. However, we also found that when middle managers can use MFR to enlarge their territory they will support initiatives, hence we also extend our initial proposition.

P2.1: During MFR implementation public sector middle managers *passively* resist (support) initiatives lowering their autonomy if they seem to reduce (enlarge) their territory

In our interviews we also explicitly asked the directors if they thought that the five projects would enlarge or reduce their decision making autonomy. Interestingly, none of them thought their autonomy would get bigger. Most responded that their decision making autonomy in their own department would stay the same or decrease, whereas their autonomy for an issue overarching the entire support division might increase. In short, they did expect that their decision making autonomy would stay the same. Yet, considering the early stage of implementation, this question was mostly hypothetical. We again (slightly) refine our initial proposition by specifying the form of resistance. In this case, we found corroborating evidence in the sense that middle managers’ roles appeared to be quite clear and that we perceived no active resistance related to reduction of territory.

P2.2: Reductions of public sector middle managers’ territory during MFR implementation will be less *actively* resisted when top managers clarify middle managers’ roles

For the theme autonomy we refined and extended existing propositions. Here we find that autonomy can act as both an enabler and a barrier to MFR implementation. MFR implementation will be enabled by clear roles and

territory enlargement for middle managers, while territory reduction will act as a barrier.

## TRADITIONAL BELIEFS

Propositions chapter 5	
P3.1:	The stronger public sector middle managers hold traditional beliefs, the more they resist MFR implementation
P3.2:	Traditional beliefs among public sector middle managers can be reduced by stressing the advantages of MFR
P3.3:	Replacing resistant public sector middle managers by promoting younger MFR-oriented lower managers will strongly alleviate resistance to MFR implementation

In managers' daily discourse, for instance during management team meetings, we observed limited presence of traditional beliefs. Apparently, the 'discourse' of the modern Dutch public manager is framed in MFR language. What is however more interesting than discourse are middle managers' behaviors. Traditional beliefs are perhaps not uttered, yet directors can slide back into traditional bureaucratic behavior. For instance when traditional norms again start to dominate over achieving improved results:

"Are they doing it because we agreed on it, or are they doing it because they themselves believe things will improve?" (director interview)

Another example that characterized the difficulty of shifting from one template to another was the complete freedom given to directors to organize a session based on what inspired them personally. Despite stressing their 'ownership', top management was still asked for input on what should be the result of the session:

"I proposed that each director invites someone who they believe would have something useful to tell us. [...] The facilitator [of one of these meetings] asks me what I would like to see as a result. Funny: my idea was that for once I stop pushing and have the directors lead me with what they find inspiring. I guess you don't get out of the 'boss' role easily" (Vice SG diary)

Furthermore, as in the previous chapter, we found that 'say yes, do no' was also common within this ministry. But here they had a slightly different way of putting it.

"We have a lot of people that say no, but they never say no, they say yes but." (director interview)

For P3.1 we arrive at a much more ambiguous result than in the previous two chapters. In the previous two chapters middle managers were more opposed to MFR than in this chapter. Here we perceive that middle managers tend to fall back in traditional ways of working, instead of opposing MFR. Probably this lower resistance is due to the larger progress already made in MFR implementation and the role of support departments. We therefore slightly refine P3.1 by stressing the weaker traditional beliefs among middle managers in this ministry.

P3.1: The stronger (weaker) public sector middle managers hold traditional beliefs, the more (less) they resist MFR implementation

Related to the ‘say yes, do no’ was the way in which some managers conducted their performance appraisal meetings. Although some frontline managers deemed employees to underperform, they did not feed this back to these employees in the performance appraisal meetings.

“Keeping each other sharp is not a common habit around here [...]. You see it for instance in performance appraisal meetings. In the corridor you sometimes hear completely other things about people and sometimes also far more negative, [...] if you would collect all performance appraisals than you would get a complete other impression.” (director interview)

Other directors also pointed to the tendency to be friendly yet insincere toward each other within the ministry, instead of having an open discussion about performance with the people involved. However, this latter director stressed to his frontline managers how providing sincere feedback on the performance of employees helps employees to improve performance –which they will value in the long run– despite the initial discontent with this feedback rooted in a traditional ‘say yes, do no’ or non-confrontational culture. Afterwards he did get more discriminating performance reviews. With this example we provide further evidence for P3.2.

Also interesting in this respect is the role of middle managers of support departments in relation to line departments. Because the management team had set out to improve their service provision to line management, the advantages of MFR were apparently clearer to them than it was for the support directors in the previous case organization. Yet, we found that the directors in this case organization actually felt a lack of appreciation from line managers for their efforts.

“So you see that we queried [line management] at the start. Based on that we set up these projects and communicated that back [to line management]. When we communicated that, we didn’t get a standing ovation.” (director interview)

“What always is a latent conflict, is that when the support division contrives nice things and tries to meet with the others [line management], but the others aren’t interested, that when the final decision has to be made, that in that latest hour resistance suddenly appears.” (director interview)

We did however notice that support managers perceived a lack of appreciation by line management. Although we did not perceive a direct negative influence of a lack of appreciation on middle managers’ change *behavior*, the lack of appreciation did lead to cynical comments now and then. We therefore extend P2.2 by conjecturing that a lack of appreciation from involved line managers leads to sustained traditional beliefs as middle managers feel that their ‘customers’ do not value their proposals for change and hence feel less inclined to pursue them.

P3.2: Traditional beliefs among public sector middle managers can be reduced by stressing the advantages of MFR but will be sustained by a perceived lack of appreciation by peers

Another approach to removing traditional beliefs was found in the replacement of resistant public sector middle managers. However, in the first phase of this study none of the management team members were replaced. Yet, a few months before we started our study a couple of new managers came into the group.

“Some new people joined, which shaped the relations in a different manner. The chemistry between people is different.” (director interview)

One of the ‘incumbent’ managers also pointed out how the group dynamics changed when the Vice SG was appointed. He described that the group was becoming tighter and that there was more of a results focus. However, except for one director, the people that joined did not come from lower management. Some managers did have experience in other fields. Hence, we broaden P3.3 by bracketing the limitation that new middle managers should come from the ranks of younger lower managers. However, we do believe that younger lower managers will be stronger supporters of MFR as they are less socialized in the traditional bureaucracy template. In addition, and in line with institutional theory, we add that people from other fields will be less resistant as we experienced very limited active resistance to MFR implementation in this case.

P3.3: Replacing resistant public sector middle managers with (younger and/or lower) MFR-oriented managers (from other fields) will (strongly) alleviate resistance to MFR implementation

Overall, traditional beliefs act as a barrier toward MFR implementation. In phase I of this study we additionally found that weaker traditional beliefs lead to less resistance to MFR. On the other hand, lack of appreciation by peers sustains MFR resistance. Also, we further explored the influence of middle managers' background on their resistance. Our main finding is that when there is little active resistance, MFR implementers should be more aware of slipping back into the traditional bureaucracy template than that they should be oriented on overcoming active resistance.

#### LIMITED INFLUENCE ON RESULTS

Propositions chapter 5	
P4.1:	The more public sector middle managers deem that achieving results is beyond their influence the more they resist MFR implementation
P4.2:	Public sector middle managers' influence on results is constrained by organizational stovepipes and the lack of clear accountability relations

Also, in this ministry we found that our respondents perceived to have a limited influence on results. According to some of the directors, a consequence of this perception is a lack of consideration for others and the broader picture in which employees perform their jobs.

"Reflecting on collaboration isn't happening, of course there is collaboration, but that's often constructed, is often ordered top down, is often managed, based on urgency or as part of desired products, but from an intrinsic motivation, if that is present?" (director interview)

"Because that is what you see, in multiple fields here at the ministry, that everyone does his own thing and that they don't always realize that sometimes someone else is needed and that that other person is notified on time that something is expected so he can prepare himself." (director interview)

We conjecture that solely focusing on specific in-role task performance, instead of also considering out-of-role performance, is related to behavior fitting both the traditional bureaucracy template and the coercive variant of the MFR template. This out-of-role performance –behavior that is not captured in reward systems– is usually referred to as 'organizational citizenship behavior' (Bolino 1999; Organ 1988a; Turnipseed & Rassuli 2005). In the traditional



bureaucracy template, people execute their assigned task and more-or-less blindly rely on rules and procedures for their organization to function properly.

“It’s remarkable that people want permission to collaborate” (Vice SG interview)

In the coercive variant of the MFR template, the narrow focus on obtaining results causes people to refrain from reflecting on their tasks and their relations to others, as strict performance targets need to be achieved. We therefore extend P4.1 by adding employees’ focus on in-role behavior –in other words a lack of organizational citizenship behaviors– as the major consequence of the perception that achieving results is beyond their influence. This lack of organizational citizenship behavior then leads to passive resistance to MFR implementation.

P4.1 Public sector middle managers who deem that achieving results is beyond their influence perform little organizational citizenship behaviors and hence passively resist MFR implementation

Nonetheless, with P4.2 we noted another, more formal cause for limited influence on results in the form of organizational stovepipes and unclear accountability relations. Indeed, middle managers acknowledge that in their opinion organizational stovepipes hamper performance:

“Maybe we should look if those directorates –if we want to do things together– have a right to exist, especially in execution, you could ask yourself, does that all need to be separated?” (director interview)

Likewise, one middle manager pointed to the need for holding people accountable to really achieve the desired effect of the projects: a change in organizational culture.

“It’s not about Service Provision Agreements, you can make those in an instance, it’s about steering on those Service Provision Agreements. Are you going to put them in your management reports, are you going to hold people accountable? [...] Are we really ... redundant rules, dare we really cut them? Those are all cultural interventions.” (director interview)

In addition to the intrinsic motivation that appears from organizational citizenship behaviors, control systems need to be in place and used in such a way that they support MFR behaviors and discourage non-MFR behaviors. Hence, external motivation is provided via these control systems. So, although formal structures will not directly result in an adapted culture, formal

structures can hinder an MFR way of working (as we already found in chapter 5). For now, we chose to maintain P4.2.

#### P4.2 Public sector middle managers' influence on results is constrained by organizational stovepipes and the lack of clear accountability relations

The (perceived) limited influence on results was still found to be a barrier to MFR implementation. However, we did uncover a relation with organizational citizenship behavior. In other words, total performance is hampered when collective middle management (as well as other employees) solely focuses on their ascribed task and do not take the broader context into account. On the other hand we should not underestimate the difficulty of overcoming organizational stovepipes and unclear accountability relations. We should however be able to explore this topic more in-depth later as the Keen on Processes project and the first commandment of the business support vision aim at this problem.

#### TOP MANAGEMENT SUPPORT

Propositions chapter 5	
P5.1:	High MFR commitment of the SG and/or (deputy) minister(s) reduces resistance to MFR implementation by public sector middle managers
P5.2:	If public sector top managers implement MFR by means of separate projects with only performance goals and without an MFR vision, public sector middle managers will resist the implementation of MFR

In the previous chapter we distinguished between the themes 'top management support' and 'change approach' based on the role of top managers. Top management support was defined as a passive role for top managers (limited to controlling and overseeing of projects), whereas the theme change approach treated the role of change agents and their methods and activities (where change agents *might* also be top managers but not *per se*). In the previous case, the SG outlined the shared services project and made the Vice SG project champion of this project. In this case the Vice SG initiated the development of a business support vision and assigned the five projects to directors. The business support vision came into existence because of a customer query initiated by the Vice SG. Unlike the previous case there was no external force – e.g. crisis– driving the development of the vision, nor did the Minister or top management –except for the Vice SG– have a vested interest in the success of the vision. In relation to this, one of the directors pointed out that he would have preferred the involvement of a third party, preferably a Director-General

(one of the three highest line managers within the ministry), as a senior user or customer for these projects.

“So the question has to be for whom are we doing it and what must it deliver, why are we doing it? And not just start something and just see ...” (director interview)

Nevertheless, both SG and Vice SG were committed to MFR considering the initiatives they launched. We therefore refine P5.1 by distinguishing the key players. Obviously, the more of these key players are committed, the more the resistance to MFR implementation will be reduced. In this ministry, the commitment of the Vice SG was specifically relevant for reducing resistance in the support division. Other top managers were not very visible in this process.

P5.1 High MFR commitment of top management (Minister, Secretary-General, Directors-General, and/or Vice Secretary-General) reduces resistance to MFR implementation by public sector middle managers

Another topic within top management support is the way the projects are controlled and overseen by top management, in this case the Vice SG. We distinguished between projects with only performance goals and projects with learning goals and a normative vision. We know that in this ministry a vision on business support guides the five projects. As one director puts it:

“The goal shouldn’t be to make that feedback letter, the goal ought to be that we together are one support division in which every director has their own responsibility, but serve the customer as customer and collaborate for that purpose.” (director interview)

Nonetheless, goal displacement might cause learning goals to be substituted by performance goals, and coercive MFR would replace enabling MFR (see Table 2.2). In other words, the feedback letter would become the narrow goal. As a consequence, the link between the vision and the projects would be lost.

“[Experience] Some irritation on the detailed processing of the customer query. Beware that feedback will not become a goal in itself, but trust that all directorates will live up to their promises.” (director interview)

“What I am most afraid of, is that it’ll again become a paper tiger.” (Vice SG interview)

In addition, eagerness to implement MFR type initiatives can actually lead to more bureaucracy. For example, during a management team meeting we observed that the Vice SG asked if the set-up of one of the five projects did not

lead to more bureaucracy considering the large pile of documents that was stacked up in front of him. The director in charge of the project responded that demanding action plans for each sub project leads to such a pile of documents if everyone delivers on time. Likewise, during a management team meeting the Vice SG was pushing for progress on the five projects, which led one director to comment:

“Vice SG asks somewhat impatiently what the state-of-affairs is on the action points in relation to the Keen on Processes projects and their planning etc. with a non verbal gesture like ... is something actually happening? Nobody responds. We agreed the previous time that each process would have a different run time and approach. [...] It feels as a disturbance of the trajectory.” (director diary)

At that meeting, for a brief moment no one responded to the progress query of the Vice SG and the directors stared down at their papers. Then, one of the directors redresses the interaction (see chapter 3) by proposing to set a date for a management team meeting in which progress will be discussed – hence leading to more formalization of the process in the form of a scheduled dedicated project meeting. We can only wonder why the directors did not point out what time schedule was agreed the previous time. Especially considering the Vice SG’s thought on the same topic:

“General feeling this week: if I don’t worry about it, nothing happens. That’s quite an uncomfortable feeling. Choice: don’t take it at heart and continue or give in. I guess I won’t pick the latter. Cheerfully encouraging them again.” (Vice SG diary)

In this case we see how a minor misunderstanding –quickly made considering the bulk of topics discussed during such a meeting– can, without proper correction, lead to slipping back into the traditional bureaucratic template. In addition, this example is another illustration of how the initial emphasis on a learning goal (projects as means to implement the vision) can shift towards a performance goal (finishing the projects on time). Not to mention the demotivation for both parties involved.

Another example of this type of goal displacement was the cancelation of an innovative way of redesigning a process by the Vice SG and the responsible director. The focus shifted to finishing on time instead of delivering content, as further evidenced by not inviting the project manager into the discussion. This led to the following frustrated response by one of the project managers (while actually the Vice SG took this decision following the advice of the project managers’ superior).

“This Monday the documents were discussed in the management team meeting. I wasn’t there. I didn’t ask for it and I wasn’t invited while I actually expected that I would be called [to drop by] when the documents would be discussed. [...] Concise feedback: continue except for sub projects ‘Purchasing and Contract Management’ and ‘In and Out of Service.’ The attractive outline of the latter has been canceled under the guise of ‘takes too much time’. The sub project manager and I are disappointed. Do you want to innovate in our methods or not? [...] Gives me the idea (and confirms earlier ideas) that as long as we plan and talk in notions of attractive future visions everything is fine and everyone is in favor, but when it comes to realization people step back. *‘This takes times and we don’t have that’* [original emphasis]. This way the Vice SG can forget about presenting captivating results in December.” (project manager diary)

Based on the aforementioned we refine P5.2 by explicating the inverse relation between performance and learning goals on performance. Note that, according to the literature (e.g., Janssen & Van Yperen 2004; Locke & Latham 2002; Van Yperen 2003), there is no deleterious effect on performance when learning goals and performance goals are combined. Also, we already pointed out how learning goals appeal to a normative vision, in this case the business support vision, and hence remove this tautology from the proposition. In addition, we specified the form of middle manager resistance as passive; behavior to resist MFR implementation by middle managers was neither fierce nor planned.

P5.2 The less public sector top managers stress learning goals during MFR implementation and the more they stress performance goals, the more public sector middle managers will passively resist MFR implementation

One would expect that top management support for MFR per definition promotes the implementation of MFR. However, in both this case and the previous case we observed that eagerness to have MFR implemented can actually have negative effects; when learning goals and their link to a normative vision are substituted with performance goals, enabling MFR implementation will be hampered. This will lead to a shift towards the coercive variant of the MFR template (solely steering on performance goals, see Table 2.2) or the traditional bureaucratic template.

## CHANGE APPROACH

Propositions chapter 5	
P6.1:	Change agents' bricolage can counter public sector middle managers' resistance to MFR-type change initiatives
P6.2:	Without either participatory, open-ended, decision making or directed communication of underlying motivations for organizational change, public sector middle managers' will resist the implementation of MFR
P6.3:	Public sector middle managers' resistance to MFR implementation is reduced by the development of their capabilities

The theme 'change approach' covers the methods and approaches change agents use to implement change. In the previous chapter we saw that the bricolage was central to the approach of the primary change agent – the Secretary-General. Interestingly, in this case, the directors are responsible for implementing MFR-type projects, although the implementation of the vision is cheer led by the Vice SG. To some extent the Vice SG did display bricolage in his leadership, for instance by introducing the principal investigator into the management team, although not all directors would appreciate these moments.

"Some things he just does, like that's what we are going to do and sometimes we want to reach consensus [...] on certain things of which I think, sign it off, done, let's go for it." (director interview)

However, in relation to the vision and projects the Vice SG himself actually stated that he did not want to intervene in approved action plans and let the directors manage their projects the way they wanted to as long as they delivered according to plan.

"I think that's the biggest danger, if you are going to wobble, removing a project or intervening in an approved action plan, than I'm jamming things up. And that's what I need to prevent [...]. Directors, you are the champions, it's your action plan, I didn't make it, you did and you said that's the way it's done. Well, then I'm going to make sure you'll live up to that." (Vice SG interview)

The Vice SG explained that he chose this approach to prevent scapegoating if projects would fail after he intervened. In that sense he kept a clear line between the vision, which he saw as primarily his responsibility and the projects which were primarily the directors' responsibility. In this stage we observed little bricolage. This was not much a surprise concerning the early stage of implementation and the role of bricolage as a counter tactic. Surprising was on the other hand the statement by the Vice SG that he actually did not want to intervene in the projects. Nonetheless, both the Secretary-General in

the previous case with his change plan and the vice SG in this case used a vision as a beacon for their bricolage activities. Hence, we only refine P6.1 to emphasize the importance of having a clear anchor point for bricolage in the form of a vision.

P6.1: When guided by a normative vision change agents' bricolage can counter public sector middle managers' resistance to MFR-type change initiatives

In addition, shared meaning and hence support for a normative vision is created by either participatory decision making or directed communication of decisions. For example, the decision to stall the Transparency project due to pressure on the ICT budget was made by the Vice SG and three directors: not by the entire management team. Moreover, the rationale behind the decision was not communicated to the other directors. One of the surpassed directors expressed their discontent in an interview:

"That it was a decision that was already made and which we in fact completely couldn't influence anymore and the fact that we heard about the decision very much later. We made very clear to the Vice SG that we weren't happy with that. That at least the minutes of that meeting could have been communicated." (director interview)

On another level, some directors had trouble getting recognized for their efforts to further MFR implementation. One example was a director that proposed to collaborate by bundling services to customers instead of starting an initiative solely from the directorate's stovepipe. None of the other directors felt inclined to participate, yet some time later the director is urged by the Vice SG to take stock which department might be able join in this effort. Hence, the Vice SG takes control out of the hands of the director and delays the initiative. The director eloquently expressed his feeling in a metaphor.

"I bring a box of chocolates to the management team meeting, there's enough for everyone, everyone may take a chocolate, that happens, but then that box of chocolates is taken away from me, next someone else is starting to hand out and I need to wait and see if I get a chocolate." (director interview)

Likewise, another director is urged by the Vice SG to communicate his quick wins to the customers. Yet, the director first wants to obtain some tangible results.

"Talked to the Vice SG about my project. His desire is more noise. Only possible if there is really something substantial to communicate. We await the harvest of the sub groups by mid August." (director diary)

Both statements do perhaps not express direct resistance to MFR. Yet one statement demonstrates how the collaborative attitude of one director is grinded down in team decision making. This supports the Vice SG's choice to only steer and facilitate instead of getting content-wise involved in specific proposals, which he did in this instance and led to failure. The other statement illustrates how one director puts the Vice SG's advice aside; hence passively resisting. Interestingly, in our observations neither of these directors were part of the 'inner circle' of the Vice SG, while especially the latter two directors have shown –also on other occasions– their keen orientation toward implementing the MFR template. Hence, winning them over and involving them in his coalition for change, an intervention from the sponsor role (see Table 3.2), would be valuable in building a dominant coalition for MFR.

On a more positive note, we found more evidence for the usefulness of communicating motives for change. One of the project managers even deemed his personal approach in communication as a key to his success.

“Key to my success might have been that I emailed each director individually with the request to stimulate a timely response [from their staff]” (project manager diary)

We refine our proposition by replacing resistance to MFR with the building of a dominant coalition for MFR as the aforementioned directors did not oppose MFR (moreover, participatory decision making might provide a venue to sabotage MFR implementation).

P6.2: A dominant coalition of public sector middle managers' to overcome resistance for implementing MFR cannot be build without either participatory, open-ended, decision making or directed communication of underlying motivations for organizational change

In the previous chapter we found that later in the change process the emphasis was on developing capabilities. This was also the intent of the Vice SG for the case organization under study in this chapter. The Vice SG chose not to aim his arrows on formal reorganizations (an authoritative intervention, see Table 3.2):

“I can reorganize, but that has no use. Then I only get other stovepipes.” (Vice SG interview)

Rather, the Vice SG wanted to use the five projects to change the mindset of those involved (the trainer role in Table 3.2), although at first sight a



substantial part of the five projects consisted of reengineering processes (the design role, *ibid*).

“I hope that those five projects will work as a fly wheel because they will bring along a different way of thinking for people. [...] If you don’t materialize the vision, it will stay in the abstract. And the consequences will be in my advantage on the support side, namely that people will work in a different manner and are much more aware about their work. And that collaborating on issues becomes a natural reflex” (Vice SG interview)

Hence, the Vice SG saw the five projects as the main way to implement his vision. Nonetheless, from our theoretical framework we wonder if this will be enough to succeed without specific interventions directed at building capabilities (see Table 3.2). Interestingly, the Vice SG himself did intervene in line with the sponsor role in his direct environment by placing the ten commandments prominently on the wall in his room.

“Since the ten commandments are so prominently placed on the wall in my room, I notice that I play around with them more easily. It helps in explaining to my counterparts what is leading for me. Remarkable is that outsiders often spontaneously start about the sign and its content. Ministerial employees are much more reserved, although you often see them look ...” (Vice SG diary)

Yet, these kinds of interventions were not used for the support division as a whole. We did not observe man-high posters with the ten commandments in different parts of the building that belonged to support division departments. A support role method used, not directly related to the five projects, was the attempt to bring part of the external world into the ministry. This happened mainly on so-called management days in the form of company visits –involving all the managers in the support division– to experience how business was done in other organizations. Here, the Vice SG and his directors were very mindful of not reinforcing the organizational stovepipes by making mixed teams.

“Bringing the outside in through company visits in our environment is appealing. Good discussion [in the management team meeting] on how to prevent that these visits will be focused on the separate stovepipes instead of the mutuality of the support division.” (Vice SG diary)

One level lower in the organization, the problems in this first phase were on a completely different scale. The project manager in charge of the largest operation, Keen on Processes, found that managers of sub projects lacked the capability to progress fast, which he contributed to a lack of training and experience in working on a project basis.

“Notice that managers of sub projects find it difficult to take concrete steps to arrive at an action plan” (project manager diary)

We extend P6.3 to include the methods available to improve capabilities during MFR implementation. Here we found that, next to the more traditional training role, the sponsor and support roles were used in the form of symbols and broadening views by looking outside of the organization.

P6.3: Public sector middle managers’ resistance to MFR implementation is reduced by training, sponsor and support interventions aimed at developing capabilities of middle managers

For the theme ‘change approach’ we found that the implementation of the vision depended a lot on the implementation of the five projects. These five projects primarily aimed at redesigning, and only secondarily they improved capabilities –especially collaboration– by bringing people together to work on this redesign. The latter might be considered a support intervention (see Table 3.2). The theme change approach generally acts as an enabler for change although, based on our framework developed in chapter 3, more variation in interventions would probably further speed up the change process.

## MINDFULNESS

We also uncovered a new theme in this third study, which we label ‘mindfulness.’ The quote referred to in 6.4.1, made during our introduction to the management team, we could label as a lack of mindfulness:

“To what extent are these five projects actually aimed at changing the culture?” (field notes of management team meeting)

For the concept of mindfulness “it is important to recognize that awareness is more than simply an issue of ‘the way in which scarce attention is allocated’ (March 1994: 10). Mindfulness is as much about the quality of attention as it is about conservation of attention. It is as much about what people do with what they notice as about the activity of noticing itself” (also see, Weick 1987; Weick & Roberts 1993; Weick & Sutcliffe 2001; Weick, Sutcliffe, & Obstfeld 1999: 90). We follow Brown, Ryan and Creswell’s definition of mindfulness as “a receptive attention to and awareness of present events and experience” (Brown, Ryan, & Creswell 2007: 212). A mindful experiencing mode is then described as involving a direct experiential awareness of what is occurring, or a non-evaluative intuitive knowing (Teasdale 1999).

Concepts related to mindfulness that surfaced were ‘prioritizing’ and the presence of a ‘critical and pro-active attitude.’ We discuss mindfulness as we observed little active resistance among the management team members in the form of (active) agency towards the traditional bureaucratic template. Usually acting against the MFR template would be in the form of an (unintended?) fall back into traditional bureaucracy, or just simple inertia (passive resistance). On the other hand, on many occasions we were told that these five projects did not have the highest priority for the directors.

“Again, it’s not at the top of my agenda” (director interview)

“Everyone does it [the projects] on the side. It is ... you might say it isn’t the highest priority.” (director interview)

“In general I don’t hear any noise, we barely talk about it in the management team meeting, and it is a ‘living, shared legacy’. I’m considering to put it all on the agenda for the next management team meeting.” (director diary)

Usually, they stated that their daily affairs claimed most of their attention. As we found for P4.2 this is further reinforced by organizational control systems. The Vice SG, however, acknowledged that the priority of daily affairs is higher in practice, yet what actually irritated him was the way projects were brought to an end *despite* their lower priority.

“But one way or the other you see that daily affairs are taking a lot of energy and these things have to be done and I absolutely can’t complain about that, but then you suddenly see: ‘err why again are we doing this?’ For instance today, [...] we conducted a customer query and then we just, we don’t communicate for a year?” (Vice SG interview)

In relation to this, we found it interesting that one director indicated how during a previous management team workshop it became clear to him how important the vision was for the Vice SG. Note, that this director did not raise the priority because he himself believed the vision merited a higher priority but only because his superior made this more clear.

“Cause in the end, with the amount of work that directors have to do, you never get it completely done. So you have to make choices. So when the boss says I think this is really important, than that immediately gets a higher priority.” (director interview)

Here we found that for a substantial number of middle managers the five projects did not have a high priority. Daily affairs took up most of their attention and these projects were done on the side. In the first study we found that political priority was higher, yet for business support, politics plays a

much smaller role. In this regard, consider for instance the lack of commitment from top management (P5.1). We propose that improvement in business support in the form of MFR will be passively resisted as long as public sector managers prioritize ad hoc daily affairs higher than underlying processes and systems – even when there is high top management commitment. Note that the Secretary-General in the previous chapter specifically wanted to organizationally watershed daily affairs (or policy maintenance) from new initiatives.

P7.1 Public sector middle managers will passively resist MFR implementation when short-term daily affairs receive a higher priority than improved business support

Though, as the Vice SG indicated, the problem is deeper than solely a low priority. He is more concerned with the way work in this domain is handled and especially how work is finished. In an interview he explained how people in his opinion both took too much effort and too little effort. Too much effort is invested in drafting the so-called ideal or perfect plans, usually on a high abstract level, while –in the words of the Vice SG– when the plan is finished the world has already changed again. Yet, within the process of the drafting of the plan too little effort is invested in considering nitty-gritty details, and in thinking about how to actually implement these plans in practice. In sum, these problems can be characterized as too little precise, too slow, and too passive, which we will discuss here in that respective order. First of all, the Vice SG found that discussions were repeated over and over again because the details were not clear for those involved.

“Stay happy although you see the known maneuvers coming by: ‘it could be more positive,’ ‘it’s too positive,’ ‘why are we actually doing it’ ... Anyway, it’s too little precise. Each director will make one more effort in looking at the details.” (Vice SG diary)

Likewise, one of the project managers was surprised that they immediately approved his project plan while he expected that they would ask him to further elaborate parts of his plan.

“What I found remarkable was that they deemed the deliberately short memo I delivered sufficient ground for decision making and that they didn’t ask for more elaboration beforehand.” (project manager diary)

Another project manager was bothered by the unquestionable improvement that would be reached with implementing new ICT. ICT was apparently seen as the ‘magic bullet’ (also see, Markus 2004) for improving

business processes, while the actual execution of the business process was opaque.<sup>20</sup>

“Notice that many parties try to approach Keen on Processes with (ICT-) solutions that are supported by ideal views of completely automated support processes. The notion that you first need to control or at least know your process is lacking.” (project manager diary)

Yet, another project manager did not understand why there still were questions about his project.

“I noticed that the basic premises for the Service Provision Agreements are not unambiguously experienced by everyone. That surprised me because this topic has been on the agenda for a while and the project plan was discussed and approved by the management team months ago” (project manager diary)

Second, while describing exactly the same meeting, one of the directors points out how decision making proceeds too slow.

“Service Provision Agreements in the management team meeting: the discussion what we really want is constantly postponed: [mentions examples] are kept in a grey area. [...] Why doesn't the champion make a short analysis so we can get to a proposal?” (director diary)

Apparently, what is clear to one person is unclear to the other. Moreover, both are keen on progressing, yet one believes the barrier is the understanding of what Service Provision Agreements are, while the other believes they did not decide what Service Provision Agreements should be. Either way, later in another context, the director summarizes this issue by observing that:

“Rounding off is a viscous process and breaks down the motivation of employees. Difficult to finish something within the ministry (discussion never stops).” (director diary)

In spite of his observation, this director did not push the discussion forward by bringing more critique to the table. In general the Vice SG has the impression, unaware of these comments, that the other management team members are not really putting their effort into these projects.

“Management team meeting was laborious. Is related to my irritation with the way in which issues are picked up and brought to a close. [...] Not that I have the impression that

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<sup>20</sup> Another example, not directly related to the implementation of the vision and these projects, was the multi-million euro ERP system for financial administration that was starting to become a bottomless pit for the ministry.

my irritation contributes to anything. Some sort of mindlessness appears to have taken the group hostage.” (Vice SG diary)

This quote also brings us to the third point, that of people being too passive. A very concrete example of this was given in the Transparency project. As we know, this project was stalled because the funding for IT was frozen. As the director that championed this project put it:

“I think it’s a pity that the priorities are set as they are set, but that’s just the way it is” (director diary)

However, the Vice SG was not very satisfied with this attitude towards the project despite the delivery of a proof of concept by the project managers of this specific project.

“Our problems with intra net stability constrain our progress on Transparency. I can’t completely get rid of the impression that these problems are used to put forward such that ‘hence’ we can’t do anything in the coming period. Fortunately a couple of other directors think that we also can improve a lot without the new intranet.” (Vice SG diary)

Likewise, the employees of the support division were quoted to be passive in the fulfillment of their jobs, despite their high commitment to that job. For instance the support and line (!) staff involved in the internal rules project almost did not find any rules that could be cut. They were convinced that all rules were necessary. This led the director of the department that produces most internal rules to state:

“The capacity to critically think about what exists [which internal rules], why can’t we remove things, is not optimally present yet, in my opinion” (director interview)

Similarly, support staff did not inform their superiors, unless asked by their superiors, what the progress on their projects was.

“After discussing the memo in the management team meeting: complete radio silence. Remarkable that we in the management team meeting need to ask what the status is, shouldn’t this kind of information flow to us automatically?” (director diary)

Within this theme, we found that next to the lower priority attributed to MFR initiatives, staff in the support division is often too slow, too little precise, and too passive when it comes to planning and executing the five business support projects. Additionally, when people are aware of this behavior they do not utter this critique openly. All in all, the five MFR projects are not mindfully implemented.

P7.2 Without mindful interaction during MFR implementation, public sector middle managers will passively resist the implementation of MFR

We found that the themes within this topic acted as a barrier to MFR implementation. The lower priority MFR receives from public sector middle managers leads to less effective and efficient implementations of MFR. In addition, when middle managers are less-mindful of MFR during its implementation, the implementation process will be characterized by slow, little precise and passive decision making.

#### 6.4.3 INTERVENTION: FEEDBACK TO THE VICE SG

Phase I ended with our feedback to the Vice SG on the current state-of-affairs concerning the five projects. This feedback was provided in the form of a written report, which we discussed with the Vice SG in a meeting of about half an hour on September 4, 2006. First we will discuss the progress of the five projects vis-à-vis the business support vision as we presented it to the Vice SG. Then we summarize the conclusion of our report. Finally, we reflect on the intervention that was made by providing this feedback.

