

**The small, but significant steps taken by the men within: a  
complementary understanding of incremental public organisation  
changes**

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*Abstract:*

*Organisational actors in the public sector are often characterised as path-dependent and tending to reject or translate change in accordance with institutional norms, while management change is often interpreted as emanating from “above” (international organisations, governments, think-tanks). In this article we present, inspired by Dunleavy’s bureau-shaping approach, a complementary understanding of incremental changes which goes beyond the existing explanations. Our claim is that incremental changes often are caused by ‘pull-factors’ inside the organisation. Based on an in-depth study of five Swedish public agencies 1980-2005 we present an inductively-derived typology of organisational change. In the five organisations considered, it is shown that the management level has been able to influence changes which emanate from “push-factors” in the environment (such as streamlining, cost reduction and symbolic adaptations). But the paper also highlights more gradual changes – “small but significant steps” - such as increased hiring of social scientists and managerialisation as important features in the process of reconstructing the agencies as policy-making, rather than operational, units, in line with Dunleavy’s general argument. A conclusion to this is that improved policy-making capacity, paradoxically, may reduce Swedish public agencies’ ability to steer.*

## **1. Introduction**

To what extent, and how, are internal actors within public organisations part of organisational changes? The literature provides us with several different accounts. The vast majority of the accounts of management reforms in contemporary Western states gravitate to top-down perspectives in which the diffusion of such reforms is perceived as responses to either the global challenges to the welfare state (Djelic & Sahlin-Andersson, eds, 2006), the consequences of the new hegemonic discourses of governance (Dean, 1999; Rose, 1999), or as the symbolic convergence to widely held norms on rationality, markets and competition among policy-makers in the shape of isomorphic processes (Brunsson, 1989). Consequently, views that organisational changes might be initiated from below, and within the organisation, are less widely held in this literature, maybe, as Christopher Pollitt several times has indicated, because lack of empirical evidence regarding actual reform processes (Pollitt, 2001). Equally, there is a tendency to perceive changes in the light of functional explanations (even in the more institutionalist literature) thereby excluding several less rational and functional reasons for organisational change. Finally, with the exception of rational choice theories, agency seems to be down-played which only sways and surfaces in 'unsettled times' (cf. Katznelson, 2003).

A second account is the public choice argument in which utility seeking bureaucrats strives 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). Although a powerful argument with some face value, and also based on skilful technical models; the argument has empirically proven to be difficult to verify and is generally considered to be aloof 'reality' (Dunleavy, 1991). However, a more developed rational version of the actors' roles in organisational change can be found in Patrick Dunleavy's bureau-shaping theory (Dunleavy, 1985, 1989a, 1989b, 1991) which considers the budget-maximising theory to be incomplete:

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).

Dunleavy presents five different strategies for the top bureaucrats of how to 'shape the bureau' (to be presented below). Also this theoretical premise has been criticised for being empirically unsubstantiated whereas it is in particular unclear where the motives for top-bureaucrats derive

from (cf. Lowndes, 1996; Marsh et al. 2000, 2004). Still, on the basis of empirical evidence from our ongoing research on organisational reform in Swedish public organisations between 1980 and 2005, we have found it fruitful to pursue some of Dunleavy's thoughts about individual motives creating organisational change, particularly the ambition to reshape public sector organisations into policy-making units. However, we will not do it with a point of departure in a deductive understanding of individual and rational action, but rather through a loose research design, with a more heuristic strategy for studying factors of change with a grounded theory ambition (Wagenaar, forthcoming 2010). Consequently, we have employed a more ethnographic approach to identify how various organisational changes have been brought about from the perspective of those actors involved at the time. While we cannot completely escape pre-existing theoretical frameworks in our research design, our aim has been to empirically get behind the normal theoretical frameworks and to let the 'actors' themselves articulate their understanding of organisational changes. Although some familiar factors from the literature emerge in the empirical material, we are also witnessing less well-known factors for organisational change.

A particular focus in this paper is the 'windows of opportunities' where wide-scale public management reforms lay the foundation for proactive or reactive behaviour within the organisation. This idea corresponds to Jeffrey Pfeffer's notion that organisational reforms often are initiated by internal actors who seek to gain power by endorsing reforms (Pfeffer, 1978; 1992). Page & Jenkins (2005), studying internal processes of change in Whitehall, show how policy bureaucrats may gain influence by anticipating political reforms and 'invite authority' through providing detail to lofty political ideas. Likewise, in their seminal book on public management, Pollitt & Bouckaert (2004) claim that bureau-shaping interests from top-bureaucrats within the reforming organisations themselves is an important factor, and possibly sometimes even the pushing factor behind new public management reforms. Though this article certainly not questions the importance of exogenous factors behind management reforms (their prevalence is obvious), this paper will thus significantly focus upon the pull factors within organisations. It will do so by way of a detailed case study of organisational changes in five Swedish agencies 1980-2005. The remainder of the article will first include a section (2) on different factors of change in which we present a two-by-two grid for grasping organisational change. The next section will present our research methodology. This section is followed by two analytical chapters structured around 'push' and 'pull' factors causing organisational change. Finally, we discuss the findings in a concluding section.

## 2. Identifying the factors of change

We have in this paper combined processes of organisational change with the factors of change. In terms of the former, we have firstly employed the dichotomy between abrupt and incremental changes; an analytical difference which is one of the more classical in organisational literature and reflected in much of the discussion on path dependency (cf. Pierson, 2000). Do transformative changes only take place in times of crisis, wars and major ruptures in history, or as sudden changes in the preferences of the politicians? Of course, many significant changes are consequences of abrupt changes in political power, such as a shift in government, re-shuffles within the government, or as a result of new issues on the political agenda which call for attention (cf Kingdon, 2003). These rapid changes do not always alter the basic structure of an organisation. Often they do not alter the way things are handled, but merely represent new symbolic labels on old casks, whereas the core functions of the organisation remain unaltered (cf. Brunsson, 1989). Equally important are the incremental changes, small steps due to a line of minor decisions, or actions, which neither themselves alter much, nor represent profound and significant reform ambitions (Lindblom, 1959). But over time these small, rather unnoticed, changes can, taken together, make up for transformative changes. Incremental changes are to be considered as normality, that is, organisations are in constant flux; even so they do not occur randomly or by chance. Of interest for us, in regard to incremental changes, is whether these are initiated from above in order to achieve control or if they are stimulated from within the organisation.

This leads us to the second dimension – the intended factors of change. We here make a distinction between “push” factors, where the principal aims are making the public sector organisation possible to control, and “pull” factors where the organisation in question tries to gain influence over organisational change, either by making use of the principal’s aims or by other types of external or internally derived developments.

