

FACULTEIT BEDRIJFSWETENSCHAPPEN EN ECONOMIE

**STRUGGLING BETWEEN CONTROL, COMPETITION AND  
COLLABORATION:**

**Concepts about hybridity and its main antecedents and consequences**

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Wetenschappen

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To my wife Kelly and my daughter Helena

## FOREWORD

This dissertation could not be possible without the help from the so called three f's: friends, family and fools (on you to decide to which category you belong). Hence, I would like to start this foreword by expressing my gratitude to my supervisors who guided me through the PhD process. First, I would like to thank prof. dr. Liselore Berghman. She followed me up closely during the past five years, always pushed me to go the extra mile whenever I thought I was unable to improve my work anymore and, most importantly, she taught me a lot about personal growth. Second, I would like to thank prof. dr. Paul Matthyssens who inspired me frequently with his conceptual and thought-provoking contributions, especially in the beginning of the PhD process. Third, during the last months of my PhD, prof. dr. Arjen van Witteloostuijn supervised my research. Honestly, without his conceptual and theoretical contributions, I had no chance to finish this dissertation on time. Furthermore, I admire his positive attitude which motivated me to carry on.

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Furthermore, I am grateful to my colleagues for taking care of me by asking me for lunch, short JP-trips or starting Game of Thrones discussions (though many of the empirical contributions embodied within this dissertation might be subject to discussion, at least this PhD has shown that

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By means of this foreword, I would also like to thank the members of the DOP and my classmates from the Mandarin course whose efforts to mentally distract me from my research are remarkable: 万分感激! Finally, and most importantly, I would like to thank my wife and our daughter as their smiles and support gave me the energy to pass the many obstacles that found my way during the PhD-process.

## NEDERLANDSE SAMENVATTING

De institutionele omgeving kan eenvoudigweg omschreven worden als het stelsel van fundamentele politieke en juridische grondbeginselen en informele sociale normen. Deze omgeving oefent diverse krachten uit die het gedrag van organisaties en individuen in belangrijke mate sturen. Algemeen kan gesteld worden dat de complexiteit van de institutionele omgeving de laatste decennia sterk is toegenomen. Eén van de voornaamste oorzaken die hierbij frequent wordt aangehaald, is het snel veranderende behoeft patroon van institutionele belanghebbenden onder impuls van nieuwe technologische ontwikkelingen en managementtechnieken.

Wanneer gesproken wordt over het beheer van overheidsorganisaties, wordt er in de literatuur meestal verwezen naar drie dominante managementvisies. Dit zijn *traditioneel publiek management* (TPM), waarbij het functioneren van overheidsorganisaties in belangrijke mate is gebaseerd op principes zoals die van een klassieke bureaucratie (Weber): in concreto een hiërarchische organisatiestructuur, aangestuurd door middel van een amalgaan aan geëxpliciteerde procedures en gedragscodes. Daarnaast wordt vaak verwezen naar *new public management* (NPM), waarbij de structuur en cultuur binnen publieke organisaties zoveel mogelijk in overeenstemming dienen te worden gebracht met die van de private sector en waarbij publieke organisaties door middel van decentralisatie zoveel mogelijk autonomie dienen te bekomen. Uiteindelijk is begin jaren 2000 gebleken dat elk van deze managementvisies belangrijke beperkingen vertoonde. Bovendien bleek de complexiteit van heel wat van de problemen waar

publieke organisaties mee geconfronteerd worden, afgelopen decennia zodanig te zijn toegenomen dat ze een meer integrale en netwerkgerichte aanpak vereisten. Uiteindelijk heeft dit geleid tot het ontstaan van het zogenaamde *public value management* (PVG).

Vandaag zien we in de praktijk dat het beheer van publieke organisaties vaak niet in overeenstemming is met één bepaalde managementvisie. Integendeel, heel wat publieke organisaties lijken dimensies te vertonen van verschillende van deze managementvisies, in allerlei verschillende mengvormen. Zo kan de verplichte implementatie van de Beleids- en Beheerscyclus (BBC) in 2014 in alle Vlaamse lokale besturen beschouwd worden als een transitie die vooral gestoeld is op NPM-dimensies. De BBC ontleende immers heel wat karakteristieken uit de private sector zoals *zero-based budgetting*, het voeren van een analytische boekhouding en de implementatie van diverse prestatiemetingssystemen. En toch ... Wie de moeite neemt om de processen van lokale besturen naderbij te analyseren, zal zien dat een groot aandeel van deze organisaties vaak nog centralistisch zijn gestructureerd rondom de algemeen directeur en het College. Bovendien wordt de veronderstelde ruime autonomie van lokale besturen in de praktijk sterk beperkt door uitvoerige regelgeving van de toezichthoudende overheden die ervoor zorgen dat lokale besturen afhankelijk blijven van deze zogenaamde 'regelcultuur'.

