



Technologies of government in public sector's networks: In search of cooperation through management control innovations

Antonio Barretta^b, Cristiano Busco^{a,b,*}

^a Babson College,¹ Boston, United States

^b University of Siena, Siena, Italy

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ABSTRACT

In recent years, the public sector has been the subject of a thorough reassessment in a significant number of countries. During this process of *modernization*, issues such as inter-organizational collaboration and managerial innovation have been progressively placed at the forefront of practice and research. In particular, a number of countries have recently re-organized their public sectors around more or less formalized networks or hybrid inter-organizational forms, which are often led by a regulatory body and governed by a cooperation agreement. The literature on inter-organizational relationships in the public sector has evolved alongside the development of such cooperation agreements and innovative forms of organizing. Nevertheless, despite the fact that networks formed by public organizations, not-for-profit organizations, and private firms provide important services to their relevant communities, limited attention has been dedicated to studying the role of management control practices within inter-organizational relationships in public organizations. This is an important gap in the existing literature that this Special Issue intends to address. For this reason, and most importantly because public sector forms of inter-organizational collaborations are likely to differ significantly from those observed in the private sector, in the first part of this Editorial we draw attention to some of the themes that characterize the management and control of inter-organizational relations in the domain of public administration. Next, we introduce the six papers which comprise this Special Issue, and we briefly illustrate how each of them enhances our understanding of the role of control systems within public sector networks. Building on the empirical evidence and theoretical arguments offered by these studies, and after a brief review on the possible alternative ways of conceptualizing the process of adopting new management practices, we point to the further research that needs to be done if we are to understand the role that management control practices play in public sector networks. In particular, we suggest that there is a need to look *inside* management control practices, to explore *what* these practices are and, *how* and *why* they enable the cooperative “ideal” to become real, as well as to stimulate or hinder opportunities for public sector managerial innovation. It is concluded that there are a number of issues yet to be explored if we are to deepen our understanding of the formal and informal mechanisms of control which are the active elements of the so-called “regulatory hybrids” in the public sector.

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1. Introduction

Over the last two decades, the public sector has been the subject of a thorough reassessment in a significant number of countries. During this period, the introduction of new

* Corresponding author at: Babson College, United States.
E-mail address: cbusco@babson.edu (C. Busco).

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programmes, policies and reforms, as well as the resulting implementation of innovative practices, processes and techniques have often been “branded” by the term *New Public Management* (Hood, 1995, 1998). The agenda of New Public Management embraces reforms aimed at improving the quality of public services, reducing public expenditure, increasing the efficiency of governmental operations, and making policy implementation more effective, to name a few (Hughes, 2003; Pollitt and Bouckaert, 2000). The rhetoric of New Public Management emphasizes the need to modernize the public sector by abandoning traditional public management styles and professional bureaucracies and, instead, promoting concepts such as accountability, performance, networking, efficiency, and effectiveness as the core elements in managing public organizations. Within this ongoing, but fragmentary, process of modernizing of the public sector, issues such as inter-organizational collaboration and managerial innovation have been progressively placed at the forefront of practice and research (see, among others, Mahony et al., 2010; Kurunmäki and Miller, 2006).

Between the mid 1980s and the late 1990s, in many countries the idea prevailed that competition between public organizations (as well as between public and private organizations) could guarantee the more efficient use of resources on the one hand and, on the other, the opportunity for the citizen-user to choose between several providers according to the quality of the service offered. For example, in several countries the reform of public healthcare systems was characterized by the need to enhance competition among service providers (Lapsley, 1993). However, it was soon realized that new models of governance did not necessarily lead to improved effectiveness and efficiency. Significantly, greater competition among service providers caused various problems, including irrational economic behaviors, and prevented any form of inter-organizational cooperation (Ellwood, 1996; Pettersen, 1999). For these reasons, a number of countries have recently re-organized their public sector around more or less formalized networks, or hybrid inter-organizational forms, which are often led by a regulatory body and governed by a cooperation agreement (see, among the others, Barretta, 2008; Kurunmäki and Miller, 2006).

The literature on inter-organizational relationships in the public sector has evolved alongside the development of these cooperation agreements and innovative forms of organizing (Samuel et al., 2009; Broadbent and Guthrie, 2008; Moll and Humphrey, 2007). Numerous issues have been debated, including the factors that induce organizations to cooperate, the reasons for the success (or failure) of partnerships, the structure and strategies of cooperation agreements, and the role of trust in networks. Despite the fact that networks formed by public organizations, not-for-profit organizations, and private firms provide important services for their relevant communities, limited attention has been dedicated to studying the role of management control practices in inter-organizational relationships involving public organizations (see Brignall and Modell, 2000; Clarke and Lapsley, 2004; Kurunmäki, 2004; Lapsley and Wright, 2004; Miller et al., 2008; Modell et al., 2007). We believe this is an important gap in the existing

literature, which this Special Issue of *Management Accounting Research* intends to start addressing.

2. Technologies of government in public sector's networks: issues to be explored

Several years have passed since Miller and Rose (1990, 2008 – see also Rose and Miller, 1992) built on Foucault's conception of “governmentality” (1991) to explore the intertwined relationship between *programmes* and *rationalities* of government on the one hand, and *technologies* of government on the other.² They described programmes of government as the discursive frameworks through which political rationalities are represented, policies are defined, and the objects and objectives of government are specified (see Kurunmäki and Miller, 2006). However, governmentality it is not only a matter of representation (through programmes), but it is also a matter of intervention. Programmes of government do not work by themselves. According to Miller and Rose, “it is through technologies that political rationalities and the programmes of government they articulate become capable of deployment” (1990, p. 8). They suggested that while governmentality has a typically programmatic form, its real implementation is inextricably bound to the intervention of the technologies that seek to give it effect.

The term technologies, in this sense, refers to the actual mechanisms through which specific authorities attempt to shape, normalize, and instrumentalize the conducts, thoughts, decisions, and aspirations of others in order to achieve the objects and objective they consider politically desirable. Technologies are devices for intervening (Hacking, 1983). They include procedures of examination and assessment, techniques of notation and measurement, vocabularies and professional specialism, as well as the organizational form and architecture – as suggested by Miller and Rose “the list is heterogeneous and, is, in principle, unlimited” (1990, p. 8).

Nowadays, the interaction between the new political vocabulary informed by the ideal of cooperation and partnership on the one hand, and innovative forms of organizing, governance and control on the other, exemplifies the interaction between programmes and technologies of government (Kurunmäki and Miller, 2006). As described in the previous sections, a number of recent public sector reforms have placed the issue of collaboration among public partners and/or among public organizations and private firms under the spotlight. Joint ventures, public-private partnerships, strategic alliances, networks and co-operative inter-organizational relationships have been progressively portrayed by new policies and programmes of government as potential solutions for reorganizing the public sector and improving the efficiency and effectiveness of public service delivery (see, among others, Venkat Raman and Bjorkman, 2009; Barretta et al., 2008; Scott,

² Foucault (1991, p. 102) defines *governmentality* as “the ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power”.

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