

# **Bureau-Shaping Theories and Public Management Reforms**

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*++ Paper to the XV Conference of NOPSA, Tromsø, August 6-9, 2008 ++*

*++ First draft. Please do not quote ++*

## **Abstract**

New Public Management (NPM) reform ideas are, in the literature, usually portrayed as exogenous models which somehow permeate public organisations (cf. Pollitt & Bouckaert, 2004). Hitherto, the question whether internal organisational motives for creating new units has been a contributing factor to the diffusion of NPM ideas has been notably overlooked. It is our contention that theories on bureau-shaping can complement other frameworks for describing the diffusion of NPM reforms. That is, bureaucrats (i.e. public management) can use the ‘discourse’ of NPM for pursuing the creation of new, more policy-shaping and second order functional, units and offices (for example, benchmarking, communication etc) within public organisations, thereby replacing old bureaucratic layers with ‘novel’ offices detached from the daily operative functions of bureaucracy.

The aim of our paper is to discuss and review strategies for empirical studies of bureau-shaping theory in the light of public management reforms. Whilst Dunleavy's original thoughts have been widely discussed and contested, few actual attempts have been made to transfer them to empirical studies. In this paper, we examine some of the main traits of criticism, as well as some of the few attempts to apply the theory empirically. In addition, we propose a research strategy for a comparative empirical study of bureaucratic change within local and state administration in Sweden and Denmark inspired by bureau-shaping theory. From a preliminary case study, we conclude that bureau-shaping may be more of a systematic organisational response to administrative reforms than the utility-maximising strategy of individual bureaucrats.

## **Background**

Public organisations have changed substantially since the 1970s, both in terms of functions and processes. The aim of our project is to elucidate the incentives behind these changes. We are in particular interested in the roles played by the residents of public organisations, i.e. the bureaucrats, in instigating organizational changes. How important is status for the creators of new policy-making agencies in Western public sector organisations? Has the creation of new policy-making functions within such organisations, i.e. agencies of ‘management’, ‘strategy’, ‘quality’ and ‘information’ to a substantial degree been promoted by bureaucrats who see rewarding personal opportunities for themselves in such functions? Patrick Dunleavy’s bureau-shaping theory is about the ambition for status among top level bureaucrats, which basically means changing functions to more policy oriented tasks rather than routine work or service delivery. Bureau-shaping theory, like other rational choice models, focus ‘*on the instrumental action of individuals, and their interaction, within institutional structures that set the opportunities available to them*’ (James 2003:10). Bureau-shaping, as conceived by Dunleavy, is thus individually motivated, but where the consequences can be observed in organisational and functional changes. In Dunleavy’s own empirical study organisational budgets were the chief empirical data, together with changes in flows between different budgets posts indicated bureau shaping depending on different types of agencies whereas, for example, a regulatory agency ‘bureau-shapes’ differently than a control agency, a delivery agency, or a transfer agency (Dunleavy 1989a:254–255).

Raising these issues will inevitably produce a number of challenging theoretical and methodological enquiries. Theoretically, the vast majority of accounts of management reforms in contemporary Western states subscribe to top-down perspectives in which the diffusion of such reforms is perceived as responses to either the global challenges to the welfare state (the mainstream argument); the consequences of the new hegemonic discourses of governance (neo-Marxism, discourse analysis); or finally, the symbolical convergence to widely held norms on rationality, markets and competition among policy-makers (neo-institutionalism). Methodologically, it is hard to gain knowledge which goes

beyond functional hypotheses (usually with a touch of conspiracy thinking) about motivational forces behind the creation of new, organisational units.

Consequently, we find a modified version of the bureau-shaping theory worth assessing on specific organisational reforms analysed from a bottom-up perspective within Scandinavian bureaucracy during the last 20 years. The modification primarily consists of a more narrow focus on the management's individual strategies, and a wider focus on bureau-shaping as a likely response to politically motivated and structural reforms within the public sector, such as decentralisation and the wide-spread influx of management technologies. Since this project has just recently commenced, this paper primarily aims to discuss and review strategies for empirical studies of bureau-shaping theory in the light of public management reforms. In this paper, we review the original bureau-shaping theory, as well as some of the main traits of criticism and some of the few attempts to apply the theory empirically. In addition, we present a tentative case study of the Swedish university of Lund to demonstrate parts of our analytical framework.