		Factors of change	
		<i>Push</i>	<i>Pull</i>
Processes of change	<i>Abrupt</i>	(1)	(2)
	<i>Incremental</i>	(3)	(4)

Of course, it is probable that most public sector reform involves both push and pull factors, especially so, perhaps, in Sweden with a long tradition of semi-autonomous agencies (see next section). The distinction is thus a heuristic one, aiming to reduce empirical complexity when

identifying the motor of change as central/governmental or local/organisational. As already stated, even push factors (such as cost reduction) involve opportunities for organisational actors, at least for the management level. When explaining each change variable, we will be more extensive on the pull factors, since these are the ones which are most often overseen in the literature, while briefer on the push factors, where we also explicitly focus our attention on the opportunities for internal actors. Empirically though, push and pull factors intertwine and are difficult to keep apart. This is due to that push factors most often create windows of opportunity for organisational actors to promote specific changes within the frames of reform, since all reforms has to be translated, adopted and made congruent into the organisational setting. So, changes that are exogenously initiated and driven might become a golden opportunity for bureau-shaping. The change variables discovered through our inductive study of the five organisations thus are:

- Streamlining/hiving off (abrupt push)
- Cost reduction (abrupt push)
- Centralisation (abrupt/incremental push)
- Anticipation (abrupt/incremental pull)
- Managerialisation (incremental pull)
- Symbolic adaptation (incremental pull)
- Patterns of educational background (incremental pull)

These variables will be described in the empirical section, after our methodological approach as well as the Swedish context has been presented in more detail. Suffice it here to say that several of the variables demonstrate the aim (from the government or from the internal management) to make the organisations manageable, and thus are in line with a bureau-shaping approach which puts emphasis on the individual (utility-maximising) as well as the organisational logic behind the development of policy-making capacity.

### **3. Methods and data**

Methodologically, our approach is within the tradition of interpretive policy analysis (cf. Fischer & Forester 1993; Yanow, 2000) where the data collection is conducted in a dialectic manner with the construction of the theoretical framework. The main advantage is, thereby, that we are able to inductively identify, through a systematic and close reading of the text material and the interview transcripts, relevant factors that push for organisational change. By doing so we hope to avoid merely replicating the theories used and be open to the richness and complexity of an immense

material. This heuristic way of conduct is inspired by Glaser and Strauss thoughts about Grounded Theory (1967). Their focus on fit and practicality are good examples of this approach. In the words of Glaser and Strauss:

By 'fit' we mean that the categories must be readily (not forcibly) applicable to and indicated by the data under study; by 'work' we mean that they must be meaningfully relevant to and be able to explain the behaviour under study. (1967: 3)

They use theory as a strategy in order to handling a rich set of data – as a way to engage in a dialogue with the empirical world. In the words of Wagenaar this is “in order to avoid the pitfall of ‘verifying’ a preconceived theory by illustrating it with data” (Wagenaar, 2010:xx). This way of conduct enables us to enrich theory and stay open for surprises, divergences and contradictions. Still, the material is not collected randomly; rather it is gathered through the lens of a broad preliminary theoretical framework and then sorted in broad categories, i.e. incremental change or abrupt change and pushes or pull factors. The reading and rough sorting of the material is the starting point for the search for, and construction of, a more specific and operational framework with relevant variables.

The process has been to initially collect internal texts and thereafter conducting interviews from each of the cases. In a way it has been a strategy that means that we have overwhelmed ourselves with data. The search for relevant material in the archives has been thematic and revolved around changes in respective organisation, both the addition of new bureaus and more extensive re-organisations. The findings from the archive studies have then been complemented and followed up by semi-structured qualitative interviews, primarily with senior and retired civil servants with a long career behind them. It is through the official records and minutes that key actors have been identified, that is persons that recurrently appear in conjunction with organisational changes. The interviews are not in any way neutral or objective views on the changes of the organisations, but rather highly personal and subjective interpretations of transformative processes and changes (Wagenaar, 2010). Thereby the respondents provide us with their own rather specific and concrete descriptions of the internal logic of the organisation, as well as their own thoughts and understanding of these processes of change. To some extent it has been possible to identify patterns of understandings and similar analysis from the respondents. These understandings complement the more formalised and carefully edited views presented in the official documents. Often the written material is a part of a more or less conscious strategy to persuade certain groups about the necessity of changes and therefore all

signs of conflict, hidden agendas and individual motives are absent. Instead the officially oriented material is carefully phrased and suitably self-censored. An individual motive has to be framed as non-individual and beneficial for the organisation in order to be taken seriously and be seen as legitimate.

This open and dialectic way of working enabled us to complement the five different strategies that Dunleavy, the initiator of the bureau shaping theory, presented as the main forms of bureau shaping, and, maybe more importantly, to get a wider understanding of the driving forces behind organisational change. 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 their policy control and endorse decentralisation (or delegation) of routine issues. Fourth, he 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).

Dunleavy heavily relied on studying budgets and budget changes over time in order to identify and verify bureau shaping, primarily by identifying flows from the core budget to other, and often new, budget posts. To us this strategy seems to be far from easily applicable for at least two reasons. First, budgets of large organisations such as state agencies or local governments are difficult to make sense of, and even more so over time. The logic of categorisation changes and what actually is behind each item on the budget is difficult to reveal. It is probably not an overstatement to claim that even centrally positioned financial officers and accountants in large public organisations are lost when it comes to unfolding what is concealed in their aggregated budgets; especially when it comes to compare budgets over time. Second, budgets can not be isolated from changes in responsibilities. Ideally it would be more fruitful to investigate to which extent budget size varies with shifts in responsibilities and tasks. Even this is a complicated matter but it can in most cases be studied by using personnel as an indicator, both in actual numbers and in task and positions; especially since the personnel is the chief expense for most central agencies. This means that shifts in the responsibilities of a specific organisation should be followed by organisational changes and in the number of people working in the organisation. It is

worth to bear in mind that there are no given numbers of tasks or any fixed number of employees in any organisation. People, regardless of position and function, always find tasks within the organisation and this regardless of any functional or instrumental needs. In this study, we believe that a more feasible strategy would be to count heads as a fairly accurate account for organisational priorities and combine this with text analysis of internal material identifies new routines, priorities, tasks as well as establishing new bureaux.

Studies on bureau shaping have to a large extent been an internal British affair with a special focus on Whitehall (cf. James, 2003; Hoopes, 1997). Consequently, the results from these studies are inheritably derived from a Westminster system and its specific features. Since organisational changes take place in a political and institutional context that shape, enable or disable action it is important to shortly mention a few relevant notes about the Swedish institutional properties, and also contextualise the central agencies in a broader political context. First, in a Swedish context the relationship between the Government Office (*Regeringskansliet*) and the agencies differs from most other countries. The governmental agencies are, unlike many other European governments, independently managed under performance management, and hold a considerable high level of autonomy *vis-à-vis* the Government. This administrative model, which dates back to the formation of the Swedish central governmental organisation in the 17<sup>th</sup> century, provides the government agencies with pretty much free scope to complete the Governments' general aims within the limits of some overarching instructions, a negotiated budget from the Cabinet, and with politically appointed Director Generals. Second, the Swedish administrative system is characterised by the presence of strong local governments, with many responsibilities (in particular welfare service delivery) and with constitutional autonomy and taxation rights. Further, these decentralised responsibilities have increased over time. Third, it should be emphasised that central agencies has gained the control of their internal organisation structure. Following new legislation in 1991, the internal organisational concerns of central agencies have become an internal concern for the individual organisation. The structures of these central public organisations were in many aspects identical before 1991, but have since then become more and more heterogeneous.