#### COMPARISON WITH THE TEN COMMANDMENTS

Although the mid-term results of the projects are mostly positive (see Table 6.3), this does not mean that the desired behavioral norms as laid out in the ten commandments are already reality. The intention to do so is present, and the steps made are already quite an achievement for the central government. Nonetheless, when we compare the general picture from the interviews with the ten commandments, we find the actual practice of these commandments to be hampered (see Table 6.7 on the next page).

#### SUMMARY OF THE FEEDBACK REPORT

The picture that emerges from the interviews is that the directors see the relevance of the changes, especially Keen on Processes, and they have the intent to make the five projects a success. However, achieving the desired culture change does not happen by turning it into a number of projects. This is related to the earlier remark that the presence of directors in project meetings is rather low. The ambition level for the desired changes is high, but this ambition should not be grinded down in the process: the step by step

monitoring and elaboration of the projects. Yet, we need to remark that there is clear progress within the projects compared to the situation at the start (see Table 6.4 on the next page).

The major risk is that a variant of MFR will come into existence, in which checking of the box will be dominant caused in part by the pressure of the daily affairs. Sitting behind ones desk instead of crossing the proverbial corridor is another example of doing things the way according to what is accepted, instead of looking for more effective ways for cooperation. The same holds for communication: interaction among directors only occurs regularly in meetings. In other words, formal structures are used, perhaps to achieve more certainty during the change. Processes are at risk of becoming procedures. The goal of the ten commandments was to achieve awareness of the work that is conducted for the line departments and exactly that driver for change is not present. In other words, working according to the ten commandments is in Phase I not yet a reality in the support division.



	'Commandment'	Current practice
1	Together what may, separate what must	Intention to cooperate is present, but daily affairs of the own department have priority and therefore not much is happening
2	The customer is to be heard and informed	Directors are focused on the customer, yet the perception of little attention of (and valuing by?) the line departments for the support division, and little communication with the customer
3	We take co-determination seriously	Commitment of the operational core to the five projects is not high everywhere (it is with their jobs), especially in the line
4	Frugal with new rules, cut back where possible	There is trust in the director overseeing the project, but real commitment with the project is not obvious from the interviews
5	Rules are recognizable as rules and documented	Transparency project on hold, see 4
6	The service offerings are transparent	Not mentioned a lot, except for the remark that line departments are not interested in what support departments do as long as it works
7	Keen eye for processes	The project Keen on Processes is high on the agenda, however being sharp towards each other and addressing each other with issues is not common; there is progress in the management team, but there is still room for improvement
8	Preferably we make Service Provision Agreements ministry wide	Service Provision Agreements are seen as a useful tool/presentation towards the customer
9	Being held accountable is part of the job	People talk about 'responsibilities' and not about 'being held accountable': being transparent on what you are doing
10	Cost awareness yes, bureaucracy no	Efficient business support is mentioned by almost everyone as a desired side effect of the project, however not as a value (= what do we aspire for?)

Table 6.7: Qualitative 'score' on the ten commandments for business support

## REFLECTION ON INTERVENTION

The intervention that demarcated the end of Phase I might be considered a minor one. It consisted of feeding back our preliminary findings (diagnosis) to the Vice SG based on the data collected (empirics) in the first five months of our study. Hence, we conducted both 'empirical action research' and 'diagnostic action research' (see, Chein, Cook, & Harding 1948; Susman & Evered 1978). Because our initial focus was mainly on the five projects, and because we found that the directors did not play a large role in these five projects, we were not

able to provide advice on how to improve the vision implementation process. Nonetheless, the Vice SG urged us to also focus on recommendations.

“Discussed feedback with the principal investigator: recognizable pictures, although the suggestion how to give an impuls to progress is lacking.” (Vice SG diary)

The Vice SG and principal investigator decided to continue our study *without* providing feedback to the entire management team. The Vice SG had pointed out that he did not like the idea of illuminating these problems without already being able to propose a venue for change.

In our feedback we indicated that the connection between the vision and the projects was not very tight. Hence, we proposed to shift our attention more to the vision. Shortly after our feedback meeting, the Vice SG went on a holiday for four weeks. This gave us the opportunity to further observe the management team meeting without disclosing our preliminary findings and devise our proposal for a ‘venue for change.’ When the Vice SG came back from his holiday we discussed our proposal to organize a workshop and we agreed that feedback would be provided at the workshop in January 2007. Until then, feedback was not provided to the directors. An unfortunate consequential drawback was that in the next phase, Phase II, multiple directors indicated that they were getting more and more curious about these findings. This led to a decline in diary entries towards the end of Phase II.

## 6.5 PHASE II: CONNECTING PROJECTS AND VISION

Phase II covers the period from September 5, 2006 up to and including the workshop we organized on January 31, 2007. This is a critical phase for the projects as according to the planning (see Table 6.4) the five projects would be implemented end of 2006. In addition, we more specifically focused on the perception of the relation between projects and vision. At the end of this phase we organized a strategic workshop where both the state of affairs concerning the implementation of the projects and the business support vision were presented to, and discussed with, the management team.

Our analyses in this phase will build up to the workshop we organized at the end. First, we describe and analyze a specific dedicated management team meeting labeled ‘inspirational afternoon,’ which was held at the start of Phase II and provides some deep insights in the dynamics of the management team. Subsequently, we discuss a number of external events during Phase II that affected the business support division and the implementation of the vision. Next, we focus on what the directors explicitly did or did not do to further the vision in Phase II in relation to the projects and the vision. Finally, we discuss

and analyze the workshop we organized for the management team. This time, we only add corroborating evidence to propositions when they are directly relevant to the developments in the case and the displayed agency, instead of presenting data that provides more corroborating evidence of propositions. Naturally, we still test our propositions based on our data and refine and extend them when appropriate.

### 6.5.1 AN INSPIRATIONAL AFTERNOON?

We start here by describing one specific meeting that was held shortly after we gave our feedback to the Vice SG. This meeting was one of the few management team meetings in which the attending directors spoke out what they actually experienced in the change process, in other words, it was one of the few meetings in which a ‘social drama’ could be observed. As mentioned in Chapter 3: “Social dramas are volatile episodes of social action that erupt forth from the otherwise smooth surface of routine social life” (McFarland 2004: 1251; Mische & White 1998; Turner 1969). What is interesting is that in these situations social order gets deconstructed (‘breach’ then ‘crisis’), and then either reproduced in its old form or transformed into a new one (‘redress’ then ‘reintegration’).

Also, it was one of the few meetings that was specifically dedicated to the vision and the functioning of the management team. This meeting was the first gathering under the label of the ‘inspirational afternoon.’ The idea of these afternoons was that the vice SG invited the directors to share something with the rest of the team that inspired them. The specific inspirational afternoon was organized on September 5, 2006 by the youngest director. He invited a renowned Dutch Organizational Development consultant who was his trainer during an organizational intervention course.

First of all, the number of people attending this first meeting was a bit remarkable as only 4 of the 7 directors attended next to the Vice SG. The consultant chaired the meeting and facilitated the session from the support role (see Table 3.2). From this role he first had the director perform some basic exercises in perspective shifting to attempt to open up people’s minds and create some kind of breach with the normal daily interaction. After this breach was established we indeed observed that some of the directors’ behavior was more open than in ordinary meetings. Especially the director that organized the session and a director of a similar department put their issues on the table. The other two directors however limited themselves to ironic comments (hence shielding themselves from becoming really engaged). As mentioned later by one of the latter two:

“The meeting with the organizational development consultant. On the edge of being useful, not really fun.” (director diary)

Hereafter, the consultant steered towards a ‘crisis’ by putting forward that people should do things they like and that give them energy. In three instances this led to a crisis, where one crisis –the first– gave an opportunity for transformation. In this first crisis a director put forward that in the beginning of his job he was full of energy, but that this has become less the last year. The consultant asks him why this has become less, and he responds that indeed he has to do things he must do instead of wants to do. Next, the consultant wants to find out where the Vice SG draws the line. The Vice SG makes very clear that the vision will be implemented whether the director likes it or not. Hence, here an explicit contradiction comes to the fore between the Vice SG’s wants and the directors’ wants in relation to the implementation of the vision. However, instead of discussing this contradiction and attempting to transform the social order by extending the breach, the consultant moves on to the next topic.

Another instance of a social drama happens when one of the directors puts forward that some things are done explicit and openly, while other things remain in the obscure. Awkwardly, this point is not put on the table to discuss but is reverted back to the director by asking why he thinks this is so. The director responds that trust probably plays a role. Another director (one of the two with ironic comments) does not share this opinion and then refers on an abstract level to the problems with a large ICT implementation project that drained almost all resources from the IT budget. *“When someone before you already went left, you can’t go left anymore.”* Hence, the latter turns the discussion from an issue with trust to a power issue. Unfortunately, this point is not explored further and the discussion takes a turn to safer grounds.

The final ‘crisis’ episode in this meeting was created by the Vice SG. He put forward that in the last management meeting (dedicated to keen on processes), people provided very little comments. He wondered what causes this lack of interest. The director that organized the session proposed that commitment, time, and dosing the amount of comments all play a role. He also stated that *“[we] barely take the time to go through things,”* and that since it is important to have a good look at things, they needed to make more time. Again, this point is not explored more in-depth except for a proposal to restructure the management team meeting agenda. Despite these three crisis episodes the meeting ends without any specific follow-up, except for the general idea that people, including managers, should do the things they like, and the idea to change the agenda. Apparently, the consultants’ paradigm prevented him from

illuminating contradictions through conflict as he stayed in an appreciative mode.

All in all, the consultants' support-role intervention was useful in creating a breach and opening the floor for crisis as directors opened up more in the deconstruction phase of the social drama. Yet, in the next phase consisting of redress and reintegration we conjecture that the consultant's appreciative mode only led to reproduction instead of transformation. We analyze propositions P6.3 and P7.2 based on our observation of this meeting.

P6.3 describes how resistance to MFR implementation is reduced by interventions from the training, sponsor and support roles aimed at developing capabilities of middle managers. However, interventions from the support role are non-coercive and therefore do not aim for certain goals, they aim to broaden perspectives and to 'enlighten'. Here, we were confronted with the observation that an intervention from the support role might also facilitate in reproducing resistance to MFR implementation. Hence, we limit P6.3 to training and sponsor interventions.

P6.3: Public sector middle managers' resistance to MFR implementation is reduced by training and sponsor interventions aimed at developing capabilities of middle managers

Despite the three crisis episodes, no one attempted to extend the breach and/or make contradictions more explicit by delving deeper into the dissatisfaction of two of the four directors present and the Vice SG. In this session we explicitly observed that resistance will not become active, i.e. the director involved did not say outright that he disagreed with the direction the Vice SG was taking. Here we found strong corroborating evidence for the proposition newly developed in this chapter.

P7.2 Without mindful interaction during MFR implementation, public sector middle managers will passively resist the implementation of MFR

All in all, this inspirational afternoon provided us with a chance to take a closer look at two of the five propositions under the themes change approach and mindfulness. Based on our findings we refined P6.3 and maintained P7.2. Next, we focus on a number of related external events that influenced the implementation of the business support division in Phase II.

## 6.5.2 ENVIRONMENT OF THE BUSINESS SUPPORT DIVISION

A series of related external events played an essential role in Phase II. These events –triggered by the fall of the cabinet at the end of Phase I– had a profound influence on the implementation of the business support vision and hence on the focus of the workshop we organized at the end of Phase II. As depicted in Figure 6.1 these were the elections on November 22 (2006), followed by the exploration of possible government coalitions, till an agreement was reached between three parties on February 6, 2007. Eventually, the new cabinet was presented on February 22, 2007. Already, the fall of the cabinet in the summer was predicted to slow down the speed of interministerial collaboration.

“The fall of the cabinet [...] means that for big interministerial collaboration projects the current tempo will disappear. [...] Curious if the fall of the cabinet will speed up or slow down thinking and especially doing. I hope the former, but fear the latter.” (Vice SG diary)

However, the negotiations for a new government coalition had a much deeper impact. The potential coalition partners all wanted to massively cut central government bureaucracy, with proposed personnel budget cuts ranging from  $\frac{1}{2}$  to  $1\frac{1}{4}$  billion Euros. The mediator exploring the possibilities for the new coalition had therefore –innovatively– asked the Secretary-Generals to propose how much of their policy, support, inspection, and operational staff could be cut. Before the official release on January 18 (2007) of the report –titled ‘Beyond the stovepipes’<sup>21</sup>– downsizing figures heard through the grapevine were as high as 30 percent for support staff. In the end, the letter accompanying the SGs’ report stated that 25 percent of support staff over a period of four years could be downsized (approx. 2.000 fte; mind that between 2001 and 2006 support was already downsized from about 10.000 fte to about 8.000 fte).<sup>22</sup> In total for all groups of staff this would result in  $\frac{3}{4}$  billion Euro savings and approximately 10 percent less staff. The Secretary-generals did however stress that investments would need to be made in the central government organization and that new policy proposals by the coalition would result in an increase in staff, mitigating the results of downsizing. Despite results-oriented budgeting, investing *in* public services is often forgotten in the struggle for resources on *all* levels of government as the following quote from one of the directors demonstrates.

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<sup>21</sup> SG Overleg (2007) “De verkokering voorbij: Naar een slankere en effectievere Rijksoverheid,” The Hague.

<sup>22</sup> 2001 and 2006 figures derived from presentation slides discussed during the management team meeting on November 20, 2006.

"I think that there's no steering. I mean that priorities aren't set. [...] So it's about money instead of the question what you do with that money [...]. We are held accountable for the money we spend, we are holding ourselves far less accountable for what we achieved [...]" (director interview)

The focus on financial aspects hence obscures the debate on what needs to be achieved by the public sector. This observation adds some understanding of how the environmental dynamics of P1.1 work their way down the organizational hierarchy (also see, Nutt 2004). Moreover, the focus on being accountable for money spent does not mean that money is saved. For instance, during a management team meeting the representative from financial economic affairs advised to exhaust budgets because there might be a chance that reserves cannot be taken to the next year. He called to search for so-called 'big spenders', i.e., possibilities to quickly prevent underspending of budgets, for instance by replacing laptops one year before they were written off. We learned that this search for 'big spenders' was quite common at the end of the year in the Dutch central government. As a director stated in one of his characterizing rants.

"I'll be very blunt now: no, I say no, there is no budgetary pressure [...]. That has been the case for decades, in every ministry. Take a look [at personnel formation], they always have a surplus, that's one. Then, rule two, if it's necessary, there is always money [...] So very bottom line, there is insufficient steering on scarcity [...]. And you have to deal with it in the management team meeting. Then someone says end of November, we still have money left. They don't dare to say how much, because they're embarrassed about it. Money to spend and then I have to move heaven and earth, well I've experienced that I [...] almost get punished because it isn't according to the [tender] rules. Well guys, I don't have to do this. It suddenly looks like I'm the one with the problem. In that case I give the assignment back very quickly." (director interview)

Nonetheless, the focus in the budget cuts for 2007 was on saving money by cutting back the number of civil servants. Rather interesting in the light of the request made by the mediator early 2007 is that in the second half of 2006, all business support divisions of the Dutch central government, except the ministry of defense, were benchmarked. This benchmark compared the relative size of the various departments within business support. First, the results of the benchmark would be anonymous. The ranking showed the number of staff per division, but only the name of one's own ministry was given. Later however, the Vice SG's decided that anonymity could be removed. Interestingly, the ministry that organized the benchmark came out as the one with the highest ratio of support staff. Our case organization eventually ended up in the middle

after the final round of fine-tuning the figures. These figures were then sent to the Ministry of Finance to be used for determining budget cuts.

“On December 6 the Secretary-Generals’ meeting decided by acclamation to send the benchmark figures to the Inspection for the Central Government Finances with the goal to use these figures with designing the budget cuts.” (Newsletter Benchmark Business Operations Central Government)

Of course, on the ‘local’ level of the management team the SGs’ decision also had an impact. First, when the benchmark was still going to be anonymous, the directors involved in our study were trying to figure out how to deal with the benchmark. A central point for the benchmark was that some ministerial support staff works for agencies that do not belong to the central government. This support staff was allowed to be left out of the benchmark. The amount of support policy staff would be determined based on ratios, while the amount of operational support staff would need to be based on ‘hard’ figures. During a management team meeting a less-experienced operational support director asked a quite experienced support policy director how he got to his estimate. The support policy director explained that roughly two thirds of his staff works directly for the ministry. Yet, he did not disagree that this estimate might be somewhat self-serving. The operational support director exclaimed that honesty lasts longest and that he determined the figures as most accurate as possible.

One can expect what happened when it started to become clear the benchmark results might be used as input for the budget cuts. Later in Phase III, the support policy director recalls that his directorate was quite frugal in the benchmark. The operational support director responds: “you have mentioned this five times already!” The support policy director retorts: “then you must take that [blow] for now.” Another director states that the benchmark was aimed at learning from each other, but in the end it unsurprisingly led to downsizing. Now, we proceed with describing specific actions in phase II in relation to the implementation of the vision.

### 6.5.3 AGENCY AND IMPLEMENTATION OF PROJECTS AND VISION

We continue the analyses of Phase II with the behaviors of the management team members in relation to the vision and the associated projects. We do this by looking at the various types of agency that arose during Phase II. We distinguish active enabling, active resistance, and passive resistance or less-mindfulness in regards to the projects and vision. During passive resistance the iterational element of agency is dominant, while projective and practical-



evaluative behavior are more dominant during active enabling and resistance behaviors. Note that early September two of the five projects were either finished or put on hold, hence three projects –keen on processes, service provision agreements, and internal rules– remain to be implemented in this phase.

#### ACTIVELY ENABLING PROJECTS AND VISION IMPLEMENTATION

Our respondents mentioned a number of successful strategies they themselves or others applied. We first discuss specific strategies that were applied per project, and then we discuss more general strategies. First of all, the *keen on processes* project manager was responsible for six sub projects. These six sub projects all had their sub project manager. This allowed the project manager to monitor and compare the results of the projects by asking for intermediary reports and if necessary ask his director to take action:

“This week I asked those responsible for the sub projects to make a short progress report [...]. The results are varying. [...] For the responsible director this is reason to push some buttons here and there.” (project manager diary)

“Together with the project manager discussed the progress of keen on processes [...]. Agreed that I will approach the responsible people [...]. Want to streamline at least three processes at the end of the year, promised [the Vice SG in the director’s second management report meeting] that we are going to make it.” (director diary)

Here we also see that the director made himself accountable to the Vice SG by stating in his report when he wanted to finish his assignment. This helps the director in communicating deadlines with those doing the projects. Also, those that want to divert from the planning can take this freedom but have to reach their own agreement with the Vice SG so that accountability remains clear.

“This week stepped on the pedal for the reorganization sub project. They thought they could take more time, but the deadline is still December 15. [...] Furthermore, the project manager is monitoring the progress of all the managers of sub projects. Tight monitoring, that’s what I agreed with the Vice SG in my management report meeting. [...] Also talked to the manager of the sub project purchasing [...] who wants to develop a vision first. Told him that he should discuss this change of direction with the Vice SG to prevent a mismatch in expectations.” (director diary)

All in all, the project manager believes his sub projects will be enabling for the vision, although the realization will go slowly in this manner and the real problems will surface later when the plans will be put into practice.

“Yes they [sub project] are enabling [the vision] because they show that the Vice SG is seriously working on realizing his vision albeit step by step. I think that after this decision making process the real pain in the implementation will surface and they won’t be able to go back and hence will have to think forward.” (project manager diary)

The project manager for service *provision agreements* used the same tactic as the previously mentioned project manager. He too made the relative results visible to all the management team members to incent those that were relatively lagging. Also for him this tactic appeared to work well.

“The strategy to fully involve all directors again is to present the results of all directorates in the management team meeting and make clear who are lagging.” (project manager diary)

“The previously discussed tactic with the director has worked.” (project manager diary)

The director and project manager responsible for the *internal rules* project followed a different approach. They chose more of a mixed team approach where both line and staff employees participated in the evaluation of rules. Hence, the involvement of the customer was instilled in the project itself.

“From the reactions to the concept report it became clear that this project was a prime example of good collaboration between and within the groups. This also has an effect on the relation between support division directorates and their customers, because the groups were multidisciplinary, both rule making as rule consuming directorates.” (project manager diary)

Nevertheless, it was quite difficult to take another perspective on rules. As a director had pointed out during an interview: “*People are socialized with a craving for rules and not with other intervention methods.*” This was exemplified by the Secretary-General of the ministry:

“Then the Secretary-General said: ‘Hereby I propose that there can only be a new rule if two rules are dropped’. So I said: ‘This is the first new rule, which two will be cut?’” (director diary)

In the end, the result of the project was that one rule was cut, that a number of rules were bundled, and that suggestions were made to improve rules. Mostly the project was regarded a success, although there was some critique:

“In the meeting of the audit committee [...] the results of the internal rules project were appreciated.” (director diary)

"In particular I like that we gained on the transparency on rules. That those can be reached in one place and that everybody can see that that are the rules and accordingly knows that what's not there aren't rules." (director interview)

"Removing of just one rule was somewhat disappointing for part of the audit committee. This part had the idea that the current rules still cause some irritation. Pointed to the website where all the suggestions for improvement of the users were filed. The rule making directorates will work with these suggestions to remove irritations." (project manager diary)

In the end however, one could say that the problem was not solved, but mostly dissolved. The amount of internal rules stayed more or less the same, but by discussing these rules in small groups –consisting of support and line staff– the perception of an abundance of internal rules disappeared. This reconstructing of organizational problems into something else that is more manageable has recently come to the attention of researchers (e.g., Hicks, Nair, & Wilderom forthcoming; also see, Schon 1983; Schon 1993).

"It [cutting one rule] was an extraordinary meager result, but the effect was that it [internal rules] wasn't a problem anymore." (director interview)

Next to the strategies deployed in the projects, there were also some more general strategies directors and the Vice SG used. The Vice SG for instance strengthens accountability by asking directors to add indicators of their performance to their plans:

"You can see that the Vice SG is working on that [accountability], he asks for our plans, and then he also asks us to determine performance indicators" (director interview)

Another strategy that was successfully deployed by one director might be labeled 'early support involvement' (comparable to early user or supplier involvement in IS and marketing research).

"A couple of years ago we started to get involved in the policy process earlier and that gave a surprising effect, because when there is no real time pressure yet you can be more relaxed in your communication and discuss if this is the best way to approach a problem. And my employee, who has to spend much more time now, as he sees ten instead of one version, for him the first time was a revelation because all his comments were incorporated." (director interview)

Finally, something that could be considered missing in the implementation of the vision is a lot of attention for the communicational aspects of the change process. This is to some extent exemplified by the fact that the ministry in total

employs two internal communication consultants (although in 1995 external consultants managed the program).

“The good thing of that operation [big reorganization in 1995] was that it was a fantastic communication circus. [...] that created a lot of support. Many things went wrong then [...]. But because of the commitment, the feeling that we were going to make it, everything turned out fine.” (director interview)

Despite the enabling effects of the aforementioned strategies – strengthening accountability, early support involvement, and communication–business support can usually not count on the strongest enabler for change in the Dutch central government, i.e. the (deputy) minister.

“When you have a (deputy) minister who wants something, that really speeds things up in an organization like this one [...] I don’t think someone will give up his political career for automation.” (director diary)

From these intervention strategies we draw a number of conclusions. First of all, transparency by comparing results or benchmarking has a positive influence on performance. In addition, working in mixed teams of line and support employees or by early support involvement in the policy process, helps to have more influence on results. Based on these observations we revise P4.2 by including enabling effects of interdisciplinary collaboration and accountability. Note that P4.2 is closely related to P1.2 that describes how holding middle managers accountable reduces resistance to MFR.

P4.2 Public sector middle managers’ influence on results is enabled (constrained) by interdisciplinary collaboration (organizational stovepipes) and (the lack of) clear accountability relations

Next to P1.2 and accountability, we also found corroborating evidence for P3.1 in the value of appreciation by peers and P6.2 in the value of communication. Now we continue with agency in regards to projects and vision implementation.

#### ACTIVELY RESISTING PROJECTS AND VISION IMPLEMENTATION

Next to the successful strategies applied, our respondents also noted some actions that explicitly hampered the implementation of projects and the vision. In particular, active resistance was found in the keen on processes project and the service provision agreements project. As mentioned before in the previous section, especially the purchasing sub project of keen on processes was not

going according to schedule. The manager of this sub project chose to completely rethink the purchasing function, but even with his self defined project progress was lacking.

“Slowly have lost all my faith in purchasing. Internally I don’t hear anything and externally it also isn’t much.” (project manager diary)

However, another project did go according to schedule, but only because the innovative design was set aside for a quick and dirty solution that will reap fewer benefits in the long run (corroborating evidence for P5.2).

“Project in and out of service was recalled by the director responsible. Now there will be a modest set-up with a short-term frontend solution and a follow-up project aimed at the back office process. Three ambition levels lower, but perhaps the most feasible for this ministry (does this sound like a disappointed civil servant?).” (project manager diary)

Moreover, the project manager of keen on processes perceived during the dedicated meeting that directors were very much tied up with keeping their territories intact instead of focusing on added customer value (corroborating evidence for P2.1 and P2.2).

“I noticed [during the management team meeting dedicated to keen on processes] that they played a tactic game and that there was little attention for the content or the nature of the change. I noticed that not all directors communicate well with their staff and act as if this is new to them. The Vice SG successfully attempted to keep the directors in their role. The group was little enthusiastic for the achieved results. It sometimes is perceived more as a threat for the self achieved status quo than as an improvement for the customer.” (project manager diary)

He also got the impression that: “*no one really read the documents [for the meeting] except for the advisor of the Vice SG.*” All in all, despite that keen on processes is regarded as the most important project; it is not very much alive among the directors (corroborating evidence for P7.2).

The problems in the service provision project were of a completely different order. Here, the responsible director suddenly lowered his commitment to the minimum because he had a substantial problem in his own directorate. The quotes from the project manager diary give an excellent narrative of the developments within his project:

“Director hasn’t arranged an experienced employee yet. That causes unnecessary delay. Will urge him today.” (project manager diary)

“Finally got an answer from the director to my question about the promised support. He is now taking back his promise. Too bad I only hear it now cause in my opinion this caused unnecessary delay.” (project manager diary)

“According to himself the director currently has more work than he can handle [...]. An understandable argument, but it holds for more people (including myself). Because no capacity is freed up for such a project, everyone has to do it ‘on the side;’ you are very dependent on the availability of good willing colleagues and everything than becomes rather uncommitted.” (project manager diary)

“Actually it’s the world upside down: the cooperation from the directorates is fine while it is minimal from the initiator” (project manager diary)

“I got an organizational advisor [from another directorate] to support me with evaluating the service provision agreements [...]. The responsible director mentioned that he could not free any capacity [...] His priority is somewhere else. When I indicated that I found this an enormous setback [...] he indicated: that’s the way it is. I gave up on him and continue with collecting the contributions from the directorates.” (project manager diary)

What started as a successful collaboration got more and more into troubled water because the responsible director had to change his priority due to a pressing problem in his own directorate. Here we need to refine P7.1 as this director did not only passively resist MFR, but also actively took decisions that were to the detriment of the project because of higher priority of his daily affairs.

P7.1 Public sector middle managers will actively and/or passively resist MFR implementation when short-term daily affairs receive a higher priority than improved business support

Based on the few instances of active resistance we refined P7.1, and found corroborating evidence for P2.1, P2.2 (both related to territory), P5.2 (performance and learning goals), and P7.2 (mindful interaction). Now, we will look into passive resistance to the projects and vision. Previously in this chapter we already found passive resistance to be the major category of resistance to MFR-type initiatives.

## PASSIVELY RESISTING PROJECTS AND VISION IMPLEMENTATION

In the previous section on active resistance we observed that instead of full-blown resistance we might better speak of inertia. We conjectured that this observed inertia was caused by *passive* (covert) resistance by middle managers: this holds not working against an initiative but rather giving the initiative a

low priority. In this section we look further at these incidents which we labeled passive resistance. First we look at collaboration among directorates. Next, we focus on priority setting and mindfulness. We introduce these sections with the previously developed relevant proposition(s).

Before, we found that collaboration was related to middle managers' perceived limited influence on results. In this chapter we found that passive resistance or inertia is partly caused by a lack of collaboration. Hence, the relevant propositions in regards to collaboration we found to be P4.1 and P4.2 (see Table 6.7). We also change the label of the theme 'limited influence on results' to 'collaboration.'

Collaboration propositions (previously limited influence on results)	
P4.1	Public sector middle managers who deem that achieving results is beyond their influence perform little organizational citizenship behaviors and hence passively resist MFR implementation
P4.2	Public sector middle managers' influence on results is enabled (constrained) by interdisciplinary collaboration (organizational stovepipes) and (the lack of) clear accountability relations

During our study we wondered if there was more structural collaboration among directorates outside of the five projects. Therefore, we asked during our interviews what directors did to further the vision and what they did across directorates outside of the projects. One director noted:

"Of course we do a lot more, but across directorates nothing more is happening than what you see and hear in these projects." (director interview)

Other directors responded in a similar manner. Unfortunately, this lack of collaboration exists in the entire business support division. In Phase II a management day for all the managers within business support was organized in which interdisciplinary groups (albeit all from the support division) visited seven organizations, including a number of multinationals. Despite the mixed groups, one director observed that:

"Remarkable that many don't know each other, that many take little effort to get to know more people, and hence we should put energy in that with name badges, getting acquainted etc. because it is my conviction that collaboration will only start when you know each other and know where to find each other." (director diary)

However, on a higher level it is not just about knowing each other, but also knowing what other people are doing and understanding –to some extent– what they are doing. This both furthers integration of business support and

alleviates the risk of not having a knowledgeable right person present during a meeting.

“There has to be domain knowledge about what is happening [in business support] and also affinity with these topics, that’s what you expect from those support directors. And that’s too little present. [...]When I wouldn’t have been at the meeting probably some quick and dirty conclusions would have been reached [...]. Well I think that’s bad. I really think that’s a risk.” (director interview)

This begs the question how collaboration might be improved in the business support division. A proposal made by a number of directors was to change the organizational structure of the ministry to signify an integrated approach to business support issues.

“The attitude in business support to think across boundaries doesn’t benefit from keeping fixed, separate staff directorates [...]. If you would have someone that advises management on the entire business support –that would be a business support consultant– who can also give advice on facilities, or ICT, or HR. Well, in that case you have a completely different entrance and attitude.” (director interview)

All in all, collaboration across support division departments was very limited. Directors argue that this could be improved by investing in personal relations and by changing the organizational structure of the support division. Based on these findings we see no need to adjust our propositions P4.1 and P4.2. Now, we will look at mindfulness in the implementation of the vision and the projects.

Mindfulness propositions	
P7.1	Public sector middle managers will actively and/or passively resist MFR implementation when short-term daily affairs receive a higher priority than improved business support
P7.2	Without mindful interaction during MFR implementation, public sector middle managers will passively resist the implementation of MFR

Mindfulness or rather less-mindfulness played a key role in Phase II of the implementation process too. First of all, both an external consultant and two project managers perceived that (at least some of) the directors were not really involved with the projects and preferred to delegate responsibility for the execution of these projects to a lower management level.

“Directors push keen on processes to the lower echelons. That way it definitely won’t work.” (external consultant’s comment during meeting)



"I don't have the idea that the directors are pursuing this [service provision agreements] vigorously. It has been put away within the directorate and therefore it disappeared a bit out of the directors' view" (project manager diary)

"A number of directors had the intent to make decisions. Others appeared to be more reserved. I found the call by the Vice SG to the directors to personally take a critical look at the final set of service provision agreements remarkable." (project manager diary)

When we turn to the directors, they indicated that these projects need to be done next to their daily jobs and that, especially for smaller and more executive directorates, capacity is lacking to be fully engaged in these projects.

"The business support division doesn't have a lot of people that have the capabilities to manage processes. [...] that means that it'll depend on general management and they aren't really bored with work either. And, well, then you see that it's put off and when the deadline approaches, and that's how it works with me too, like let's go do something, because else it looks so sloppy. But anyway, that's what I see; there isn't a lot of manpower for this kind of things." (director interview)

Based on these observations we slightly adjust P7.1 to represent that daily affairs are higher on the agenda than improved business support. In other words, the focus is first on the own directorate and then on the business support division. This proposition is also related to P3.1, where we found that middle managers' priority setting puts the own department above integrated business support for the ministry.

P7.1 Public sector middle managers will actively and/or passively resist MFR implementation because short-term daily affairs receive a higher priority than improved business support

Nevertheless, passive resistance is not just a case of lacking collaboration or priority setting. Also, the depth and breath of discussing certain topics could be more extensive at times. For instance, the project manager himself found the removal of just one rule not very satisfying.

"Finished the memo for the audit committee regarding the progress of the internal rules project [...] one of the results is that so far just one internal rule has been marked as redundant" (project manager diary)

However, much to his surprise the audit committee (consisting out of a number of ministerial top managers and one outside person) accepted the outcome of the internal rules project without discussion.

“Progress report internal rules accepted [...] without discussion by the audit committee” (director diary)

“Rather surprised that the progress report was accepted without discussion in the audit committee [...]” (project manager diary)

Also, within the management team meeting communication could be better in regards to the coordination of external actions. For instance, two customer satisfaction surveys were send out almost at the same time.

“Another directorate sent out a customer satisfaction survey last week. This while I had to coordinate in the management team meeting ‘who wants to participate’ and when, there had to be time between the employee satisfaction survey and the other survey [...]. Not an example of coordination and collaboration” (director diary)

One of the two organizing directors found this especially frustrating. Not because two surveys were send out in a very short time period, but because the director was not confronted by the Vice SG with his breach of the previously made agreement.