### **NPM and bureau-shaping**

In a sense, this study derives from a kind of inverted version of the rational choice idea of public bureaucracy. Management reforms have often been legitimated by the claim that public bureaucracy entails an inherent tendency to expand, and thus should be subject to competition, prizing and cost-control. However, we claim that management reforms perpetuate the very kind of bureaucratic problems they have set to solve. This is of course not a new claim; many previous studies affirm that bureaucracy flourishes more than ever, and partly as an effect of NPM reforms (cf. Power, 1997; Olson, *et al.* 2001; McSweeney, 2006). But even more interesting, which we will return to later, many authors have claimed that the reverse, or contradictory, effects seem to be endemic in New Public Management-reforms in the Western World such as, for example:

- Viewing all public sector activities as 'production' of a certain kind of 'output' (i.e. health care, education) will lead to increased costs for the construction, management and monitoring of such 'production',

- In large-scale systems, management of ‘outputs’ in reality ends up as control over production processes (through varying techniques such as fiscal control, rules, audits, quality systems and transparency), since outputs are almost impossible to control, and thus an increased management bureaucracy engaged in control and supervising activities,
- Decentralisation of production leads to efforts of re-centralisation on the part of politicians, as well as top bureaucrats, who are afraid of losing control over the implementation stage,
- Bad-performing national bureaucracies do not implement NPM reforms, whereas bureaucracies which already are seen to be reasonably cost-effective and transparent are those most likely to make changes,
- NPM reformers emphasise the need for evaluation-based change, but are in reality never interested in any evaluations, especially not critical ones. Reform processes thus seem to be driven by hope or “impression management” rather than by those very rational decision-making processes which the NPM ideas herald.

(the list is based on Hood & Peters, 2004)

Hitherto, few studies have actually evaluated the outcomes of the NPM-reforms and as Pollitt and Bouckaert conclude: ‘*the international reform movement has not needed results to fuel its onward march*’ (2000:132; see also Pollitt, 2007). Apart from the purely personal status enhancement in leading a ‘strategy’ or ‘information’ unit, rather than low-status operational line duties such as e.g. actual teaching, there are some localised, or bottom-up, logics which may explain these seemingly paradoxical elements. A first, and quite common, interpretation is that NPM reforms are only implemented as a new rhetoric, with either the Machiavellian aim of deceiving higher levels to believe that this rhetoric also is a practice, or the more altruistic aim of ‘buffering’ reforms in order to protect organisational practice (cf. Hood, 1998; Brunsson, 2006). However, in either case a new kind of bureaucracy may evolve around functions such as marketing, information and (symbolic) control and strategy. A second interpretation is that NPM reforms, legitimated on central levels as efforts to diminish bureaucracy, are conceived as possibilities for organisational expansion on local and/or decentralised levels (Suleiman, 2003). Public sector organisation may see the possibilities of developing elements of a ‘shopping mall’

where not only core activities, but also supportive activities, are catered for. That is, organisational complexity becomes a competitive advantage versus other steering levels and supports the perceived 'responsiveness' of bureaucracy. A third interpretation, more in the line with a Weberian argument, is that NPM reforms may be seen, consciously or not, as opportunities for developing new, centrally coordinated, domination systems on local levels in line with the famous maxim that 'who says organisation, says oligarchy'. That is, the above-mentioned 'paradox' is no paradox since control and power, rather than efficiency, is the actual goal of the management reforms (Michels, 1915; cf. Courpasson, 2006). And finally, NPM reforms may be seen as an opportunity for localised bureaucrats to perform functions as 'unelected politicians', i.e. developing new self-governed policy-making units without political intrusion (cf. Suleiman, 2003; Gregory, 2007). In conclusion, regardless of which of the theoretically-inspired explanations one choose, there is a distinct difference between the reasons for launching management reforms in the public sector and the outcomes of these reforms.

### **Bureau-shaping**

Dunleavy's theory of bureau-shaping (Dunleavy, 1985, 1989a, 1989b, 1991) has become a seminal element in most of the syllabuses of public administration across the world. In contrast to the public-choice theory's claim that bureaucrats seek to expand the size of their budgets with the underlying motive of increasing their own power, patronage, perks of office and financial rewards etc (cf. Niskanen, 1971), Dunleavy broadens the claim:

Against such views [budget-maximising], the bureau-shaping model argues that top-bureaucrats' instrumental rationality would not be well served by the risky and low payoff collective strategy of inflating their agency's overall budget [...]. Instead they should try to reshape their departments as small staff agencies, removed from the line responsibilities and hence more insulated from adverse impacts in the event of overall spending reductions in their policy area (Dunleavy, 1989a:252).