Empirically, the study is based on qualitative studies of four Swedish central government agencies and one university (which, formally, in Sweden also is a government agency, though not a central agency, and with stronger autonomy). It restricts itself to changes in organisation from 1980 until 2005. The agencies studied here are the Swedish Customs (*Tullverket*, 2,200 employees), the National Board of Health and Welfare (*Socialstyrelsen*, 800 employees), the Swedish Environmental Protection Agency (*Naturvårdsverket*, 450 employees), the Swedish

Agency for Economic and Regional Growth (*Tillväxtverket*, before 2009 *Nutek*, 300 employees) and Lund University (6,000 employees). The Swedish Customs is primarily a delivery agency, and their primary task is policy implementation, even though they also have regulatory responsibilities. The Swedish Environmental Protection Agency is, nowadays, a policy oriented agency and their key tasks are to present proposals for environmental policy and legislation to the Swedish Government and to ensure that environmental policy decisions are implemented. The Swedish Agency for Economic and Regional Growth promotes business development and sustainable, competitive business and industry throughout Sweden. Their main task is to transfer funds (among the EU funds), promote regional networks and to prepare new business and trade policies. The National Board of Health and Welfare is primarily a regulatory and control agency. The agency supervises the regional counties and the municipalities (that are the responsible bodies for implementing social regulation, health care and social- and health benefits in Sweden). Lund University is a more pure delivery agency, though it has traditionally been granted a great deal of autonomy and is certainly the most divergent case among the agencies due to this status.

#### **4. Push factors**

##### *4.1 Streamlining – hiving off*

This is probably the most easily observable variable in the empirical material. In central agencies, the tendency to delegate operational functions from the centre to subordinate units has been very clear between 1980 and 2005. Between 1985 and 2000 all the four studied governmental agencies faced the same process of “streamlining” (see Roness 2009), pushed forward by the Government (particularly the Ministry of Finance).

- The Environmental Protection Agency (early 1990s): removal of research units to the universities; decentralisation of operational tasks (especially environmental supervision and law suits) to the county administrative boards; introduction of management by objectives.
- The National Board of Health and Welfare (late 1980s and early 1990s): removal of tasks to new, smaller agencies and to counties and municipalities; delegation of control to new regional units under the control of the board; general downsizing of the Board through redundancies.
- The Swedish Customs (1990s and 2000s): considerable downsizing through closing down of many custom units and getting rid of the regional level; computerisation and

standardisation of work processes; considerable downsizing of operational work at the headquarters.

- The Agency for Economic and Regional Growth (1990s and 2000s): decentralised implementation of economic and regional growth programmes to county administrative boards, regions and municipalities, leaving the agency with supervision and general policy functions.

As indicated, the agencies were also downsized, though most of them (the exception is the Swedish Customs) expanded again in the early 2000s (the National Board of Health and Welfare had nearly a 1,000 employed in the early 1980s, just over 400 in the mid 1990s and about 800 at the time of writing). The fifth agency, Lund University has, as other Swedish universities, at the same time received new decentralised powers during the 1990s while the central agency for higher education was considerably downsized. All these developments are typical for the Swedish development, where regional and local bureaucracies have received new tasks while detailed commands from the centre has been reduced (Pollitt & Bouckaert 2004:289). However, it is a complicated (also theoretically) issue whether this development ought to be labelled 'substantial decentralisation' (Ibid) or rather delegation of tasks without powers as many regional and local decision-makers would have it. Apart from purely cost-cutting motives (see later), the evidence from our cases shows that the issue of governability has been essential to the reforms. Since only two per cent of state employees in Sweden work within the Government Office and 98 per cent within the agencies, the issue of governability is truly demanding (Molander et al 2002). Reformers in the 1980s, notably at the Ministry of Finance, thus wanted to alter the balance of power through exporting the central agencies' vast and fragmented operational responsibilities to other actors and reduce central agencies to staff units under the Government Office. A very typical example of this ambition is the Government report Ds 1988:74, *A changing National Board of Health and Welfare*, where the role of the Board is reformulated from being a supervisor of regional and local health care and social work to becoming an 'expert staff' at the service of the Government and the Parliament. Aside from the above-mentioned reforms, this was done through the introduction of compulsory management by results in 1988 shaping the image (more apparent than real according to critics) that the Government Office govern the agencies. Streamlining in this context means that all agencies in Sweden are governed in a standardised form without any regard to any specific characteristics of the policy area.

#### *4.2 Cost reduction*

Reducing costs and rationalise seem to be a classical aim in the process of organisational change. Between 1985 and 1995 the Swedish State suffered an increasing budget deficit, and the above mentioned changes must of course also be viewed in the light of the fiscal difficulties. Accordingly, it should not come as a surprise that many of the central agencies have again expanded, following the global economic boom in the new millennium. Even if, to take one example, the National Board of Health and Welfare is smaller today than it was in 1980, it should be taken into account that there are also other agencies in the policy field performing the type of functions which were the responsibility of the Board in 1980. This demonstrates that the aim of reducing costs is an external ambition which predominantly emanates from the Ministry of Finance. Even in cases where a plethora of official causes are presented to explain the organisational changes (the merger of the Agency for Economic and Regional Growth in 1991 is a good example), the involved directors are convinced that overall ambitions to reduce costs (or export costs to other actors) have been the main reason. A clear example upon cost export to other actors than public ones is the increasing involvement of the business community in the custom process and the business communities' contribution to the promotion of regional growth. This is two examples of how the ambition of pooling resources from others led to organisational restructuring.