“We make an agreement, we don’t do that, and then, just like that, and then that’s accepted. Then the Vice SG doesn’t say: ‘Wait a minute, that’s not very handy.’” (director interview)

On another level, decisions appeared to be made somewhat at random sometimes. For instance, the management team wanted that one particular director would be responsible for keeping the service provision agreements up to date. Yet, the way a person was appointed, appeared to be a rather at random decision, which was later confirmed by one of the directors in an interview.

“The choice to make this directorate responsible appeared to be rather random. In my view it would have been more sensible to give this responsibility to a larger directorate that has a larger share in the service provision agreements.” (project manager diary)

“That’s the only one who made eye contact. With these kind of questions you shouldn’t make eye contact in a management team meeting because than you’ll get that task.” (director interview)

In regards to the vision, similar less-mindful passive resistance could be distinguished. First of all, none of the directors could sum up more than half of the ten commandments. This is rather disappointing for a vision that should be

guiding them not only in implementing the projects, but also in their daily work.

“The fact that I don’t know them [the ten commandments] by heart shows that we didn’t talk about this on a daily basis.” (director diary)

More importantly though, was that a number of middle managers viewed the vision as a simple list of rules. This might be seen as a logical consequence of labeling the elements of the vision commandments: something you have to abide to. The central question behind these commandments –what do we want to do with them?– was not made explicit, at least not to most of the directors. On the other hand, besides the five projects, the ten commandments were not tied to, for instance, concrete performance indicators

“What is lacking is an ambition level [...] You can say that it’s [the vision] not really a vision, which is the goal that should support it, but we never really discussed what that means and what we really want [...]. That, that thinking it through and making it concrete, we never did.” (director interview)

In addition, another director noted that a cause for less-mindfulness was to be found in the way projects were approached, i.e., with a learning or a performance orientation. From a learning orientation it is important to look further than the specific goal that needs to be achieved. One can expect from learning goals that the personal development needed to reach the goal will lead to more application by the person involved. For a performance goal the perspective is much more limited onto getting the job done.

“The Vice SG is always looking for follow-ups [...] but we insufficiently reflect on the content of the vision [...]. It’s about actions and checking off the box, but it’s never about content. I’ve never had a discussion about those service provision agreements; it’s only about the question if you can stick to your planning [...]. Take for instance the discussion of the front office [...]. The responsible director tried to make it more fundamental, but that was smashed to pieces. Go and do it and see if others will join.” (director interview)

First of all, we found a relation between P5.2 and passive resistance rooted in a lack of mindful interaction between the management team members, especially between Vice SG and directors. The data added corroborating evidence to P7.2, but we also develop a new proposition based on how to improve mindfulness according to directors and project managers.

P7.3 Mindful interaction is encouraged by open discussion, group reflection and making abstract concepts more concrete

All in all, we found more evidence for our conjecture that most resistance in this specific ministry consists of inertia or passive resistance. We only made minor changes to the propositions related to passive resistance. Yet, we did develop a new proposition (P7.3) on how to improve mindful interaction within the ministry. Now we continue our analyses with the workshop we organized for the management team.

#### 6.5.4 INTERVENTION: WORKSHOP

After we presented our findings in Phase I to the Vice SG, he asked us to come up with a way to improve the implementation of the business support vision. We proposed to gather more data and use this data to organize a one-day workshop for the management team. This workshop would then explore venues for change instead of solely providing our monitoring results. The benefit for us was the opportunity to gather data in the form of action research. Hence, reflecting on our data with the research subjects themselves. According Susman and Evered (1978: 589-590) action research has six characteristics: future-oriented, collaboration between researcher and 'client,' implied system development, generation of theory grounded in action, agnostic, and situational. Consequently, we designed our workshop such that these characteristics were present.

Our one-day workshop was part of a two day retreat, in which the second day would be completely dedicated to the announced budget cuts. The workshop was organized by the principal investigator and a senior researcher with extensive consulting experience in the public sector. Having an external facilitator, in this case the senior researcher, bring out contradictions is vital to the paradoxical inquiry nature of action research (Lüscher & Lewis 2008). The goals of the workshop were: 1) to evaluate together with the management team the past en present of the five projects and the implementation of the vision, and 2) to provide a future orientation on the implementation of the vision. Hence, concrete actions would be derived from combining experiences from the past with future desires (also see, Emirbayer & Mische 1998). Our workshop was in that respect not that different from ordinary strategy workshops.

Strategy workshop or days-away (Johnson, Prashantham, & Floyd 2008) are non-routine events; hence they can be considered a breach from routine day to day interaction. In that sense, social dramas during the workshop could help expose the hidden intrigues and motives of individuals and provide opportunities for transforming the social order (McFarland 2004). When appropriate, the phase of social drama will be mentioned between brackets (crisis and redress, also see chapter three). The senior researcher led the

workshop and facilitated the discussion, while the principal investigator focused on data collection as a non-participatory observer.

The one-day workshop consisted of four sessions. In these sessions we followed Susman and Evered's (1978) five step cycle for conducting action research. The steps in this cycle are: 1) evaluating – studying the consequences of action, 2) specifying learning – indentifying general findings, 3) diagnosing – indentifying or defining a problem, 4) action planning – considering alternative courses of action to solving a problem, and 5) action taking – selecting a course of action (Susman & Evered 1978). In the first session we presented our preliminary findings on the five projects. These were then discussed by the participants under the guidance of the senior researcher. The next session was dedicated to presenting and discussing the findings in relation to the vision. These two sessions both followed three action research cycle steps: *evaluating*, *specifying learning*, and *indentifying or defining a problem*. Next, as an individual intermezzo, the participants were asked to each individually write down and later present their primary emotions in relation to the support division (see Figure 6.3). This session followed the *specifying learning* and *diagnosing* steps of the action research process cycle. In the last session, again facilitated by the senior researcher, the participants discussed how to improve the implementation of the business support vision. This last session then completed the cycle by following the steps *action planning* and *action taking*. Since we took all steps (although we did not go from action taking to evaluation within the workshop), our action research study in the form of this workshop can be labeled '*experimental action research*' (Chein et al. 1948; Susman & Evered 1978).

The workshop took place at a location approximately 60 kilometers east from The Hague; about an hour's drive. The conference location was situated next to a lake and consisted of a small hotel, restaurant and meeting rooms. The meeting room where we convened the workshop was on the first floor and partly overlooked the lake. Tables were ordered in a rectangle and all participants could clearly face each other. A flip over was provided for and presentations were done with the help of a laptop and a video projector. All four session took place in this particular meeting room.

#### PRESENTATION AND DISCUSSION OF FIVE PROJECTS

After formal introductions and the agenda for the day, the workshop started with a presentation on the state-of-affairs of the five projects. Table 6.8 presents the content of these slides.

Project	Comments
Keen on processes	Highest priority 4 of 6 processes redesigned 1 process actually implemented
Internal rules	Internal rules made visible 1 rule cut
Transparency	Moratorium [Now perhaps linked with digitalization]
(Financial) steering ICT	Very limited steering: who wants something extra, pays ...
Service provision agreements	Mutual expectations mapped by business support Not completely rounded off
General observations	
	Projects started laboriously Participation of customers low Little direct interference of directors Limited mutual communication Higher priority of daily affairs 'Checking off' projects

Table 6.8: Presentation of findings in regards to the five integral projects

In general, these findings were shared by the management team members. Only one director explicitly disagreed in the sense that he believed that his internal rules project did not start laboriously. The senior researcher used this comment to raise the question why this project succeeded but others did not (crisis). Three directors and the Vice SG responded by pointing out that the other projects more directly influenced the *autonomy* of managers, or in their terms: allocation of means, shared responsibility, viscous steering, problems with matrix organization, and the like. The Vice SG then however points out that team members should more often attempt to keep each other *sharp* (extension of crisis). This comment turns the discussion towards the vision and culture instead of the projects. One of the directors remarked: "there is no *fellowship* of the business support vision." He also mentions that the organization of the projects is such that individuals are held accountable (redress: frame contestation). The Vice SG disagrees (redress: frame contestation), but this seems, at least partly, to put the director back in his place; after this he retells his earlier comment on sharpness (redress: frame alignment). Apparently the Vice SG took the critique of a lack of fellowship personally.

The discussion then is shifted by two support policy directors who perceive a need to increase the operational *knowledge* of directors (crisis). The example

used is that comments on documents for the ministry wide business operations meeting are given too late, if given at all. One operational support director disagrees (redress: frame contestation), while another operational support director points at the lack of *sharpness* in projects (extension of frame contestation). The Vice SG then responds: “[you mean] we test too little if we actually achieve our own goals?” (redress: frame alignment). The latter operational support director responds: “we don’t give ourselves time for better preparation, and then we pump around comments” (redress: frame alignment). After the discussion ends, the senior researcher asks if all remarks of the researchers were correct or at least covered. The final point is about *customer involvement*. The management team confirms that customers could perhaps be involved more, but particularly in the final phase of a project.

In sum, we found that autonomy, sharpness, fellowship and final phase customer involvement were mentioned as key problems in relation to the five projects. We would argue that a lack of fellowship is an aspect of high autonomy; while a lack of final phase customer involvement can be attributed to less sharpness, in other words less mindfulness. As directors explicitly point to autonomy as a cause for hampered implementation we find corroboration evidence for P2.1.

In regard to mindfulness, the final phase of customer involvement was given less attention. In 6.4.2 under the theme mindfulness, in relation to P7.2, we already quoted a director saying that “rounding off is a viscous process.” We therefore refine P7.2 by explicating that less mindful interaction will especially surface when finishing projects or tasks:

P7.2 Without mindful interaction during MFR implementation –especially when finishing tasks– public sector middle managers will passively resist the implementation of MFR

Directors mostly agreed with our observations on the implementation of the five projects. They disagreed on two points: one in regards to an aspect of one of the five projects, another in regards to a more precise critique of the *timing* of customer involvement. As these two points could be considered as minor, we had established legitimacy with the group to continue with openly discussing the relation between vision and projects. With this obtained legitimacy the senior researcher could more easily probe for vision implementation problems and attempt to breach from the standard way of working and thinking.

## PRESENTATION AND DISCUSSION OF VISION IMPLEMENTATION

After consensus was reached on the state-of-affairs of the five projects, we moved on to discuss the implementation of the vision. The senior researcher introduced this topic by simply asking what –according to the management team members– the real implementation results are in terms of the vision. The responses were quite frank about the very limited implementation success of the vision. A selection of the most explicit quotes:

“I didn’t see us achieving the vision with these five projects. [...] Do we together steer towards realizing that vision?” (director)

“A point for consideration is how we dealt with it [the vision] in the management team meeting” (director)

“We are not very good in stitching up” (Vice SG)

“Stitching up, implementing, whatever you want to call it” (director)

“We’ve never talked about it the way we do now” (Vice SG)

“Only the Vice SG’s advisor” (director)

The senior researcher sums up the comments by stating that the implementation of the vision up to now provides a grim picture. Hence, the question is how to move forward. Yet, before tackling this question, the workshop continues by presenting the observations made in relation to the vision and other pressing issues in the business support division. The content of these slides can be found in Table 6.9 on the next page.

Despite the earlier comments on limited vision implementation success by the management team members, one director disagrees with our presented findings. He comments “it is really very negative” (crisis). Whereupon another –ironically the more melancholic– director responds “That’s not how I experience it, I see these points as points for improvement” (redress: frame alignment). The former director replies “I do not feel like collectively smearing our own ‘nest’” (extending crisis). With these remarks he attempts to put himself outside the negotiated order (*active resistance*). The senior researcher intervenes by stating that “This is about the vision, not about the functioning of the business support division” (redress: frame alignment). With this comment he neutralizes the director’s rebellion and pulls him back into the discussion.



Observations based on interviews in relation to the business support vision
A limited number of vision elements is appealing (1, 6, 7, 9 [see Table 6.2])
The vision has barely been endured
Some results were achieved, albeit step-by-step
The vision should bond, but little bonding was observed
Vision lacks a clear aspiration for efficiency, effectiveness, and results-orientation
The vision offers insufficient leverage points to improve
Other points for discussion in the business support division
Being approachable for results is a desired but insufficiently present element of the culture/structure
Account giving is still in its initial phase
The perception is that real collaboration is scarce in the division
Business support is not a popular subject with customers (directors-general and policy departments)

Table 6.9: Presentation of observations in regards to the business support vision

The management team continues their discussion with some generic discussion and brainstorming. After a while this leads to the next social drama. One director puts forward the endurance of the vision (i.e., appropriating the vision and incorporating it in one's own behavioral routines), upon which the director –who found Table 6.9 very negative– provides a view into his motivation. The dialogue is represented here integrally:

Director: “Endurance of the vision is another point.”

Other director: “When that vision would really be endured, than the Vice SG would set targets for my yearly plan beforehand [...] I have a lot of autonomy [...] I write down ‘new way of working’ because I know the Secretary-General likes it [...] I also have a vision of the Vice SG ...”

Vice SG: “Pardon?”

Latter director: “Vice SG’s column.”

Vice SG: “I do not have to tell you what it says here [points at the vision document], because that belongs to you. Your name is on it. I give you that freedom.”

For this director adhering to the vision is a form of window dressing. Three observations can be made from his comments. *First*, in practice he uses the vision in his communication because he knows the Vice SG likes to see it there. *Second*, when the vision would be part of his formal goals, of his performance appraisal, he would strive for them with more zest. And *third*, the vision is not something that intrinsically motivates him, despite him being involved in decision making and putting his name on the document. This provides a possible why for our earlier finding that daily affairs rise higher on the agenda of directors than the vision; albeit a self-interested economic rationale. Or as the senior researcher comments after the dialogue: “I do not hear a lot about

collective responsibility.” One director utters that the *customer* would be something that ties them together. Although the Vice SG’s advisor points out that support policy departments are also customers of operational support departments, the management team members agree that the customer is a binding element. These comments formed a nice bridge towards discussing proposals for improvement.

To explore collective venues for vision implementation we continued with a number of statements for dialogue. These statements were tentatively formulated proposals to improve the implementation of the vision and/or the functioning of the business support division. We had prepared seven statements (see Table 6.10), nonetheless the discussion mainly centered around statements 1, 3, and 5. First we discuss these three statements, after which we briefly discuss why the other ones might be less appealing.

Statements for dialogue
<ul style="list-style-type: none"> <li>- Interministerial collaboration will help more than internal collaboration</li> <li>- Contributing to the implementation of improvements should be part of giving account</li> <li>- There are too little internal incentives to work process-oriented. External budget cuts do provide that potential.</li> <li>- Successful centralization of business support also demands a strong professionalization of the principal role</li> <li>- Vision is: clear products, efficient and effective processes, reasonable price and giving account. Everything else is decoration.</li> <li>- Priority for applying ICT is essential to bring efficiency and effectiveness one step further</li> <li>- Integral steering and prioritizing business in the entire business support division is necessary</li> </ul>

Table 6.10 Presentation of tentative venues for improvement: statements 1, 2, 3, and 4 deal with formal structures and incentives while 5, 6, and 7 deal with vision and innovation.

Statement one on *interministerial* collaboration provided most input for discussion. In general everybody agreed with one director’s comment that “interministerial is more difficult, but brings more.” What interministerial collaboration would bring is a first step towards integrating and outsourcing similar central government services. Also, the Vice SG points out that interministerial collaboration may not be high on the agenda now, but might be in the future. Nonetheless, the disadvantages of interministerial collaboration are numerous according to the management team. First of all, a too strong focus on interministerial collaboration might have a negative influence on the attention given to internal collaboration. Second, according to one of the

directors a bigger distance between ‘customers’ and ‘suppliers’ will lead to less space for improvisation and customization towards customers’ demands. Third, one director remarks, “time and resources are needed for collaboration which is difficult to achieve internally, let alone externally.” Interestingly, during the discussion the Vice SG states “I love my directors [...] I don’t believe in a ministerial shared service centre” whereupon one of the directors responds “loving directors is cute, but the club is too big for decision making.” Interministerial collaboration is considered a venue in which, at least, more efficiency could be reached.

More efficiency is highly relevant considering the proposed *budget cuts*. The next statement that garnered a lot of attention was number three, which is related to external budget cuts as an incentive for a process-orientation. One of the directors reacts “in that sense it is very welcome, that external incentive.” The Vice SG adds “our customers see change as something negative, unless there is a very clear customer demand or an external incentive.” Another director comments that, in that sense, he was very happy with two ministerial agencies that pay for his services and hence make his cost more transparent. This makes the senior researcher wonder how transparent cost drivers are for the management team. Yet, the Vice SG says “well [...] when you save money it is gone in the same instant [...] it [the budget] contains a weird perverse incentive.” One director adds “even if we saved a lot, then we would still get budget cuts.” Another puts in “you see that in the end it’s again about head count [instead of money].” Also, “the Secretary-Generals agreed to 750 million under certain conditions, but these conditions were ‘forgotten.’” In other words, external budgetary pressure helps, but is –in their experience– usually organized on an ad hoc basis and aimed at the short-term leading to perverse effects.

Exactly for that reason the management team had formulated a vision. However, according to statement five, their vision was too broadly formulated and should focus on the core of business support: clear products, effective and efficient processes, a reasonable price and accountability. Especially the Vice SG disagrees: “with this I totally disagree [...] it should also indicate which road needs to be followed.” Which leads one director to ironically remark “... and we are the road” Another director adds that “you also need a vision on how-to.” The senior researcher points out that the projects were derived from the vision but that there was a breach ‘*between dream and deed*.’ Hereupon the Vice SG says “we didn’t realize that the projects were exemplary and have people practice with them.” One director adds that he “wonder[s] what the customer thinks of all this.” Another director disagrees by stating that “the customer should not decide on the how.” The senior researcher points out that the vision actually does not provide a concrete how. In that sense, the

difference between the vision presented in the statement and the actual vision is a number of norms (labeled in the statement as decoration) instead of guidelines on how-to. The general consensus at the end of this part is that the vision should be translated into a number of concrete steps.

Three statements were discussed in depth, yet four statements were just briefly discussed. To some extent this was because the discussion of one statement also covered another, for instance statements one and four and two and three. More remarkable was the limited discussion of statements six and seven. Especially six garnered little attention. We believe this was influenced by the severe exhaustion of the ICT budget, as for instance evidenced by the moratorium of the intranet project. Otherwise said, there simply was very limited funding available for innovative ICT projects so why talk about it? Next, statement seven about integral steering and prioritizing was already partly covered in the discussion of the projects earlier that morning. In addition, one of the directors remarked “we are not so fast in decision making, but sometimes, we are when we shouldn’t.”

All in all, this session of the workshop helped us in exploring more in-depth the underlying motivations for a number of propositions. First, one of the directors played a key role in two social dramas. What made this director’s behavior extra fascinating were his apparent organizational political skills and understanding of ‘how the game is played’ as observed during our study. Just one example was the way in which he gamed the interministerial benchmark by anticipating its consequences. In the first social drama the director rebels against –actively resists– the negative depiction of the implementation of the vision because he does not want to talk bad about his own group, i.e. the management team. Also, he does not see the critique as points for improvement. Perhaps former president Nixon is right in that “Any change is resisted because bureaucrats have a vested interest in the chaos in which they exist” (Safire 2005: 247)? Although this will not be true for all bureaucrats, we know from Greenwood and Hinings (1996) that those in power will generally resist changing the status quo. Actually, after the workshop, during dinner, the principal investigator heard one director agree with another director that they would “just do less, instead of all the other.” This resonates with the earlier remark that middle managers might simultaneously enable and constrain MFR implementation depending on the consequences for their territory (see 6.4.2 under autonomy). Hence, we refine P2.1 by adding active resistance.

P2.1: During MFR implementation public sector middle managers *actively and passively* resist (support) initiatives lowering their autonomy if they seem to reduce (enlarge) their territory

The next social drama –involving the same director– was characterized by three activities: window-dressing, goal-setting, and involvement in decision making. In relation to window-dressing we see that the desired MFR language is used to further the director’s agenda. Then, clarifying middle managers’ roles in the organization (P2.2) without holding them accountable will only change active into covert or passive resistance: managers talking but not walking the talk. However, in the aforementioned social drama the director implies that if the Vice SG would be really serious about the vision he would set related formal targets (or norms) for him so he could be held accountable (P1.2). Generally, middle managers in the ministerial hierarchy are mostly held accountable by top management. Hence, P1.2 and P2.2 are overlapping as accountability (P1.2) is the interplay between interpretive schemes (P2.2) and norms (Giddens 1986). Moreover, top management plays a key role in both propositions. Additionally we saw that the director rephrased when the Vice SG corrected him. We conjecture that P1.2 and P2.2 are actually variants of the more abstract MFR commitment described in P5.1; commitment is expressed by top managers in the different ways in which they hold middle managers accountable. Furthermore we specify that mostly active resistance would be reduced.

- P1.2: –merged into P5.1–  
[was: If public sector middle managers’ are held accountable for their behavior during MFR implementation their active resistance to MFR implementation will be low]
- P2.2: –merged into P5.1–  
[was: Reductions of public sector middle managers’ territory during MFR implementation will be less actively resisted when top managers clarify middle managers’ roles]
- P5.1: High MFR commitment of top management (Minister, Secretary-General, Directors-General, and/or Vice Secretary-General) reduces *active* resistance to MFR implementation by public sector middle managers

By merging two propositions into P5.1, we need to take a closer look at what we mean by commitment. We follow the fundamental paper by Becker (1960) who describes commitment as a consistent line of activity guided by a ‘side bet’ which constrains future activity; i.e. it is “necessary to act, so far as possible, in an appropriate way” (Becker 1960: 37-38) due to the threat of loss. Top managers with high MFR commitment have put a high stake in MFR success and will therefore make sure that they steer their subordinates’ behavior both by providing clear role expectations and with accountability systems. The motivation for any employee to commit to this course of action

can reflect “(a) a desire to provide support for the change based on a belief in its inherent benefits (*affective* commitment to change), (b) a recognition that there are costs associated with failure to provide support for the change (*continuance* commitment to change), and (c) a sense of obligation to provide support for the change (*normative* commitment to change)” (Herscovitch & Meyer 2002: 475). In simple words: want to, have to, and/or ought to. In addition, Herscovitch and Meyer (2002) found that all three commitment components correlate positively with compliance to change, but that only affective and normative commitment positively correlate with cooperation and championing. Since top management needs to champion MFR to make it a success, we further refine P5.1 by defining the type of commitment.

P5.1: Affective and normative MFR commitment of top management (Minister, Secretary-General, Directors-General, and/or Vice Secretary-General) reduces *active* resistance to MFR implementation by public sector middle managers

The last observation we made from the social drama was that neither involvement in decision making nor directed communication automatically leads to support by middle managers of MFR. Hence, involvement in decision making or directed communication is not a sufficient condition for overcoming resistance. Unfortunately, we cannot test with our data if involvement in decision making or directed communication is a necessary condition for building a coalition for MFR. We therefore relax P6.2 by changing the strong statement to a softer statement in that involvement in decision making or directed communication will help MFR implementation.

P6.2: Participatory, open-ended, decision making or directed communication of underlying motivations for organizational change helps build a dominant coalition of public sector middle managers’ to overcome resistance for implementing MFR

During our session the management team members agreed that their customers are a binding element in their otherwise diverse work. Therefore, we substitute peers by customers in P3.2 since the interaction with customers is much larger than with peers in general, and because performance is partly evaluated by customer satisfaction, albeit mostly indirect. In addition, the Vice SG perceived that “customers see change as something negative, unless there is a very clear customer demand or an external incentive.” From this statement we derive that self-initiated improvements without a clear customer demand are not appreciated by customers. However, especially in business support,

MFR is about customer-orientation. Thus, either proposed initiatives do not bring added customer value, or the value of these initiatives is not clearly communicated to customers. In the first case, middle managers' traditional beliefs can be reduced by re-orienting them to focus on delivering customer value. In the second case, a lack of appreciation by customers can be reduced by making the added value of MFR-initiatives clear to customers. We reshuffle the constituting elements of P3.2 and reposition a lack of appreciation as a consequence instead of a cause of sustained traditional beliefs among middle managers.

P3.2: Traditional beliefs among public sector middle managers lead to a perceived lack of appreciation by customers, which both can be reduced by stressing the value of MFR-type initiatives

In reaction to our statements, the management team members were mostly interested in discussing interministerial collaboration, the external pressure of budget cuts, and the practical execution of the vision. The advantage mentioned by one of the directors of interministerial collaboration is that it might lead to the formal integration of support tasks and perhaps outsourcing them in the future. Note that this approach fits a neo-institutional economics approach as the aim is to remove slack by organizational design. Yet, some directors pointed out that responsiveness to customers will be lower when the distance is bigger. So, to improve collaboration one could centralize but rather not completely concentrate (i.e., physically placing people together), due to the effects on responsiveness. This view is very much in line with an enabling MFR perspective which would argue for a matrix or project organization (see Table 2.2). Although we need to consider these arguments for P1.3, we see no reason to refine our propositions.

The final comment on interministerial collaboration could be summarized in terms of a structural lack of time and resources to better organize interministerial collaboration. This point of critique also surfaced in the discussion of another statement: external pressure in the form of budget cuts. Although external budgetary pressure can support MFR implementation, the actual plans are often ad hoc and aimed at the short-term due to incident-driven political pressure. Incident-driven political pressure consists of gaps in the budget that need to be filled instead of making clear choices by investing in specific parts of the central government organization – in other words: what does one want to do (and what not)? Hence, more abstract environmental MFR pressure in combination with concrete political driven budgetary pressure will strengthen the demand for middle managers to be accountable (although it will not per se enable the implementation of MFR). Hence, we refine P1.1 by adding

specifically political pressure. In addition, we need to consider that middle managers function in a chain of command subordinate to an elected official and parliament, in other words environmental pressure. Although middle managers have discretionary space, it does not mean that they will always mindfully use this space. Hence, we add environmental pressure to P7.1 as a motivation for prioritizing short-term daily affairs over improved business support.

P1.1 The more (less) environmental MFR pressure and/or political pressure, the higher (lower) the demand for public sector middle managers to be accountable

P7.1 Public sector middle managers will actively and/or passively resist MFR implementation by giving short-term daily affairs a higher priority than improved business support due to environmental pressure

Finally, our statement on making the vision more basic led to a lot of discussion. The central point of critique was that our statement lacked a 'how-to' in making the vision a reality. Yet, as the vision consists of so-called commandments, i.e. behavioral norms, concrete steps for implementation were also not given by the business support vision. Either way, a vision without elaborating how to achieve this vision has little use except for rhetoric purposes. Therefore, making an MFR oriented vision more concrete will help implementation. In addition, the open discussion and group reflection in the first two sessions of the workshop helped in increasing mutual understanding of group members, give insight into motivations, and therefore decreases passive resistance. We conjecture that more concreteness, open discussion and group reflection all encourage mindful interaction (P7.3). Hence, we refine P7.3 by adding that mindful interaction will reduce passive resistance to MFR implementation.

P7.3 Passive resistance by public sector middle managers during MFR implementation will be reduced by mindful interaction; which is encouraged by open discussion, group reflection and making abstract concepts more concrete

First, we asked in the form of an open question how the management team members themselves experienced the implementation of the vision. Here, the team members described the implementation up to now as not very successful. Next, we presented our own findings which led one director to comment that our view was very negative. His opinion was however not supported by the other team members. After discussing these findings, we continued with a number of statements for discussion. Three of the seven statements led to



extensive discussion and provided a closer look into the team's dynamics and personal motivations for a number of its members. Based on these discussions we were also able to refine eight propositions and remove two propositions. Before we continued the workshop with elaborating concrete venues for improvement, we applied another method to probe into management team members' motivations and emotions: a specific form of a so-called mood board.

#### INDIVIDUAL INTERMEZZO: MOOD BOARD

During our study we found the management team members to interact in a very correct and rational way (albeit with a good sense of humor). Never during the management team meetings did one of the members become outright emotional. One exception occurred when a quite successful director of a non-support inspection department –who was not part of our study as his involvement in the management team meetings was very limited– walked out in anger and frustration after only hearing about a budget cut in his department after it already was formally decided. For a very short time, the team members were amazed and made one or two jokes about the situation to quickly move back into their status quo.

The goal of the mood boards (see Figure 6.3) was to shed more light on the management team members' motivations and emotions. We therefore asked them to write down their primary emotions by giving them the following assignment: "Describe what makes you happy/angry/sad/scared within the business support division." We hoped that with this individual intermezzo we could more directly get at the individual level of implementation although it was still part of the larger group process. According to Huy (1999), recognizing other's emotional states helps to solve problems and regulate behavior; also higher organizational emotional capability increases the likelihood for organizations to realize radical change. Furthermore, low emotional commitment to change leads to organizational inertia, whereas high commitment to change with little attending to recipients' emotions leads to chaos (Huy 2002). Moreover, emotions focus attention on specific information and possible action trajectories (see Table 6.11). All the more reason to incorporate the emotions of the individual team members in relation to the business support division.

Emotion	Focuses attention on ...	Action
Fear	Source of the apparent threat	Ready flight response
Anger	Information about motives and responsibility	Act to punish
Sadness	Information on options to change state	Change state
Happiness	Information that confirms current state (stereotypes)	Maintain status quo

Table 6.11 How specific emotions focus attention on certain information and guide action (emotions in this study: fear (Loewenstein, Weber, Hsee, & Welch 2001); anger and sadness (Lerner, Small, & Loewenstein 2004); and happiness (Bodenhausen, Kramer, & Süsser 1994)

The assignment was finished by the team members before lunch, so we could continue after lunch with learning about each of the team members' emotions and motivations. Table 6.12 on pages 253 and 254 depicts the mood boards filled out by each of the team members, including the Vice SG's advisor. The primary goal of the assignment was to create understanding of each others' emotions and motivations, and to have the team members open up to each other. For our analyses we focused on both similarities and dissimilarities in their responses, and the process itself.

Most prominent similarity is that, except for one director, everyone is explicitly 'happy' with their colleagues. Even more interesting however is that four of the eight participants explicitly mentioned that they believed their colleagues had a hidden agenda. Another prominent similarity is that everyone is 'scared' that the division is not capable enough to face the challenges presented by the budget cuts. Five out of six directors were either angry (4) or sad (1) with the lack of results-orientation: e.g., accountability for means; impossible business case; too little seeing if it works; bureaucratic solutions; and (sadly) limited urgency given to cost, quality and customer satisfaction. Finally, two support policy directors mentioned to be happy with the space they got within the business support division, but both have their doubts with the space available for innovation and investing in quality due to the budget cuts.





	Vice SG	Vice SG advisor	Director 1 – operational support	Director 2 – support policy
Happy 	Open discussion Balancing critical towards ourselves vs. preventing nest smearing, inertia, throwing mud We have (I think?) more to say than we did so far	We want a lot Good intent Prepared to participate Informal atmosphere	Good intentions of everyone Accessibility of everyone Participation by everyone	There is a vision Professional colleagues Autonomy
Angry 	Why <u>my</u> business support vision?	No eye for consequences (looking passed borders) Own interest above collective Deadline = 1 <sup>st</sup> day of deliverance	Not transparent/explicit when it's about difficult or sensitive topics	Accountable for means instead of results Cultivating impression-forming ("told you so ...") Bureau politics, not out in the open
Sad 	Didn't keep the flame burning hard enough Endurance results of projects/connecting vision with projects	Degree of results-orientation Receptivity for change Communication disturbances	Lack of sense of urgency in relation to cost, quality and customer satisfaction	Appreciation from line Internal collaboration Little power towards interministerial
Scared 	Repetition of moves: our problem is not our intent, but our perseverance Will we keep each other sharp?	Impression-forming Does it help the customer or business support?	With external pressure everyone again goes for own interest	Unprofessional downsizing Loss of energy with downsizing Less space for innovation

Table 6.12 Descriptions given by the workshop participants of what made them happy, angry, sad and scared in the business support division





	Director 3 – operational support	Director 4– operational support	Director 5 – support policy	Director 6 – support policy
Happy 	Energy from moving in the right direction External incentive	Step by step the discourse is focusing more on content I will keep in touch with colleagues after leaving	Nice colleagues Learning from other ways of working and looking at the organization of the ministry Space for renewal Contacts in which we cross borders	Fellowship Space Trust
Angry 	Business case is impossible	The unreliability/naivety in regards to the benchmark Lack of recognition for the complexity of business support	Slow decision making To little 'seeing if it works' Boredom	Bureaucratic solutions (instrumental) For non-existing problems
Sad 	Does it matter? Limited attention for execution	That we didn't get that far on # topics We as business support division not really inspire and sparkle Mood board business support employees	Too little connection with the primary process Too little standing together for our cause	Too little space for investing in quality
Scared 	Sense of reality Pushing through [budget cuts]	The effectiveness of the management team to deal with the coming challenges Continuity in staffing the division	Not well-organized enough to manage the complicated processes that will follow from the budget cuts	The demand doesn't get lower, but the means do

Table 6.12 Cnt

In regards to dissimilarities, there is a clear distinction between the Vice SG who is critical of himself in comparison with the others who are not critical of the role they played themselves. This could be seen as an indication that the directors did not internalize the vision as a collective responsibility, but rather as something the Vice SG wants. Another explanation could be that the directors were afraid to put their weaknesses out in the open. Yet, the most interesting observation about dissimilarities is that there is a wide diversity in the emotions put forth. There is not really a general consensus or even a majority for more than the aforementioned four issues. Also, we do not really see a difference in emotions between support policy and operational support directors. This observation underscores the unique perspective and thus contribution every team member can bring to decision making.

Considering the effect of the intervention: we observed that the mood board did not have the effect we aimed for. First of all, already by looking at Table 6.12 we see that angry, sad, or scared comments were very much oriented towards abstract work content instead of behavior by colleagues. Perhaps, the lack of anonymity prevented the mood board from becoming too personal. In addition, when the senior researcher asked the participants for motivations and explanations underlying their emotions in regards to the business support division, other participants just stood there and listened. Nor did people deeply and personally share their frustrations or euphoria<sup>23</sup> with the group, neither was there any discussion of the separate mood boards. The latter would indicate that the team is not a real group that stands together and is interested in one and another's musings. Albeit our setup or the group itself, we considered this part of the workshop to be less of a success.