Albeit the same epistemological (and ontological) point of departures as public choice theory, Dunleavy's theory is based on the premise that collective action problems are different in public organisations, and that it is impossible to identify some general collective

patterns of behaviour among the bureaucrats. Consequently, bureaucrats do not pursue strategies to maximise their organisations' budgets in general, but only certain types of budgets. This is, by and large, dependent on which type of bureaucrats we are referring to (where Dunleavy solely focuses on senior top bureaucrats), and the tasks of the public organisations. In terms of the 'real' motives behind bureaucratic action Dunleavy argues that:

Rational officials want to work in small, elite and collegial bureaus close to political power centres. They do not want to head up heavily staffed, large budget but routine, conflictual and low-status agencies (Dunleavy, 1991:202).

This also explains why rational bureaucrats in the UK, contrary to the predictions in public choice theory, under the Thatcher governments in the 1980s were willing to accept budget cut-backs, as well as privatisation (or outsourcing) of much of their departments.

We will not here present Dunleavy's extensive thinking on budgets. Instead, and for the purposes of this article, we would like to draw the attention to his arguments on strategies. Based on his empirical works of, in particular, the massive reforms of the British central government in the 1980s, he presents five different strategies for the top bureaucrats of how to 'shape the bureau' (Dunleavy, 1991:203-205). First, he identifies major internal reorganisations in which the policy-making role is strengthened and routine functions are separated. Second, he points to transformations in the internal work practices thus increasing the superiority of control tasks. Third, he identifies a strategy of redefining the relationships where the bureaus can maximise the policy control and endorse decentralisation of routine issues. Fourth, Dunleavy identifies that the bureaus seek competition with other bureaus over the defence of policy oriented responsibilities whilst exporting routine tasks elsewhere. Finally, the bureau-maximising agency seeks to transfer all functions and tasks which do not fit with the desired shape (e.g. by hiving off low-level tasks to subordinate agencies). It is our contention that these strategies can be used as cornerstones for generating hypotheses for developing an analytical strategy. However, this does not mean that we should take them for granted and accept them as they are. Notwithstanding the face-value of the bureau-shaping theory, it has not been uncontested

among students of public administration, and while it has been a vehicle for some empirical works (cf. James, 1995; Hoopes, 1997), it has indeed encountered several critical voices. First, we can naturally criticise the underlying utility premise of the theory, whereas the problems of defining rational preferences, let alone the self-interest, of human agency is well described in the literature (cf. Ward, 2002). This epistemological debate has also affected the discussion on the validity of the bureau-shaping theory (cf. Marsh, *et al.* 2000, 2004). So, as Lowndes argues:

We are asked by Dunleavy to accept this list of [...] values which influence bureau-shaping on the grounds that they are commonly cited in administrative literature [...]. There is no attempt to show that senior bureaucrats actually hold these values or are motivated by them. If one is prepared to accept this list at face value, any testing of the bureau-shaping approach needs to be preceded by an investigation into the values of the bureaucrats (Lowndes, 1996:189)

However, rather than seeing the bureau-shaping theory as an explanatory and causal theory we prefer, in accordance with Colin Hay's reassessment of rational choice theory (Hay, 2004), to conceive the theory as a *heuristic analytical tool for conditional predictions*. As stated above, we also more understand the bureau-shaping theory as a response to certain strategies of reforms where the mix between political ideas and ambitions, institutional norms and individual opportunities indeed are complex.

Second, there have been raised critical voices over Dunleavy's unrefined distinction between policy (advice) and management. The problem seems to be that Dunleavy's only presentation of this dichotomy is a figure (Dunleavy, 1991:202), in which positive and negative values are ascribed to bureaucratic work, and which is said to be based on 'administrative sociology literature' (p. 203 – without references to the literature). In a critical account of the theory, Marsh *et al.* (2000) conclude, borne on interviews with retired Whitehall permanent secretaries, that this distinction is fictional in the empirical reality. From their perspective, the senior bureaucrat does not make this distinction in his/her daily functions as the two functions are interwoven (Ibid: 466). For example, a typical task of a permanent secretary function involves the delegation of policy tasks to junior

members of staff. Whether this is policy or management is impossible to say. Moreover, the original model implicitly assumes that all senior bureaucrats share a preference for policy tasks which also is something that can be rejected on empirical grounds (Ibid.).