Het voorbeeld toont aan dat publieke organisaties in realiteit dus vaak niet handelen conform één managementvisie. Een meer holistisch kader zou in dit geval rekening moeten houden met de mogelijkheid dat publieke organisaties in de praktijk dimensies van verschillende managementvisies simultaan implementeren. Dit fenomeen zullen we hierna definiëren als *hybriditeit*.

Ondanks de potentiële waarde van deze benadering die ons in staat zou kunnen stellen om de processen die in de praktijk plaats grijpen in publieke organisaties op meer effectieve wijze te doorgronden, vallen meteen diverse lacunes binnen de huidige literatuur op. Vooreerst ontbreekt in de literatuur een conceptueel model dat de verschillende institutionele logica's die voortvloeien uit deze verschillende managementvisies, integreert. Daarnaast is het empirisch onderzoek dat inzicht tracht te verkrijgen in de onderliggende processen die organisaties drijft tot hybriditeit, nagenoeg onbestaande. Tenslotte is er onvoldoende literatuur voorhanden die de mogelijke gevolgen van hybriditeit op prestatievorming analyseert. Deze problematiek wordt bovendien nog versterkt doordat een groot aandeel van de meest courant gebruikte prestatie-indicatoren gebaseerd is op winstcriteria, terwijl deze doelstelling bij de meeste publieke organisaties ontbreekt.

Het doel van dit doctoraatsonderzoek is vierledig. Vooreerst wordt een conceptueel model ontwikkeld waarbij de institutionele logica's conform de verschillende managementvisies worden geïntegreerd en waarbij hybriditeit wordt geoperationaliseerd. Vervolgens wordt door middel van een diepgaande analyse van een natuurlijk experiment onderzocht hoe institutionele veranderingsprocessen aanleiding geven tot diverse vormen van hybriditeit. Hierbij wordt de integratie van het OCMW en de gemeente in navolging van het nieuwe decreet Lokale Besturen als natuurlijk experiment genomen. Vervolgens worden de potentiële effecten van hybriditeit op prestatievorming onderzocht. Door middel van een tweede conceptueel onderzoek worden verschillende paradoxen op het vlak van prestatievorming die ontstaan ten gevolge van hybriditeit, geïdentificeerd. Eén van de belangrijkste paradoxen wordt in een verdiepende studie

tenslotte empirisch verkend door middel van een quasi-experiment dat werd gerepliceerd in België, Nederland en Duitsland.



## ENGLISH ABSTRACT

*Public organizations attempt to cope with processes of institutional change by continuously looking for ways to ensure legitimacy as their survival - in contrast to their profit-driven counterparts within the private sector - is largely dependent on the public support obtained from elected officials, civil servants and civilians. Yet, the demands stemming from the institutional environment are diverse and often reflect conflicting viewpoints. Public organizations in response to these challenges employ mechanisms such as selective coupling in an attempt to balance between conflicting institutional logics, which cause the emergence of hybrid forms.*

*However, literature lacks clear conceptual frameworks that define how these institutional logics actually look like. Furthermore, within the current discourse in the field of Public Administration, empirical research addressing the main drivers of hybridity is inadequate, resulting in a limited understanding of its primary antecedents. Finally, although hybridity has been found to potentially affect an organization's performance, there is scant empirical research examining these claims.*

*Relying on a neo-institutional framework, this dissertation identifies and defines the main institutional logics within public organizations, studies which processes drive public organizations towards hybridity, and analyzes how hybridity might affect organizational performance. Some overall conclusions are that core institutional changes drive public organizations toward developing hybrid forms; yet, public organizations in response to these changes tend to pursue different strategies, ranging from segmentation to segregation and absorption. Furthermore, hybrid forms are likely to cause considerable performance-tensions. One of the most challenging performance-tensions has been empirically confirmed, using a quasi-experimental research*