Based on the individual intermezzo we refine two of our propositions. First of all, most of the directors were either angry or sad with the lack of results-orientation. Yet, we observed that in their daily practice they are themselves not that results-oriented all the time. We therefore refine P3.1 by combining strong transitional beliefs with active resistance and weak traditional beliefs with passive resistance. Hence, emphasizing the difference between working actively against MFR and falling back into traditional beliefs and work routines.

P3.1: The stronger (weaker) public sector middle managers hold traditional beliefs, the more (less) they actively (passively) resist MFR implementation

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<sup>23</sup> This was neither the case at the management team meetings where the Vice SG had an agenda point for sharing good news: only sporadically team members wanted to tell about something that 'made them proud.'

Also, we observed that team members were little involved in each others' motivations and emotions. We conjecture that this absence of mindful interaction has its root cause in a lack of commitment; not only to MFR, but also to the group and its collectively defined purpose in the form of the vision. We know that there exists affective, continuance, and normative commitment (Herscovitch & Meyer 2002). Yet, only affective and normative commitment correlate positively with championing and cooperation, whereas continuance commitment only leads to compliance. We therefore extend P7.2 by adding affective and normative commitment as a cause for mindful interaction.

P7.2: Without affective or normative MFR commitment leading to mindful interaction during implementation –especially when finishing tasks– public sector middle managers will passively resist the implementation of MFR

The third session did not attain the effect we aimed for. Nonetheless, this session gave us the opportunity to look at the individual emotions of the separate team members. And to have the team members share these with the group. At the end of this third session, management team members were asked to nominate the three most important subjects for the future of the business support division in the wake of the announced budget cuts.

#### FUTURE ORIENTATION: VISION, TEAM AND BOUNDARY CONDITIONS

To improve the implementation of the business support vision, the management team members decided to focus on the vision itself, the team, and boundary conditions. First, in the previous sessions the vision was found to be too abstract and needed to be made more concrete. Second, the management team itself had to become more effective in implementing the vision. And third, the previous sessions indicated that certain boundary conditions had to be fulfilled. The goal of this final session was to develop a way forward for the management team in regards to implementing the vision under the constraints of the announced budget cuts. The senior researcher wrote the three subjects on a sheet and added topics that were mentioned during the discussion. Table 6.13 depicts this sheet. In addition, he had another sheet which he used to describe concrete future actions and behaviors. This sheet, labeled homework, will be presented and discussed at the end of this section (Table 6.14). Next, we present the most important arguments put forth in the discussion.

1 VISION	
Endurance / concrete translation	Link with planning cycles
Priorities	Way of implementing
2 WHAT AS TEAM?	
Results-orientation	Decision making processes
Change capability	Inspiring
Perseverance	
3 BOUNDARY CONDITIONS	
Focus on transformation process	Involve customers
	Sense of reality

Table 6.13: Reproduction of the sheet with the three most important subjects in relation to business support vision implementation and their topics

The session started with a discussion on how to overcome organizational stovepipes and a functional focus. One of the directors proposed that the organization in functional instead of aspect directorates were the root cause for the low priority that was given to projects overarching two or more directorates. According to the Vice SG however flipping from functional to aspect would only be a part of the solution as a directorate has to work in three fields: own directorate, business support division, and interministerial. Then, one of the directors proposed what he labeled the ‘*New Steering*,’ which would – according to him– imply better, more, and more selective support services by horizontally (business support division wide) and vertically (interministerially) integrating parts of business support. The term ‘*New Steering*’ appeared to stir up the team members; hence the senior researcher seized this *reframing* opportunity and sketched the idea on a sheet (depicted in Figure 6.4 on the next page).

The director who came up with the label stressed that the focus would not be on changing the formal structure but on integrating shared themes both horizontally and vertically. Yet, the senior researcher stressed that the internal organization per directorate would need to be in order to achieve this kind of steering. Thus, concrete ideas are needed to work out the *New Steering*. For instance by making annual plans on all three levels and linking them to the planning cycle. One of the directors focuses the discussion towards the budget cuts by stating “We need to focus on the conditions for the *New Steering* and determine the agenda for tomorrow [the agenda for the next day focused on the budget cuts].” The Vice SG adds “there is a necessity to organize more tightly and to relate to commandment one [together what may, separated what must].” Then he points out that customer involvement in these plans would be a bad idea since all ministerial departments are competing for scarce resources. One

director indicates that “It isn’t about quality, it isn’t about innovation; it’s about price. We’ll just get a fixed budget cut and we need to comply with that.” In addition, the senior researcher emphasizes the lack of change capability, which –in combination with budget cuts– means that priorities need to be set.

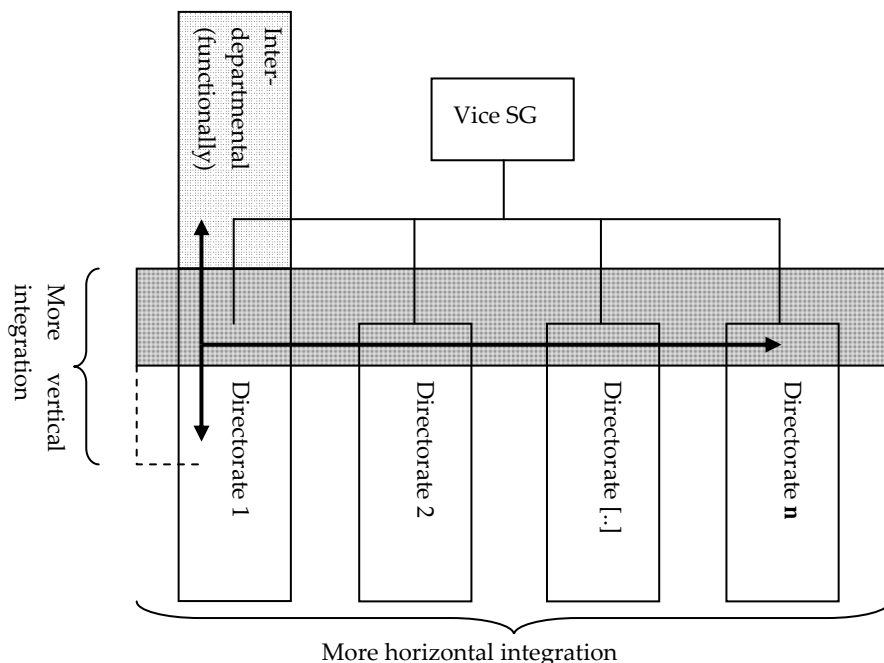


Figure 6.4: Visual representation of the so-called ‘New Steering’: decreasing within directorate functional responsibilities in favor of both business support wide (horizontal) programs and functionally interministerial (vertical) clusters.

Before, we had established that the setting of priorities was mostly in line with the interests of the separate directorates and not the business support division as a whole. As a consequence the discussion moved to the individuals constituting the management team. The Vice SG took his leadership role and said that they could start by critiquing him. One director opens the floor by stating “Don’t be so nice for your directors, hold them accountable!” Another director adds “Which result do you really want to achieve?”, and the Vice SG’s advisor puts in “Pick less projects and pick those where you really want to achieve results.” The senior researcher interprets the underlying question as ‘What inspires people?’ The Vice SG says “I believe I’m good at communicating, but especially things I’m involved in myself.” One director responds “But you shouldn’t tell a story then, you should play that integrating and binding role



more.” Another director adds “You are uninspired when you leave the Vice SGs’ council; we are uninspired when we leave the business support division management team meeting; and our employees are uninspired when they leave the directorate management team meeting.” The senior researcher remarked that the Vice SG is the only one who ‘shows his hand.’ The Vice SG picks up on the senior researchers point and wants to put in his two cents on the directors. “I think I do not get a lot back, it varies [...]. That’s where I miss commitment and eagerness.” According to one of the directors the New Steering would create more commitment as directors are responsible for cross-directorate programs. The Vice SG replied by asking if he was visible in the project he was responsible for. The director had to confirm that this was not the case. The Vice SG continued by stating that “What I missed this year was enthusiasm [...]. That is related to endurance. He [director responsible for the internal rules project] was present at the meeting and perhaps he didn’t do a lot, but it gave a strong *signal*.” One operational support director agreed but pointed at the role of the customers of the business support division.

This remark moved the discussion in the direction of the boundary conditions for implementation. He further remarked that the team should also measure and monitor what they were doing “plan-do-check-act.” Another operational support director adds that “there is no better ambassador than a satisfied customer.” The third operational support director states that “customers are necessary for determining quality. [But] I think the possibilities for influencing customers are very limited.” The Vice SG then decides that the customers should be involved before the team makes major decisions. His advisor adds by stating that “when the customers are dissatisfied, they will arrange it themselves.” The discussion of the customers’ role ends with the conclusion that standardization and service provision agreements (with accompanying performance figures; in other words accountability) will move the conversations with customers from impressions to the actual content of services.

Next the Vice SG wants to discuss the one or two levels below the directors: eighty department heads and team leaders. The senior researcher puts the focus on *communication*. One director observed that “they always look a bit surprised at me when I’m talking about the business support vision [...]. [The heads say] Hello, we have to do even more?” “A mini rerun of what we do here” the Vice SG remarks. The senior researcher stresses that the vision needs to be made more concrete. “But that depends on the developmental phase of the directorate,” one of the directors replies “I don’t want to start a new process when the old ones are not in order yet.” Another director adds “Everything you have invested in people, in commitment, etc. will disappear again in that case.”

HOMEWORK	
Make interministerial choices	Delivering on existing agreements
Flipping steering: integrated business support / Creatively breaking down walls / Front/back office / Continue keen on processes [all horizontal integration]	Collective perseverance
What won't we do anymore	Communication in team meeting, employees, customers
Focus: connecting quality and budget cuts (digitalization) / Automation	Managing the management team meeting on basis of overview and domain knowledge

Table 6.14: Sheet with the concrete solutions developed during the final session, which constitutes the 'homework' for the management team. On the left the homework associated with the New Steering, on the right homework associated with culture and behavioral routines.

At the end of this session, the Vice SG raps up the meeting by stating “We have a new slogan”, “... and a new picture” one director adds. The Vice SG’s advisor concludes with “... although we still silt up in the procedures now and then.” The goal of the fourth and final session was to determine which topics needed more attention (Table 6.13) and to define more concrete solutions for improving the implementation of the business support vision. In Table 6.14 we depict the sheet made by the senior researcher that summarizes these more concrete solutions. Mind that concrete solutions put forth in the final session were only mentioned in this paragraph when part of a larger discussion. We reordered and merged (depicted by a slash) a number of bullet points for purposes of clarity. So-called homework related to the New Steering (organizational and division wide process redesign) is on the left, while issues related to culture and behavioral routines can be found on the right.

Although the focus of this final session lay on finding future venues instead of testing propositions, we observed that directors appeared to be more engaged with the vision than during normal meetings. To some extent this will be due to the nature of a strategy workshop, but on the other hand we found that the image of the New Steering invoked a lot of enthusiasm. Also the role of communication and getting inspired were prominently put forward, an example being the signaling function of the sheer presence of a director at a project meeting. We derive that signaling –as a method to invoke mindfulness– plays an important role in creating commitment and inspiration. We refine P7.3 by making a distinction between invoking and encouraging mindfulness. In this way we emphasize that when mindfulness is desired it needs to be evoked by signaling; whereas mindful practice in general is helped by open discussion, group reflection, and making abstract concepts more concrete.

P7.3 Passive resistance by public sector middle managers during MFR implementation will be reduced by mindful interaction; which is *evoked* by signaling and *encouraged* by open discussion, group reflection and making abstract concepts more concrete

The final session focused on the implementation of the vision, the role of the management team members, and the boundary conditions for implementation. A new governance model was constructed, labeled the New Steering, which should shift part of the work from directorates to business support wide programs and interministerial functional clusters. Nonetheless, a known problem of days-away is to incorporate the results from these reflective moments into daily routines. Together with the team members we therefore devised Table 6.14, which contained the so-called homework for the management team. Each of these thirteen points –some more measurable than others– provides indicators for determining the success of vision implementation at a later stage.

#### REFLECTION ON INTERVENTION

We agreed with the Vice SG on organizing a workshop as a facilitated group discussion provides a higher chance of institutionalizing new behavioral patterns (Kets de Vries 2005). The senior researcher facilitating the workshop therefore had to fulfill the support role aimed at exploring the beliefs of the group members (see Table 3.2). A further benefit would be that we would obtain a group narrative on implementation which is not necessarily provided by pulling together our individual interviews. In this workshop we would feed back our findings of Phase I and II and discuss future venues for improving the implementation of the business support vision.

The research method employed to conduct this workshop was action research, in particular ‘experimental action research’ (Chein et al. 1948; Susman & Evered 1978). This means we followed (nearly) the entire action research process cycle except for the step from action taking back to evaluation. This step will be made in section 6.6.1 when we track the consequences of the workshop. We did add one extra session that explored individual management team members’ emotions and motivations. We did this because we observed the directors to be very correct and rational during regular team meetings. Everyone participated in filling out their mood boards: being happy with colleagues and anger with a lack of results-orientation surfaced as the most common emotions. This anger with a lack of results-orientation resonates with our observation that the management team members appeared to be more engaged with the implementation of the vision during the workshop than

during regular management team meetings. This means that we either overstated their resistance to MFR, or that the specific format of a workshop invoked an abstract level discussion of issues instead of putting things into practice. Remarkable in this respect is the observation that at least two of the six present directors talked the talk, but appeared not to be sincere as we noted during the dinner after the workshop. We hope that Phase III will give more closure to this question.

Next, as the workshop was mostly facilitated by the senior researcher we reflect on his support role. Before, we pointed out that during the workshop the facilitator will perform paradoxical inquiry to bring out contradictions. Lüscher and Lewis (2008) recognize four modes of paradoxical inquiry: encouraging *explanation* to surface current logic (linear), exploring others' *perspectives* to accentuate polarities and intricacies (circular), examining *implications* to critique and link existing options (reflexive), and challenging simplistic *solutions* to motivate ongoing experimentation (strategic). The senior researcher performed all four modes of paradoxical inquiry. Table 6.15 on the next page describes these instances. Mind that remarks by the senior researcher, although not posed in the form of a question, were intended to evoke responses from the team members. Also mind that we do not describe the inquiries made by the senior researcher in session three as they were solely aimed at clarification of the presented emotions.

We found that reflexive questioning (7 instances) was the most dominant mode of inquiry, followed by strategic (5) and circular (4) questioning. We only recorded two instances of linear questioning. On one hand this might be due to our focus on frame bending and breaking instead of requests for clarification. On the other hand, we had already sought management team members' explanations in the interviews we conducted. Further support for this latter point is that we only recorded two instances of inquiries in session one which focused on presenting our findings in relation to the five projects (S1).

In session two and four we recorded 9 and 7 instances of inquiries respectively. Moreover, the emphasis in session two lay on reflexive (3 instances) and strategic (4) questioning; i.e., examining implications of alternatives and challenging solutions to the implementation of the vision. Session four was dominated by circular (3) and reflexive (3) questioning; i.e., exploring perspectives and examining implications for improving vision implementation. Using the terms of Lüscher and Lewis (2008) we found that session two focused on resolving paradox and session four on exploring dilemma's. This shows that the mode of inquiry used by the senior researcher fitted nicely with the focus of session two on illuminating observed paradoxes in vision implementation and the focus of session four on exploring future venues or strategic dilemmas in improving vision implementation.

Linear questioning – encouraging explanation
S1 “What is the picture [of the problems with some projects]? Allocation or steering?”
S2 “How transparent do you have your cost drivers?”
Circular questioning – exploring perspectives
S2 “This is about the vision, not about the functioning of the business support division”
S4 “First endure, then prioritize, then results-oriented?”
S4 “What is inspiring?”
S4 “Let’s not endure the vision again, but make it more concrete”
Reflexive questioning – examining implications
S1 “If the internal rules project works, then why don’t the other projects work?”
S2 “I do not hear a lot about collective responsibility”
S2 “The power for change is low”
S2 “If these small projects do not work out, how will that be for such large projects?”
S4 “Then you need annual plans on three levels: vertical, horizontal, and own directorate”
S4 “A sense of reality is that you have ideas on how to elaborate the New Steering”
S4 “Only the Vice SG is showing his hand”
Strategic questioning – challenging solutions
S2 “[Accountability is useful] also as a learning process, today that happens, but that [once a year] is far too little”
S2 “That [the human aspect] is also not very present in the vision”
S2 “Projects were derived [from the vision] [...] breach between dream and deed”
S2 “The vision also doesn’t describe the how”
S4 “For such steering to work on an interministerial level, it also needs to be in order on the departmental level”

Table 6.15: Recorded instances of the four separate modes of inquiry during three of the four workshop sessions (Sx): session three was an intermezzo in the action research process.

The senior researcher himself was mostly disenchanted with the mood board intervention. It did not give the desired impulse to the group interaction of the management team during the workshop, while the goal was to uncover how the individual team members related to the business support vision. The senior researcher actually felt relieved that the management team reached consensus at the end of the workshop on the homework that needed to be done. However, in his opinion the vision was still not endured by the team members, nor did he perceive that team members ‘took ownership’ of the vision. In that sense, the cultural barriers for MFR were not broken in the workshop. Naturally, breaking through cultural barriers with one intervention in the form of a one-day workshop is almost, if not completely impossible. At least a small series of workshops or team coaching (see, Kets de Vries 2005) would be more effective in this complex group process. All in all, this workshop permitted us to look deeper into the effects of agency from the support role (Table 3.2). Based

on the insights of the senior researcher, we would expect for Phase III that actions related to the New Steering will be taken, but that little attention will be given to issues related to culture and behavioral routines. The latter are depicted on the right of Table 6.14.

Finally, drawbacks in data collection consisted of not being allowed to video or audio tape the workshop and hence we had to depend on our own note taking. Therefore, we were not able to record all interaction and analyze them as in-depth as we could with the interviews. Furthermore, we did not have access to the second day of the retreat in which the plans for dealing with the budget cuts were devised. Therefore, we could not see the direct effect of our workshop on managerial decision making. Decision making that would have far reaching implications for the business support division. We did however end up with a table that described the 'homework' for the management team. With this table we can check in Phase III if the management team will pursue the course of action set out. Yet, the comments of two directors during the dinner after the workshop downplay our optimism.

## 6.6 PHASE III: PREPARING FOR DOWNSIZING<sup>24</sup>

Phase III started after our workshop on January 31 and ended June 15, 2007. We chose June 15 as our end date because the ministerial proposals for downsizing had to be sent to the ministry of the interior by then. Mind that the support division had to deliver their final downsizing proposal to the top management team on June 1, 2007. In this final phase we observe how the plans, developed during the workshop, are put into practice. Table 6.14 presented these plans as so-called homework. We distinguished between homework related to either the New Steering (organizational and process redesign) or issues related with culture and behavioral routines.

First, we describe what happened during the meetings. Here we focus on the aforementioned homework to monitor the effect of our workshop and to test, refine, and extend propositions where necessary. Then, as in the previous chapter, we describe the relations between propositions and further elaborate the structural model for institutionalizing MFR among public sector middle managers. Finally, as in chapter five, we combine our propositions with the five change agent roles we derived in chapter three.

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<sup>24</sup> We use the term downsizing as the English equivalent of 'taakstellingen,' hence when we refer to downsizing it can encompass both the lowering of fte's and/or budgets.

### 6.6.1 CONSEQUENCES OF THE WORKSHOP

No documents were sent for the first management team meeting after the workshop and the Vice SG was not present; since there was just one working day in between both meetings. Yet, the Vice SG already decided that the downsizing plans should be more concrete on March 1. Hence, in the first meeting some first steps were made in relation to the actions decided upon during the two day retreat. One plan was to have every director ask their frontline managers what they would propose in relation to the downsizing plans. Also, one of the directors proposed to “take a critical look at your own annual plan, and take a critical look at the annual plans of your colleagues.” Additionally, the question was raised what and how to communicate to the staff. The management team decided to maintain a radio silence until there are concrete plans. However, the works council would be informed about the main decisions made. Moreover, the team plans to tentatively explore downsizing venues in line with the New Steering concept by looking at present vacancies per business support department; possibilities for the bundling of business support, for instance controlling and front/back office integration; and interministerial collaboration. The Vice SG’s advisor wondered that “if so many people will need to leave, why don’t we reorganize?” Yet, the focus of the team would be on stronger collaboration. One of the directors ironically concluded that “it will be a fine year.”

In relation to the homework devised during the workshop we observed that during the first meeting the New Steering was explored, in particular interministerial collaboration and horizontal integration. Also, the management team discussed how to communicate to their staff on the plans, which they decide not to do for now. Figure 6.5 depicts the visual map of Phase III with external events relevant to the business support division, the management team’s planning related to downsizing, and actions in regards to the five projects.

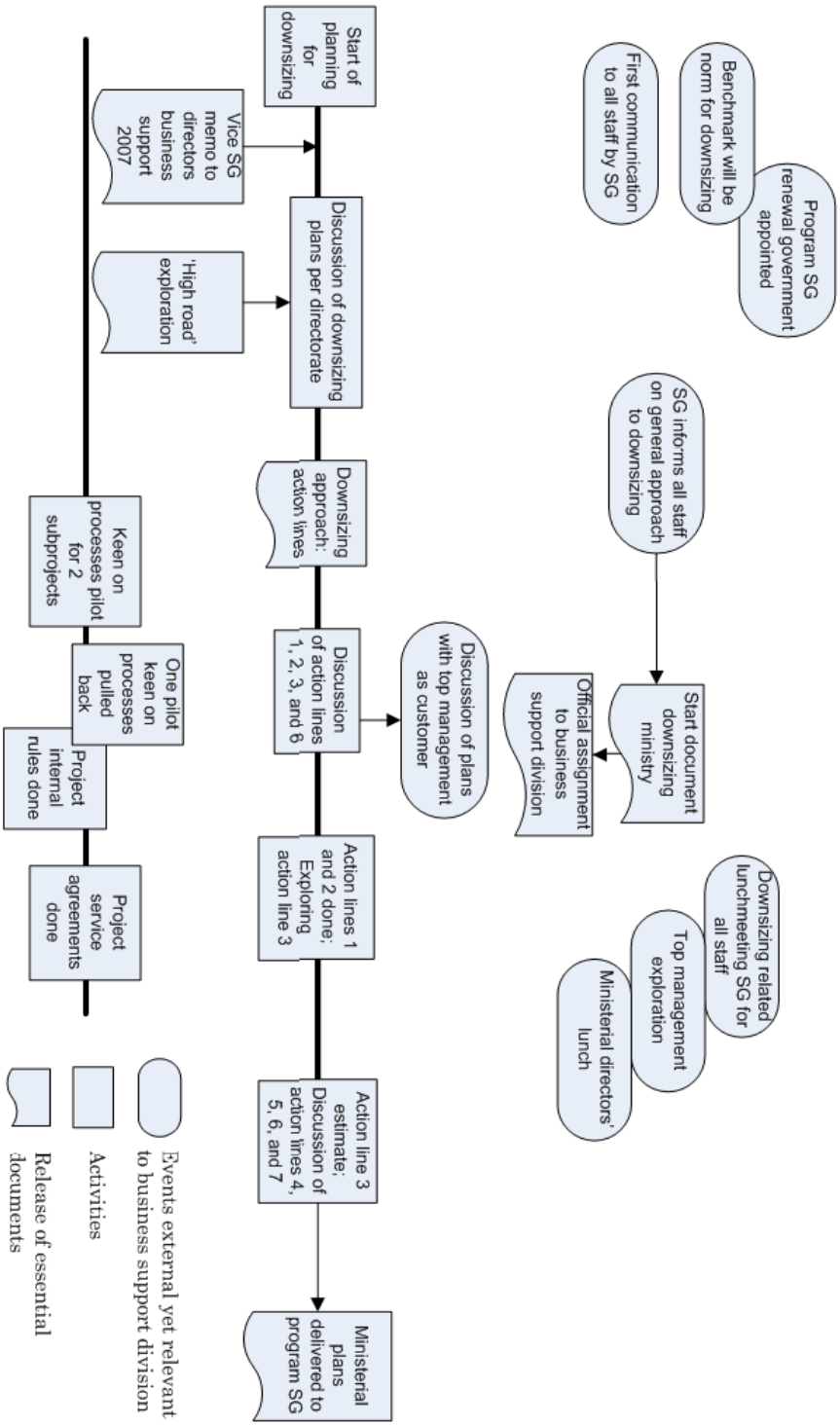


Figure 6.5: Visual map of Phase III: preparing for downsizing (February till mid June 2007)



## EXPLORING OPTIONS

From mid February till mid March 2007, the management team explored the possibilities for downsizing in their management team meetings. At the start of this series the Vice SG sent a memo to his directors titled 'Business Support 2007.' This memo contained the approach for tackling the downsizing norm and was very much in line with the New Steering. The Vice SG identified: 1) quick wins, 2) volume effects in relation to the rest of the ministry, 3) horizontal opportunities for improvements and efficiency (this includes the five projects), 4) vertical opportunities for improvements and efficiency, and 5) organizational redesign as a result of the aforementioned approaches. Next to the New Steering issues, he also mentioned attention, endurance and his own role. Hence, the Vice SG also paid attention to cultural and behavioral issues.

"During our retreat we determined that we as business support management team must steer and invest more in the cross-directorate affairs, both in attention as in 'endurance.' We shall use the next weeks to formulate a business support agenda 2007 that is central during our management team meetings. Also, I aim to give this aspect more attention during our one-on-one meetings, semi annual meetings and management report meetings. Of course, my own role will also be discussed." (internal memo by Vice SG to business support directors)

Although this memo is very much in line with the conclusions from the workshop, we observed during the first management team meetings that team members were still looking for which path to follow. Most questions asked are for clarification. Also, the management team believes that their employees should be informed, but they themselves do not yet know what exactly will happen. This also holds ministry-wide as the SG gives an internal interview in which he explains that plans are being made but that the implications of the downsizing decree are not clear to him either. In the mean time, the government decides that the benchmark will officially be the norm for the budget cuts and downsizing. Also, a special SG is officially appointed for the program 'government renewal.' One of the directors comments "awkward that the downsizing starts with an extra SG!"

During one of the management team meetings dedicated to the directors' plans, two directors present a plan outlining the general choices in formal organizational structure. This so-called 'high road' document elaborates the organizational choices underlying the aim for the New Steering or as the two directors put it "structure follows strategy."<sup>25</sup> In other words, if there were no

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<sup>25</sup> A reference to Alfred Chandler's (1962) thesis based on case studies of US conglomerates Du Pont, Standard Oil of New Jersey, General Motors, and Sears.

boundary conditions for reorganizing, then how would one ideally organize business support? First, more *vertical* integration in the form of interministerial collaboration and doing less within the ministry. Second, more *horizontal* integration in the form of process innovation, process improvements, and higher efficiency. Third, *outsourcing* of services to the market thus doing less within a ministry. Fourth, less support *policy* resulting in less available capacity for policy related activities. Fifth, less and simpler management *control* resulting in less capacity for control and administration. In their plan the directors point out that a solid account structure would be essential for external supplier management and the functioning of the internal front/back office. The final question raised is if the account structure would be organized per function or the type of work, i.e. support policy, support service, operational support, etc. As the quote used by the two directors indicates, they very much focus on the formal organizational structure of the ministry. Hence, they add to the New Steering approach, yet do not pay attention to cultural and behavioral issues.

Till mid March, all directorates present their directorate-specific downsizing plans. This contains the opportunities per directorate of the five possibilities laid out by the Vice SG for downsizing. An example was the discussion of the plans of a director who already had plans similar to the New Steering before the workshop. The directors' preference would be to split his department in three parts, so the separate functions could be performed centralized by an interministerial organization and by another government agency, leaving just some staff at the ministry. However, the government agency is against the plans since they were not involved in the discussion from the start. Hence, unless he limits the tasks executed by his department to the legal minimum, his sole remaining option is to follow the proposal from the leading ministry for his field: centralize his directorate's function with a remaining smaller deconcentrated part. The Vice SG asks: how much will it save us? The director replies "just a bit of support." As a consequence he will downsize some of his directorate's tasks. He sneers that the leading ministry for his tasks does not even know how high a percentage they will manage to reduce. Another department does not exactly know the percentage they will reach. Only that automation will help to some extent and that mostly volume effects will help; nonetheless they will not reach 25 percent. The Vice SG sums up:

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Roebuck; which dominated their industries for a substantial part of the 20<sup>th</sup> century. Interestingly, these conglomerates adopted the then revolutionary multi-division form, almost the opposite of the New Steering.

“This way we will not reach the downsizing goals; we are confronted with a political reality, so which things aren’t we going to do anymore?” (quote from management team meeting)

In the last meeting dedicated to the directorate-specific downsizing plans, one director explains that he will run the internal rules project again. His directorate is one of the largest producers of internal rules and he believes that the amount of internal rules can be cut. In addition to the downsizing of his directorate he will cut out a management layer too, with the credo “less Indians, less chiefs.” The management team still maintains the radio silence surrounding their downsizing plans. They do not want to feed into false expectations based on the incomplete information they have.

#### DOWNSIZING APPROACH

On March 19, based on the directors’ explorations, the downsizing approach (Table 6.16 on the next page) is dispersed among the management team members. The approach has a number of basic premises which are elaborated into seven so-called action lines. In the following months the expected results of these action lines should be known so the division knows how to reach the 25 percent downsizing goal. The main principle behind this approach is that the focus is on tasks and processes and not on directorates. Also, proposals will be discussed with customers, which is due to time restrictions limited to the SG and Directors-General. The management team also decides to communicate these plans to their staff.

Early April the first substantial problem rises. There is a deficit in the budget for the IT infrastructure project which threatens the plans for digitalization and automation. Good news is that ‘keen on processes’ will start two pilots mid April, one for internal moving and one for in and out of service. Unfortunately, the ‘in and out of service’ sub project was actually canceled a week later as it was not fully automated yet. Also, the internal rules project finished with publishing the results on the intranet. Additionally, the service provision agreements will be printed in May. The financial steering ICT project was already put into effect for the start of 2006. Hence, all five projects were completed in May 2007 except for the stalled transparency intranet project and one of the keen on processes sub projects. Not too bad considering the completion dates were initially estimated to be end of 2006 (Table 6.5).

Action line	Action and elaboration
1	Which services need to be organized in-house? (decide with customers) Checking the product and services catalog and the current fte's involved
2	What won't we do anymore (decide with customers)
3	Looking for sourcing alternatives for other tasks and services Which tasks and services (everything except action line 1 and 2) and involved fte's Alternatives: shared service centre, other department that works more efficient, ad-hoc with other departments with similar ambition, outsource to market Per alternative: result, timeline, desired actions
4	Elaborate specific efficiency actions Already running: bringing administration in order, IT infrastructure New plans: digital purchasing, cut fte's for planning and control and subsidizing in half, less stacking up of control and auditing
5	Fallback scenario's for action line 3 Elaborate 'stand alone' scenario per task and service based on 25 percent cutting Only if not covered by action line 4
6	Volume effects Map tasks and services with obvious volume component, i.e. map savings as a consequence of the shrinking ministry (hence less support needed)
7	Organizational effects Variant maximal outsourcing Variant stand alone Reducing number of managers (both volume effects and larger span of control) Determine results both variants in comparison to the current situation

Table 6.16 Approach downsizing business support ministry

The first crucial management team meeting in relation to the action lines was on April 10. During that meeting line 1 (in-house), 2 (not anymore), 3 (sourcing) and 6 (volume effects) would be discussed. Upon discussing what should not be done anymore, the Vice SG remarks "if you look through them [the proposals], you're quickly done." He means that things that should not be done anymore reappear somewhere else in the list: mainly in the form of doing less under action line 3. One director adds that tasks dedicated as in-house are mainly important in terms of good contract management. He proposes that for instance most of the basic administrative functions could be outsourced. In addition, the director suggests that the management of outsourcing relations could be organized on an interministerial level. The discussion would be continued on May 7 with the quantifying of action lines 1, 2 and 3. Furthermore, on the ministry level, the SG made the start document downsizing ministry public mid April. This document gave a sketch of the approach and briefly described the assignments given to the ministerial directors and project managers. The document also contained the action lines of

the business support division and attached one could find the downsizing approach with the elaboration of the action lines.

On May 7 the business support division has mapped which services would be kept in-house and what they would not do anymore. Hence, action line 1 and 2 were completed. The Vice SG got the impression at the top management meeting that the business support division is in that respect further than other ministerial divisions. Action line 3 in relation to sourcing is still rather tentative and needs to be further explored. One director suggests involving more customers, but the Vice SG wants to limit customer involvement to top management, “else we risk being played off against each other.” Some steps have been made in collaborating with another ministry and explorations are still underway for other interministerial collaborations. At a later meeting the Vice SG tries to keep his team members sharp by warning that “I think we don’t show enough determination in the things that we do.” Also, the Vice SG has allocated one communication advisor to support the communication around downsizing projects. A report on downsizing control and auditing mentions that large steps could only be made if the support division would be reduced to a central business support directorate. Mid May, the SG has a number of meetings before the final decision making in June, in which he informs staff in general, but also talks more in-depth to the ministerial directors. The SG also has a dedicated meeting with top management to discuss the downsizing proposals.

## FINAL RESULT

End of May the last action lines are discussed by the support division management team. Core to their final decisions –and in line with commandment one– is focusing on interministerial collaboration and within ministry integration of business support. On June 1<sup>st</sup> the top management team discusses the final proposals for downsizing. The design phase of downsizing ends on June 8 when the top management team discusses the integrated concept document with proposals for the set up of the downsizing in the ministry. This document was offered by the minister of the case organization to the minister of the interior on June 15, 2007.