From our perspective we find this discussion a bit too dichotomous if the purpose of employing the theory is to study actual changes in public organisations; in particular organisations in political systems with less hierarchical and vertical modes of governance. Rather than a sharp distinction between policy and management we would like to adopt some of the concepts from Mintzberg's works on organisational design and his organisational diamond (1979, 1981). Our hypotheses is that within public organisations, there is not only a preference among public managers to move away from management to more policy formulating tasks, but also a preference to move away from the 'operating core' in favour of second order functions; those Mintzberg call 'techno-structure' and 'support staff'. We are in particular interested in the growth of certain functions such as e.g. quality assurance, information and communications, and human resource management. Important to stress is that we, probably in contrast to Mintzberg, perceive these functions just as 'policy-shaping' as the top-management of the organisation.

Third, Dunleavy's studies have been criticised for not including the relationship between officials and politicians in his model (James, 2003:24; Marsh, *et al.*, 2001:163–164). In some cases officials' freedom to choose is restrained by political interests or wills. However, when politicians are included in studies of bureau-shaping it opens up for a democratic assessment. Studying changes in budgets is one way to empirically find indications of bureau-shaping. But it is not sufficient since it is solely an analytical approach to describe organisational changes within, and between, organisations. It does not support us in understanding the underlying motives or incentives. Thus, Dunleavy did not look further into to which extent his assumption of rational behaviour of the bureaucrats was valid. In our study different methodologies and a more varied set of material are used in order not only to describe changes, but also to explain them.

Finally, we have in our search for empirical employments of the theory, and in similar accounts of changes in public organisations, discovered that there are (at least) three different traits of development. First, it is the expansion of new units within existing public organisations which are either more policy-oriented, or at least more focused on second order functions. This is something several Scandinavian studies of public organisation reforms have pointed out. Whilst the number of public organisations has decreased since they peaked in the 1960s, there has been a similar expansion of the number of internal units during the same period of time (cf. Lægreid & Pedersen (eds.), 1999). Secondly, it is the more classical Dunleavy approach in which the operating core is either hived off to other organisations, or outsourced in favour of a more policy-oriented organisation. An empirical example of this is Jensen's analysis of changes within the Danish Treasury in the 1980s and 1990s in which some of the 'heavy' redistributive functions were transferred to other departments and replaced by new policy-making units with the overall strategy to transform the Treasury into a national macro-economic 'think-tank' (Jensen, 2003). Finally, one could also include the tendency in certain countries where new policy problems are matched with completely new policy-making agencies. These organisations have usually no operative functions and limited redistributive budgets. Instead they are typically small, based on project management principles, and are entrusted with either policy coordinating functions, or pure public opinion tasks. Interesting, compared to the original bureau-shaping theory, is that the impetus to these new units usually comes from already existing agencies and public organisations, and that the management of the new agencies is recruited among the advocates for the same. To put it simple: new organisations with old staff (Rothstein, 2005).

## **Methods**

The public organisations studied in depth in the project are five central government authorities (agencies) and five municipalities in Sweden between 1980 and 2005. In addition, the project will include a limited number of Danish comparative cases. The idea is that the agencies chosen should differ in functions and size. This makes it possible to find out if bureau-shaping is a general trend or connected to specific types of agencies or

agency functions. It also makes it possible to find out, in line with Dunleavy's model, if different types of agencies employ different patterns of bureau-shaping.