*design. As a result, we found that public servants with high levels of Public Service Motivation in hybrid organizations that combine bureaucratic and New Public Management-related logics are more likely to engage in acts of pro-social rule-breaking in order to pursue customer-oriented goals, which results in client-based discrimination. In conclusion, although not every organization is subject to hybridity, our studies showed that hybridity is a widespread phenomenon, caused by large shifts in institutional demands with substantial effects on organizational performance.*

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## **CHAPTER 1: INTRODUCTION**

### **ROOTS AND RELEVANCE OF THE PROBLEM STATEMENT**

The institutional context in which public organizations operate today has gradually become more complex. According to Christensen (2011) this has been caused by the rapid increase of different generations of modern public sector reforms. Yet, these different generations of public sector reforms often reflect conflicting demands from the institutional environment (Light 1997; Lynn 2006). Public organizations in their attempts to deal with these challenges try to integrate a variety of logics from each of these institutional demands, while maintaining legitimacy, causing hybridity (Pache 2011).

The discourse about hybridity is expanding quickly. This upward trend has been reflected by the increasing number of articles being published about this subject, and the numerous special issues of journals such as *Public Administration Review* and *Journal of Management Studies* on hybridity. But, the knowledge about hybridity has been not limited to purely academic contributions. For instance, over the past fifteen years, World Bank Group support for Public Private Partnerships (PPPs) has nearly tripled, which underlines the practical relevance of hybrid concepts. Although the effects of hybridity have not been empirically scrutinized, at least from a theoretical perspective, hybridity has been found to affect an organization's transparency, accountability and legitimacy (Pache 2011; Conaty 2012; Aris Komporozos-Athanasidou 2015).

There are numerous examples of hybrid organizations which can be classified according to the way how there are being funded, how they share ownership, how they combine different



organizational aims or pursue different governance logics (Lynn 2006; Raynard 2016; Smith & Besharov 2019). Examples of hybrid funded organizations are state-owned enterprises which are being funded by both the public and private sector. Examples of hybrid ownership include public private partnerships which are being partially owned by the public and the private sector. Examples of hybrid organizational aims are cooperatives which pursue both profit-oriented and social-oriented objectives or business schools which combine profit-oriented objectives with academic outputs (Pache 2011). Examples of hybrid governance are public administrations that integrate different managerial logics such as social housing institutions, which combine bureaucratic and New Public Management-related logics.

To date, hybridity remains a very ambiguous concept, being plagued by many conceptual obscurities. Hybridity has been consistently used as a substitute label in the context of describing complex processes of institutional change, of which the potential consequences for organizational performance have been not explored in detail. Yet, despite the fact that hybridity and complexity can be strongly interlinked, they should not be used as synonyms, nor does it imply that every organization is hybrid in a way. This doctoral thesis aims to contribute to each of these debates, and therefore involves four key research questions.

## **RESEARCH AIMS AND RESEARCH DESIGN**

First, hybridity has been described as the simultaneous implementation of different, frequently competing institutional logics within an organizational unit (Battilana & Dorado 2010; Dunn & Jones 2010; Pache 2013; Upton & Warshaw 2016). According to the literature, the main

governance logics in the public sector are Traditional Public Management (TPM), New Public Management (NPM) and Public Value Governance (PVG). Yet, the discourse focusing on the conceptual differences between these three management views is fairly limited, at best (Denhardt & Denhardt 2000). Consequently, the conceptual clarity about the underlying institutional logics should be improved first.

Second, the literature argues that processes of institutional change cause hybridity since the conflicting demands stemming from different institutional stakeholders might force public organizations to simultaneously combine elements from both 'old' and 'new' institutional logics (Lounsbury 2002; Thornton 2012). This strategy ensures legitimacy, while the organization remains 'intact' on the inside to counterbalance resistance to change, which is typically incited by processes of institutional change (Seo & Creed 2002; Skelcher & Smith 2015). These processes of so-called 'lose' and selective coupling have been theoretically discussed, but yet require substantial empirical validation (Pache 2013). Therefore, we aim to analyze how institutional change affects hybridity, and what strategies public organizations use in order to cope with these changes.

Third, prior to studying the effects of hybridity on performance, we need to define performance first. Yet, performance in the public sector is a very burdened construct, which is therefore subject of much debate (Rainey & Bozeman 2000; Hvidman & Andersen 2016). Moreover, examining the effects of hybridity on performance here implies that the performance dimensions we are relating to should reflect the different management views. This requires the set-up of a 'balanced' performance instrument that enables us to juxtapose the different performance dimensions stemming from the different management views, and to explore their potential interactions. The

aim is then to study potential paradoxes between these different performance dimensions, which can be subject to empirical falsification in future empirical work.