In both these cases – streamlining and cost reduction – the push factors from the government are all too obvious. Interesting from the point of view of this paper is whether there are also pull factors within the reforming public organisations themselves. This is a complicated and sometimes also sensitive issue. It is further complicated by the fact that most director generals and deputy director generals are recruited from the Government Office. One of the central arguments of the bureau-shaping theory is that public managers are not by definition against cost-reduction (which actually is a key difference to classical public choice approaches to bureaucracy, such as Niskanen's). Announced budget cuts often provide an opportunity to hive off tasks and to make redundancies. This is clearly the case in the quote from a former DG in one of the agencies:

We had employed a new financial controller who immediately spotted that we were facing a deficit of 50 million for the forthcoming year. It looked like the whole organisation was going down the drain! So in that light we decided to lay off some people. We tried to figure out how many we were going to make redundant and also tried to think who we should get rid off. My view was that we should be bold and seriously consider who were doing something good for the organisation and who were just mucking up. Lots of people addressed the political parties and the Government and plead for additional spending. With some help from the Job Security Foundation [*Trygghetsstiftelsen*] we managed to lay off 100 selectively

chosen members of staff where our initial aim was 80. When we finally were about to finish off the process with the trade union, the Ministry suddenly called me and said that they had managed to raise some extra money to new projects and assignments. All the sudden the deficit was gone! I had to ask them to keep quiet as we didn't want the money. It would just mess up things.... [former DG from the National Board of Health and Welfare]

This former DG was recruited from the Government Office, and during the interview she clearly acknowledged that she thought that much of the work of the Board was either unnecessary or could be delegated to other actors. This has also been the case in interviews with former DGs and deputy DGs in the Swedish Customs and The Environmental Protection Agency. Even if this sceptical attitude to the agencies could be explained by these managers' loyalty to the Government (and often to the governing party – the Social Democrats), it is not impossible that the management could have an ambition to reduce tasks and cut costs even without this history. Persons from within the organisations who show such ambitions also may be recruited to top posts as is clear in this quotation from a former DG at the Environmental Protection Agency, who was met with a very hostile attitude by the old leadership when he started his reform work in the early 1990s (basically consisting in removing several research units and making the agency work more policy-oriented):

I did a thing which I think was crucial in order to accomplish anything there. When I went into the management committee the first time and saw all these men who were much older than I was, I thought, how will this work? And I was used to an environment where things worked fast, if you made a decision you had made it if you see what I mean? But this wasn't the case here; here you should talk and talk and talk and discuss, and this culture was very hard to get at. But then I had the opportunity to recruit a new, young deputy, who still works in the agency, and he had been secretary in my investigation report so he understood my way of thinking. Otherwise it would not have been possible to change anything; I would not have had the strength to do it all by myself.

An even more impressive career was made by a young customs officer who was appointed as a development manager at the Swedish Customs and introduced a process-oriented service model which has won wide international acclaim. He is now acting vice-president of the World Customs Federation. Beside from such individual career interests as pull factors, there may be an interest in the organisations to get rid of operational details and work more policy-oriented. Since our research thus far has been qualitative it is however impossible to judge how widespread such reform attitudes are.

'Windows of opportunities' for individual actors, as well as organisational management, has been seen as important in relation to the push factors (hiving off, cost reduction) discussed here, and for the sake of fairness it should be said that also from the Government side the reform ambitions may create windows for doing other things than officially stated. This narrative of the background to one of the split ups of the National Board of Health and Welfare in the early 1990s indicate that irrational factors (from a systemic point of view) behind agency change may have more importance than usually acknowledged:

The Swedish National Institute of Public Health, which I was involved in creating, had one sole mission: to get rid of Gabriel Romanus, the Managing Director of the Swedish Alcohol Retail Monopoly (*Systembolaget*). But then there was an election and a right-wing government came to power which took the idea of The Swedish National Institute of Public Health seriously and set it up, and there we were left with Gabriel Romanus still at *Systembolaget* and a new agency with nothing else to do than talking about that the people were stuffing with themselves with too much food and similar stupid things. The original idea was to take 50 millions from *Systembolagets* anti-alcohol campaign, and since Erik Åsbrink was deputy CEO at *Systembolaget* at the same time as he was state secretary in the Ministry of Finance, we had the Ministry of Finance with us in this idea of creating an agency, give it to Gabriel Romanus, close it down within four years, and the problem would have been solved (former State Secretary at the Ministry of Social Affairs).

#### *4.3 Centralisation*

To centralise in order to secure control is the other side of the coin to hiving off. A multitude of literature on management reforms from the 1990s and onwards points to the dualist process of entrustment to subordinate levels combined with strengthened performance controls (cf Pollitt & Bouckaert 2004). It is obvious that exporting problematic responsibilities while retaining control is in the interest of the Government, and that this centralisation process has been an incremental process of change during the last 20 years in Sweden (Jacobsson & Sundström 2009). However, it is likewise obvious that such centralisation also may be in the interest of the management of public organisations. A clear example is the Swedish universities where the vice-chancellors have increased their control over both education and research. We claim that it is important to maintain an analytical distinction between changes where tasks are hived off from the organisation, and changes that aim to make the internal organisation governable; even if these changes often are simultaneous, as was clearly the case in some of the changes referred to under the previous headings.

The Swedish Customs represents a case where ambitions to govern go further than hiving off operational details downwards (or transfer duties to other actors). Streamlining the Swedish Customs has meant that the functions of otherwise geographically dispersed offices across the country has been centrally standardised. These drastic changes has included the elimination of the regional level within the Swedish Customs, an increase in hiring university graduates, the implementation of process oriented work within the organisation, but also hiving off much of the traditional operative control and register operations to the industry itself. The Swedish entry to the EU was an important lever for this centralisation reform, even for centralisation reforms that were under ways anyway.

I remember that we had a list of arguments for why we had to do this great change [i.e. the double process of centralise by eliminating the regional level and simultaneously delegate all operational work to the local units], and highest on the list stood unitary implementation of EU regulation, that was our argument as to why this must be done, even if there were really other reasons behind [according to him that the regional level disturbed the organisation and that the management wanted to centralise anyway] (former Deputy DG at the Swedish Customs).

The modernisation process within the Swedish Customs is thus a good example on how hiving off details and concrete responsibilities easily can be combined with more central control. Control is a natural component in many of the management reforms which have swept through the Swedish public sector organisations since the 1980s (process oriented work is just one example). However, most of these reforms have not aimed at more direct control from the centre. Quite the contrary, these reforms have instead witnessed a more subtle control at a distance facilitated by MBO, supervision systems and performance indicators. Thus, this variable as well as hiving off seems to support the bureau-shaping argument of keeping distance to operational detail while strengthening policy capacity on the central level. In the Swedish Customs, the headquarters in Stockholm has remained intact in terms of number of personnel during the reform period, while field workers in the custom units throughout the country have decreased drastically.

## **5. Pull factors**

### *5.1 Anticipation*

A notable window of opportunity for change is when new policy sectors are invented or broadened through political intervention. An especially interesting variable regarding internally motivated organisational change is when ideas are 'planted' at higher levels. Page & Jenkins

(2005) refer to this strategy as one of 'inviting authority' when an official, in their case political and governmental, blueprint is needed to proceed with change. This also gives the opportunity for agencies to distance themselves from reforms which they in reality have been involved in triggering in order to receive internal legitimacy. But this also makes such types of changes hard to perceive, especially since the bulk of public officials want to stick to their identity as 'neutral' Weberian-styled bureaucrats. Thus by giving the politicians the opportunity to appear as the 'mid-wives' of the reform, civil servants can stick to the classical bureaucratic civil service ideal without being questioned, even though the ideas emanated from them in the first place. This variable, thus, implies a complex investigation of push/pull-relations.