It is a well-known fact that motives are particularly difficult to study with accuracy and that motive studies inevitably means methodological difficulties. Even for the bureaucrats themselves it might be difficult for them to be familiar with their 'real' motives for action, and there will naturally in many cases be reasons for concealing the motives (even though they are known). To put it shortly from the perspective of the researcher, motivations are not the same as motives. Even if motivations for action are interesting *per se* they cannot uncritically be juxtaposed with motives. In the first stage of our project the material will primarily be texts. The aim is to conduct a broad historical study of organisational changes in agencies and local municipalities and gather material that motivates and concern these changes. It is primarily a way for us to identify the changes and the official rhetoric behind them. Our way to cross-check the stated motives from texts and interviews is to compare them with actual behaviour and through budget analysis. The text material explored is apart from the budgets also official texts, reports, documents and protocols. Worth mentioning is that the principle of public access in Sweden states that all official documents are public and, unless explicitly classified as classified, must be made available to the public. This means that virtually all relevant public documents in fact are available and accessible. On the other hand, not everything is written down in public accessible texts and in many cases the texts have been polished to hide conflicts. Following the reading of the material a few organisational reforms will be subject to more detailed case studies. This due to the fact that public organisations are in constant flux of change and that it is difficult trying to include them all in the study. In these more case-oriented studies of specific organisational reforms the texts are supplemented with semi-structured interviews. Preliminary, it seems difficult in a study of public organisations over a period of twenty five years to study budget flows. For a number of reasons budgets is a slippery object of study. The different budget posts are headings and what goes under these heading is difficult to reveal, changes within and between budget posts are not visible (especially over time) since budget systems come and go, budget posts change name and costs are sorted differently over time. Furthermore, budgets cannot be

isolated from changes in responsibilities. Ideally, it would be interesting to investigate to which extent budget size varies with shifts in responsibilities and tasks. Even if this is a complicated matter it can in most cases be studied as a matter of staff. This means that shifts in responsibilities should be followed by changes in the number of staff working in the organisation. In theory there are no default numbers of functions, or any default number of employees, in any organisation. Employees, whatever position they hold always find tasks and this regardless of the need for it in any instrumental sense.

Our interviews are primarily carried out with senior civil servants who have either retired or are close to retirement (in that sense we follow Marsh, *et al.* 2000). We have through the documents identified individuals who appear recurrently during organisational changes and thereby should have a profound knowledge about the specific organisational context. In many cases these civil servants are also retired, which means they are in a position to speak more freely about the motives and incentives behind specific organisational changes. Ideally, official statements, text and interviews should be, to a certain extent, possible to cross-check with actual action, in line with a conviction that 'talk is cheap'. Both choices about organisational changes and career choices among senior civil servants can be studied as actions indicating self-interested motives for bureau-shaping (James 2003:13). The interviews are semi-structured and give the respondents the opportunity to speak relatively free around a number of themes. Politicians, as well as civil servants, will be interviewed. Initially, it does not seem to be the case that politicians are involved, or even concerned, when it comes to intra-organisational changes. Research from Sweden confirms the fact that administrative reforms, which often are perceived as very gripping by bureaucrats, are met with general disinterest among politicians, with the possible exception of the initiation of different reform projects (Jacobsson, 2001; Sundström, 2003). Even so, there may be a difference in involvement by politicians depending on if it is a state agency or a municipality.

In a later phase of the research project a survey will be conducted. The survey will be grounded in arguments and statements derived from the interviews and then asked to a broad spectrum of responders. The survey will be constructed in line with a format from

political psychology – the Q-method. The Q-method is especially useful when it is the responders' subjective understanding that is in focus (Durning, 1999:405; Dryzek & Braithwaite, 2000). The analysis enables us to identify differences in the subjective understanding of the organisational changes between different categories of civil servants. In many ways the Q-method resembles a traditional factor analysis. The advantage with the Q-method is primarily the thorough attention given to the way questions are going to be asked in the survey and the attentiveness for subjective motives and values. It is a number of statements concerning the organisational changes that each respondent has to consider and evaluate. Steven Brown recaps the Q technique as a:

...set of procedures whereby a sample of objects is placed in a significant order with respect to a single person. In its most typical form, the sample involve statements of opinion (Q sample) that an individual rank-orders in terms of some condition of instruction – e.g., from “most agree” (+5) to “most disagree” (-5). [...] The individual merely operates with the sample of statements in order to provide a model of his viewpoint vis-à-vis the subject matter under consideration: his elicited response indicates what is operant in his case, e.g., that he agrees with the statement *a* and *b* more than *e*. The resultant factors point to categories of operant subjectivity [...], i.e., to persons bearing a family resemblance in terms of subjectively shared viewpoints. (Brown, 1980:6)

The questions asked in the survey are derived from the analysis of the text material and the interviews. Thus the results from the more qualitatively oriented part of the project will become the foundation for the quantitative part and the conclusions drawn from a smaller sample will be tested on a large number of cases. This enables us to ask relevant questions and formulate them more precisely and sharply. The idea is to send a survey to managers and heads of organisational bureaus in one hundred agencies and municipalities. The survey is to be divided into two parts. The first part consists of statements in accordance with the q-method. The second part concerns questions about organisational changes in respective organisation, such as for example, organisational structures, delegation of functions and the organisation's focus on society and users. Thereby the survey will provide us with data on how managers, at different levels and in different positions, argue for organisational changes and their views on them. So the results from the survey are twofold: they will enable us with a broad and general view on bureau-shaping across

the full spectrum of public organisations at both central and local level. Furthermore, it will make it possible to identify how managers at different levels, and in different positions, regard and view these changes and the reasons for them.