Fourth, the third study revealed a fundamental paradox between ensuring compliance with rules and procedures (a main element of TPM), on the one hand, and a customer-centered mission (a main element of NPM), on the other hand. Hybrid public organizations pursuing each of these elements might experience substantial tensions as an extensive focus on rules and procedures may prevent the organization from pursuing customer-oriented goals because extensive rules and procedures tend to obstruct the organization from being more flexible and responsive to a customer's needs. The aim of the fourth study is therefore to empirically study this paradox.

Clearly, the research questions addressed in this doctoral thesis are very diverse. Hence, this implies that each of these research questions might benefit from a different research design, varying from either purely conceptual research to either quantitative or qualitative empirical methods. In line with our realistic ontological positions (Ormston et al. 2003), we chose to adopt a mixed methods research design for three reasons. First, combining qualitative and quantitative research increases the validity of the findings (McKim 2017). Second, a mixed methods approach results in deeper, broader understanding of the studied phenomena than studies that do not utilize both a quantitative and qualitative approach (McKim 2017; Hurmerinta-Peltomäki & Nummela 2006). Third, applying these methods support researchers in more effectively interpreting the results from the data by adding insight complementary to those derived from quantitative methods (McKim 2017; O'Cathain, Murphy, & Nicholl 2014).

## **CONCEPTUAL FOUNDATIONS: THE INSTITUTIONAL LOGICS APPROACH (ILA)**

Hybridity can be studied from different theoretical angles. A first important theoretical anchor is rooted in transaction cost theory and classical economics (see for instance Williamson 1991) which studies hybridity from a predominantly instrumental lens. In this view, hybridity is the result from mixed organizational forms that combine characteristics from both the market and hierarchy position, such as cooperatives (Ménard 2006). Furthermore, this viewpoint envisions hybridity as static, rejecting the idea that hybridity might evolve over time (Skelcher & Smith 2014). Interestingly, there is abundant empirical research, suggesting that hybridity is the result from much more dynamic processes, arguing that hybridity enables organizations to combine frequently opposing institutional logics so that these organizations can ensure legitimacy, as being argued by Deephouse (1996) and Suchman (1995). This second theoretical lens is rooted in neo-institutional theory and rejects rational-actors models proposed by classical economics. Public administration scholars have been traditionally largely inspired by neo institutional theory for the reason that public organizations can be considered as the prototype of an institution, as we will demonstrate in next paragraphs (Thoening 2011).

According to Scott (1995, 235), 'Institutions are social structures that have attained a high degree of resilience. They are composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life.' Scott continues his arguments by stating that institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artifacts. Furthermore, institutions connote stability, by definition, but are subject to change processes, both incremental

and discontinuous (Scott 1995). Organizations, in order to survive, must conform to the rules and beliefs systems prevailing in the environment as this enables the organizations to gain and maintain legitimacy (Dacin 1997; DiMaggio & Powell 1983; Meyer & Rowan 1977).

Neo-institutionalism finds its origins in a paper published by March and Olsen (1984) and differs from classic institutional theory in that it integrates traditional institutional insights such as formal institutional structures, rules, norms and cultures with behaviorist scholars who study the actions of individual political actors. March and Olsen in this seminal work argued that political scientists needed to rediscover institutional analysis in order to better understand the behavior of individual political actors within institutions. As a result, the institutional environment and individual behavior are interlinked for the reason that the institutional environment determines the institutional constraints of individual behavior. Neo-institutionalism generally rejects the idea that it is possible to reform and control public organizations top down and with a technocratic style (Thoenig 2011). Furthermore, neo-institutionalists question how far organized action can be planned as the product of design or authoritarian will. Historical processes happen to select organizational forms that are not always efficient. As such, symbols, myths and rituals have more impact upon political and administrative events than immediate, narrow and selfish economic or power interests (Thoenig 2011). Action in organizations is not to any great extent instrumentally oriented, and only bounded rationality is available. Public administrators make decisions according to some criterion of satisficing. They make tradeoffs between the content of the problem they address and the level of uncertainty they face in real time.