Later, we found that the business support division will eventually be dissolved and one business support directorate will be established. Four directorates will be moved to resort under the SG, while the tasks of the four remaining directorates will be moved into the new business support directorate. On the interministerial level four collaboration projects are in different stages of implementation or exploration. Facility management will be shared with three other ministries in one central agency. Part of the ICT tasks

will be moved to another ministry. Personnel and salary administration will be done by the previously mentioned interdepartmental P-direct organization. Finally, part of auditing services will be done in collaboration with two other ministries. Hence, a reasonable amount of interministerial collaboration was launched, although still the division had to follow the 'stand alone' variant and cut substantially in provided tasks and services.

All in all, in terms of the New Steering the downsizing and reorganization of the business support division can be considered a success. However, in terms of culture and behavioral issues the level of change is debatable. The team did deliver on existing agreements, for instance by finishing the five projects for as far as possible. And communication was on the agenda during the downsizing operation. However communication to staff did not occur in the early stage and a dedicated communication advisor was only appointed at a later stage. Collective perseverance was not more prominent than in earlier phases; except for persevering in reaching the downsizing goals set out. Crucial, in our opinion, for reaching the downsizing goals was that downsizing of business support was a permanent point on the agenda. Hence, the Vice SG did manage the team meeting more on overview, but not that much on domain knowledge. Also, the Vice SG played an important role in meeting the downsizing goals by tightly steering on the time schedule determined at the start. Although the initial focus lay on connecting quality and budget cuts (learning goal combined with a performance goal), in the end successful changes were mostly related to formal structure change – on time and on budget (performance goals). In other words, the final focus was not so much in making the culture more results-orientated, e.g. by providing better services to customers (learning goal). Hence, though the focus at the start of the case and at the start of Phase III was different, the final results are similar to the case described in chapter five.

For Phase III we can mostly derive that very high environmental pressure in the form of extensive budget cuts led to extensive changes in the ministry. However, the scale and scope of downsizing makes one wonder to what extent we can still speak of the same organization as the business support division will be dissolved. Could we see the results of this change process as the large scale variant of P3.3? Only the future will tell if business support within the ministry became better or that in the end only more and more external parties were contracted to perform the tasks previously organized in-house: in other words retrenchment or restructuring (cf., Pierson 2001)?

#### CORROBORATING, REFINING AND EXTENDING PROPOSITIONS

Based on our observations in Phase III we are able to corroborate six, refine one, and extend two propositions. First of all, Phase III provided substantial

corroborating evidence for propositions P1.1, P1.3, P5.1, P6.2, P7.2 and P7.3. For P1.1 we found that high pressure indeed led to a higher demand for accountability. Also, for P5.1 we found that high top management commitment reduces active resistance to MFR implementation. In relation to P1.3 we found a high pressure to collaborate in all kinds of forms, yet the level of success reflected the priority setting identified in section 6.4.2 under environment. The high pressure only led to collaboration in a number of interministerial functional domains. However, the plans to merge within ministry business support into one directorate still represent functional lines. Mind that in relation to P7.2, while at first enthusiastic, attention seemed to fade among the middle managers when it became clear that less and less of the ideal could be reached. In addition we noted the relation between P6.2 and P7.3 in the form of communication and participative decision making. Furthermore, we observed in Phase III that, at least in the earlier part of this phase when there was still a learning goal, middle managers were supportive in the decision making toward downsizing (P5.2). Therefore, we refine propositions P5.2 by adding the activities that lead to less resistance or even enabling of MFR.

P5.2: The less (more) public sector top managers stress learning goals during MFR implementation and the more (less) they stress performance goals, the more public sector middle managers will passively resist (enable) MFR implementation

One propositions need to be extended in the light of our observations in Phase III. This extension is related to the high environmental pressure in this phase. The plans that would lead to the dissolving of the business support division hold that more than half of the directors would lose their directorate. Unfortunately, our data does not span the second half of 2007 so we were not able to observe how the team decided to plan for dissolving their business support division. Nonetheless, this observation disconfirms P2.1 and therefore we extend this proposition with high environmental –in this case specifically political– pressure.

P2.1: During MFR implementation public sector middle managers *actively and passively* resist (support) initiatives lowering their autonomy if they seem to reduce (enlarge) their territory *unless* there is high political pressure

This final phase gave us the opportunity to observe the influence of the external environment, in this case mostly political pressure for downsizing, on the business support division. Based on these observations we refined or extended two of our propositions. In the next section we will map these

propositions onto our structurational model of change agency for the institutionalization of MFR among Dutch public sector middle managers.

### 6.6.2 RELATIONS BETWEEN PROPOSITIONS

Our goal for this chapter was to analyze the agency of middle managers in regards to MFR implementation by building on the findings of the previous two empirical studies. We expected that in more regular MFR implementation projects than the one in chapter five the role of involved public middle managers would be more ambiguous – both supporting and constraining MFR implementation. We therefore refined and extended the previously deployed methods. Based on this case we extended and refined the 14 propositions from chapter five, added 4 new propositions, and removed 2 by merging them into another proposition. The key findings section in this chapter will summarize these 14 propositions.

We refine the elaborated model with our current propositions (see section 5.4.8 for the previous version and a further explanation of the model). The result is depicted in Figure 6.6. The difference with Figure 5.8 is that middle manager agency has become more prominent. Hence we added interaction between change agency and middle manager agency. Again, change agency under the guise of change approach is also present in other themes (big dotted arrow).



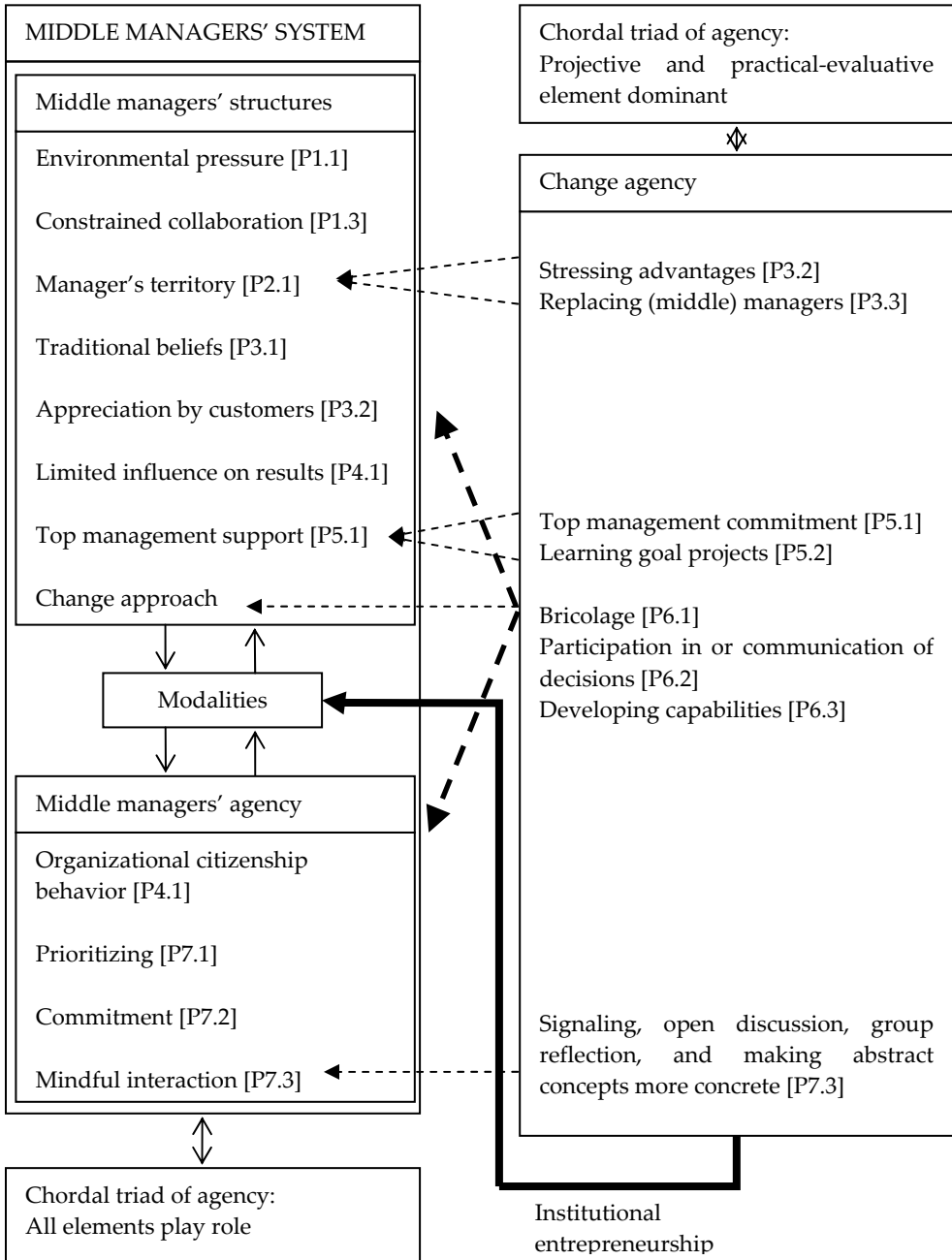


Figure 6.6: Further elaboration of the structural model (see, Figure 5.8) of change agency for the institutionalization of MFR among Dutch public sector middle managers

As expected, we found that middle managers agency in this case existed out of both supporting and resisting MFR implementation. In addition, we found that the diversity of middle managers' agency was driven by each of the elements of the chordal triad of agency; i.e., iterational (routine), projective (future-orientation) and practical-evaluative (evaluation of routine and future in practice) (Emirbayer & Mische 1998). The iterational element (routine) was dominant when agency was based on traditional beliefs, a perceived limited influence on results, top management support and commitments made (P3.1, P3.2, P4.1, P4.2, P5.1, P5.2, and P7.2). The projective element was dominant when deliberating on the future of the business support division, possibilities for collaboration (P1.3). And final, the practical-evaluative element was dominant when they wanted to defend their territory, as a result of the change approach, and during mindful interaction (P2.1, P6.1, P6.2, P6.3, P7.1, and P7.3). Propositions P1.1 and P3.3 do not describe middle manager agency. Hence, in this case we observed that middle managers were far more active in managing the constant flow of smaller and bigger changes in their environment than in the previous case.

Again we distinguished between change agency and institutional entrepreneurship. Rao, Morrill and Zald (2000: 240) define institutional entrepreneurship as "efforts to identify political opportunities, frame issues and problems, and mobilize constituencies" and "spearhead collective attempts to infuse new beliefs, norms, and values into social structures." Hence, institutional entrepreneurship is collective action aimed at changing the larger set of social structure, or the system if you will, whereas change agency is specific action that aims to change a specific structure. Change agency therefore is the individual basis of institutional entrepreneurship. On this local level we might also speak of institutional work (Lawrence & Suddaby 2006) – encompassing both the maintenance and transformation of social structures. Again, as in chapter five, we further explored with these variants of agency Greenwood and Hinings' concept of capacity for action and shed more light on intraorganizational dynamics in MFR implementation.

### 6.6.3 PROPOSITIONS AND CHANGE AGENT ROLES

We now combine our newly developed proposition P7.3 with the five change agent roles defined in chapter three: the authoritative, design, training, sponsor, and support role. Propositions P1.3, P7.1, and P7.2 were also newly developed but were not related to change agency. Combinations of previously developed propositions with change roles can be found in chapter five.

Change agent roles	Accompanying propositions
Authoritative	<p>P3.3: Replacing resistant public sector middle managers with (younger and/or lower) MFR-oriented managers (from other fields) will (strongly) alleviate resistance to MFR implementation</p> <p>P5.1: Affective and normative MFR commitment of top management (Minister, Secretary-General, Directors-General, and/or Vice Secretary-General) reduces <i>active</i> resistance to MFR implementation by public sector middle managers</p> <p>P6.1: When guided by a normative vision change agents' bricolage can counter public sector middle managers' resistance to MFR-type change initiatives</p>
Design	<p>P5.1: Affective and normative MFR commitment of top management (Minister, Secretary-General, Directors-General, and/or Vice Secretary-General) reduces <i>active</i> resistance to MFR implementation by public sector middle managers</p>
Training	<p>P6.1: When guided by a normative vision change agents' bricolage can counter public sector middle managers' resistance to MFR-type change initiatives</p> <p>P6.2: Participatory, open-ended, decision making or directed communication of underlying motivations for organizational change helps build a dominant coalition of public sector middle managers' to overcome resistance for implementing MFR</p> <p>P6.3: Public sector middle managers' resistance to MFR implementation is reduced by training and sponsor interventions aimed at developing capabilities of middle managers</p>
Sponsor	<p>P3.2: Traditional beliefs among public sector middle managers lead to a perceived lack of appreciation by customers, which both can be reduced by stressing the value of MFR-type initiatives</p> <p>P7.3: Passive resistance by public sector middle managers during MFR implementation will be reduced by mindful interaction; which is evoked by signaling [and encouraged by open discussion, group reflection and making abstract concepts more concrete]</p>
Support	<p>P5.2: The less (more) public sector top managers stress learning goals during MFR implementation and the more (less) they stress performance goals, the more public sector middle managers will passively resist (enable) MFR implementation</p> <p>P7.3: Passive resistance by public sector middle managers during MFR implementation will be reduced by mindful interaction; which is [evoked by signaling and] encouraged by open discussion, group reflection and making abstract concepts more concrete</p>

Table 6.17 Combinations of change agent roles and propositions

A new change agency related proposition was developed under the theme mindfulness. We described earlier how mindfulness is about both the quality

and the conservation of attention. Mindfulness is related to the development of capabilities and not on improving economic performance in the short run. Also, mindfulness needs to be continuous in order to conserve attention. Hence, change agency related to mindfulness can be both from the sponsor and the support role. P7.3 describes how mindfulness is evoked by signaling and encouraged by open discussion, group reflection and making abstract concepts more concrete. Evoked mindfulness by signaling belongs only to the sponsor role as one aims to guide one's subject's attention. Mindfulness encouraged by open discussion, group reflection and making abstract concepts more concrete is more related to the support role. From this role subjects are encouraged to develop their way of thinking without guiding them towards pre-determined conclusions.

In chapter five we had already concluded that for the institutionalization of change the entire palette of change agency roles needs to be used. Table 6.17 provides an overview of the combinations of change agent roles and propositions developed through chapters five and six. Be aware that P1.2 (accountability) and P2.2 (clarifying roles) were merged into P5.1 hence P5.1 replaces these two propositions.

## 6.7 SUMMARY AND DISCUSSION

In this chapter we studied how a Vice SG set out to implement a results-oriented vision for his business support division. The research question guiding the study was: "How do middle managers and relevant others in a Dutch ministry (re)produce social structures during the implementation of an MFR-type initiative?" As in chapter five, our objective was to study the interplay of social structure *and* agency. We conducted a second longitudinal in-depth study to further explore the maintaining and changing of social structures within the Dutch central government. We collected data by means of non-participatory observations and (informal) unstructured interviews, in-depth semi-structured interviews, research diaries, action research, and archival data. For our analyses we took a more episodic approach to our analyses by splitting the implementation process up into three phases. The phases were demarcated by an intervention by the researchers. The first intervention was feedback to the Vice SG of our observations. The second intervention was a one day workshop organized for the entire management team. Our analyses in Phase I were similar to those in chapter five. For Phase II we zoomed in on micro-interaction in the form of agency against and in favor of MFR. While in Phase III we focused on the effects of our workshop in relation to the budget cuts. Based on our collected data we both refined and extended the fourteen propositions from

chapter five, added four new propositions, and removed two propositions from chapter four by incorporating them into another proposition. Of these fourteen propositions, eight elaborate how structures might be transformed by directed change agency and six how structures are reproduced in middle managers' behavior. Also, we obtained more insight on the agency of middle managers themselves in both enabling and constraining the implementation of MFR.

### 6.7.1 KEY FINDINGS

In this third empirical study we found the same themes playing a role in middle managers' behavior as in the previous study plus a new theme we labeled mindfulness. The institutional context or environment of middle managers again played an important role in their behavior. We refined environmental pressure by adding the role of political pressure which has a specifically strong influence on public sector managers. Furthermore, top managers hold middle managers accountable and therefore we moved this proposition to the more appropriate theme top management support. In this case we observed that middle managers perceive their environment to favor a functional focus on business support, whereas integrated business support, especially on an interministerial level, was perceived to be difficult if not impossible to organize.

- P1.1: The more (less) environmental MFR pressure and/or political pressure, the higher (lower) the demand for public sector middle managers to be accountable
- P1.2: –merged into P5.1–
- P1.3: Dutch central government middle managers perceive that their environment enables a *functional* focus on business support and constrains *integrated* interministerial collaboration

Autonomy and especially territory appeared to be an important factor in middle managers' behavior. We found middle managers both enabling and constraining initiatives as long as they could maintain or enlarge their territory. In the end, we did observe that their attachment to territory could not withstand the very high political pressure related to the central government downsizing program called renewal central government. In addition, clarifying roles by top managers fits more under the top management support theme than the autonomy theme as one of the possible methods deployed by top managers.

- P2.1: During MFR implementation public sector middle managers *actively and passively* resist (support) initiatives lowering their autonomy if they seem to reduce (enlarge) their territory *unless* there is high political pressure
- P2.2: –merged into P5.1–

Again, traditional beliefs play an important role in middle managers' behavior. Based on our observations we were able to refine all three propositions. First, as we expected from the outset, we found that stronger traditional beliefs lead to more active resistance, while weaker traditional beliefs lead to more passive resistance. Also, we found that traditional beliefs and a perceived lack of appreciation by customers reinforce each other. Both of which can be reduced by stressing the value of MFR-type initiatives to both middle managers and customers. Furthermore, we found that replacing resistant middle managers with MFR-oriented middle managers will even stronger alleviate resistance when these new middle managers are either younger lower managers or come from other fields than the central government.

- P3.1: The stronger (weaker) public sector middle managers hold traditional beliefs, the more (less) they actively (passively) resist MFR implementation
- P3.2: Traditional beliefs among public sector middle managers lead to a perceived lack of appreciation by customers, which both can be reduced by stressing the value of MFR-type initiatives
- P3.3: Replacing resistant public sector middle managers with (younger and/or lower) MFR-oriented managers (from other fields) will (strongly) alleviate resistance to MFR implementation

Unlike its role in the previous chapter, perceived limited influence on results played a substantial role in this case. We found that middle managers who believe that achieving results is beyond their influence perform little out-of role behavior – i.e., organizational citizenship behavior. Not moving beyond formally described job roles by extending to colleagues will reinforce a perception of limited behavioral control (see, Ajzen 1991). Moreover, we found that interdisciplinary collaboration actually increases middle managers' influence on results when combined with clear accountability relations; and vice versa for organizational stovepipes and a lack of clear accountability relations.

- P4.1: Public sector middle managers who deem that achieving results is beyond their influence perform little organizational citizenship behaviors and hence passively resist MFR implementation

P4.2 Public sector middle managers' influence on results is enabled (constrained) by interdisciplinary collaboration (organizational stovepipes) and (the lack of) clear accountability relations

Top management played an important role in this case too. In the first place because the key change agent, the Vice SG, was a member of the studied management team. However, later we saw how political demands were channeled down the organizational hierarchy via top management. We know that top managers can deploy a number of methods or tactics, for instance by holding managers accountable (P1.2) through management reporting systems and clarifying roles (P2.2) in organizational design. However, we found that affective or normative commitment of top management is more important than the specific method deployed. Not only in implying actions from top management enabling MFR, but also in signaling to middle managers that MFR is something that is important for the ministry (affective), and why it is important (normative). Middle managers that want to resist will mostly refer to covert resistance and not actively and openly challenge top management. Furthermore, we found that when top managers stress learning goals this has a positive effect on middle managers' MFR behavior, and vice versa when top managers stress performance goals it has a detrimental effect on middle managers' MFR behavior. Note that learning goals can be combined with performance goals.

P5.1: Affective and normative MFR commitment of top management (Minister, Secretary-General, Directors-General, and/or Vice Secretary-General) reduces *active* resistance to MFR implementation by public sector middle managers

P5.2: The less (more) public sector top managers stress learning goals during MFR implementation and the more (less) they stress performance goals, the more public sector middle managers will passively resist (enable) MFR implementation

We further refined the propositions related to the theme change approach. We found that bricolage that is not guided by a normative vision will most probably only evoke higher resistance in the long term. On the other hand, bricolage guided by a normative vision enables change agents to suit their plans to the constantly changing conditions under which they have to perform their work. Furthermore, we found –as in chapter five– that participatory, open-ended, decision making and directed communication helped in overcoming resistance and building a coalition for change. Either middle managers can steer part of decision making in a direction they see more suitable for their

specific context, or they can at least understand the rationale for the decisions made by others. In addition, training and sponsor interventions help in shifting middle managers opinions towards being more favorable of MFR. We did not include support interventions because these aim at opening up the way of thinking which does not have to lead to the endorsement of MFR

- P6.1: When guided by a normative vision change agents' bricolage can counter public sector middle managers' resistance to MFR-type change initiatives
- P6.2: Participatory, open-ended, decision making or directed communication of underlying motivations for organizational change helps build a dominant coalition of public sector middle managers' to overcome resistance for implementing MFR
- P6.3: Public sector middle managers' resistance to MFR implementation is reduced by training and sponsor interventions aimed at developing capabilities of middle managers

Mindfulness was the label of the new theme we developed in this chapter. Mindfulness describes the quality and conservation of attention. In this case we observed how middle managers where more or less mindful during their meetings in regards to MFR. First of all, we found how middle managers tended to give short-term daily affairs a higher priority than improved business support. The reason they provided was that improved business support was something they did on the side. Later in the case we found that the developments in the environment forced them to focus on improving business support. Although in the end this mostly turned into a mere downsizing operation. Besides, we found in our case that less mindful interaction was precipitated by a lack of affective or normative commitment. This led middle managers to take up tasks related to division-wide business support, which they then finished either too late or in poor quality. Nonetheless, we did see that on an ad-hoc basis mindfulness was evoked by a change agent through signaling. Also, we found especially in the workshop how open discussion, group reflection and making abstract concepts more concrete leads to improved mindfulness among middle managers. However, almost towards the end of our case we did see that the Vice SG again warned for a lack of determination in bringing the downsizing to a 'good' end.

- P7.1: Public sector middle managers will actively and/or passively resist MFR implementation by giving short-term daily affairs a higher priority than improved business support
- P7.2: Without affective or normative MFR commitment leading to mindful interaction during implementation –especially when finishing tasks–



public sector middle managers will passively resist the implementation of MFR

- P7.3: Passive resistance by public sector middle managers during MFR implementation will be reduced by mindful interaction; which is evoked by signaling and encouraged by open discussion, group reflection and making abstract concepts more concrete

In sum, we observed that the organization changed substantially at the end of our case study. Unfortunately, the plans of the new government coalition formed in 2007 had an enormous influence on our case organization (and all other Dutch central government ministries). The workshop we organized helped in excavating a number of issues, however –as the senior researcher pointed out – the actual blockages in the form of cultural issues were not removed. On the other hand, achieving change without external pressure is rather difficult in old institutional fields such as the government. We did find that even for successful change in formal structure, again the entire array of change agent roles was used. Also, the value of bricolage reappeared in focusing on shifting a group of people towards the MFR template instead of focusing on a number of tools or projects which can further both the legal-rational bureaucratic and MFR template. Finally, we perceived that mindfulness, either by personal commitment or evoked and encouraged by a change agent, plays a crucial role in implementing MFR.

### 6.7.2 LIMITATIONS

Our study into the implementation of a vision for the business support division as an MFR initiative has a number of limitations. Nonetheless, in comparison with the previous study we improved upon three of the five limitations mentioned there. We conducted a second in-depth empirical study into MFR implementation in a Dutch central government ministry, data collection and analyses were now done by the same researcher, and we gave more consideration to individual differences. Nonetheless generalizability will remain a limitation. First, as in the previous two studies, the question remains if the Dutch context is generalizable to a global or even Western public-sector context. However, we deem the study to be generalizable to the Western public-sector context for the same reasons as put forth in chapters three and four.

Second, we established a link between the process and the organizational outcome (see, Pettigrew et al. 2001). However, the outcome of the process was strongly influenced by an external disturbing event in the form of the downsizing plans. This resulted in extensive reorganizing of the division, which overshadowed the implementation of the vision although the initial focus lay on

connecting the vision with the reorganization. The downsizing became a project in itself which in the end only had performance goals: downsize on time and on budget.

Third, we were not able to prevent a drop in our research diary response rate. The first few months most respondents except for one<sup>26</sup> kept their diaries on a regular basis (respondents were asked to also reply in case there were no relevant events). However, close to our workshop four of the ten respondents had dropped out while one respondent had left the organization. Of the remaining five respondents, three were project managers. Hence, we stopped sending the diary after the workshop. The respondents indicated they would have liked more feedback on their diary entries; unfortunately –as described more in depth earlier in this chapter– in Phase II our hands were tied till the workshop.

Fourth, we focused on the management team level in our study of the implementation of the business support vision and not on the individual level. We experienced that our focus on the group level somewhat hampered us to take a look at the individual level. A future study could explore middle managers' motivations by working closely with for instance one manager, hence permitting the researcher to attend all meetings of the middle manager and study her or his decision making. Conducting research while acting as an executive coach to middle managers would be another way to explore individual motivations. However, within the scope of this study both alternatives were not feasible.

Fifth, we performed limited action research in this study. We conducted a minor intervention by feeding back our observations in Phase I, and a large intervention in the form of a one day long workshop. With the latter intervention we went through the entire action research cycle as described by Susman and Evered (1978). Yet, which interventions work and which do not can only be discovered by going through a couple of action research cycles. The question is if researcher could get this kind of responsibility within a case organization. In our case organization this was only feasible through the involvement of a senior researcher with extensive consulting experience in the public sector. Future studies could hence benefit from either collaboration in research with the consulting industry or performing a dual role as both researcher and consultant.

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<sup>26</sup> This person kept a hand written diary of which we would get copies later. Despite a number of requests these were unfortunately never provided.

## TENTATIVE MODEL OF COMPETING TEMPLATES

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“But the real meaning of this evolution (which made it actually a *revolution*) lay not in replacing an unsatisfactory scheme with another, better one but in *shattering the very principle of the preestablished composition scheme.*”

-- Milan Kundera (1995: 171)

In the previous three chapters we described and analyzed how middle managers and other relevant stakeholders reproduce and transform social structures in practice. Doing so, we studied the *structuration* of MFR by middle managers in practice, i.e., during the implementation of MFR-type initiatives in the Dutch central government. This section will combine the parts and elements of this thesis to form a whole. First, we provide a synopsis of our study. Then, we abstract from our propositions by defining and mapping the central concepts in our propositions and the relations between them. Next, we examine and refine a number of structural and agentic concepts that played a central role in our study. Last, we construct a generic tentative model of competing templates.

### 7.1 SYNOPSIS

Because structuration theory is an ontology of social life, we extended this theoretical lens –or interpretive theory– in chapter two and three to help guide our descriptions and analyses. In chapter two, government reform aimed at making government more efficient and effective was framed as a shift from the traditional legal-rational bureaucracy template to the MFR template (competing templates). Elaborating middle managers’ behaviors in terms of supporting (enabling) or resisting (constraining) the MFR template permitted us to uncover structural contradictions along the lines of Giddens’ structuration dimensions: signification, domination, and legitimation. Later, we refined resistance by distinguishing between active and passive resistance. Active resistance holds that actors openly and actively try to subvert MFR implementation. Passive resistance on the other hand means that actors either covertly resist or maintain the traditional legal-rational bureaucracy template by neither resisting nor supporting MFR.

In chapter three, we added to our theoretical lens by drawing on a wide range of structure and agency related theories: institutional theory,

institutional entrepreneurship, agency theory, social drama theory, change agent role theory, and theory on middle managers. Institutional theory describes how structures influence actors, while the concept of institutional entrepreneurship describes how actors attempt to change structures. We used social drama theory to describe how micro interaction will reproduce or transform the social order or structure. Agency theory then provided us with a means to describe the type of rationality underlying agency – i.e., rooted in the past, present or future. Next, with change agent role theory and middle management theory we synthesized the literature on the behaviors of central actors in this study: change agents and middle managers.

We collected our data by using more diverse, sophisticated, and innovative data collection methods in each next study. For the first study we used in-depth semi-structured interviews and archival data only. In the second study, we added participant observations. Then, for the third and final study, we further added non-participatory observations and research diaries, while adding a form of action research.

Based on the collected data we iteratively developed a theory of middle managers' behavior during MFR implementation in the form of propositions. The use of propositions allowed us to combine the findings of each new study with the previous study. The first study developed propositions on the social structures that influenced middle managers' behavior during MFR implementation. We categorized these social structures under the themes: environment, autonomy, traditional beliefs, perceived influence on results, and top management support. The second study focused more on agency by taking a longitudinal approach and mapped refined and extended propositions onto the structural model of change agency for the institutionalization of MFR among Dutch public sector middle managers. In this longitudinal study we uncovered the theme 'change approach.' Then, the third study replicated and extended the second study by mapping the further refined and extended propositions onto the structural model again. Here, we found the additional theme 'mindfulness' to play a key role. Now we further explore the relations between the separate concepts of our propositions.

## **7.2 MAPPING AND DEFINING CENTRAL CONCEPTS**

In section 6.7.1 we described our final seven themes and sixteen propositions. In this section we will abstract from our themes and propositions by mapping the relations between core concepts in these propositions and defining these concepts where necessary. During our inquiry we observed that propositions under separate themes were occasionally related to each other. We found this

hard to depict in our structurational model (Figure 6.6). Additionally, we want to depict how our propositions relate to the central concept in our model: middle managers' behavior in relation to MFR implementation.

In Figure 7.1 we provide a more precise view of how the various concepts interact with each other. We organized the concepts derived from our propositions in three separate classes: structure, middle managers' behavior, and change agency. Middle managers' behavior and change agency are both forms of agency, yet we treat change agency as a separate class because it aims at changing middle managers' behavior. Likewise, structure influences middle manager behavior in the model, although we need to keep in mind that middle managers reproduce and transform structures too. Ovals represent structure, circles represent middle managers' behavior, and hexagons represent change agency. A plus (+) accompanying an arrow represents a positive influence between constructs, a minus (-) a negative influence, and both a plus and a minus (+/-) represent that the influence from one construct on another can be both positive and negative.

In Figure 7.1 we organized the concepts derived from our propositions in three separate classes. The first class is constituted by the central concept of middle managers' MFR behavior. In addition, we depict specific elements of their behavior in the form of mindfulness, organizational citizenship behavior, and prioritizing. Normally, the more middle managers support MFR, the higher the priority of MFR. The second class is constituted by the structures that directly or indirectly influence middle managers' behavior. Middle managers will either support or resist these structures in their daily practice by reproducing and transforming them. Because we defined two general competing templates in our study, the support of traditional legal-rational bureaucracy means resisting the challenging template of MFR. Supporting MFR implies a transformation of the social order towards MFR. For example, middle managers' traditional beliefs have a negative effect (-) on middle managers' MFR behavior. Middle managers' territory, on the other hand, can have both a positive (+) or negative (-) effect on middle managers' MFR behavior, depending on the type of MFR initiative. Likewise, the perception of influence on results can have both a positive and a negative effect via organizational citizenship behavior on middle managers' MFR behavior dependent on accountability relations and interdisciplinary collaboration. Be aware that the latter two are related as clear accountability relations enable interdisciplinary collaboration, hence the dotted arrow.

In Figure 6.7, we can see that our initial themes were refined and extended, but did not change: autonomy (territory), traditional beliefs (idem), perceived influence on results (idem), and top management support (top management commitment). Environment plays a role through territory and

perceived influence on results. Naturally, environment plays a role through top management too, but because of our middle management focus we did not observe this in our study.



Figure 7.1: Relations between concepts developed from our empirical studies

The third class is constituted by change agency. Here we depict actions that change agents can take to enable middle managers' MFR behavior. Arguably, some top management behavior, in particular goal-setting, was depicted as being part of structure. We decided to do so, since we focused on the middle management level and the goal-setting by top managers we observed was mostly not conducted in interaction with middle managers. Bricolage and replacing managers<sup>27</sup> did happen in interaction with middle managers, either in the form of countering their behavior, or using the existing vacancies in the organization. Next, we simplify the mapped relations to build a tentative model of competing templates.

### 7.3 CONSTRUCTING A TENTATIVE MODEL

In this section we will map the findings from our studies onto the two main models described in chapter three: one on a more macro and one on a more micro level. We use the combined agency model developed in chapter three to link the group level and the individual level. Then, we use Greenwood and Hinings' (1996) model for understanding organizational change to link the inter- and intraorganizational (group) levels of template change. The combined agency model consists of the chordal triad of agency (Emirbayer & Mische 1998) and the stratification model of agency (Giddens 1986). By combining these models, a tentative model of competing templates is built.

Though, before developing these models, we will first closer examine –and refine where necessary– the structural and agentic concepts that both play a central role in the empirical part of our study and have not been discussed in-depth in our theoretical chapters. Structure related concepts are autonomy/territory, traditional beliefs, and perceived limited influence on results. Agentic or action related concepts such as mindfulness and bricolage were introduced in related empirical chapters, yet need to be demarcated and subsequently embedded into the frameworks developed in the theoretical chapters. In our theoretical chapters two and three we had already discussed: goal-setting (performance versus learning goals), accountability, market environment (electoral/political) and institutional environment (traditional legal-rational bureaucracy and MFR templates) and change agents' roles. In addition, we had already discussed in our empirical chapters the concepts commitment and normative visions.

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<sup>27</sup> The labor law for Dutch civil servants is quite protective; even during reorganizations, it is almost impossible to lay off Dutch civil servants. Usually, with mutual consent, civil servants will obtain a position somewhere else in the government organization.