We agree with the claim of the bureau-shaping model as a comparative one, since ‘the organisational form of the department in terms of its functional and budgetary structure will determine the precise form each department (or more precisely bureau) will be shaped – only a comparison of different types of departments as defined by Dunleavy can test this claim’ (Dowding 2004:184). In our project there are three main comparative aims: first, to compare bureau-shaping in different types of central agencies to one another over time; second, to compare bureau-shaping in central agencies to local bureaucracies, and finally, to compare bureau-shaping in Swedish agencies with Danish equivalents.

To sum up the discussion, a broad range of methods are used and the obvious advantage is that it enables us to gather a vast material about our cases while allowing us to differentiate between types of agency and managers, central and local level and between a more general picture and a nuanced, context sensitive and specific.

### **Bureau-shaping as a response to projects of administrative reform: the case of Lund University**

In order to give flesh and blood to this research strategy, we will here briefly analyse organisational changes as a consequence of ‘decentralisation’ in one of our cases, the University of Lund. It is worth mentioning that this case probably is an atypical case in our overall study given the special social position of universities and that the results probably not are valid for public organisations in general. That being said, we can at least conclude that the preliminary results fit the bureau-shaping model surprisingly well.

One of our ideas is that administrative reform projects (such as NPM reforms) may lead to bureau-shaping strategies more or less as an unintended outcome. The logic behind administrative reforms may of course be widely different, from decentralisation of (or the

construction of new) operational responsibilities from national authorities to regional state authorities (such as universities) or municipalities, to internal restructuring within large-scale public bodies (such as municipalities). As pointed out above, many studies show that projects for ‘slimming’, organisational simplification, and cost-cutting, within administrations often have reverse effects. For example, a recent case study of Commissioner Neil Kinnock’s administrative scheme for limiting the ‘ungovernability’ of the European Commission by cutting the number of bureaus, demonstrates that the project opposite the objective led to an increase in bureaus within the Commission (Levy, 2006). Our own preliminary research at Lund University shows that three subsequent projects for simplification and cutting administrative costs 1990-2005 (‘the administration report’, ‘the departmental-administrative group’, and ‘the excellence project’) instead led to increasing administrative costs and complexity. The logic here is quite easy to detect. The monitoring and evaluation of administrative performance often proves the need for more, rather than less, steering capabilities, in accordance with ‘Parkinson’s law’ of administrative behaviour (cf. Forssell & Ivarsson Westerberg, 2000). What is seen as a ‘paradox’ in the literature of management reforms comes out as a rather common effect of restructuring and reorganising activities where new problems, which demands organisational solutions, are discovered in the process.

Lund University is a case which illustrates the validity of a bureau-shaping approach, but also its interrelationship with political aspirations, institutional norms and strategies for organisational control, and the problems connected to measuring. Lund University is one of the largest state authorities in Sweden, but as any academic will know it is also a quite atypical state authority and thus also an atypical case of bureau-shaping. Universities, in Sweden as elsewhere, are relatively institutionally autonomous, are carried by certain professional ideas and traditions, and entail a high degree of legitimacy (given their relation to universally accredited values of truth and progression). Meanwhile, in Sweden, as elsewhere (such as in the UK), there have been attempts from the Government to make universities governable in a similar fashion as other state authorities, i.e. attempts of ‘normalisation’, which in contemporary Sweden means measures such as a strengthened audit regime, performance measures and performance-based revenues, and demands on risk