In fact, public organizations function like political arenas. Power issues and power games model their functioning and their policies. Actual administrative reforms, whether successful or not, are

characterized by a low degree of simplicity and clarity. It is easy to initiate administrative reforms, but few are completed (Brunsson & Olsen 1993). Public administrations as such are not innovation-adverse, but may follow a sequence of transformations reflecting outside factors such as labor market dynamics, or inside initiatives informally taken by low-ranked units. Major changes when they happen occur without much prior thought and discussion. In summary, these arguments – bounded rationality, fragmented implementation of new management views, spontaneous organized action, political power games, and sequential change – explain why hybridity occurs for the reason that they lead to the fragmented implementation of and simultaneous co-existence of different *institutional logics* within public organizations.

These insights have been integrated in the (neo) Institutional Logics Approach (ILA), which, according to Skelcher and Smith (2015, 437), can be seen as ‘a way of explaining the interactions between normative societal structures, organizational forms and individual behavior.’ Friedland and Alford (1991, 2489-249), in this respect, define institutional logics as ‘a set of material practices and symbolic constructions which are organizationally structured, politically defended, and technically and materially constrained.’ We would like to highlight four main arguments central to this approach. First, within this view, society has been considered as an inter-institutional system of which the normative structures tend to pursue their own logics (Skelcher & Smith 2015). Second, agencies are enabled and constrained by the prevailing logics, and tend to creatively respond by adapting organizational forms to more effectively align with the institutional environment (Kraatz & Block 2008). Third, institutional logics have both material and cultural or symbolic components as they provide normative framing (Thornton & Ocasio 2008; Reay & Hinings 2009). Fourth, the theory emphasizes historical contingency, which implies that

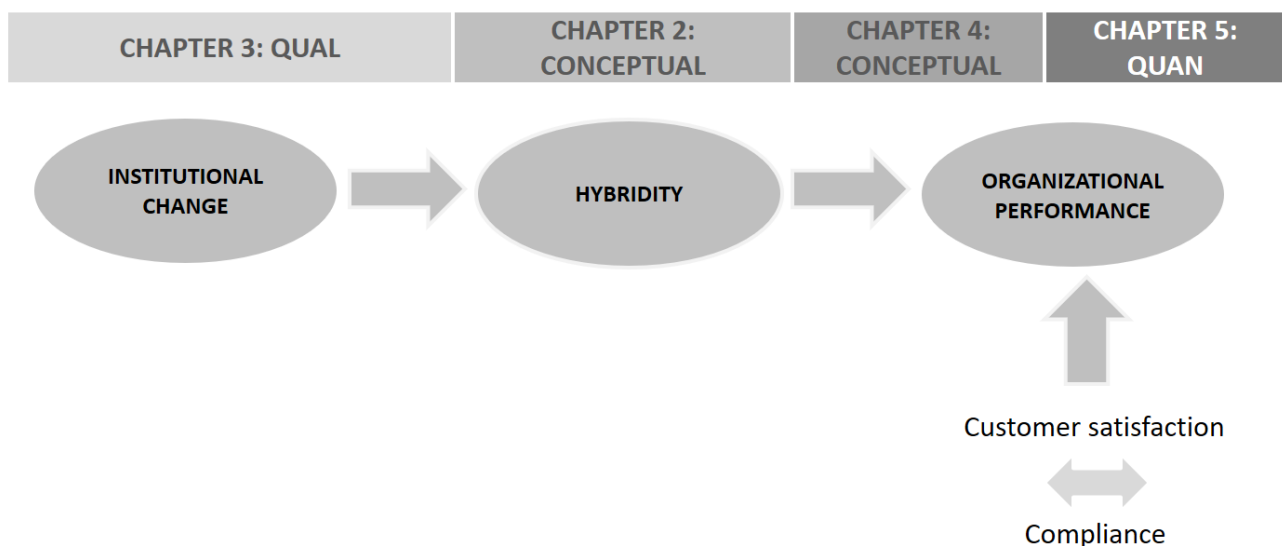
institutional logics are subject to a particular spatial and temporal setting (Friedland & Alford 1991). As a result, the ILA-approach provides an excellent framework to explain hybridity-generating processes within public organizations.

In summary, in contrast to this ILA-approach, other theoretical perspectives tend to focus on generic, often binary archetypes such as markets or hierarchies, in which the hybrid is a mixed form (Powell 1990; Williamson 1991). Yet, the ILA-approach is of most interest and relevance here, as it underpins the dynamic nature of hybridity and aligns with our empirical observations (Wiesel 2014).