### 7.3.1 STRUCTURAL CONCEPTS

Structural concepts are abstractions of behavioral patterns that we observed to be routinely reproduced in middle managers' behaviors. These concepts were autonomy, traditional beliefs, and perceived limited influence on results. Based on the management literature we relabeled autonomy as territoriality and perceived limited influence on results as perceived behavioral control.

#### TERRITORIALITY

In chapter four we described how middle managers' level of autonomy had an influence in three different aspects, i.e. level of accountability or transparency, size of staff and budgets, and professional autonomy. Middle managers perceived the implementation of MFR as a threat to all these three forms of autonomy. After going back to the literature, we found in chapter four that the concept of territory is very closely related to the theme we coined autonomy, in particular the size of staff and budgets. In the next two chapters territory played an even more important role in middle managers' behavior. Territoriality can be defined as "an individual's behavioral expression of his or her feelings of ownership toward a physical or social object" (Brown et al. 2005: 578).

Here, psychological ownership is an antecedent of territoriality and can be defined as "the feeling of possessiveness and of being psychologically tied to an object" (Pierce, Kostova, & Dirks 2001: 299). Pierce, Kostova and Dirks (2001; 2003) argue that psychological ownership fulfills three fundamental human drives: the need for efficacy, the need for self-identity, and the need of people to have a place of their own. Behavioral expressions of feelings of ownership are marking (constructing and communicating territories) and defending (maintaining and restoring territories) (see, Brown et al. 2005). In the light of our empirical findings, the two positive and two negative consequences of territoriality Brown, Lawrence, and Robinson (2005) found are highly relevant. Albeit that in our study all consequences of territoriality have a negative effect on MFR implementation.

First, according to Brown, Lawrence, and Robinson (cf., Becker 1960; 2005) territoriality leads to higher *organizational commitment* by 1) identity-oriented marking or personalization, 2) rooting individuals in the organization, and 3) significant personal investments of time and energy (cf., Becker 1960). Moreover, higher commitment leads to higher organizational citizenship behavior (Organ 1988b). Yet, commitment to which organization exactly, or –



phrased in the words of Greenwood and Hinings (1996)– commitment to which values? Since the Dutch central government traditionally is rooted in the legal-rational bureaucracy, we conjecture that territoriality increases commitment to the traditional legal-rational bureaucracy. Hence, we need to distinguish between commitment to legal-rational bureaucracy and commitment to MFR. Intriguingly; both forms of commitment should lead to higher organizational citizenship behavior.

Second, territoriality decreases process *conflict* albeit in a somewhat paradoxical way. In the short run territorial behaviors might emerge when there is conflict over organizational objects. Yet, in the long run territorial behaviors demarcate responsibilities, relationships and resources. Exactly these territorial demarcations will be undermined in periods of organizational upheaval, which is the case when shifting to the MFR template. Also, the negotiated territories might predispose a group toward being overly harmonious, reducing the tendency toward independent thinking needed to perform creatively (Beersma & De Dreu 2005; De Dreu 2008). This might explain both the low levels of active resistance in our two longitudinal cases and the observed lack of strong emotions in the last case.

Third, territoriality leads to *pre-occupation*. “To the extent that one is engaging in behaviors aimed at constructing, communicating, maintaining, and restoring his or her organizational territories, one has less time, energy, and capacity to focus on higher-priority issues regarding the job and organizational goals” (Brown et al. 2005: 587). Hence, territorial behaviors will have a detrimental effect on mindful interaction during MFR implementation, especially in relation to prioritizing. Likewise, and fourth, territorial behavior will increase the degree to which organizational members are *isolated* from one another. Territoriality will hence frustrate interdisciplinary collaboration.

Because we found territoriality to fit better our theme autonomy we relabeled this theme accordingly. For MFR implementation we summarize that territorial behaviors increase organizational commitment, decrease conflict, and lead to pre-occupation and isolation. The latter two have a direct negative effect on MFR implementation if not organizational performance in general. Decreased conflict by territoriality will mute discussion of responsibilities, relationships and resources needed for MFR implementation. Commitment as a consequence of previously established territories will mostly be linked to the dominant and traditional template in the organization; in the case of government the legal-rational bureaucracy template.

## TRADITIONAL BELIEFS

We defined the theme traditional beliefs as “the ideas related to the traditional legal-rational bureaucracy paradigm in which action is based on habits and values expressed in routines, rules, regulations, and procedures as opposed to a means-end rational (see e.g., Townley 2002).” Hence, traditional legal-rational bureaucracy is mediated in middle managers’ behavior by traditional beliefs. In chapter four we found these traditional beliefs to play an important role in the Dutch central government. In chapter five we slightly nuanced this finding, as especially in support departments at least some middle managers perceived the benefit of an MFR-style interaction with line departments – then labeled ‘customers.’ In chapter six we further nuanced traditional beliefs as we interpreted middle managers’ behavior as sliding back into behaviors associated with traditional beliefs instead of wholeheartedly endorsing traditional beliefs.

We do not know if this decrease of behaviors associated with traditional beliefs in the separate consecutive studies is due to our progressively more refined data collection, differences in the organizations studied, or a general shift over time in the Dutch government towards the MFR template. Nonetheless, in all studies we observed a substantial presence of behaviors driven by traditional beliefs. Since legal-rational bureaucracy was the dominant template for decades, we can classify behavior based on traditional beliefs as routine behavior. Or, as action that is solely oriented on the past (Emirbayer & Mische 1998). Already in chapter one, we described how routines are related to feelings of ontological security. That middle managers therefore slide back into their routines in turbulent times can hardly be called a surprise. Nonetheless, this holds that passive resistance follows from sliding back into the bureaucracy template in the form of routine behavior. Conversely, high commitment to the legal-rational bureaucracy template can be expected to lead to active resistance. Middle managers that actively resist MFR implementation will do so in the form of practical-evaluative or projective agency, instead of routine behavior.

## PERCEIVED BEHAVIORAL CONTROL

A theme less often touched upon in the public sector reform literature is middle managers’ perceived influence on results. We described this theme in chapter four as “the influence the managers feel they actually have on achieving the planned results [...] When managers feel that the achievement of a result is beyond their control, they will not want to be held accountable for it.” We found this concept of perceived influence on results strongly related to the concepts

perceived self-efficacy (Bandura 1994) and perceived behavioral control (Ajzen 1991).

Actual behavioral control refers to the extent to which a person *actually* has the skills, resources, and other prerequisites needed to perform a given behavior. Perceived behavior control then refers to people's *perceptions* of their ability to perform a given behavior. Perceived behavior control was mostly built on perceived self-efficacy. However, recent research (see, Ajzen 2002) has demonstrated that the overarching concept of perceived behavioral control is comprised of two components: self-efficacy and controllability. Perceived self-efficacy refers to "beliefs in one's capabilities to organize and execute the courses of action required to produce given levels of attainments" (Bandura 1998: 624). This perceived ease or difficulty of performing a behavior should be distinguished from perceived controllability: "beliefs about the extent to which performing the behavior is up to the actor" (Ajzen 2002: 672).

A third dimension related to both self-efficacy and controllability is the concept of locus of control (Lefcourt 1966; Rotter 1966, 1982). A person has an external locus of control when he or she believes an event is not entirely contingent upon his or her action, due to for instance luck, chance, fate, powerful others, or unpredictable forces. If the person perceives that the event is contingent upon his or her own behavior he or she has a belief in internal control. Note that self-efficacy expectations do not necessarily correspond to beliefs about internal control factors and that controllability expectations have no necessary basis in the perceived operation of external factors. Instead, Ajzen (2002) suggests that self-efficacy and controllability may both reflect beliefs about the presence of internal as well as external factors. For example, a manager may believe that an MFR management style results in higher performance (internal locus of control), may believe that he or she can decide to display an MFR management style (high controllability), but may not believe he or she is capable to display an MFR management style (low self-efficacy).

Under the theme influence on results we derived that middle managers did not want to be held accountable for results they perceived to have limited influence on. This would indicate that middle managers have an *external locus of control* in relation to MFR. In addition, we want to know if middle managers believe to have the capabilities (self-efficacy) and the autonomy (controllability) to influence results. In general, we found that middle managers performed little organizational citizenship behavior, which would enable MFR, due to perceived strict procedures and/or performance targets. Also, we found that organizational stovepipes and a lack of clear accountability relations were perceived to limit influence on results. Hence, middle managers mostly blamed a lack of autonomy for their limited influence on results. We derive that middle managers believe they have *low controllability*. Interestingly, top management

used interventions aimed at building capabilities in our two in-depth cases. This indicates that top management believed they needed to invest in improving middle managers' *self-efficacy*. Perceived behavior control, constituted by self-efficacy and controllability, is in the theory of planned behavior a precursor of human agency. Based on the observed low self-efficacy and controllability beliefs of middle managers, we conclude that middle managers have low perceived behavioral control (i.e., middle managers perceived limited influence on results),

### 7.3.2 AGENTIC CONCEPTS

What we describe as agentic concepts, are those elements of agency that we found to play a major role in the *intended* attempts at transformation of the social order. Especially important in our empirical cases were the concepts mindfulness and bricolage. Here, we will tie these concepts to the combined agency model developed earlier, which will constitute the agency part of our tentative model of competing templates. However, for this purpose, we need to make use of recent insights from the judgment and decision making field. With this literature we will be better able to position mindfulness and bricolage as elements of human agency. First, we describe key findings from the judgment and decision making literature. Then, we elaborate mindfulness and bricolage to position them within this literature. Finally, we pull these threads together by refining the combined agency model.

#### JUDGMENT AND DECISION MAKING

We categorize mindfulness and bricolage as related to Emirbayer and Mische's (1998) practical-evaluative element of agency as they focus on the present. This practical-evaluative element is characterized by practical and normative *judgments* among alternative possible trajectories of action. However, we would like to know exactly how these judgments are developed, especially in relation to bricolage and mindfulness. Hence, we turn to the judgment and decision making field. Here, we found that: "judgments and choices typically engage multiple psychological processes, from attention-guided encoding and evaluation, to retrieval of task-relevant information from memory or external sources, prediction, response, and post decision evaluation of consequences and resulting updating" (Weber & Johnson 2009: 4). Figure 7.2 provides a graphical representation of judgment and decision making based on the processes mentioned in Weber and Johnson's (2009) recent review. Based on our conceptualization mindfulness will be related to input and bricolage to

reasoning processes. The relation between both concepts and the information integration process is to be seen.

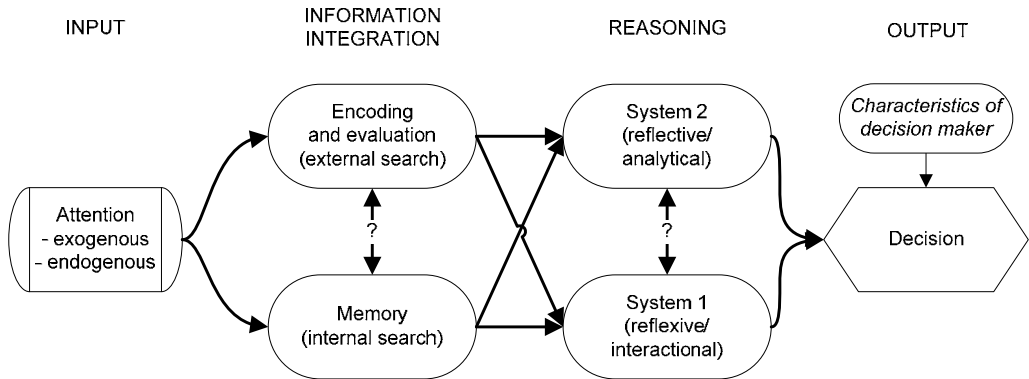


Figure 7.2: Judgment and decision making processes (based on Weber & Johnson, 2009)

Large progress has been made in decision making research, for instance the recognition and consequently the incorporation of emotions. Also, variation in decision making has been partly explained by the characteristics (e.g., gender, age, personality, and cognitive traits/styles) of the decision maker (Weber & Johnson, 2009). In particular, we know a lot about the first step: attention. However, it is still not exactly clear how the different processes – especially within information integration and reasoning– influence each other. Here, we summarize how Weber and Johnson (2009) describe the working of attention, after which we discuss the three main points of ambiguity in judgment and decision making research.

Attention is guided by selectivity, which is a central component of goal-directed behavior. *Selective attention* operates on the basic level of perceptual identification, but also on higher cognitive levels such as the initial perception of the situation (framing), assessment of the task at hand (goal elicitation), evidence accumulation, and judgment or choice (Weber & Johnson 2009). Attention is both *exogenously* and *endogenously* influenced.

Exogenously, attention is automatically attracted and maintained by things that *vary*. Also, the *status quo* attracts more attention and thus importance and decision weight than other options (Carmon & Ariely 2000). In addition, *characteristics of tasks* such as judgment (absolute) versus choice (relative) decisions, description of choice options (e.g., first or last), and the process of knowledge provision (rare events are underweighted in experience, but overweighted in description) (Weber & Johnson 2009).

Endogenously, goals and affect guide attention. When multiple and contradicting *goals* are in play, selective attention to different subsets of goals influences decision making (Krantz & Kunreuther 2007). Cultural values, content domain, and task characteristics situationally activate goals, while activated goals determine whether deontological, consequential, or affective decision rules are used (Weber & Johnson 2009). In addition to cognitive factors, *emotions* focus attention on features of the environment and appropriate action tendencies (see Table 6.11). For instance, for financial market traders good mood results in inferior performance and overconfidence, and bad mood in more accurate decisions and more conservative trading (Au, Chan, Wang, & Vertinsky 2003). In addition, Chou, Lee and Ho (2007) found people taking more risk in a happy mood and less in a sad mood.

Selectivity is further enhanced by goal-relevant and context-sensitive *encoding* of information from both external search and memory. Furthermore, the *evaluation* of incoming information is relative and might be subject to distortion. Distortion can for instance be caused by: support of early-emerging favorites (Simon, Krawczyk, & Holyoak 2004), bias in presentation or search (Fiedler 2000), memory priming (Mandel & Johnson 2002), and even basic memory retrieval (Danner, Aarts, & De Vries 2007).

The next two processes, information integration and reasoning, will be discussed as main points of ambiguity in judgment and decision making research. We end with a third point of ambiguity: to what extent is decision making conscious? First, the interplay between external (encoding and evaluation) and internal (memory) search. When this interplay between both processes is defined as knowledge flow that either reinforces or changes routines (or individual social structures / memory traces) (e.g., Saka-Helmhout 2007), this process could also be seen as the individual part of the structuration process: reproduction or transformation. We discussed the functioning of memory traces earlier in this thesis.

Second, although dual-process explanations for decision making have found currency in psychology, the interplay between systems 1 and 2 is still not clear (Weber & Johnson 2009). In dual process explanations system 1 is an experiential, tacit, natural, rapid, automatic, effortless, associative, intuitive, *reflexive* process. While system 2 is a slower, rule-governed, analytic, deliberate, rational, intentional, extensional, controlled, effortful, *reflective* process (also see, Dane & Pratt 2007; Kahneman 2003). Stanovich and West (2000) posit that each system leads to different task interpretations. “Construals triggered by system 1 are highly contextualized, personalized, and socialized. They are driven by considerations of relevance and are aimed at inferring intentionality by the use of conversational implicature even in situations that are devoid of conversational features” (Stanovich & West 2000:

659). This system of *interactional intelligence* might lead to the fundamental computational bias in human cognition: the automatic contextualization of problems. “In contrast, system 2’s more controlled processes serve to decontextualize and depersonalize problems. This system is more adept at representing in terms of rules and underlying principles. It can deal with problems without social content and is not dominated by the goal of attributing intentionality nor by the search for conversational relevance” (Stanovich & West 2000: 659). This is a system of *analytic intelligence*. The most supported view is that system 2 knows some of the rules that system 1 is prone to violate (e.g., the fundamental computational bias in human cognition), and sometimes intervenes to correct or replace erroneous intuitive judgments (see, Ferreira, Garcia-Marques, & Sherman 2006; Kahneman & Frederick 2002; Weber & Johnson 2009).

Alternatively, there are doubts if system 1 does not actually consist of more systems (Weber & Johnson 2009). Interesting in this respect is that some authors distinguish between linear or vertical and non-linear or lateral thinking (e.g., DeBono 1970; Vance, Groves, Paik, & Kindler 2007). Lateral thinking is about reasoning that is not immediately obvious and about ideas that may not be obtainable by using only traditional step-by-step logic; lateral thinking extends the breadth (or width) of the considerations within a solution space. Nonetheless, both linear and non-linear thinking styles require awareness and attention on the side of the decision maker, which would plea for an associative, intentional, effortful, non-automatic, creative system in between 1 and 2. Yet, as developing a third system goes beyond the scope of this thesis we stick to the two systems. Also, although the details and properties of these dual process theories do not always match exactly, “there are clear family resemblances” (Stanovich & West 2000: 658).

Third, there is a (in our view mostly semantic) dispute among scholars to which extent the entire decision making process is completely conscious. There is substantial evidence that choices in complex matters (ambiguous means-end relations, information overload, multiplicity of goals, and the like) should be left to unconscious thought and limited, if any, contemplation (Dijksterhuis 2004; Dijksterhuis, Bos, Nordgren, & Van Baaren 2006). Yet, even in these unconscious decision making studies, there is conscious attention and external information search on the side of the research subject – only the reasoning process is executed unconsciously. Hence, in our view the difference boils down to classifying system 1 as a conscious or unconscious system. In this section we explored a number of psychological processes and how these processes influence each other. Next, we move on to position mindfulness and bricolage within these processes (depicted in Figure 7.2), which will permit us to link them together.

## MINDFULNESS

The concept of mindfulness has received moderate but steady attention in the management field from the late eighties onward, mostly by the work of Karl Weick and associates (e.g., Levinthal & Rerup 2006; Rerup 2005; Weick 1987; Weick & Putnam 2006; Weick & Roberts 1993; Weick & Sutcliffe 2001, 2006; Weick et al. 1999). In explaining the relevance of mindfulness, Weick points to Chia (2005: 1092) who describes managing as “firstly and fundamentally the task of becoming *aware*, attending to, sorting out and *prioritizing* an inherently messy, fluxing, chaotic world of competing demands that are placed on a manager’s *attention*.” However, the use of the term is somewhat ambiguous as at least two streams of mindfulness – a Western and an Eastern view – can be distinguished (Weick & Putnam 2006; Weick & Sutcliffe 2006).

The Western view is represented by for instance Weber and Johnson (2009) who state that mindfulness comes into play when awareness is combined with the process of attention-guided encoding and evaluation. Central in this view is the work of Langer (1989), where mindfulness relates to having implicit awareness of context and informational content; mindfulness consists of active differentiation and refinement of existing categories, creation of new categories, and a nuanced appreciation for context. Therefore, Western mindfulness is as much about attention as it is about encoding. Levinthal and Rerup (2006) draw heavily on the work of Langer. The consequence of such processing is that concepts, labels, ideas and judgments are often imposed, often automatically, on everything that is encountered. For example, Frable, Blackstone, and Scherbaum (1990) found that people with a non-visible ‘deviation’ from the social norm (e.g., being epileptic, an abuse victim, wealthy, gay) were more mindful in interaction when they wanted to prevent disclosure of this ‘deviation,’ which could lead to stereotyping/stigmatizing. Also, “Starbuck (1993) suggests that good doctors do not base their treatments on diagnosis. They leave diagnosis out of the chain between symptoms and treatment because it discards too much information and injects random errors” (Weick 1998: 550). Hence, the Western view of mindfulness has the risk of furnishing superficial, incomplete, or distorted pictures of reality (Brown et al. 2007).

The Eastern view of mindfulness precedes conceptualization. “Mindfulness is moment-to-moment nonreactive, nonjudgmental awareness” (Kabat-Zinn 2002: 69). More precisely, mindfulness can be described as “purposely placing one’s attention in the present in a non-judgmental way while limiting evaluative thought processes” (Stauffer 2007). Before, we referred to Brown, Ryan and Creswell’s seminal review of mindfulness research, who define



mindfulness as “receptive attention to and awareness of present events and experience” (Brown et al. 2007: 212). Here, *awareness* is the conscious registration of stimuli and when a stimulus is sufficiently strong, *attention* is engaged, which is manifest as an initial ‘taking notice’ of, or ‘turning toward’ the object.

In contrast to the Western, conceptual model of processing, a mindful mode of processing involves a receptive state of mind, wherein attention is kept to a bare registration of the facts observed. Mindfulness “involves the capacity to be aware of internal and external events and occurrences as phenomena, rather than the object of a conceptually constructed world, [...] consciousness takes on a clarity and freshness that permits more flexible, more objectively informed psychological and behavioral responses” (Brown et al. 2007: 212). Mindfulness is however not to be mistaken with concentration. Primarily, mindfulness involves a voluntary fluid regulation of states of attention and awareness, zeroing in on specific details, or zooming out to gain a larger perspective on what is taking place. And finally, mindfulness is present-oriented which actually promotes self control and more effective goal attainment.

Eastern mindfulness is not antithetical to the pursuit of goals, but the nature of that pursuit is likely to be selective. Goal pursuit is more in line with self-endorsed, intrinsic goals and values, and a perception of having ‘enough,’ while less entangled with wants and desires (Brown et al. 2007). There is also preliminary evidence that mindfulness can support more effective goal attainment (Brown & Vansteenkiste 2006). These findings suggest that “behavior is guided by goal standards only to the extent that people are attentive to those goals, but also suggest that that mindful attention to one’s day-to-day activities may facilitate goal attainment, perhaps by enhancing self-regulation and integrated goal commitment” (Brown et al. 2007: 224).

A consequence on the Eastern view is that “when people move away from conceptuality and encoding, outcomes are affected more by the quality than the quantity of attention” (Weick & Sutcliffe 2006: 514). Mindfulness is fundamentally a quality of consciousness. Moreover, Weick and Putnam (2006: 281) point out that “stable attention by itself, and not attention to specifics such as failure, simplification, or operations, may explain considerable variance in reliable performance. If that is plausible, then it means that greater awareness of how attention functions may be a precondition for greater alertness.”

The operation of Eastern mindfulness may occur through the creation of a mental gap between the stimulus-response relations that shape automatic behavior. Hence, “mindfulness may encourage the capacity to respond in ways that subserve one’s values, goals, or needs, rather than to react in terms of habits, overlearned responses, or reactions to situational cues. [...] The fact

that more mindful persons were more accurate in gambling tasks, implies that mindfulness may function to inhibit distraction from intrusive thoughts, allowing for deeper processing of relevant stimuli (i.e., greater accuracy and less overconfidence) and greater recognition of risk (i.e., less bet acceptance)” (Brown et al. 2007: 223-224).

Finally, Eastern mindfulness may be linked to three primary attention networks: 1) alerting attention, 2) orienting attention, and 3) executive attention (Raz & Buhle 2006). Respectively, these attention networks concern: 1) steady uninterrupted attention to one’s experience, 2) effective scanning and situationally appropriate selection of information in the perceptual field, and 3) conscious examination of one’s reactions and responses to environmental events. Especially executive attention as the capacity to monitor and resolve conflicts among competing behavioral response has been associated with for instance effortful control, planning and decision making, error monitoring, cognitive and emotion regulation, and the ability to overcome habitual actions (Brown et al. 2007). As such, mindfulness can be considered a metacognitive skill; i.e., using knowledge of one’s own cognitive processes to self-regulate these processes (Bishop et al. 2004).

The concept of mindfulness we developed in chapter six can be characterized as non-judgmental, open, antithetical to pre-occupation, and the like. Moreover, our mindfulness concepts emphasized the attentional process and not the encoding process. Our view is therefore closer to the Eastern view on mindfulness than the Western view. The most important difference between our concept and the Eastern view is prioritizing. We incorporated prioritizing in our mindfulness concept, however according to the Eastern view prioritizing will improve when done mindfully. We therefore exclude prioritizing from our mindfulness concept. Based on the Eastern oriented literature, we choose to position mindfulness as belonging solely to the attentional process, i.e., the input phase of decision making. When combining the Eastern view of mindfulness with our research findings four key points come to the fore. First of all, key elements related to mindfulness –awareness, attention and prioritizing– are central to managing. Second, mindfulness is present-oriented like the practical-evaluative element of agency, although evaluation – for instance in the form of prioritizing – is not part of mindfulness itself. Third, the orientation on the present in the form of mindfulness promotes self control, more effective goal attainment, and integrated goal commitment. Fourth, mindfulness helps in overcoming habitual responses to both internal wants and desires and external events. Hence, mindfulness actually supersedes institutionalized responses and focuses on an individual’s values, goals, or needs.

## BRICOLAGE

We mentioned before that mindfulness and bricolage both belong to the present-oriented element of agency. In fact, mindfulness might function as a precursor to bricolage. For example, Weick (1993) describes how people that are put under pressure mostly regress to their most habituated ways of responding; yet, even under life-threatening circumstances, some people demonstrate creativity; i.e., “figuring out how to use what you already know in order to go beyond what you currently think” (Weick 1993: 639). According to Weick (1993: 639), during a ‘collapse of sensemaking’ these people –he calls them bricoleurs– are “able to create order out of whatever materials were at hand.”

Before, we defined a bricoleur as someone who uses devious, remote, circuitous, or indirect means to handle some extraneous movement (Lévi-Strauss 1974; Hatton 1989). Hence, at least in this example, mindfulness does indeed create a mental gap between the stimulus-response relations that shape automatic behavior. Consequently, in this case bricolage is then the behavior – induced by mindfulness– that replaces the expected automatic behavior with the creative use of unexpectedly rising windows of opportunity (Ciborra 1996; Lévi-Strauss 1974).

However, we would like to distinguish between the behavior and the ‘heroic’ individual. We believe every person demonstrates bricolage to some extent by tinkering, borrowing, improvising, experimenting, and recombining existing elements (Rao, Monin, & Durand 2005). Weick (1993) on the other hand gets perhaps a bit carried away by describing bricoleurs as people who remain creative under pressure and act routinely in chaotic conditions which are simply normal natural trouble for them. This description brings fictional heroes of the eighties to mind such as McGyver and the A-team, but –despite his role– not the real life SG of chapter five. Ironically, little remains of the hero in contemporary French: a bricoleur is a do-it-yourselfer, or more precisely a bungler or botcher. Accordingly, Ciborra (1996: 104) points out that bricolage looks fragmented and intertwined, but also that it may be the only form in which surviving in a dynamic industry and coping with the high pace of change are possible.

Rao, Monin and Durand (2005) studied more down-to-earth bricolage in French gastronomy in the form of recombination by the copying or borrowing of the elements from a rival category (or template). “Such unchecked borrowing is a type of bricolage that combines elements from both categories, thereby attenuating boundaries unless it is constrained by segregating processes such as external sanctions” (Rao et al. 2005: 969). Interestingly, in line with Battilana’s (2006) findings on institutional entrepreneurs, Rao (2005: 988-989) found that high-status actors had more latitude to be original, could borrow

from a rival category, served as influential role models, and sparked a process of imitation by their peers. In this respect, culture is more like a “toolkit [...] from which individuals select different pieces” (Swidler 1986: 277). Rao’s findings resonate with our observation that middle managers tend to behave according to either the legal rational bureaucracy or the MFR template when in their interest. Consequently, our study provides a valuable insight as there has been little research on how bricolage entails crossover between templates and weakens categorical boundaries between templates (Rao et al. 2005).

For Weick (1993) bricolage and improvisation are very closely related and used almost interchangeably. Bergh and Lim (2008), however, categorize bricolage as one of three characteristics of improvisation. Bergh and Lim (2008: 599) describe bricolage as “actions and decisions that are novel, or deviations from standard practices, and improvisers draw from information and resources available to them at the time the decision is necessary.” Another characteristic of improvisation is close temporal proximity between the design and execution of a behavior (resolving an unexpected problem/creating value from an unexpected opportunity); the more improvisational an act, the narrower the time gap between composing and performing, designing and producing, or conceptualization and implementation (Moorman & Miner 1998). The third characteristic of improvisation is fast and uncertain decision making drawing from experience heterogeneity and creatively recombining and applying learned routines and knowledge (Miner, Bassoff, & Moorman 2001; Weick 1993). Moorman and Miner (1998) actually see bricolage is an important *skill* that can occur *during* improvisation; and the more improvisational the more likely bricolage will occur, because there is less time to obtain appropriate resources in advance.

In relation to improvisation, Barrett (1998) draws attention to system 1 and 2 modes of reasoning. Jazz improvisation seems to employ a combination of modes of reasoning. “When learning new phrases, or attempting challenging musical ideas, players employ controlled processing [...]. Once learned, these become second nature, or learned habits that one can rely upon” (Barrett 1998: endnote 1). Hence, in the case of performing bricolage in the present, individuals rely on a system 1 mode of reasoning. Moreover, system 1 concepts such as intuitive thinking (Crossan 1998), but also experiential, associative and lateral thinking are key to bricolage and improvisation. We know that task interpretations from a system 1 or system 2 perspective are different.

Essential however is that system 2 thinking –with representing in terms of rules and underlying principles– strongly dominates current management research. This approach strongly promotes pre-determined step-by-step approaches and careful planning of change initiatives. Still, the majority of change initiatives do not lead to satisfying outcomes (Beer & Nohria 2000;

Clegg & Walsh 2004). Perhaps change research would benefit from focusing more on system 1 task interpretations which are highly contextualized, personalized, and socialized; driven by considerations of relevance; and inferring intentionality. Successful and failed attempts at bricolage could be one venue for further research along this line. Such a development can already be seen in the field of entrepreneurship under the rubric of effectuation which focuses on present means as opposed to causation with a focus on a desired future state (Sarasvathy 2001). Especially, worthwhile would be research on bricolage as an intentional change strategy instead of a final resort in case of time pressure or lack of relevant prior experience. In our study, we only scratched the surface of this type of bricolage, i.e., making use of unexpected windows of opportunity.

#### REFINING THE COMBINED AGENCY MODEL

We positioned the concepts mindfulness and bricolage within the judgment and decision making literature and reviewed the literature on both topics. We found mindfulness to play a role in attentional processes, or the input phase of decision making. Bricolage played a role in both the reflexive reasoning phase of system 1 and naturally when acting out. Both mindfulness and bricolage are present-oriented, but only bricolage fits the exact description of the practical-evaluative element in the chordal triad of agency (Emirbayer & Mische 1998). Additionally, mindfulness might function as a precursor of bricolage. Giddens' (1986) stratification model of agency provides the context for agency. Next, we use these findings to refine the combined agency model (Figure 3.4). The results can be found in Figure 7.3.

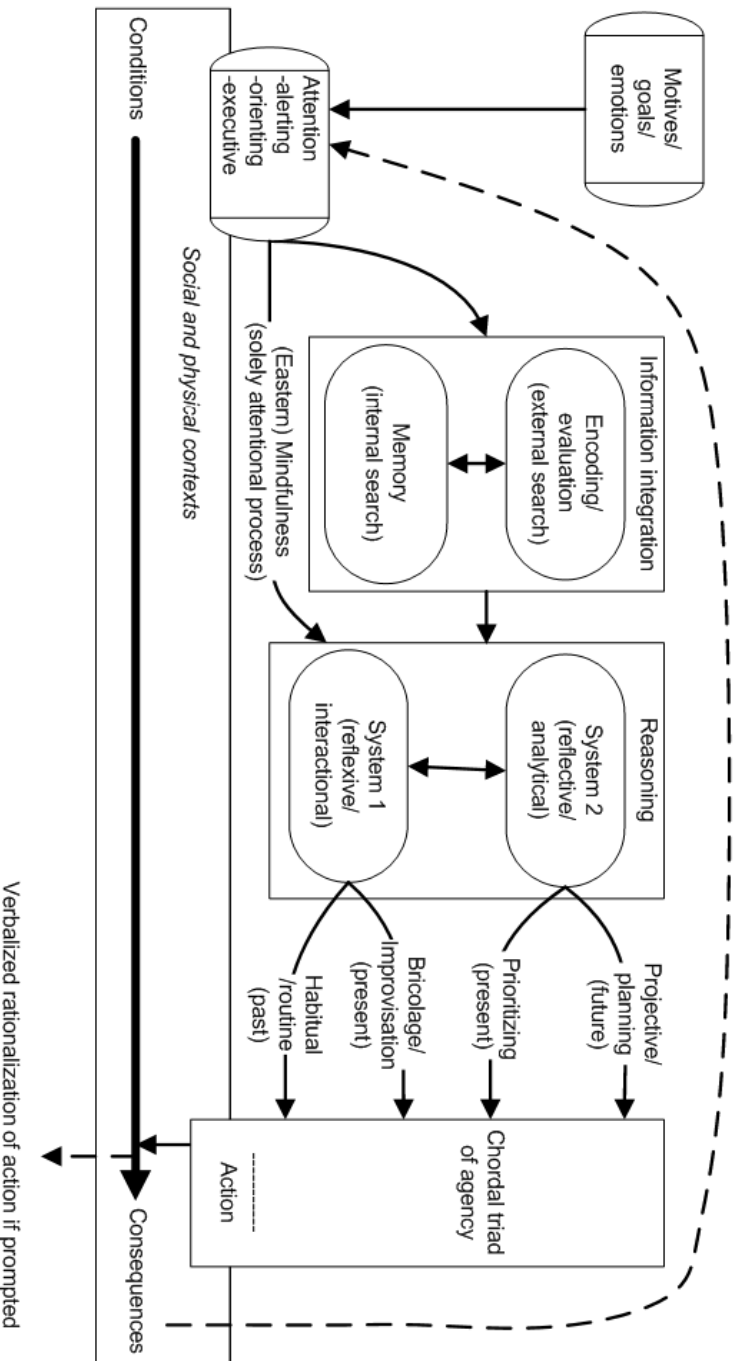


Figure 7.3: Refined combined model of agency (based on Giddens' (1986) stratification model and Emirbayer and Mische (1998) chordal triad of agency; augmented with judgment and decision making, mindfulness, and bricolage literatures)

Although Figure 7.3 might look complex at first sight, both the initial combined agency model (Figure 3.4) and the judgment and decision making processes (Figure 7.2) are easily identifiable. Now, we briefly discuss the conceptual changes we made to the initial model. First of all, based on the judgment and decision making literature, ‘attention’ was added as a mediator between the ‘social and physical context’ and ‘judgment’ (information integration and reasoning). Additionally, we learned that ‘goals and emotions’ affect attention; hence we added goals and emotions to motives as a precursor for attention. Furthermore, we removed ‘reflexive monitoring of action’ from the model as it is synonymous with ‘executive attention.’