In our material, a clear example seems to be the 'politicisation' of environmental policy from the late 1980s and onwards, where large parts of the central agency (but not the DG!), with the support of politicians as well as parts of the wider public and many environmental associations were running a distinguished policy line. At least it is obvious that many environmental friendly officials in the Environmental Protection Agency supported a more offensive green policy, although their activism probably was not the single factor behind change.

A more clear-cut case is the Swedish university sector, and among the universities our case of Lund. In the next section we will return to the idea that decentralisation within this sector has stimulated bureau-shaping activities on the local level. Even if many reforms officially emanate from the Ministry of Education, the universities seem to be the most important policy entrepreneurs of the Swedish university system. Since the decentralisation of Swedish universities in 1993, they have gradually expanded their scope of activity. Some new university activities since 1993 are:

- Local innovation systems
- Strategic offices for internationalisation
- Student recruitment
- Agencies for career advice
- Gender and multicultural issues
- Internal audit offices
- Quality assessment and evaluative units

In all these cases it is possible to point to political push factors, i.e. that the Ministry of Education demands plans and strategies for issues such as innovation, gender, quality and internationalisation. The answer from the universities has been organisational: to invent new bureaus and units. Our evidence shows that such reactions often are quite fast, but as expected, with a complex relation between 'push' and 'pull', as in this narrative:

The vice-chancellor made jokes of all this new evaluation and quality assurance in the 1980s. He was very ironical and thought that it was a senseless idea with half the world evaluating the other half and vice versa. Then suddenly he called me in 1990 while I was visiting the Netherlands for the purpose of studying their evaluation systems. He said that he had been visiting the Ministry of Education and met with the State Secretary who told him that European developments made it necessary that we launched some sort of quality assurance for universities. The vice-chancellor, Håkan, who was a physician, and accordingly used to handle things quick, said that we fast like hell had to take action before the government did, and asked me to come home immediately and bring home the "Dutch model" 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 in Gothenburg and they had decided on a network co-operation between Swedish universities in order to neutralise the government's initiative. So this is the old and independent University of Lund saying "to hell with the State", we do it ourselves with our colleagues in Sweden and abroad (former head of the Evaluation Unit at Lund University).

Are these types of reactions anticipative or even proactive? Is it possible to say that it is the universities themselves which trigger such changes, but distance themselves from the concrete reforms for strategic reasons of internal legitimacy? The universities' own interests in developing broader policy capacities ('shopping malls') are mirrored in the local resource allocation systems, where financial allocations to the core activity (education and research) is almost invariably done only after allocations to the above mentioned types of units have been made (and such allocations have grown during later years). This may point to the fact that shopping mall-traits are possible to locate the further you are from central government. The governmental agencies researched here, all in Stockholm and close to the ministries, have not this chance to develop shopping mall-characteristics. Thus, formal autonomy seems to leave space for direct, bureau-shaping activities, while less formal autonomy seems to imply more indirect activities.

In the governmental agencies, as indicated, such independent behaviour is harder to detect. If the Government Office and the central agencies are viewed as negotiation machinery (cf. Premfors & Sundström, 2007), however, it is clear that anticipating actions abound. One example is the incentive to expand as a consequence of specific government policy missions. These types of missions may be "planted" within the government through direct, personal contacts from individual officials (sometimes with a career history in the Government Office), or through the 'window of opportunity' opened by a new government which is seeking new policy proposals, such as in this example, regarding the new right-wing government in Sweden:

I have heard that the responsible secretaries think that the Board of Health and Welfare is doing an excellent job and just collects new assignments for every new policy issue. The Board quickly produces a fine-looking report in due time. Usually it is just wishful policy issues which can be analysed in any smart way as that would require serious research, but it is still remit to the Government. The reports are far from perfect, they are not very clear and don't contain any policy proposals. I was personally in favour of give up such activity. We [as bureaucrats] should not propose policies; that is the politicians' job. But we shall provide them with background knowledge. Otherwise the Ministry will sit with a multitude of answers without any "body" to handle them politically (former DG at the National Board of Health and Welfare).

Unsurprisingly, the Board of Health and Welfare has grown considerably since the tenure of the right-wing government began. A HRM manager answers the question of why the Board has grown so fast the last two years: 'The increase is mainly the result of new tasks, centres and boards plus an increase in the number of governmental commissioned tasks where we have required new members of staff with certain competences.' That multi-party governments may lead to increased spending is well-known, but what is of special importance here is, once again, the small Swedish Government Office and the large agencies. This means that new policy wishes from a new government easily leads to organisational expansion, an expansion which may be anticipated and acted upon by proactive bureaucrats, but problematic for the Government Office to control. How such a process of anticipation works is witnessed in this quotation:

If you take advantage [of the situation] you can actually have a say. And that's also what we have done at a couple of times where we ourselves have initiated new assignments by using our own ideas and mobilised support in the Government. So, all new initiatives are not solely the result of passing fancy from the politicians (former Deputy DG, the Agency for Economic and Regional Growth).

As witnessed here, anticipation in governmental agencies is hard to get at since it defies all formal models of political and governmental initiative, and signs of it are often suppressed in favour of images of the Weberian, neutral bureaucrat at the mercy of political whims. Our interview-based evidence of anticipatory activity in the agencies shows a more complex picture, akin to the one proposed by Page & Jenkins (2005, also interview-based). The possibility for anticipatory and proactive strategies is, however, greater in the Swedish context than in the UK, not only because of the tradition of semi-independent agencies, but also because of the above-mentioned, comparative under population of the Swedish Government Office (Molander et al, 2002).

### 5.2 Managerialisation

This variable refers to the new forms of governance under NPM which has led to the setting-up of new organisational functions based on strategic leadership and performance control. The NPM models originate from actors external to the public organisations in the shape of widely spread management systems such as e.g. cost units, internal quasi markets, formalised supplier-provider functions, total quality management, process organisation, standardisation schemes etc. However, it is our contention that these systems are dependent upon a demand from the organisations themselves; in particular from the management side and from skilled administrators within the organisations. The Environmental Protection Agency represents a good example. From the early 1990s an internal call for stronger management and strategic capabilities has been recurrently reiterated resulting in the implementation of a multitude of management systems as is apparent from the archives of the agency. Such ambitions were virtually non-existent during the 1980s. While this development has been championed by the management side of the organisation, we can witness that they gained early pushes from various external voices. One example among many is a consultant report from 1993 on the demand of the Swedish Agency for Government Employers, which illustrates attitudes towards leadership in The Environmental Protection Agency at that point:

Generally, we observed that the managers felt uncomfortable in the role as executives. In particular in a case like this which did not concern a factual matter. Issues regarding operational management were not something they were prepared to deal with. Most of them had been promoted because of their sound knowledge of a certain field. Many of them also stated that they lacked management training and skills. [...] A general observation is that the managers easily became absorbed in either technical details or staff issues. It was difficult to discuss general and strategic issues and we believe that this can be linked to flawed management. (Report to the Swedish Agency for Government Employers from SINOVA AB 1993).