## CHAPTER OBJECTIVES AND CHAPTER DESIGN

This doctoral thesis' structure is illustrated in Figure 1.

Figure 1 Structure of dissertation chapters



Chapter 2 relies on a systematic literature review (SLR) in which the theoretical roots from Traditional Public Management, New Public Management and Public Value Management are studied. The SLR's primary data involve of 65 articles. After careful analysis, the conceptual framework proposed in Chapter 2 identifies three main fault lines between each of the management views, resulting in nine different dimensions. Based on these insights, hybrid organizations are argued to simultaneously combine dimensions that refer to at least two different management views.

The findings of Chapter 3 are based on a multiple case-study in which local public administrations were exposed to a similar institutional shock. The empirical setting of this paper focuses on the integration of the social welfare institutions and the local municipalities in Flanders, as imposed by law. Data have been collected by conducting interviews with the general director from fifteen local public administrations. Based on abductive reasoning, this chapter confirms that institutional change causes hybridity, in different forms and shapes. The strategies the organizations used to cope with this institutional shock differed strongly, ranging from segmentation and segregation to blocking and blending the different institutional logics.

The findings of Chapter 4 are based on a conceptual study. Primary data is based on the systematic review of 38 articles that report the results of studying organizational performance in the public sector. Selected articles were either exceptional in terms of number of citations or conceptual rigor. This analysis resulted in suggesting a balanced performance instrument, composed by performance dimensions that are related to each of the management views (TPM, NPM and PVG). The article concludes by proposing different paradoxes that would be caused among the performance dimensions relating to different management views.



Findings of Chapter 5 are based on a quasi-experimental study of one of the most puzzling paradoxes brought forward in Chapter 4, conducted in three countries: Belgium, Germany, and the Netherlands. This chapter studies how the institutional context might affect individual behavior and therefore empirically contributes to the neo-institutional framework of this dissertation. Student respondents received vignettes that enclosed different emotional stimuli. In each of the vignettes, the respondent was employed by a social welfare institution. The organization was framed as a hybrid form, which combined different institutional logics. A first logic referred to TPM by stating that (1) strict procedures needed to be followed when performing tasks, (2) the respondent was part of a greater hierarchical structure, and (3) deviation from rules and procedures would result in potential sanctions. A second logic, however, referred to NPM dimensions, since the organization's mission stipulated that the organization was strongly customer-driven.

The respondent ultimately had to decide between two competing governance logics: being compliant with the rules and procedures of the organization (TPM) or breaking the rules in favor of the customer (NPM). According to authors such as Ambrose (2015), Bolino and Grant (2016), Dahling (2010) and Morrison (2006), the chances on pro-social rule-breaking (PSRB) increase in organizations in which strict application of rules and procedures prevent the organization from being client-driven. This behavior especially applies to hybrid organizations, since the tensions that public servants experience might encourage them to demonstrate pragmatic behavior such as PSRB.

## MAIN CONTRIBUTIONS

This dissertation seeks to contribute, in the first place, by providing conceptual clarity and empirical evidence. The current discourse tends to disproportionately focus on conceptual contributions, while there is a strong need for conducting more rigorous empirical research in order to validate and refine the frameworks that were brought forward by prior research (see, for instance, Ugyel (2014), and McMullin and Skelcher (2018)). Moreover, to date, hybridity has been too much approached from a static viewpoint, while deeper understanding of its main antecedents might enable researchers to pursue a more process-oriented view on hybridity (Wiesel 2014). The work presented in this dissertation can be considered as one of the first empirical attempts to do so, since we found robust empirical indications supporting these claims. Furthermore, this thesis substantially adds to the discourse that studies the effects of hybrid organizations on organizational performance by empirically testing how conflicts between organizational aims might affect organizational performance.

Yet, the contribution of this dissertation is limited to neither purely conceptual nor empirical research. Additionally, the dissertation comes with a few important methodological advancements. First, one of the studies employs a quasi-experimental research design. The great advantage of experimental designs is that they offer the opportunity to identify treatment-related causal mechanisms. Within the research field of public administration, there is a strong call for conducting more experimental research (for an overview, see, for instance, van Witteloostuijn (2015) and Walker, James, and Brewer (2017)). Second, by running one of the experiments in three countries, this research replies to recent appeals of van Witteloostuijn (2016), Walker,

James, and Brewer (2017), Vandenabeele, Ritz, and Neumann (2018), and Walker et al. (2018) to conduct replication studies, offering opportunities to reflect on the generalizability of the findings and to discuss their boundary conditions.