Second, the core of the model –judgment– was explicated into the two ‘information integration’ and ‘reasoning’ processes. Additionally, ‘informed by the past’ and ‘future orientation’ were removed altogether as ‘memory’ represents information from the past and the aforementioned motives, goals, and emotions provide a future orientation. The three elements of agency – iterative, practical-evaluative, and projective– were linked to the two reasoning processes. Both reasoning processes or systems are linked to the practical-evaluative element of agency, while system 1 is linked to the iterative element and system 2 to the projective element of agency. We already put forward that dominance of the iterative element or habitual behavior equals passive resistance in the Dutch central government context. System 1 is characterized on one hand by automatic, effortless, and reflexive processes – representative for past-oriented habits and routines; while on the other hand experiential, tacit, associative, and intuitive processes are commonly associated with present-oriented improvisation, in particular bricolage. System 2 is characterized on one hand by rule-governed, effortful, and controlled processes – which can be seen as present-oriented prioritizing of activities; while on the other hand extensional, analytic, and reflective processes help in imagining, projecting and planning towards future states.

Finally, (Eastern) mindfulness was added to the model. Mindfulness exists solely in the attention phase and links directly to the two reasoning processes. Hence, information integration –particularly encoding and evaluation– is excluded. Mindfulness is non-judgmental, but nonetheless it is present-oriented and therefore might function as a precursor to the practical-evaluative element of agency. Consequently, both bricolage and prioritizing can benefit from mindfulness.

### 7.3.3 TENTATIVE MODEL CONSTRUCTION

Our goal for this chapter was to pull together the threads of this thesis. For this purpose we first abstracted from our propositions by mapping the relations

between concepts and defining these concepts where necessary. The resulting Figure 7.1 provided a graphical summary of the empirical results of this thesis. Nonetheless, we wanted to go one step further by comparing our structural and agentic concepts to related literatures and consequently expanding them. In addition, we positioned our agentic concepts in the judgment and decision making literature. For this purpose we built in Figure 7.2 a model of the judgment and decision making processes based on this literature. Next, we used Figure 7.2 to refine the combined agency model – additionally seeking to bring psychological and sociological approaches to agency closer together. This resulted in the refined combined model of agency as depicted in Figure 7.3.

In the final section of this chapter we abstract one step further from the empirical findings of Figure 7.1 by linking the agentic concepts making up Figure 7.3 to the structural concepts. Hence, in Figure 7.4 on the next page we tentatively build –based on Greenwood and Hinings’ (1996) model for understanding organizational change (Figure 3.3)– a generic model of competing templates. Mind that MFR and traditional beliefs (or legal-rational bureaucracy) can be replaced in the model by any two competing templates (Seo & Creed 2002). Also, this model is still structural in its core as organizational change and stability link back to the market and institutional context. For instance, when organizational performance is not up to standard the organization will be under closer scrutiny by stakeholders (Nutt 2004). We did not depict this feedback loop in Figure 7.4 to prevent further complication of the model.

First of all, we retained five of Greenwood and Hinings’ original eight concepts: market context, institutional context, value commitments, capacity for action, and organizational change. Here, we will only explain the concepts and relations between concepts that are different from the original Greenwood and Hinings’ model. Because of the public sector context of this case, we defined in chapter three the market context of the Dutch central government as the electoral market. Here, market share consists of electoral results which are in between elections represented by political wants as the voice of the people. Likewise, the institutional context for the Dutch central government is characterized by the competition between the MFR and the traditional legal-rational bureaucracy template with its accompanying traditional beliefs. Here, passive resistance is a result of habits and routines that are influenced by traditional beliefs, while active resistance results from high value commitment to the legal-rational bureaucracy template.



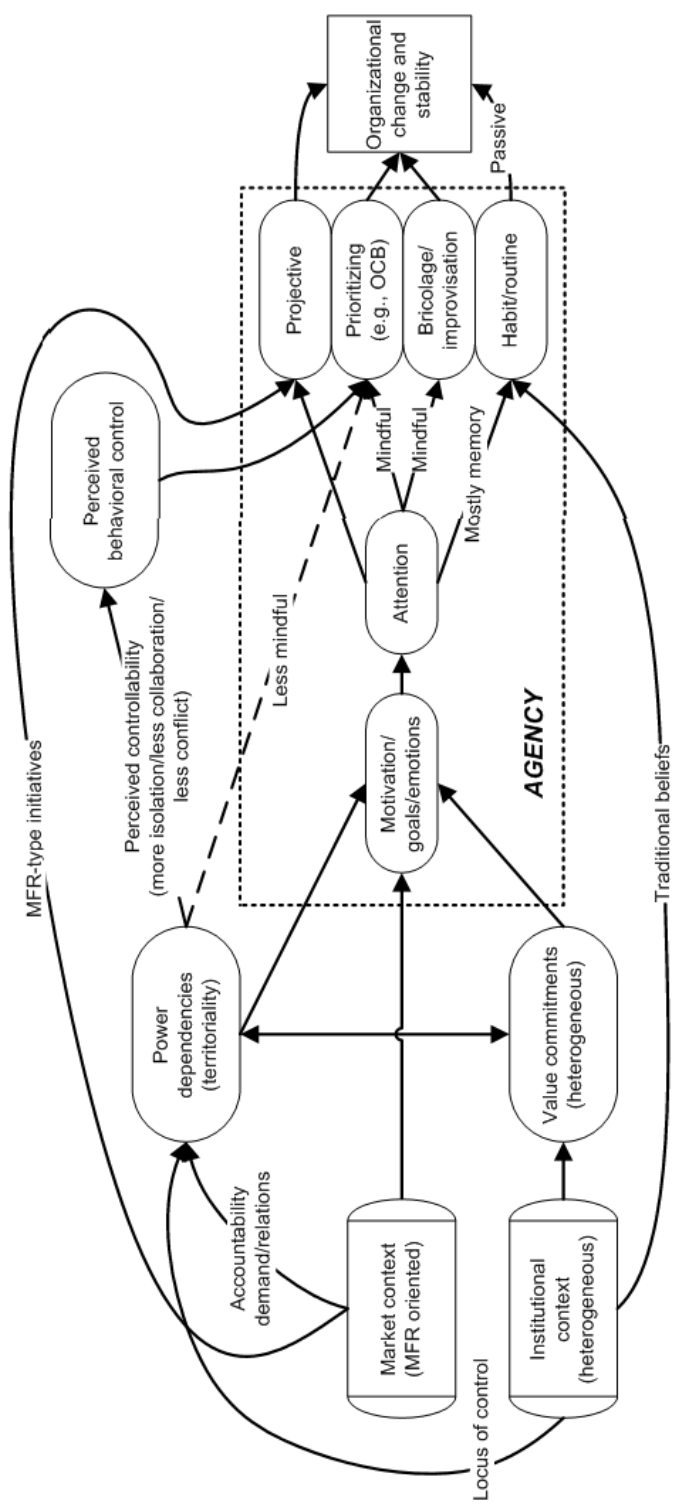


Figure 7.4: Tentative model of competing templates (built on the refined combined model of agency (Figure 7.3) and Greenwood and Hinings' (1996) model for understanding organizational change)

We also retained capacity for action, although we thoroughly expanded the concept with the results of section 7.3.3 on agentic concepts. We were inclined to do so as in section 5.4.8 we found Greenwood and Hinings description of intraorganizational dynamics rather limited. Accordingly, we slightly changed the intraorganizational concepts interest dissatisfaction and power dependencies. Interest dissatisfaction we replaced by the concept 'motives, goals and emotions' as the primary precipitator of agency. Interests are part of motives, provide goals, and can lead to emotions. Nonetheless, motives, goals and emotions are broader, yet more specific terms than the power related concept of interest dissatisfaction.

Next, power dependencies represent the need for building a dominant coalition for change. Naturally, top management plays an important role in the power dependencies, for instance in the form of accountability demands and relations. Yet, we found that within the broad concept power dependencies territoriality played a significant role. In our studies we found that territoriality is a primary driver for public sector middle managers' behavior. Moreover, Brown, Lawrence, and Robinson (2005) found territoriality to be a driver for managers in general. Territoriality leads to higher isolation, less collaboration, and overly harmonious conflict-avoiding behavior; consequently strengthening organizational stovepipes, decreasing managers' perceived controllability, and for instance decreasing the performance of organizational citizenship behaviors (OCB). Organizational citizenship behavior is related to prioritizing as, among other things, it puts the organization in front of other interests. Furthermore, territoriality increases organizational commitment to the status quo, in this case legal-rational bureaucracy. Interestingly, higher commitment leads to a higher occurrence of organizational citizenship behavior. Lastly, territoriality increases pre-occupation and decreases independent thinking leading to less mindful behavior.

Next, we extended Greenwood and Hinings' (1996) model with the concept of 'perceived behavioral control.' In the context of the Dutch central government the concept perceived behavioral control represents managers' perceived (limited) influence on results. We found that (a lack of) autonomy is perceived as a cause for this perceived limited influence on results; hence a low perception of controllability leads to low perceived behavioral control. Also, managers do not believe that the MFR template will lead to higher performance (external locus of control). Perceived behavioral control is linked in particular to prioritization because managers with higher perceived behavioral control will demonstrate more organizational citizenship behavior. Also, perceived limited influence on results will lead to a lower priority of MFR type behaviors.

Finally, a number of concepts from Figure 7.1 were implicitly incorporated into the model. For instance, signaling, stressing the value of MFR, making abstract concepts more concrete, and directed communication of motivations are all interventions aimed at drawing attention and/or raising mindfulness. Furthermore, group reflection, open discussion, participatory open-ended decision making are interventions aimed at both drawing more attention and increasing priority (arguably through Western mindfulness). Developing capabilities is an intervention to improve perceived behavioral control, while replacing managers is aimed at breaking through territoriality. Although not mentioned separately, top management commitment, normative vision, and goal setting are represented by value commitments and motives, goals, and emotions. We hope this tentative model for competing templates provides fertile ground for further refining, testing, and extending of our findings.



## DISCUSSION AND CONCLUSION

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“Yes We Can”

-- Barack Obama (2008a)

Before we end this thesis, we go back to its beginning. Chapter one opened with a quote by Clinton and Gore, summarizing their somewhat utopic vision for the US government in 1992. Based on this vision, they initiated the U.S. National Performance Review, one of the largest reforms in the history of modern public administration. Although their administration's goals related to downsizing and budget cuts were mostly achieved, higher order objectives related to culture change and improvement in the quality of service were less successful.

So, what is the state of the US government sixteen years later? We can get an indication by looking at the plans of the 44<sup>th</sup> president. Fundamentally, Obama's plans for US federal government reform sound like the chords of a well-known tune. He proposes, for example, to downsize federal government bureaucracy and to cut middle management, while sparing frontline workers. These plans are very similar to the Dutch government's downsizing plans of 2007.

“Obama will thin the ranks of Washington middle managers, freeing up resources both for deficit reduction and for increasing the number of frontline workers.” (Obama & Biden 2008a: 20)

Yet, in contrast to the Dutch across-the-board downsizing plans, Obama proposed to first study where to target budget cuts instead of using a ‘hatchet.’ For this purpose he will create performance teams within the White House, who will be tasked with improving results and outcomes while eliminating waste and inefficiency in the federal government. Particularly, the replacement of existing management to improve performance resonates with our findings.

“That [across-the-board freeze] is using a hatchet to cut the federal budget [...] I want to use a scalpel.” (Obama 2008b)

“Obama will create tools to improve agency performance like sending in performance teams to reform programs; replacing existing management; demanding improvement action plans; and cutting program budgets or eliminating programs entirely.” (Obama & Biden 2008a: 20)

The main difference between the Obama and the Clinton reform approaches appears to be the involvement of public managers. Whereas Clinton and Gore opted for the bottom-up entrepreneurial approach to change – rewarding ideas that work and getting rid of those that don't– Obama and Biden will attempt to bring about change through a more collaborative approach. A Chief Performance Officer will work *together* with federal agencies to set performance goals and hold managers responsible for progress. Moreover, performance will also be measured in terms of the effectiveness of *cross-agency* service delivery

“Obama will also experiment with giving government managers the ability to work with their teams to establish goals and to give bonuses when those goals are met. These steps will be guided by performance measures and will be transparent and visible to the public and Congress.” (Obama & Biden 2008b: 6)

All in all, and especially in regard to the strong emphasis on accountability, it appears that MFR has not fallen out of fashion in its homeland. More interestingly, the above quote indicates that the Obama administration will be experimenting with collaborative goal-setting. In addition, the *implementation* of Managing for Results (MFR) will be monitored by performance teams and the Chief Performance Officer. Considering the long and bumpy history of MFR, we can only wait and see whether or not these plans will be sufficient to bring about 'change we can believe in.'

Likewise, we cannot be sure that the findings of this thesis will lead to more effective and efficient government. Yet, we hope our results can be used to make at least the Dutch central government more effective. In order to help achieve this goal, we will first summarize our key findings by means of our research questions and establish what we can conclude in regard to our central problem statement. Next, we discuss the limitations of our findings, describe the main implications of our insights for practice, and finally, devise an agenda for possible future research venues.

## 8.1 SUMMARY OF KEY FINDINGS: WHAT CAN WE CONCLUDE?

Our research objective is to bring the MFR implementation literature and the related (public sector) change literature one step further. In particular, we have focused on middle managers' support or resistance of change initiatives –i.e., changing from one template or set of social structures to another– in the Dutch central government. More specifically, we studied a shift from the traditional legal-rational bureaucracy template to the MFR template. This focus on competing templates led to our central problem statement: “Why do middle

managers' behaviors and social structures enable and constrain the implementation of Managing for Results within the Dutch central government?" From this central problem statement we derived six research questions which we will use to sum up our key findings.

### 8.1.1 RESEARCH QUESTION 1

"What is understood by the 'traditional legal-rational bureaucracy' and 'Managing for Results' templates and what are the differences and similarities between them?" To observe the shift from one dominant template to another, we first needed to identify the distinguishing characteristics of the two templates. To deepen our understanding of the templates, we then described their development over time, summarized their main critiques and described some extensions.

Initially, we identified the legal-rational bureaucracy as the traditional and dominant organizational template for the public sector and the New Public Management as the new and challenging organizational template. The legal-rational bureaucracy is often characterized by the so-called 'iron cage,' where the overemphasis of rules and procedures leads to goal displacement. Other problems associated with the legal-rational bureaucracy are: difficulty with adapting to change, rules and procedures that are often bureaucratic and used to coerce instead of enable behavior. Despite these difficulties bureaucratic elements are nevertheless abundant in most modern organizations. One example is the need for industry standards to improve efficiency and collaboration between companies, suppliers, and customers.

For the other template we chose to focus on one of two variants of New Public Management: MFR (the other variant being new-institutional economics). We chose MFR as it fit better with our research goals in relation to organizational change. For example, whereas MFR is focused on goal setting and providing autonomy for managers to obtain these goals, new institutional economics is more concerned with designing incentive systems that will guide agents (such as public managers) toward behaviors desired by principals. Holding managers accountable for results is pivotal for MFR, while for new-institutional economics, transparent behaviors of managers are essential. Consequently, and based on a review of the literature and our description of the historical development of MFR, we demarcated MFR as: "Public managers' use of *performance information* –derived from measures related to managerial *goal-setting*– to 1) support decision making for reaching desired outcomes and 2) for *giving account* to stakeholders." Among the critics of MFR, some have questioned the possibility of adequately measuring public-sector performance

amidst conditions of uncertainty. Moreover, MFR implementation results themselves are ambiguous to say the least.

Next, we described and compared the key elements of both templates: primary objectives, standards of success, possible perverse effects, dominant control mechanisms, and the role of information. For this purpose we also distinguished between *coercive* MFR –which depends solely on performance goals– and *enabling* MFR – which depends on learning goals (with or without performance goals). Additionally, we derived some other characteristics. For instance, we believe coercive MFR to be a better fit for organizations that are diversified or that use performance contracts, while enabling MFR is more suitable for matrix or project-based organizations. Consequently, when an idealtype or template is ‘translated’ into an organizational design the degree of adaptability and the level of slack in the organization will differ. In Table 2.2 we summarized the main differences between the template variants. Based on this Table and our analyses we were able to classify specific behaviors as belonging to either the legal-rational bureaucratic or the MFR template.

### 8.1.2 RESEARCH QUESTION 2

The second research question discussed: “How did Managing for Results develop over the past decade in the context of the Dutch central government?” This question was sorted out in section 2.4 by describing the historical development of MFR in the Dutch central government from 1997 up to and including 2006. The MFR episode we studied had its roots in 1997 with the central government's launch of the results-oriented budgeting plans. Lessons for these plans were drawn from the US experiences with results-oriented budgeting and similar plans were already implemented on the municipal level. The success of results-oriented budgeting in the Dutch central government depends on the perspective taken, as the results were mostly limited to the financial departments with fewer consequences for most other departments.

In 2003 a new government coalition launched plans to modernize government under the label ‘Andere Overheid.’ A special project team was installed and heavy emphasis was laid on IT. Despite some success in the more autonomous agencies, overall, the resulting changes were limited. The Ministry of Finance launched a separate but related project focused on risk management. The goal of this project, which achieved some level of success, was to decrease the number of rules and to remove overlap in tasks among oversight bodies. All in all, we found that most studies and evaluations of MFR implementation in the Dutch central government pointed at higher order, culture-related issues as the root cause of problems: the trouble is that



empirical research on organizational cultures in public sector organizations, in the Netherlands and elsewhere, is very limited.

### 8.1.3 RESEARCH QUESTION 3

“How to study, from a structuration theory perspective, the roles of middle managers and change agents in organizational change implementation?” This third question was answered in chapter three by delving into relevant organizational behavior and sociological theory that extended our understanding of what constitutes change in organizations. The approaches discussed in this chapter, along with structuration theory were used to construct our ‘interpretive lens.’

The core notion of structuration theory is that (social) structures drive behavior, while behavior simultaneously reproduces or transforms these same structures. Institutional theory has especially added to our understanding of social structures. We derived from a review of old and new institutional theory that external institutional and market contexts, as well as internal interests and value commitments, are causes for organizational change. Additionally, internal power dependencies and capacity for action may enable or constrain the actual occurrence of organizational change.

Since we focus on the individual and group level of middle managers and change agents, we found the notion of institutional entrepreneurship highly useful. Institutional entrepreneurs lead efforts to identify political opportunities, frame issues and problems, mobilize constituencies, and spearhead collective attempts to infuse new beliefs, norms, and values into social structures. Nonetheless, we know little on how they actually make divergent change stick.

Yet, we do know from agency theory that agents use both past experiences and future orientations as inputs for determining their next action within a specific situation. Moreover, the actual reproduction or transformation of structures takes place at the micro-level of interaction. Hence, we found the social drama metaphor a useful way to study how organizational change or specifically frame bending takes place in practice. Both agency approaches – agency theory and social drama– were added to structuration theory and institutional theory in building our interpretive lens. In addition to this interpretive lens, we distinguished various generic roles for change agents to use in diagnosing whether or not interventions were in line with the change goals. Finally, the focus on middle managers as both enabling and resisting change was explicated. The ‘interpretive lens’ we constructed permitted us to look into the behaviors of middle managers and relevant others in our empirical chapters.

#### 8.1.4 RESEARCH QUESTION 4

“Which enablers and constraints do change agents perceive in the social structures of middle managers employed in Dutch ministries during the implementation of an MFR-type initiative?” Here, we queried six key change agents representing approximately half of the Dutch ministries on results-oriented budgeting implementation.

Based on the collected data we derived five themes that appear to play a prominent role in the behavior of middle managers during results-oriented budgeting implementation. We then formulated propositions describing each theme in relation to middle managers’ behavior and MFR. We found ‘environment’ to be the only theme that clearly enabled middle managers’ behavior with regards to results-oriented budgeting implementation. Thus, it is highly likely that an MFR implementation could be brought to a standstill if environmental pressure for MFR were to lessen or disappear. The theme ‘top management support’ acted both as an enabler and constraint on middle managers’ behavior. In general, top management support of results-oriented budgeting worked as an enabler for MFR implementation. The three other themes were of a constraining nature.

The themes on the middle managers’ level all worked as a constraint on MFR implementation. First of all, change agents perceived that middle managers were afraid of losing autonomy. Second, traditional beliefs were perceived to influence middle managers in resisting MFR implementation. Third, according to the change agents, middle managers felt they had limited influence on the results they were held accountable for.

#### 8.1.5 RESEARCH QUESTION 5

“How do middle managers and relevant others in a Dutch ministry (re)produce social structures during the implementation of an MFR-type initiative?” This question was addressed in chapters five and six by examining current Dutch central government practice. Based on our findings we developed and tested a model of the enabling and constraining behaviors and social structures during MFR implementation.

Based on the data we collected and reported on in chapters five and six, we refined and extended the original propositions developed in chapter four. In particular, we focused on the agency of middle managers and relevant others in addition to social structures. This led to two additional themes--‘change approach’ (chapter five) and ‘mindfulness’ (chapter six)--and a total of fourteen

propositions. Of these fourteen, eight elaborate how structures might be transformed by directed agency.

The 'change approach' theme describes how change was implemented. In chapter five we saw that the main change agent, the top manager, used all change agent roles during the implementation process. Especially, bricolage was used to overcome obstacles that were not anticipated in the general change plan that was devised up front. Bricolage as a change approach was directed at seizing the moment and hence consisted in this case of change agency from the authoritative or training role. Additionally, the later focus on developing capabilities was also important for success.

The term mindfulness describes the quality and conservation of attention. In chapter six we observed how middle managers were more or less mindful during their meetings in regards to MFR. First of all, we found how middle managers tended to give short-term daily affairs a higher priority than improved business support. Also, we found middle managers taking up tasks related to division-wide business support, which they finished either too late or with poor quality. Nonetheless, during the workshop we organized, we did see that on an ad-hoc basis mindfulness could be evoked by a change agent--through signaling, for instance. However, even at the end of our case—a few months after we had presented our findings—we observed the top manager concerned over a lack of determination on the part of his management team in bringing the downsizing effort to a 'good' and successful conclusion.

#### 8.1.6 RESEARCH QUESTION 6

"What can we conclude about the structuration of MFR implementation in the Dutch central government?" was the sixth and final research question. By tackling our final research question we also resolve our central problem statement. We answer this question by pulling the threads together and summarizing our findings in chapters seven and eight, respectively. In chapter seven, Figure 7.4, we built a tentative model of competing templates that combined a number of structural and agentic concepts found in our study. This model was built on the refined, combined model of agency (Figure 7.3) and Greenwood and Hinings' (1996) model for understanding organizational change.

Next to the more general institutional and market context of the Dutch central government, the structural concepts in this model are territoriality, traditional beliefs, and perceived behavioral control. In the literature we found that territorial behaviors lead to increased organizational commitment, decreased conflict, and pre-occupation and isolation. Specifically for our Dutch central government context we derive that commitment to the legal-rational

bureaucracy template, a decrease of conflict in favor of the status quo, and pre-occupation and isolation would all have a negative effect on MFR implementation. The behaviors related to middle managers' traditional beliefs resulted from passive or active resistance to MFR. Sliding back into the bureaucracy template brought about passive resistance, while active resistance resulted from high commitment to the legal-rational bureaucracy template. Furthermore, under the label 'perceived behavioral control' we derived that middle managers had an external locus of control, low controllability and low self-efficacy. This holds that perceived behavioral control of middle managers needs to be raised if MFR implementation is to succeed. Furthermore, top and middle management (value) commitment is one of the concepts in our model. Middle management commitment was related to a number of other concepts, such as territoriality, traditional beliefs, and mindfulness. Key to the role of (value) commitment in enabling or constraining MFR implementation is if middle managers are committed to the MFR template or to the legal-rational bureaucracy template respectively.

In addition to the three elements of agency we found in the literature, the agentic concepts in our model are mindfulness and bricolage. Mindfulness is awareness, an attentive orientation toward what is going on in the present. This orientation on the present promotes self control, more effective goal attainment, and integrated goal commitment. Also, mindfulness helps in overcoming habitual responses to both internal wants and desires and external events. Hence, mindfulness actually supersedes institutionalized responses. Next to mindfulness, we found bricolage –making use of unexpected windows of opportunity; a form of improvisation– to play an important role in successful change efforts. We attributed this to a different reflexive thinking style which is highly contextualized, personalized, and socialized; driven by considerations of relevance; and inferring intentionality. By combining our literature review with our empirical findings, we derived four forms of agency: projective, prioritizing, bricolage/improvisation, and habit/routine. Projective agency is predominantly focused on developing future alternatives. Habitual agency is driven by past behavior and memory. Prioritizing and bricolage/improvising agency are oriented on judgment and decision making in the present, yet the former follows a reflective and the latter a reflexive thinking style. Mindfulness will improve both prioritizing and improvising agency.

With the model developed in Figure 7.4 we aim to go beyond the specific contextualized findings of our study. In particular, we were able to shed more light on the agency –or capacity for action if you will– of central actors in the organizational change process. However, we acknowledge that this model for competing templates is tentative and needs to be refined and extended in other

research contexts. Moreover, we need to emphasize a number of limitations that apply to our findings.

## 8.2 LIMITATIONS TO THE THESIS

Like any study, this thesis has several limitations. Yet, limitations of a study and the choices made as to research design are often two sides of the same coin. We chose to focus on middle managers as the literature presented them as being key to organizational change success. This focus did not exclude their perceptions of top management's role. We chose to develop our own comprehensive multi-level interpretive lens to study middle managers' resistance to MFR, instead of staying within the boundaries of, for instance, institutional theory or the MFR literature. We provided reasons in our theoretical chapters for these choices. Therefore, we would like to focus here on the limitations of our empirical chapters. These were designed to be executed sequentially so that we were able to overcome some of the limitations of the first study in the second study, and those of the second study in the third study. Nevertheless, four limitations remain.

First of all, in the literature there is a need to establish links between the change processes and organizational outcomes (Pettigrew et al. 2001). Although the second and third study did establish such a link, there were some limitations. In the second study, the link was based on perceptions and archival records. Also, we only interviewed our respondents once. For the third study, the outcome of the process was strongly influenced by an external disturbing event, which resulted in extensive reorganizing of the division. This reorganization overshadowed the implementation of the vision: downsizing became a project in itself which in the end only had performance goals – namely 'on time' and 'within budget.'

A second limitation is the generalizability of the study. We studied MFR implementation in a specific Dutch central government context. Hence, the results of this thesis are not directly generalizable to a global, or even Western public-sector, context. Nonetheless, we positioned our study in the NPM-style government reform movements around the globe. Also, resistance to MFR and organizational change is prominent beyond our specific national context. Hence, even though we have to question the degree to which our results are generalizable for organizations, other than Dutch central government organizations. . We studied in-depth only two of the thirteen Dutch ministries and, for six of the thirteen Dutch ministries, queried one key respondent per ministry. By also explicating the external events precipitating each of the studied episodes, we demonstrated that the problems the ministries faced were

not unique, but concrete initiatives that all fit under the MFR label. Naturally, this does not rule out specific case characteristics – the role of a top manager in the second study, for instance, was atypical for the Dutch central government. Nonetheless, we already put forward that our foremost aim is the creation of analytical generalization to the relevant theory rather than statistical generalization to a wider population of middle managers.

A third limitation of the study pertains to aspects of data collection. We administered a large variety of data collection methods. However, we did not survey a sample of the Dutch central government middle managers for the aforementioned reason. Also, we were not able to make use of the benefits of video taping meetings: an innovative method we applied in earlier research. We did use variants of the same in-depth semi-structured questionnaire in all three empirical studies. Because this questionnaire was based on Giddens' structuration theory we were able to cover interpretive, power and normative aspects of MFR implementation. Yet, our semi-structured questionnaires were based on interpretive theory instead of explanatory theory. As a consequence, we mostly explored MFR implementation instead of testing theory-derived hypotheses or propositions. We developed propositions during our first empirical study, refining and extending them later.

Two other limitations in relation to data collection applied to our third empirical study. First, our research diaries turned out to be valuable weekly sources of information. Unfortunately, the response rate dropped slowly but steadily after we were not able to provide feed back from our preliminary findings until late into our field study. Hence, we obtained less information from this source toward the end of our third empirical study. Second, in the third study we conducted one minor and one extensive intervention – a form of action research. The results of these interventions gave us anecdotal evidence. But which interventions were effective and which not can only be discovered after a couple of additional action research cycles. We need to note, however, that researchers usually do not get the chance to perform a large intervention on the level we did (just one level below ministerial top management). These interventions did permit us to look even deeper into middle managers' behavior and interaction.

A fourth limitation is especially related to our research design choices. Although we conducted multi-level research we collected limited data on the individual level. We did not explore in-depth middle managers' motivations by, for example, working closely with managers, attending all their meetings studying their decision making. There was simply insufficient time to apply such an in-depth approach. Another way to collect in-depth data on the individual level would have been to act as an executive coach to middle

managers. However, we believe we did not have the legitimacy to fulfill such a role.

### 8.3 IMPLICATIONS FOR PRACTICE

Our study has a number of implications for practice. Implications are either derived from a review of the literature –in the domain of public sector organizational design and change agent roles– or from the findings in our empirical studies. In the latter case, we need to stress the limitations pointed out in the previous section.

Based on our contrasting of MFR with legal-rational bureaucracy we described a number of (variants of) ideal types in Table 2.2 that are relevant for the design of public sector organizations, and, arguably for organizational design more generally. From the literature we obtained the distinction between enabling and coercive bureaucracy, which led us to distinguish an enabling and a coercive form of MFR (a neo-institutional economics based approach completes the three variants of the NPM idealtype). The key difference between enabling and coercive MFR lies in the type of goal-setting. Coercive MFR depends solely on performance goals, while enabling MFR depends on learning goals (which might be accompanied by performance goals). The question of which design best fits a specific situation depends on, for example, the desired form of coordination, consideration of least harmful perverse effects, and the level of adaptability. We also tied four of Mintzberg's organizational configurations to each of the five organizational designs. With help of our Table 2.2, designers of public sector organizations could be more aware and coherent in choosing certain design principles for organizations.

Based on our review of the change agency literature we devised Table 3.2 that described a number of roles that change agents could fulfill during an organizational change process. Here, we distinguished five roles depending on the degree of freedom for those involved in the change process. On one side of the spectrum the authoritative role leaves limited if any space for stakeholders to ignore interventions as this role is aimed at changing resources, such as budget, staff, and formal (authoritative) structures. On the other side of the spectrum we have the support role which gives complete freedom to those involved in change and aims solely at 'enlightening' their way of thinking. Other roles within the change agency spectrum are the design, training, and sponsor roles; which aim to redesign processes, 'educate' cognitions, and negotiate coalitions, respectively. The authoritative and design roles aim at improving short-term economic performance, while the training, sponsor and support roles are directed at developing long-term capabilities. Interventions

from the authoritative and training roles will be executed in specific episodes –a reorganization or training program– while design, sponsor and support interventions are continuously applied. Again, with the help of Table 2.2 change agents could become more aware and coherent in choosing certain interventions. Moreover, change agents need to be more aware that combining a number of approaches is most effective (also see, Jarzabkowski 2008).

Next to these more theory driven recommendations, we would also like to discuss a number of good practices that can be drawn from our empirical observations. Eight of our fourteen propositions explicitly discuss change agency that resulted in decreasing resistance to MFR. One of the more straightforward advisable practices for change agents is that during the implementation of MFR the development of capabilities –in the form of training and sponsor interventions– should receive more attention than they have in the past. For instance, sponsor role interventions such as stressing the value of MFR can decrease traditional beliefs and increase appreciation by customers. Under time and budget pressures the focus usually narrows down to authoritative and design interventions, yet these only provide success in the short run. For sustainable success these short-run interventions should be combined with more long-term oriented approaches that build sustainable MFR. Particularly at the cross-roads of the short and long term we found an effective change agency practice that we labeled bricolage – a form of improvisation. When guided by a long-term normative vision, bricolage appears to be a quite successful approach to implement MFR amidst continuously changing environments where formal planning is of limited use.

Especially in our third empirical study we found that less mindful interaction between middle managers themselves and with relevant others led to suboptimal results in the change process. The concept of mindfulness shows its importance particularly for the purpose of recognizing the opportunities for bricolage. We also found that, in line with the judgment and decision making literature, some mindful interaction was evoked by signaling. Moreover, we found middle managers and relevant others more mindful when they engaged in group reflection, open discussion, and when abstract concepts were made more concrete. Support interventions can be aimed at helping individuals interact more mindfully and hence contribute to the building of capabilities. However, mindfulness in this context implies that institutional templates are temporary discarded, thus the ensuing behavior could either enable or constrain MFR implementation. Therefore, open-ended decision making and directed communication of motivations belong rather to the sponsor than the support role, since they are directed, at least in our case, at building a dominant coalition for MFR.