Of course, this quote confirms an almost classical distinction between leaders who are really senior, professional specialists, and probably not too comfortable in the management role, and the leadership demanded by the consultants (and the Swedish Agency for Government Employers), i.e. strategic management as a professional occupation *per se*. However, if this professional management role really has been implemented at The Environmental Protection Agency following the consultant report is a completely different question. The glut of reports and calls for strategic management may rather be indications upon regular problems, specifically regarding co-operation and coordination between the different units. If we study the staff records, there has not

been any particular increase in managers between 1980 and 2005 (and this is probably true for the other agencies as well). But *time* devoted to issues of management and policy-making has certainly increased. Continuing the example from The Environmental Protection Agency, the following indications may be given (from SOU 2008:62):

- In the 1990s The Environmental Protection Agency's strategic research activities were hived off to the universities and many of its operational tasks specifically regarding environmental control was decentralised to the county administrative boards.
- This reform has, in turn, led to the effect that local governments and county administrative boards lack specific expert advice (for instance legal expertise) from The Environmental Protection Agency.
- The Environmental Protection Agency has no longer the time to carry on environmental law suits.
- With respect to operational duties, for instance the sanitation of polluted areas, The Environmental Protection Agency is dependent on co-operation and co-financing from specific municipalities.
- When handling its operational duties, The Environmental Protection Agency is heavily dependent upon external consultants. These costs for external consultants working for the agency widely exceed the total staff costs of the organisation.
- As a consequence of surrendering many of its operative duties to other actors, The Environmental Protection Agency has to a large extent resorted to management by objectives. For instance, The Environmental Protection Agency administers the work with Sweden's 16 'environmental goals', where compliance is voluntary.

What all these examples clearly illustrate is not just that the Environmental Protection Agency has hived off many of its earlier operational tasks to other actors, but also that this leads to a chain of events where the agency becomes increasingly secluded from the activities it is supposed to regulate. However, this does not mean that the Environmental Protection Agency seen in the longer run has been downsized. Compared to 1977 the workforce in 2005 had not changed dramatically as the operational void had been filled with more general policy work (SOU 2008:62). From having been a heavily specialised expert agency with a high number of scientific officers, the Environmental Protection Agency has converted to a policy co-ordinating agency, with a notable increase in general policy advice to the Government, and with an increase in employed graduates from the social sciences (from close to zero per cent in 1980 to about 25 per cent in 2008, Ibid). Hiving off operational details and efforts to developing management

capabilities thus seem to be heavily intertwined developments. We can at this time only speculate, but it looks like the agency has been pushed to develop these capabilities in order to legitimate its own existence.

As indicated, the space left for direct bureau-shaping in the governmental agencies is limited. The form which bureau-shaping takes is rather an indirect one, hinted at many times in this paper.

Even if regulatory and control functions remain, the policy-making and policy-coordinating role of the Environmental Protection Agency has increasingly overshadowed its traditional functions which is witnessed in its extreme dependence upon external consultants to carry out operative tasks. It is too early to say if this is a typical development among the governmental agencies. The Swedish Customs, however, is an interesting example upon how a very traditional organisation has made use of fashionable management ideas (especially process-oriented work) in order to modernise in a rapidly Europeanising policy area.

When turning to the only non-governmental agency in the study, Lund University, a pattern of direct bureau-shaping is more obvious. This pattern is a clear, if probably unintended, effect of the decentralisation reforms of the Swedish university system from the early 1990s onwards. A detailed study of the archives shows that three subsequent projects for simplification and cutting administrative costs 1990-2005 instead led to increasing administrative costs and complexity. The logic here is quite easy to detect. 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. While the 1980s was characterized by a bottom-up and problem-based organisation, with the vice-chancellor and his board as gate-keepers of conflicts emanating mainly from departmental levels, the 1990s demonstrated a central administration with new, decentralised powers developing strategic management principles in order to control and direct the university. The shifting balance of power is exemplified by the introduction of cost centers, where government revenues are distributed according to tight performance controls which the administration itself, however, is exempted from. Even if the growth of the central administration, in personnel terms, has been modest since 1980, it is the export of traditional, administrative work to faculties and departments which has been dramatic. 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, strategic research, internationalisation, business intelligence, audit, marketing, and the construction of joint ventures. Hence a new regime has been constructed where financial control remains at central level while operative line responsibilities are delegated to the local level. This is in other words a pattern

which fits Dunleavy's 'bureau-shaping bureaucrat' well. What is shown in this case is that decentralisation may lead to bureaucratisation of the decentralised level, and thus that public sector management reform may be a partly unintended effect of political reform ambitions of a quite different character.

### *5.3 Symbolic adaptation*

Of all the pull variables discussed here, this is probably the most questionable one, since it could as well be said that symbolic changes in organisational outlook is heavily dependent upon demands from a host of actors and ideas outside the organisation. This relates to the complex question of constructing organisational borders and how organisations tend to mirror and/or buffer their environments (cf. Meier & O'Toole 2008). Since there is no space in this paper to develop this question, we chose to stick to Weick's (2001) notion of the tendency of organisations to 'enact' their environment, i.e. to autonomously construct what seems to be demanded from the outside world (a kind of self-fulfilling prophecies to put it simple). This behaviour, as is covered in the institutionalist literature, tend to lead to isomorphism and organisational convergence, but according to the notion of enactment, this tendency to symbolic adjustment still is to be interpreted as an active choice on the part of the organisations themselves.

In our material, there are a few signs of obstructive behaviour, when symbolic changes in organisational outlook are introduced in order to satisfy governmental ambitions (primarily a strategy used by the self-sufficient DG of the Environmental Protection Agency during the 1980s, Valfrid Paulsson). In our other examples, symbolic adaptation is not akin to obstructive behaviour, but rather to seizing opportunities given by political ambitions. Symbolic changes have thus to do with organisational capacities to harbour and reflect significant external developments, possibly without changing the core activities. Consequently, this is an area of incremental change which approximates neo-institutionalist accounts and their discussions on path dependency.