analysis, within a larger regime of 'results-based management'. Of course, there are also strong signs of a new, European regime of standardization within the university area, especially through the Bologna process. One of the first measures during this process of 'governmentalisation' of Swedish universities was the instigation of the ideologically motivated 'decentralization reform' and simultaneous introduction of performance-related revenues by the right-wing government in 1993. Our preliminary review of the material shows how bureau-shaping has been a clear effect of this decentralised and performance-based regime both with respect to the construction of policy-making agencies, and perhaps even more through a general strategy of strengthening the central administration of the university and hiving off operative tasks to faculties and departments, i.e. a pattern which fits Dunleavy's "bureaucratic strategies" strongly. This has drastically influenced the balance of power within the university. While the 1980s was characterised by a bottom-up and problem-based organisation, with the vice-chancellor and his board as gate-keepers of conflicts (or as an organisational 'fire squad') emanating mainly from departmental levels, the 1990s demonstrated a vice-chancellor employing resolute methods of strategic capabilities in order to control and direct the university. At present, the vice-chancellor and his board direct the university in a top-down way; the contrast in steering language between the 1980s and the early 2000s is really striking. The management of the university is now based on strategic management principles which also can be identified by the departure of internal conflicts in the central board, although in practice much of the traditional autonomy remains, especially within research (Melander, 2006). Bringing external members into the board has effectively put an end to the bottom-up character of the organisation. While the central administration has strengthened its control regime, especially in financial matters, it has simultaneously strengthened and expanded its own policy-making capacities.

A central factor in this effort of this local centralisation within a nationally decentralised and performance-based system is the construction of cost centres within the financial management of the university. In this context, introducing cost centres means that the central administration constructs a system for distribution of the governmental revenues between faculties and departments, where the primary incentive for lower-level manage-

ment becomes to maintain the received budget in balance. While faculties and departments became cost centres in the middle of the 1990s, the central administration just recently became a cost centre (from 2005). This means that only faculties and departments have been subjected to supervision and cost control, while the central administration by definition has been exempted. This has led to an expansion of central administration and the construction of new administrative bureaus. Still, this is quite hard to assess, since the proportion of central administrative growth has been modest (but clearly visible), while the *export* of traditional, administrative work to faculties and departments has been dramatic (although hard to measure without a detailed comparison of all budgets within the university). To put it simply, the central administration has delegated the 'old' administration downwards (i.e. the administration of teaching, research, recruitment and information) and constructed a new, and to a large part policy-making, administration dealing with strategic management, business intelligence, audit, marketing, and not least, the construction of joint ventures through the umbrella organisation *Lund University Development Company*. A recent report from the University's Audit Office points out no less than nine areas which are the responsibility of the departments: responsibility for 1, daily activity, 2, administration, 3, economy, 4, personnel, 5, work environment, 6, infrastructure, 7, environment, 8, security, 9, specific laws. Hence a new regime has been constructed where financial control remains at central level while heavy operative line responsibilities are delegated to the local level.

Every discrete step in this new, local top-down regime may be interpreted as a response to political signals from the national level. That is, the construction of bureaus for financial control, audit, evaluation, strategic research as well as the 'development company' are all (fast) organisational responses to governmental initiatives, as well as the overall ambition to delegate responsibility for administrative tasks while grabbing hold of policy-making capabilities. This highlights the critical discussion concerning Dunleavy's neglect of political ambitions and initiatives behind bureau-shaping. The relationship between central policy directives and local 'windows of opportunities' for organisational expansion and delegation of accountability is thus methodologically demanding. We can though conclude that the studies university has interpreted every new steering signal as an

opportunity for constructing a new organisation, and that this pattern of bureau-shaping is anticipating or even proactive (compare Page & Jenkins 2005). The quote below, from the head of the Office of Evaluation (initiated by himself in 1991), is typical of this proactive tendency:

The vice-chancellor made jokes of all this new evaluation and quality assurance in the 1980s. He was very ironic and sad it was a senseless idea with half the world evaluating the other half and vice versa. Then suddenly he called me up one day in the 1990s while I was in the Netherlands to study their evaluation systems. He said that he had been to the Ministry of Education and met with the State Secretary who had told him that European developments made it necessary that we started to work with some sort of quality assurance. The vice-chancellor, Håkan, who was a physician and used to handling things promptly said that we fast as hell had to take action before the government did, asked me to come home immediately and bring the 'Dutch model' with me for implementation: "Can't you just take that Dutch model and "Swedify" it a bit?". He had already been to a meeting with the vice-chancellor at Gothenburg University and they had decided to establish a network co-operation between Swedish universities to counter the government's initiative. So this is the old and independent University of Lund which says "to hell with the State", we do it ourselves with our colleagues in Sweden and abroad.