In relation to building dominant coalitions, we found that in practice MFR initiatives themselves will almost always impinge on the territory of middle managers. MFR initiatives that increase the territory of middle managers will not necessarily lead to difficulties, however most MFR initiatives will have consequences for at least some of the middle managers in the organization. Change agents therefore need to consider whose territories will be affected by MFR initiatives and take measures if needed, with the ultimate measure being the replacement of resisting managers. Finally, in all three cases we found the strong effect of affective and normative commitment of top management for reducing MFR resistance. While we did not study how the commitment of top management to MFR could be raised, we did observe a tendency for top managers to –over time– shift their focus toward performance goals and away from learning goals. Top managers and those supporting them should consider that learning goals, whether or not in combination with performance goals, lead to the highest performance among highly educated professionals, such as middle managers.

## 8.4 FUTURE RESEARCH AGENDA

Based on the results of this research, a number of pathways for further research present themselves. Some of these are straightforward continuations along the direction set out by this thesis—for instance, similar research that addresses the above-stated limitations. There are opportunities to go more in-depth into certain topics or themes that surfaced during our research, for instance the role of mindfulness and bricolage in change management in particular and management in general. To improve generalizability of research in this area, another opportunity would be to conduct comparable qualitative research in other organizational contexts – both horizontally and vertically. Horizontally expanding our research would involve studying MFR implementation in the central or federal governments of other countries or even studying MFR implementation in other industry sectors. A vertical expansion of our research would involve organizations on different levels of government, from the municipal level up to the level of the European Union or NATO.

A more efficient way to expand our research horizontally and vertically would be to convert our findings into a survey instrument. In that way we could also statistically generalize our findings, instead of solely aiming for analytical generalization. A first step would then be to survey a large random sample of Dutch central government middle managers and statistically test among the same population which of our propositions hold. Especially

interesting results could surface when a survey would be administered multiple times over a longer period of time, say five to ten years. In combination with secondary industry data, these surveys could help in exposing institutional templates, or, if you will, industry knowledge structures (see, Ehrenhard, Zahra, & Kraaijenbrink 2009). Moreover, when the outcomes of organizational change processes are monitored the link between change outcomes and change processes can be established and another limitation of our research would be overcome. Additionally, a representative subset of the sample could fill out weekly or monthly research diaries over the data collection period. In this manner, we would be able to track specific events –for instance a reorganization of a ministry– which might influence our findings.

Two other methodological venues might provide more depth to our findings. In our third study we already touched on action research as a way to obtain both rigor and relevance. For instance, by collaborating with management consultants in MFR implementation projects or participating in a ministerial organizational change project team. Different variants of the latter form of action research or participant-observation research have been conducted by PhD candidates in the ERP Implementation and Organizational Change program (i.e., Katsma 2008; Schimmel 2007). However, especially people with experience both as academic researcher and management consultant might be able to obtain valuable insights by building upon this thesis. Also, we already pointed out how an executive coach could help to uncover individuals' motivations during MFR implementation. Above all, action research could uncover exactly how projective/planning, prioritizing, bricolage/improvisational, and habitual forms of agency play a role in the reproduction and transformation of organizations.

A less intrusive form of observation research could be conducted by videotaping middle managers' meetings (see, Wilderom, Klaster, Van der Weide, Ehrenhard, & Hicks 2008). Particularly, the social drama metaphor discussed in section 3.2.2 would be very valuable in analyzing how social order constantly gets renegotiated when middle managers interact during MFR implementation. Naturally, new studies can depart from our focus on middle managers and videotape all types of meetings: ranging from project team meetings to top management board meetings and from hierarchical one-on-one evaluation meetings to 'coffee corner' meetings (albeit the latter risks bordering on violating employees' privacy). Less innovative but often effective forms of this type of observation research would be to follow a number of middle manager and/or change agents in their day-to-day activities over time.

Other interesting research opportunities include the further exploration of mindfulness and bricolage or improvisation in contexts other than MFR implementation and organizational change. We found that when it comes to

mindfulness, bricolage and improvisation, the management literature is still in the very early stages of development. Aside from research on creativity (see e.g., De Vet 2007) an interest in mindfulness has only recently appeared within the psychological literature and bricolage and improvisation have yet to be researched. The nature of the link between the broader concept of creativity and bricolage or improvisation is also yet to be investigated.

Finally and as expected, the tentative model for competing templates is a major opportunity for further research. We built this model on structuration theory, sociological agency theory, and new and old institutional theory and refined and extended it with the empirical data we collected. To our knowledge this is the only study that extends upon the entire Greenwood and Hinings' (1996) model for understanding organizational change. By building on the structure/agency duality of structuration theory our model has implications for both social structure research, mostly dominated by new institutional theory, and also managerial agency research, a recent area of focus for strategy-as-practice researchers in the organization science domain. We advise these two research 'traditions' to focus on both structure and agency in their studies and to learn from each other. Institutional theorists, especially, might enliven their theories by taking up a perspective on institutional change and stability that is even more practice-oriented. To paraphrase Weick, researchers should look at institutionalizing instead of institutions. Nonetheless, institutional theorists have in the past already incorporated Giddens' structuration theory, more recently Bordieu's work, and are perhaps already incorporating other practice approaches such as American pragmatism and neo-functionalism (see, Joas 1993). Yet, outside these philosophical and sociological approaches there is still a wealth of psychological, educational, economic, and management research available. We have demonstrated some of the value of such a broad multi-level, multi-theoretical approach in this thesis. We can only hope that more researchers will follow this example.



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## APPENDICES

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- Appendix A:** Questionnaire on MFR implementation administered to key change agents responsible for results-oriented budgeting implementation (Chapter 4)
- Appendix B:** Questionnaire on shared services development administered to involved middle managers and other relevant stakeholders (Chapter 5)
- Appendix C:** Questionnaire on implementation of five business support projects, administered to business support management team members (Chapter 6)
- Appendix D:** Questionnaire on implementation of the business support vision, administered to business support management team members (Chapter 6)

## APPENDIX A

14 questions

### *Introductory questions*

1. What does, according to you, Managing for Results stand for in your ministry, and how does it relate to results-oriented budgeting and information provision (e.g., Enterprise Resource Planning)?
2. What is the current state-of-affairs of information provision within your ministry?
3. How does, in your opinion, the development of Managing for Results take place (e.g., with the help of a tight schedule or step-by-step development with the people involved)?
4. Are the changes imposed top-down, or is the implementation based on mutual trust, adjustment and persuasion?
5. To what extent are Managing for Results and the accompanying changes in information provision implemented and on what basis?

### *Middle managers' experiences and attitudes*

6. What is your opinion on how middle managers experience the implementation of Managing for Results and the accompanying changes in information provision, and how do you perceive them communicating this among themselves - between which people or groups (departments, units, etc.)?
7. Are there differences in the ways that middle managers, the Department of Financial and Economic Affairs, the Ministry of Finance and other involved parties perceive Managing for Results?

### *Middle managers' interests*

8. Do middle managers perceive the changes associated with Managing for Results as an increase or a decrease in their decision space in terms of responsibilities and authority?
9. What do middle managers expect from each other and themselves in this change process?

### *Middle managers' norms and values*

10. Is there support among middle managers for some of these changes, and how is this support expressed (e.g., in relation to management accountability/steering)?
11. Which norms and values do middle managers find most important during the implementation of Managing for Results (e.g., lawfulness or efficiency)?



*Contradictions and possible conflicts*

12. Did contradictions in experiences, attitudes, interests, norms and values between individuals or groups (departments, organizational levels, etc.) become evident during this change process?
13. Did actual conflicts (negative actions aimed at another) arise during the implementation of Managing for Results and the accompanying IT as a consequence of contradictions mentioned in the previous question (e.g., by the enforcement or the rejection of deadlines)? If so, how did this express itself?
14. Are you expecting conflicts in the future as a consequence of the implementation of Managing for Results and the accompanying IT? If so, between which people or groups and over what?

## APPENDIX B

17 questions

### *Introductory questions*

1. What does, according to you, Shared Services stand for?
2. Does this correspond with Shared Services' current state-of-affairs within your ministry?
3. ministry?
4. What was, according to you, the reason for establishing Shared Services?  
How were changes implemented during the establishment of Shared Services and how fast were they made?

### *Middle managers' experiences and attitudes*

6. Does, in your opinion, Shared Services fit within the context of the ministry?
7. How do you experience the implementation of Shared Services with regards to the opportunities to exert influence on the design and directed communication by the project group and the secretary-general?
8. How do you communicate to your subjects on the progress of Shared Services?

### *Middle managers' interests*

8. Will the implementation of Shared Service improve the way your department performs (more efficient, more demand oriented, more effective, more cost-effective)? If yes, how? If not, why not?
9. Did the implementation of Shared Services increase or decrease your decision space in terms of responsibilities and authority? And did this lead at some occasions to new conflicts of interest?

### *Middle managers' norms and values*

10. How does Shared Services relate to the desired change in culture?
11. How large is the support for some of these changes? And, what was the role of the (vice)secretary-general in this matter?
12. Which norms and values do you find most important during the implementation of Shared Services (e.g.: say yes, do yes; fortitude; leadership; etc.)?
13. Do the norms and values you mentioned characterize the Shared Services implementation process?
14. To what extent do your norms and values conflict with the new practices resulting from the implementation of Shared Services?

*Contradictions and possible conflicts*

15. Did contradictions in experiences, attitudes, interests, norms and values between individuals or groups (departments, organizational levels, etc.) become evident during the implementation of Shared Services? If so, how did you (or how did others) attempt to solve or change discrepancies on the aforementioned themes?
16. Did actual conflicts (negative actions aimed at another) arise during the implementation of Shared Services as a consequence of contradictions mentioned in the previous question? If so, how did this express itself?  
Are you expecting conflicts in the future as a consequence of the implementation of
17. Shared Services? If so, between which people or groups and over what?

## APPENDIX C

10 questions

### *Introductory questions*

1. Which of these five projects are most relevant for you and what is the meaning of them for your directorate?
2. Which possible consequences do you foresee as a result of their implementation?

### *Middle managers' experiences and attitudes*

3. How do you experience the implementation of your most relevant projects and the accompanying changes in business support, and how do you and your fellow directors communicate about this subject – and between which people or groups (directorates/departments, units, etc.)?
4. Are there differences in the ways that directors themselves, and in relation to other internal stakeholders, perceive the implementation of these five projects?

### *Middle managers' interests*

5. Do you perceive the changes caused by these projects as an increase or a decrease in your decision space in terms of responsibilities and authority?
6. What do you expect from yourself and your fellow directors in this change process?

### *Middle managers' norms and values*

7. How would you describe the current norms and values (behavioral norms, codes of conduct, work habits, etc.) in the business support division of the ministry?
8. How do these enable or constrain the goals and implementation of the projects that are most relevant for you? Should these change?

### *Contradictions and possible conflicts*

9. Did contradictions in experiences, attitudes, interests, norms and values between individuals or groups (departments, organizational levels, etc.) become evident during this change process?
10. Are you expecting conflicts in the future as a consequence of the implementation of these projects?

## APPENDIX D

11 questions

### *Introductory question*

1. Which elements of the business support vision are most relevant for you and what is the meaning of them for your directorate?

### *Middle managers' experiences and attitudes*

2. What is in your view the degree to which these commandments are actually implemented (check all 10)? What would be a barrier here?
3. Do the five project help with putting the business support vision into practice? If so, how? If not, why not? / Did those projects bring added value beyond the specific process they were directed at? / Did those five projects really help?
4. Could you mention two or three of the 10 commandments that are not really put into practice / which are worrisome?

### *Middle managers' interests*

8. Does everyone view the process from their own stovepipe, or did it also contribute to a feeling of standing together for something?
9. What do you expect from yourself and your fellow directors in this change process?

### *Middle managers' norms and values*

10. What should still be done? Which changes are according to you most relevant for the realization of the business support vision?
11. Which concrete activities do you deploy –next to the five projects– to realize the implementation of the business support vision (in your directorate, but also with others)?



## EPILOGUE

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“What we cannot speak about we must pass over in silence”

-- Ludwig Wittgenstein (1918/2004: proposition 7)

An epilogue can be defined as the final scene of a play that comments on or summarizes the main action. This epilogue provides a brief overview of the different research audiences our work was presented to and acknowledges the contributions various people have made to the realization of this thesis.

### EXPOSURE OF THE WORK

Parts of this thesis were presented at various conferences, in particular the Academy of Management (2) and European Group for Organization Studies (3) conferences (in short, AOM and EGOS). However, the first paper titled “Structuration of Result-Oriented Management Implementation: Interpretations of Middle Managers’ Behaviors in Dutch Ministries” was presented at the 2004 American Society for Public Administration conference. This paper presented the very initial analyses of the empirical work that later developed into chapter four. An extended version of the same paper titled “Implementation of Managing for Results: A Structural Analysis: Interpretations of Middle Managers” was presented at the 2004 EGOS conference. A separate paper describing the three cases in chapter four titled “Resistance to Managing for Results Implementation: Interpretations of Middle Managers’ Behaviors in Three Dutch Ministries” was presented at the 2004 NPM seminar in Amsterdam.

Early theoretical work, then still focused on ERP implementation, was published as a single authored chapter titled “Implementing Enterprise Systems in the Public Sector” in the 2006 Encyclopedia of Digital Government. Early segments of chapter three were developed in two papers. Our paper at the 2005 EGOS conference titled “Technology Driven Change and Structural Inertia: Managing for Results within the Dutch Central Government” pulled together a number of change theories. Together with Mehmet Aydin I wrote “Information Systems Implementation: An Essay on the Generic Roles of Key Players” for an international IS workshop organized by our department, in which the change agent roles were initially developed. Next, by combining the empirical work of chapter four with early versions of the later theoretical

chapters two and three a paper titled “Managing for Results within the Dutch Central Government: A Structural Analysis based on Change Agents’ Views” was presented at the 2005 AOM conference.

In 2007, chapter two (minus the Dutch central government section) was accepted for presentation at the AOM conference with Jeff Hicks added as an author. This paper was titled “Dissolving the Standoff between Traditional Bureaucracy and New Public Management” and led the three reviewers to comment: “a great discussion about different streams of thought,” “a much needed attempt at breaking down the false dichotomy of NPM and traditional public management,” and “a very well-informed discussion of NPM, MFR, and traditional (Weberian) concepts of bureaucracy.” Finally, a shorter version of chapter five with a brief theoretical introduction and Marinke Sussenbach as a fourth author was presented at the 2008 EGOS conference as “Bricolage in the Turnaround of a Dutch Ministry.” My thesis advisors Dennis Muntslag and Celeste Wilderom were co-authors of all these papers unless mentioned otherwise as they contributed to making sense of the data and provided thorough comments on my work. Additionally, Dennis played a role in data collection: we conducted a number of interviews together and he facilitated the workshop in chapter six.

#### ACKNOWLEDGEMENTS

Arjen Wassenaar once told me that the acknowledgments are by far the most read part of a PhD thesis. With this knowledge I decided to make it a bit of a challenge and hide the acknowledgements somewhere in the back of this book. On another occasion he told me to stop complaining just because I was not mentioned in someone’s acknowledgements and that there were better things to do than ponder what possible reasons this person would have to do so. This lesson, and of course space limitations, helped me in limiting myself to thanking a few people who have particularly contributed to sharpening my thinking and/or this thesis. Naturally, I do truly acknowledge and thank all my past and present colleagues in the HRM, BIK/IS&CM and NIKOS departments, my fellow PhD students in the School of Management and Governance, my students, and everyone else I have had a great time with over the past few years. All of them have contributed one way or the other to this thesis and that I did not mention them does not mean they are not on my mind.

First of all, I want to thank my (past) roomies in the office: Bharat Bhanot, Jan de Leede, Andre Nijhof; Mehmet Aydin, Boriana Rukanova, Jeroen Kraaijenbrink; again Mehmet Aydin; and Rik van Reekum. Especially Bharat and Mehmet had to put up with me for a long time: thanks guys! The largest part of my PhD experience was shared with Mehmet, Boriana and Jeroen at



the BIS group. As a group of slightly subversive PhD students, of which I was the most junior, we started our own ASIS group based on our research into Adaptation, Standardization, Integration and Structuration and, among many other things, drove the dean mad in the process with our infamous wall of cardboard boxes. At regular intervals 'subversive' associate professors Wassenaar and Wijnhoven, and every now and then Adri Pater, gave further impetus to our intellectual and social growth. I am sure that you all regularly look back on this period with great joy. Next to the ASIS group, I shared my experiences and thoughts with a number of other PhD students of which I would like to mention some explicitly. At Twente, researchers on related topics that were always in for a good discussion were: Liudvika Leišytė, Tineke Lantink, Christiaan Katsma, and Eveline Stijn. Later, Bjorn Kijl, Diederik Rothengarther and Esther Klaster came to the department and I suddenly found Chintan Amrit and myself to be the senior PhD students. Outside of Twente, I always had the best of times with Jeffrey Gortmaker (TU Delft) and Hans Moonen (RSM) either at the Edispuut or self-initiated meetings: speaking of meetings, we still need to plan the barbeque!

I always found conferences an excellent way to get inspiration, test ideas, meet some of the great minds in management, and simply enjoy oneself especially at AOM and EGOS. When I started as a PhD student I would have never expected to joke around with for instance Andrew Pettigrew (whose allegedly Dutch). Especially, I hope to enjoy many future conferences with Julie Battilana, Erik Dane (fellow program chair of the AOM party division), Arne de Vet, Paula Jarzabkowski, Kate Kenny, Curtis LeBaron, Lianne Lefsrud, Jane Matthiesen, Jörg Raab, Dalvir Samra-Fredericks, Mario Schijven, Ayse Saka, Jean-Claude Thoenig, and Shaker Zahra. Although I did not yet have the pleasure of talking to him in person, I want to thank Richard Whittington for his very kind words regarding my first chapter. Also, I want to thank Leon de Caluwe, Steve Floyd, Royston Greenwood, Shirley Gregor, Bob Hinings, Quy Huy, Gerry Johnson, Tom Lawrence, Mike Lounsbury, Alistair Mutch, Bill Passmore, Harry Tsoukas, and Andy van de Ven for their comments and the discussions we had at various conferences.

Equally inspiring were the interviews and field studies I conducted. Although the names of those interviewed will remain confidential, I greatly appreciate their willingness to participate. This work would have been impossible without their efforts. However, I am especially indebted to a number of people. First, the SG and Vice SG in chapter five permitted one of my master students, Marinke Sussenbach, to be part of the Shared Services project team, and then even permitted me to use the collected data for my thesis. Needless to say that I am equally indebted to Marinke as she managed to interview more than half of top and middle management in the case organization.

Furthermore, the Vice SG and his management team in chapter six permitted me to unconditionally attend all their meetings for more than a year! Not to mention the burden of two rounds of interviews and keeping their research diaries. Also, the three project managers really went ‘above and beyond the call of duty’ in helping me where they could. All in all, the ministry in chapter six was a great professional and personal learning experience for me and a refreshing part-time change of working environment.

The last part of my PhD thesis was written when I moved to NIKOS. I am grateful to Aard Groen for giving me the opportunity to work at his fast growing and well spirited department and cutting me some slack for finishing my thesis. I will try to make up for it the coming years, starting with the subtheme I initiated and will convene with Jeroen Kraaijenbrink and Shaker Zahra at EGOS this summer. Both Aard and Shaker are on my graduation committee and I look forward to their thought provoking questions. Additionally, I also want to thank Shaker for the discussions on a very wide range of topics and his good advice. Naturally, I also want to thank Caren van Egten for taking the time to be on my graduation committee and providing me with a number of helpful comments. Furthermore, I need to mention that I enjoyed supervising a number of students and talking about university life with Carla Millar. Here, I feel the urge to also explicitly thank my buddies (including a philosopher-consultant) and my ‘kumpel’ at NIKOS but I will resist for the aforementioned reason – they know who they are! Naturally, I should also not forget to mention Brenda Kroeze who among other things helped me a lot with the PREBEM conference, secretaries ‘in order of appearance’: Marian Sonneveldt, Elke van der Veen, Hela Klaczynski and Gloria Rossini, the IT guys – in particular Frank van Boekel, and of course the most inspirational employee of our school: Harry Kolkman.

The saying is “save the best for last.” I want to use the final words of this section for eight special people. First of all my thesis advisors. I first met Celeste Wilderom while looking for a master thesis assignment. In a highly energetic and inspirational manner she convinced me to dive into the world of leadership. During my master thesis project and later in the formative years of my PhD research she sharpened my thinking and especially writing with tough but always constructive critique. Over the years we found we shared a lot of scientific interests and what I found quite special was the non-hierarchical way of working together and the fun time at AOM and EGOS. It does really help to have a well-connected PhD advisor! Likewise, I first met Dennis Muntslag while looking for a PhD candidate position. Again, I was convinced to work on his project instead of the other positions available. My analyses would have been far less thorough without his critical comments and reflections. Also, the trips we made together to The Hague for data collection I will never forget:

back in Twente people often wondered what we were chuckling about when sharing our experiences. However, what I would really like to mention here is that Dennis gave me the feeling that whatever problems would arise during the PhD process I could count on his support and help. I hope I was of some support, or at least less of a nuisance, to him in the second half of 2008. Either way, I am quite sure I tested both Celeste's and Dennis' patience to the max at some points, but as Herman Hesse wrote in *Siddharta*: "writing is good, thinking is better." Their kind words on my work now it is completed fill me with pride.

Six people remain to be mentioned, of which three fellow PhD students. Jeff Hicks someday got the crazy idea to quit his nice job and get a PhD. For me it was really amazing to see how fast Jeff mastered the management literature and subsequently, since that was not enough for him, the philosophical literature. Over and over again he challenged not only my scientific ideas, but also my ideas on politics, society, and the meaning of life. However, in particular we share a craving for good food, which paradoxically enough appears to center around Saturday döner at the Hengelo market. Next, there are my cecpca Svetlana Khapova-Popovic and ağabey Mehmet Aydin. No matter what, I could and can always turn to them when I need their help and I hope they feel the same about me. Svetlana is an ongoing inspiration with her good mood, stamina and focus on obtaining the results she desires. Likewise, Mehmet is one of the smartest but also one of the most modest persons I know – we have gone through good and bad times together and I could not have wished for a better friend and roommate than him.

Finally, I want spend my last words on my dad, my sister and my girlfriend. On early Monday morning, October 14, 2002, the lives of my dad, sister and me changed dramatically when my mother passed away very suddenly. Nonetheless, I am grateful that we have only gotten closer as a family: when I think of you both I am filled with great pride. Only a few months later I got to know a very cheerful, amiable and intelligent woman: Ellen. We are very similar in a lot of respects, but also very different in some and can drive each other completely crazy (which I believe is a good thing). Nonetheless, all in all I believe you bring out the best in me. Hopefully we will now have more time to enjoy hiking, live music, and all the other stuff that makes life worth living.



## M.L. EHRENHARD

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Michel Léon Ehrenhard was born and raised in Nijverdal (the Netherlands) on April 30, 1979 – just a stone’s throw from what is now the Sallandse Heuvelrug National Park. After graduating from Reggesteyn high school in 1997, he chose to study Public Administration and Public Policy at the University of Twente. Here, he specialized in Organization Studies and Financial Management. His study included an internship on public private partnerships with then Deloitte ICS Adviseurs. In 2002 he graduated on a thesis that compared leadership behaviors of middle managers in the public and private sector.

He decided to stay at the university as a research associate in management and organizational behavior, where he mainly worked on two European Union funded projects in the area of knowledge management. Additionally, Michel completed the dr. Hendrik Muller seminar honors program organized by the Social Scientific Council (SWR) of the Royal Netherlands Academy of Arts and Sciences (KNAW). Next, he switched departments to first become a research associate in MIS and in December 2003 a PhD candidate in the ‘ERP Implementation and Organizational Change’ program. Next to his research, he among others taught classes, supervised bachelor and master theses, co-organized the 8<sup>th</sup> PREBEM conference, set-up the department website, and obtained –with one of his promoters– external funding for part of his own as well as a new PhD project.

In October 2007 Michel again switched departments by becoming a lecturer at NIKOS: the Dutch Institute for Knowledge Intensive Entrepreneurship. Next to research and teaching in the domain of entrepreneurship, innovation and technology management; he initiated the 2009 EGOS sub-theme 25 on industry knowledge structures, which he will convene with his colleagues Shaker Zahra and Jeroen Kraaijenbrink.

Besides his academic work, Michel was also active otherwise. In 1995 he participated in a student exchange with Poland facilitated by the European Committee in relation to the ‘European year for nature conservation.’ From 1998 to 2006 he was a board member of badminton club Reflex, where he became chairman in 2001. Additionally, from 2003 to 2005 he represented the indoor sports as a board member of the Sports Federation Hellendoorn. From 2003 to 2006 he was a board member in a municipal branch of the Dutch Labor party. In 2008 he became a member of the committee of appeal for Amnesty International Netherlands.



## NEDERLANDSE SAMENVATTING

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Het begrip resultaatgericht management speelt al jaren in verschillende gedaanten een rol in het Haagse. Echter, het bureaucratisch denken –met haar nadruk op procedures en regels– lijkt nog steeds een sterke invloed te hebben. Zo heeft de invoering van VBTB weliswaar geleid tot de invoering van een resultaatgerichte manier van begroten en verantwoorden, maar was het effect, volgens onder andere de Algemene Rekenkamer, buiten de financiële kolom zeer beperkt. Deze ervaringen zijn niet uniek voor de Nederlandse Rijksoverheid. In tegendeel, de meeste Westerse overheden worstelen met het meer resultaatgericht maken van hun overheidsorganisaties. Het onderzoeksdoel van deze studie was dan ook om de literatuur op het gebied van resultaatgericht management en de gerelateerde (publieke sector) verander literatuur een stap verder te brengen.

In het bijzonder richtten we ons op de sleutelrol van het middelmanagement in resultaatgericht management initiatieven. Door het gedrag van middelmanagement te bestuderen in termen van het steunen of tegenwerken van de resultaatgericht management denkwijze waren wij in staat om structurele tegenstellingen tussen actoren (zie Giddens 1986) naar voren te halen. Op deze wijze bestudeerden we de veranderingen in de Rijksoverheid als een strijd tussen twee dominante denkwijzen; vanuit de traditionele bureaucratie en vanuit resultaatgericht management. Onze centrale probleemstelling werd hiermee: “Waarom beperken en steunen het gedrag en de structuren van middel managers de implementatie van resultaatgericht management in de Nederlandse Rijksoverheid?”

Voordat we de praktijk indoken, hebben we onze theoretische lens – Giddens structuratietheorie– aangescherpt met institutionele theorie, institutioneel ondernemerschap, sociologische actie theorie, sociaal drama theorie, veranderrollen, en middelmanagement theorie. Institutionele theorie beschrijft hoe structuren actoren beïnvloeden, terwijl het begrip institutioneel ondernemerschap beschrijft hoe actoren structuren proberen te veranderen. We gebruikten sociaal drama theorie om te beschrijven hoe kleinschalige interactie sociale structuren bevestigt of verandert. Met actie theorie vervolgens kon worden bepaald of specifiek gedrag gericht was op het verleden, heden of de toekomst. Tenslotte brachten we met veranderrollen en middelmanagement theorie de literatuur samen die handelt over het gedrag van de centrale actoren in deze studie: veranderaars en middelmanagers.

Voor onze dataverzameling gebruikten we in elke opeenvolgende empirische studie meer diverse, geavanceerde en innovatieve methoden. Voor de eerste empirische studie maakten we alleen gebruik van halfopen diepte-interviews en documentstudie. In de tweede studie maakten we ook gebruik van participantobservaties. Voor de derde en laatste empirische studie voegden we vervolgens non-participant observaties en dagboeken toe, alsook een vorm van actieonderzoek.

Met behulp van de verzamelde data ontwikkelden we op iteratieve wijze een theorie over het gedrag van middelmanagers gedurende resultaatgericht management implementatie door middel van proposities. Het gebruik van proposities stelde ons in staat om de bevindingen van elke volgende empirische studie met de vorige te combineren. De eerste studie leverde proposities op over hoe sociale structuren het gedrag van middelmanagers beïnvloedden tijdens resultaatgericht management implementatie. We categoriseerden deze sociale structuren onder de thema's: 'omgeving', 'traditionele overtuigingen', 'gepercipieerde invloed op resultaat', en 'steun van het topmanagement'. De tweede empirische studie richtte zich meer op actie doordat we een longitudinale benadering namen en vervolgens met deze data verfijnde en uitgebreide proposities op een structuratiemodel voor het institutionaliseren van resultaatgericht management onder middelmanagers konden uitzetten. In deze longitudinale studie achterhaalden we het thema 'veranderbenadering'. Vervolgens, repliceerde en breidde de derde empirische studie de tweede studie uit door de verder verfijnde en uitgebreide proposities wederom op ons structuratiemodel uit te zetten. Hier ontdekten we dat het additionele thema 'mindfulness' een cruciale rol speelde.

Rest de vraag wat we kunnen concluderen omtrent de structuratie van resultaatgericht management implementatie in de Nederlandse Rijksoverheid. Op basis van de centrale begrippen in onze proposities hebben we een tentatief model van 'strijdende denkwijzen' gebouwd (figuur 7.4). Hiertoe hebben we onze centrale structurele en actie begrippen verder uitgediept aan de hand van relevante literatuur. Naast de meer algemene institutionele en markt omgeving van de Nederlandse Rijksoverheid, zijn de structurele begrippen in dit model territorialiteit (autonomie), traditionele overtuigingen, en 'perceived behavioral control' (waargenomen invloed op resultaten). In de literatuur vonden we dat territoriaal gedrag leidt tot een toename van organisatie commitment, een afname van conflict, en tot vooringenomenheid en isolatie. Specifiek voor de Rijksoverheid leidden we af dat commitment aan de bureaucratische denkwijze, een afname van conflict ten faveure van de status-quo, en vooringenomenheid en isolatie allemaal een negatieve invloed zouden hebben op resultaatgericht management implementatie. De gedragingen gerelateerd aan de traditionele overtuigingen van middelmanagers kwamen



voort uit passieve of actieve weerstand tegen resultaatgericht management. Het terugvallen naar bureaucratisch denken ontstond door passieve weerstand, terwijl actieve weerstand het gevolg was van hoog commitment aan bureaucratisch denken. Verder vonden we onder ‘perceived behavioral control’ dat middelmanagers op drie fronten dachten weinig invloed te hebben op resultaten. Dit betekent dat in ieder geval de ‘perceived behavioral control’ van middelmanagers verhoogd moet worden om resultaatgericht management tot een succes te maken. Het laatste structurele begrip is commitment van top en middelmanagement. Middelmanagement commitment was gerelateerd aan een aantal andere begrippen zoals territorialiteit, traditionele overtuigingen, en mindfulness. Als laatste is het van belang of middelmanagers commitment voelen voor de resultaatgericht management denkwijze of de bureaucratische denkwijze.

In aanvulling op gedrag dat gebaseerd is op het verleden, heden en de toekomst, zijn de actie begrippen mindfulness en bricolage van belang. Mindfulness is bewustzijn – een aandachtige oriëntatie op wat in het heden gebeurt. Deze oriëntatie op het heden zorgt voor meer zelfcontrole, effectievere doelbereiking, en geïntegreerd commitment aan doelen. Daarnaast helpt mindfulness in het overkomen van routinematige reacties. Ofwel, mindfulness kan leiden tot het overstijgen van geïnstitutionaliseerde reacties. Naast mindfulness, speelde ook bricolage –het gebruik maken van onverwachte mogelijkheden– een belangrijke rol in succesvolle verandering. Wij zien de basis hiervoor in een andere reflexieve denkstijl die sterk contextueel, persoonlijk en sociaal is; wordt gedreven door relevantie; en het afleiden van bedoelingen. Door ons literatuuroverzicht met onze empirische bevindingen te combineren kwamen we tot vier vormen van actie: projectering, prioritering, bricolage/improvisatie, en gewoonte/routine. Projecterende actie is voornamelijk gericht op het ontwikkelen van toekomstscenario’s en alternatieven. Gewoontreactie wordt gedreven door routine (oud) gedrag en geheugen. Prioritering en bricolage/improvisatie zijn gericht op oordelen en besluitvorming in het heden, echter de eerste volgt een reflectieve en de tweede een reflexieve manier van denken. Mindfulness bevordert zowel prioriteren als improviseren.

Met het tentatieve model voor strijdende denkwijzen ontwikkeld in figuur 7.4 hopen we de specifieke contextuele bevindingen van onze studie te ontstijgen. In het bijzonder zijn we in staat geweest meer licht te werpen op de specifieke acties van centrale actoren in het organisatieveranderingsproces. Ook hebben we in onze theoretische hoofdstukken enkele praktische handreikingen kunnen doen omtrent het ontwerp van overheidsorganisaties (tabel 2.2) en de verschillende veranderrollen die beschikbaar zijn voor veranderaars (tabel 3.2). Desalniettemin erkennen we dat dit model voor

strijdende denkwijzen tentatief is en moet worden verfijnd en uitgebreid in andere onderzoekscontexten. We hebben echter naar ons idee wel de waarde gedemonstreerd van een dergelijk brede –meerdere niveaus, meerdere theorieën– benadering in deze dissertatie.





## THE STRUCTURATION OF MANAGING FOR RESULTS

This study is driven by a desire to understand why organizational changes in general -but especially in government- are so difficult to achieve.

For this purpose we contrasted the traditional legal-rational bureaucracy with the Managing for Results (MFR) template. Next, we developed a structuration theory based lens to be able to study these competing templates in practice.

With this lens we focused on middle managers' behaviors during the implementation of MFR initiatives in the Dutch central government. Specifically, we first explored change agents' views, after which we conducted in-depth field studies in two Dutch ministries. Based on our data we iteratively developed propositions on middle managers' behaviors.

Among the concepts that surfaced in this study, we found mindfulness and bricolage to play a particularly important role in successful change efforts. Since these behaviors are present-oriented they enable change agents and/or managers to overcome past-oriented institutionalized responses to change impromptu.

Similarly, we found that when middle managers actively and/or passively resisted MFR implementation they were mostly influenced by territoriality and traditional beliefs, moreover, by a low perceived behavioral control.



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