As central agencies become more policy-oriented and delegate operational details to other actors, they tend to mimic the ministries. A former Director General (DG) for the Environmental Protection Agency depicts this as an obvious problem: The Environmental Protection Agency and the Ministry of Environment resemble each other both in the competence of staff (both full of university graduates) and operational tasks. This problem of resemblance was accentuated by the Swedish EU-entry, since the central agencies could not act as autonomously in the EU matters as they were used to. In both The Environmental Protection Agency and the Agency for Economic

and Regional Growth we have experienced complaints about the double work and the problem of role separation.

The best example upon symbolic adaptation, which however also is an almost perfect example upon path dependency, is the policy field of regional growth and innovation policy, which originally were functionally differentiated, became integrated as a part of a new, rather glossy, industrial policy, and then finally disintegrated again; all sudden changes which did not seem to affect the involved governmental agencies in practice, but merely reflected heated political discussions and regional interests during specific periods. During the 1980s the National Swedish Board for Technical Development (STU) and the National Industrial Board (SIND) were two agencies working with fairly detached areas of technological innovation and support for different industrial trades. In 1991, to cut costs (see above), the government merged these agencies with the National Energy Administration (STEV) into one big agency, the Agency for Economic and Regional Growth. However, beside the cost-reduction arguments, issues of growth, innovation and regional policy became linked to each other in the political rhetoric during that particular period, especially in the light of the severe economic crisis in the early 1990s (which led to the Swedish application for EU entrance) and regional cries for government subsidies to counter its effects. The link was though not mirrored in the internal organisation of the new 'super-agency', where the three former agencies continued as three separate units with no integration (interviews and documents). During the 1990s issues regarding innovation policy moved into the centre of the political rhetoric and resulted in new reforms. In 2001, where one finally could see signs of some integration between the units of the Agency for Economic and Regional Growth, the government decided to once again split up the organisation, and the old agencies of STU, SIND and STEV now became autonomous agencies again (albeit with new names). A former DG makes this reflection:

In terms of policy programmes and campaigns it is hard to see any major changes over the years despite radical organisational and conceptual changes.

This case illustrates how dependent some highly politicised agencies are upon external forces. The Agency for Economic and Regional Growth was formally an agency which aimed at implementing the industrial growth ambitions of the Ministry of Industry through mainly economic policy instruments. But it also became the nexus for political ambitions of individual MPs of different political parties with vested constituency-related interests of particular regional actors (especially from poorer regions), and similar interests. This is probably a significant

explanation to why the policy field has witnessed a never-ending array of organisational changes. Having said that, the different internal units making up this policy area have, quite paradoxically, managed to remain relatively stable which proves that continuous changes also may be translated as stable forms of life in public sector organisations (the eye of the storm is always calm). Even though this might have been awkward for many of the directors of the agencies, it is also possible that the intense politically heated interest for the policy field produced openings:

The agency was too much a general store with a highly diversified assortment. I wouldn't say it was chaotic, but after all the aim was to create a bigger and more coherent policy work. I finally understood that things would remain intact. We kept a dialogue with the politicians and even though they agreed that the agency should act in a more structured and coherent way, they also said that they had to take into account the parliamentary situation and the need for support from not only the Green and the Leftist parties, but also the factions within the 'big party' [the Social Democrats] who had their own policy agendas for the North, for metropolitan areas, for small business, for big businesses etc. There are a never ceasing number of business aspects that needs to be considered. And in negotiating organisations such as the ministries and the parliament there is a constant production of questions, plans, ideas and possibilities which needs to be accommodated. And this ends up in the agency as the Government Office can't handle them. So the Agency for Economic and Regional Growth became the responsible authority for all these issues which was spitted out of the negotiating machinery (former DG for the Agency for Economic and Regional Growth).

Judging by this description, we can make some overall conclusions. First, the 'shopping mall' nature enhances the character that the policy area will remain in the first line of political interest; though subject to ruptures the organisational core will remain intact. Second, this leads to a situation where interrelated networks are formed which may not be so affluent for the general economic development in Sweden as they produces utility for the most active actors (such as regional ones) and where the agencies remain at the centre of ambitions. Third, even though the organisational field is characterised by path dependency, there is still plenty of scope for incremental changes within some given limits. For instance, the institutional norm of the region as a centre for innovation and growth has remained intact since the 1960s, while the content of policy has changed from a situation where regions were more seen as politically constructed targets of policies to the current situation where the regions in themselves are seen as the driving actors, with a policy co-ordinating role for the Ministry and the central agency (i.e., the same type of situation as within environmental affairs). It is possible that this new situation is profitable for

the agency, since it puts the agency in a supervising role in relation to the regions which is hard to change, especially with regard to the EU structural fund work.

That the Agency for Economic and Regional Growth has been successful in enacting its environment seems without doubt; for a friend of this policy area it is maybe more questionable if this is really to be labelled *symbolic* adaptation. According to the interviewees themselves, however, this seems to be the case. Three former DGs all seem to be confident with the picture that the agency exist more to satisfy political ambitions (and demands from the EU) than to really effectuate any economic growth. This makes the agency possibly more dependent upon political wills than the other agencies under investigation, but it also means that continuous political interest will be given to the policy area. The agency has learned to live with this situation and has developed skills in handling this complex, multi-level negotiation machinery which the under-sized Government Office never could have handled itself.

#### *5.4 Patterns of educational background*

The supply of proficiencies in society is decisive for what type of staff that may be employed, which in turn makes different types of university and college degrees important for the structure of public sector organisations. The general idea that university and college courses and programmes adapt to the demand of employers is far too simple. Often it is quite the otherwise – the public employers have to adapt to available graduates, or at least, work practices are changed incrementally by the employment of staff with new types of educational background. In Swedish public administration, the level of employees with academic skills is high, and during the period under investigation, it is especially the increase in employees with academic backgrounds in social sciences, economics and management which has been notable. The skills of the workforce may be seen as both problematic and opportunistic from the angle of public sector change as witnessed in the following quotes from former DGs for the National Board of Health and Welfare and The Environmental Protection Agency:

In 1971 there was high unemployment among university graduates. The government then declared that the agencies should take mercy on these unemployed graduates, hire them, and assign them with tasks which really didn't need to be done. For example, 1971-74 I was acting head of a section of the predecessor to the Medical Products Agency, where I received seven unemployed graduates which were put to work with pointless things. Consequently, the number of staff in the National Board of Health and Welfare doubled between 1971 and 1975. This was then followed by the Employment Protection Act where suddenly all these temporary university graduates became tenured. This became ungovernable and was also the reason

for the enquiry and later on, the restructuring of the agency in the early 1980s (former DG at the National Board of Health and Welfare).

You had to recruit whatever graduates you could find. And that became increasingly easier. Environmental economics is a new discipline; it would not have been possible to recruit any environmental economists in the 1980s, because there were none. Environmental economics was not discovered until later. /.../ I saw it as important to build up a competence within social sciences as well, because environmental problems are not only about biology and technology, but also about getting things done in society (former DG at The Environmental Protection Agency).