Even though this quote probably represents an illustration of traditional institutional norms in an old university (rather than a typical response to political signals from state authorities), it illustrates the complex interaction between political signals and bureaucratic responses, and not least the need for methodological pluralism when studying bureau-shaping. The official 'blaming' for (the negative consequences of) bureaucratic re-organisation usually falls on the state, but as the quote demonstrates, the political signals create new opportunities in this case to ally with the emerging system of European quality assurance and to expand the strategic capacity of the vice-chancellor and his 'evaluation officer'. Such developments cannot only be traced through documents, and we maintain that interviews have solely been used as a supplement to other sources. However, it has never been our attention to perceive individual accounts as objective information sources, but as 'stories', such as the above one (where the interviewee clearly puts himself in a key position regarding the Swedish system for quality assurance), which are only given reliability through the connection with other 'stories' and the documents. Hence,

the rational model presumption that in-depth interviews are valuable becomes uninteresting, since we are rather interested in a pattern of utterances. What becomes clear here is that bureau-shaping as a phenomenon becomes ‘depersonalised’, that is, it is not so much seen as a strategy of utility-maximising, self-interested career bureaucrats, but rather as a systematic response to specific political initiatives, in this case decentralisation.

In conclusion, our brief illustration demonstrates strong support for the bureau-shaping strategy as a *response* to altogether *different*, ideologically motivated political changes which, without any elaboration, are believed to enhance the efficiency of the organisation, while in practice lead to increasing bureaucratisation and the partition between (mainly financial) power and accountability on the local level. The case supports the limited version of the bureau-shaping argument, that the construction of policy-making bureaux (such as in the interview quotation above) is the result of top-bureaucratic ambitions, but even more so the extended version that there is a general tendency for ‘hiving off’ operational tasks to lower levels and instead seize, or construct, new, policy-making tasks, mainly through a kind of ‘legitimate manipulation’ of state revenues (i.e. the cost centres). If this is a general tendency within Swedish agencies and municipalities remains to be seen. We should naturally take into account that the university in question is a huge governmental authority with specific traditions of autonomy, and is localised quite far away from the centre of the country. These special preconditions may all increase the possibility of bureau-shaping, as do other, increasing demands on Swedish universities today to perform several other functions than the traditional ones. Finally, we have seen that an organisational history through documents needs be supplemented with ‘stories’ of organisational development if we wish to see the full picture of bureau-shaping.

### **Concluding remarks**

This paper is a first draft of a rather complex research project and only includes some overall entries to a much wider discussion. From the sketchy picture presented here, we would like to highlight the following points:

- There are important, internal and ‘un-official’ forces behind administrative reforms on local, organisational levels which we sometimes feel are neglected by the mainstream analyses of NPM. However, these forces are not always visible which make them difficult to observe. One of many difficulties is that the forces at stake may be different from the official reform accounts, and thus, people speaking for the organisations in question (such as top-level bureaucrats) are less interesting in shedding light on alternative reform paths. For instance, in the case of universities, there seems to be a national pattern in Sweden of ‘blaming the state’ for any complexity or problem existing within the system. This requires a methodological pluralism and triangulation of the form discussed above. Especially interesting is information from retired bureaucrats or bureaucrats close to retirement.
- The bureau-shaping model is a vital framework for recognising such internal forces, but this demands knowledge about the motives which for the above-mentioned reasons is challenging to acquire. An important idea of the paper is to see bureau-shaping not as a utility-maximising strategy of individual bureaucrats, and rather conceive it as a general response to projects of administrative reform. To verify this idea, however, demands comparison between reforms and agencies with different character (such as comparisons between control agencies and agencies of service delivery).
- The relation between political initiatives and bureaucratic responses is a complex one. It is not to be expected that any clear causality between these reform stages will be established. Rather, it is to be expected that the study will confirm the complex interrelationship between political and administrative logics (Gregory, 2007), but maybe it will elucidate the growing intertwining of the roles (especially the growing role of the ‘political bureaucrat’).
- Will this study only shed light on a particular national pattern (the Swedish one), which in administrative issues also often is portrayed as a most-different-case vis-à-vis other Western developed democracies? Obviously, there is a difference between the UK reforms, where a distinctly new system was introduced, and the Swedish reform paths within an already established system. We try to cope with

this critical issue of deviancy through a comparison with the Danish case, which, although similar in several important aspects, still differs slightly in political and administrative culture as well as in current reform traits.

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