Judging by these quotes, hiring university graduates is considered as very important, in both negative and positive terms. A former deputy DG from the Swedish Customs also stresses the ambition to employ more social scientists (when he was recruited there were virtually none) in the headquarters as crucial. It is to be noted that both he and the quoted former DG for the Environmental Protection Agency both have academic degrees in the social sciences themselves.

The importance of this change in competences is how this may effect the development of more strategic and policy-oriented work in the agencies. Here as elsewhere the relations are of course complex, and this is undoubtedly the most indirect change variable in this investigation. While there are clear indications that too specialised expertise is not welcomed in high administrative positions (Page & Jenkins 2005), and while it is important not to over-emphasise the importance of educational background in individual cases, it still seems accurate to say that new positions and units dealing with issues such as strategy, policy co-ordination, internationalisation, quality management and human resources are highly dependent upon that there are persons with a social science background to fill them. It is to be expected, for instance, that persons with a background within economics or social sciences find it easier to introduce NPM models than persons with more specialised knowledge in other subjects or with a more practical background. And it is likewise to be expected, to relate to the quotation above, that persons with an education in environmental economics have quite different ways of approaching environmental problems than biologists and technicians (who earlier entirely dominated the Environmental Protection Agency). Since the relations between public sector change and organisation (including educational background) is so complex, it is not surprising that few studies have any hard facts to give regarding the role of educational background for internally driven organisational change in the public sector.

While our respondents are quite sure about the graduate factor, it is difficult to identify hard facts. The investigated agencies' staff records have not followed any standardised templates in

terms of recording the educational background. In some agencies, there are no statistical records at all – and thus it is impossible to make any conclusions about the relationship between educational background among the staff and the function of policy-making and strategy. The agency with the best records is The Environmental Protection Agency, which had roughly the same number of employees in 1980 and 2005. From the lists of staff, as well as from an official report (SOU 2008:62), it stands clear that a higher fraction of staff were carrying out operative functions in 1980 than in 2005. The policy-making and co-ordinating roles of the agency have also increased to a level where voices have been raised that the Agency has become too similar to the Ministry of Environmental Affairs in terms of roles, competences and personnel. As mentioned, the number of social scientists within the agency has raised from close to zero to 25 per cent.

## **6. Concluding remarks**

As anticipated, this paper cannot make any final conclusions with regard to the ultimate causes of public sector organisational change, and the research project of which it is a part is also only halfway. This paper has, based on the initial experiences of the field, only the ambition to produce typologies change causes which are singled out in interviews and the archives, of which some are well-known ones such as streamlining and cost savings. However, we have also identifies factors which hitherto have been less described in the research literature. In order to identify factors deriving from the agencies themselves, i.e. the pull factors, it has been most useful to complement the official edited statements with in-depth interviews. These interviews provide us with a more balanced picture and often contextualised reasons for organisational change. Often reforms seem to be caused by a mixture of internal causes where official external explanations for change in fact have been an excuse for solving internal problems of agencies.

As witnessed in the paper, there has been a change from rather disparate to more streamlined agencies, through hiving off or decentralising operational tasks, and the local and regional bureaucracy today dominates the Swedish public sector. Meanwhile, it seems as the changes of state agencies can be characterised as a change from rather diverse agencies with many operational tasks towards more focused and coherent agencies. The reasons for streamlining have been two-fold. The official reasons have been that production and operational tasks are better dealt with at lower levels, whereas central agencies rather should supervise, coordinate and control lower levels. This has been in line with the introduction of goal and result-oriented models of governing. In our cases, however, we have also seen that there have been more internal reasons emanating from the top level of the studied organisations. These have been to make the

agencies more governable, since there have been internal friction between different parts of the organisation and difficulties to function as *one* coherent organisation. This is due to the internal structure of the organisations, most often going back to former mergers or *ad hoc* developments. There have been attempts to bridge over these internal borders, both in terms of complementing the hierarchical organisations with a project organisation (a type of reforms not discussed in this paper, and seemingly with quite short-lived consequences) and by implementing a more process oriented organisation, but also by hiving off certain task or organisational bureaus. This feeling by top management of not being able to govern a disparate organisation seems to be one reason for the introduction and implementation of new management ideas. This illustrates the dialectical nature of push and pull factors, where streamlining is a way not only to transform agencies to more policy and control oriented work, but also is a way for the top management to strengthen internal control and appear as in control of an otherwise coherent organisation.

It seems like an increasing work-load within the agencies are devoted to managing themselves as well as serving the ministries, rather than tasks oriented towards society and operational tasks. They are more focused inwards and upwards than down. Moreover, there also some indications in our study (not discussed in this paper), that this focus upon policy-oriented work, as well as political demands of the Government Office, make the agencies less interesting for local and regional governments and actors. This implicates that the agencies are becoming politicised in the sense that they are becoming more and more involved in actual policy-making, at the expense of implementing political decisions, as pointed out also by other commentators (Lindvall & Rothstein, 2006). This was especially the case with the Environmental Protection Agency, but also the more decentralised agency in the study, Lund University, showed such traits. A conclusion to this is that improved policy-making capacity, paradoxically, may reduce Swedish public agencies' ability to govern lower levels. Or to put it another way: increased governability from the government and the internal management level may have been introduced at the expense of utility for governing actors at lower levels (county administrative boards, regions, municipalities, maybe even discrete citizens). A notable exception is the Agency for Economic and Regional Growth with substantial funds to distribute to regional and local actors.

Dunleavy's five strategies of bureau-shaping are clearly apparent in our cases, with policy oriented work being separated from routine work, increasing functions of control, decentralising (or delegating) operational work, competition between agencies over policy-oriented work, and transferring of tasks that do not fit the desired shape. Noteworthy is that this is not always easily done, since agencies consists of many devoted specialists. The downsizing, which different reforms led to, seems not to have been on the expense of the top management level of the

organisations. On the contrary, the organisations have as a whole (with the exception of the Swedish Customs) slowly but surely, over time, expanded to roughly the same number of employees prior to the reforms (the Board of Health and Welfare is smaller than in 1980, but the number of persons employed by the many agencies which fill the same functions as the Board did in 1980 is much bigger). Compared to our other evidence, the actual number of employees engaged in policy oriented work, or more managerial tasks, seems to have increased in terms of time devoted to such issues.

As reiterated several times, the distinction between push and pull factors has been tricky to uphold. Organisational change within the Swedish state is a dialectic and messy affair. Especially, 'push' from above initiates or stimulates 'pull' factors, but anticipative strategies seem to abound which makes it hard to detect who is actually doing the pushing. The reforms both enable and constrain for organisational leaders to promote internal changes, often aiming to strengthening control and governability. So organisational reforms, or indications of coming changes, are windows of opportunity for the director general and other top level bureaucrats to change the structure of or the direction of the agency.

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