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## **CHAPTER 2: DEFINING HYBRID CONTINGENCIES IN PUBLIC ORGANIZATIONS: An alternative conceptual model**

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### **ABSTRACT**

Today, public organizations are said to become increasingly complex while it is considered that performance at the same time, despite the profound efforts that have been undertaken to rationalize civil services, remained rather static. Literature thus far did not succeed to put forward a successful theory that addresses these questions. Furthermore, former research mainly concentrated on the separate study of management views such as traditional public management, New Public Management (NPM) and Public Value Governance (PVG), while in practice numerous public administrations simultaneously combined different dimensions of these management views. Taken together, this leads to the idea that a great part of these organizations are actually hybrids that combine different managerial logics, which potentially increases the organizational complexity. However, although promising, research that approaches hybridity from this perspective is fairly limited.

By conducting a thorough literature review in which we studied 80 articles about traditional public management, NPM and PVG, we found that these management views essentially differ on the base of three fault lines, which are *beliefs*, *design* and *strategy* and that together result in nine dimensions. By combining one or more dimensions of the different management views, we argue that a public organization becomes hybrid. Finally, in line with findings of contingency theory, we argue that the sort of hybrid configuration might depend on the specific relationship the organization has with other organizations, which can be hierarchical or on an equal footing and which leads to isomorphism or provokes mechanisms of selective coupling.

*Key words: traditional public management – NPM – PVG – hybrid public organization*

## INTRODUCTION

For decades, Weberian bureaucracy has been held as the ideal type for organizing public administrations (Mitzman 1969; Weber 1922). However, this ideal type became more and more critiqued when new managerial features such as corporization and performance management, together summarized as 'New Public Management' (later on abbreviated as NPM), started to emerge amongst public scholars (Merton 1952; Raadschelders 2000; Selznick 1943; Von Mises 1944). This view in turn received many critiques and was later followed by a new approach, which we summarize as Public Value Governance (later on abbreviated as PVG) (Christensen 2009; Jun 2008; Lodge 2011; Zafra-Gomez et al. 2013) and which, amongst others, envisions cross sector collaboration and the formation of public value (Jun 2008).

In practice, the implementation of these techniques did not follow a fixed path. For instance, NPM-features more swiftly entered Anglo-Saxon countries, while Scandinavian countries were acting more prudent (Czarniawska 1996; Kickert 1997; Meyer & Rowan 1977; Pollitt 2010; Scott 2007). Moreover, today, public organizations frequently combined dimensions of these different management views simultaneously which contributes to the idea that these organizations are hybrids (Agranoff 2006; Andersson 2012; Christensen 2006a; Greener & Powell 2008; O'Reilly & Reed 2010; Veronesi & Keasey 2011; Zafra-Gomez et al. 2013).

Although the concept of hybrid organizations is usually considered to be a rather new field of study, in early research, Selznick (1949) already questioned how organizations could cope with the diverse expectations that emerged from the external environment. However, only recently researchers started to explore the concept and implications of hybrid organizations in more



depth. Nevertheless, hybridity covers a variety of meanings. For instance, Williamson (1996) considers the hybrid to be an intermediate form between the market and the hierarchy. However, within general theory, an organization becomes hybrid when it exists between or across the boundaries of sectors, government departments, geographic units or combines the governance regimes of traditional dichotomies, such as the state and the market (Gulbrandsen 2011). According to Ménard (2004), 'hybrid arrangements' (p.351) combine characteristics of private and public spheres. Hybridity, according to Karré (2008) can be defined as the combination of various characteristics found within a single unity. Hybridity in the public sector has thus been already studied more specifically as the intersection of two distinct spheres, which are the public and the private (in 't Veld 1995; Kickert 2001; Rainey 1991).

However, Skelcher (2014, p. 2), argues that a hybrid is 'an organization that incorporates plural institutional logics an where, as a result, organizational members confront multiple identities'. Institutional logics in this case are defined by Friedland (1991, pp. 248-249) as: 'a set of material practices and symbolic constructions, which are symbolically grounded, organizationally structured, politically defended, and technically and materially constrained'. Within this paper, we also view a hybrid public organization as the intersection of distinctive institutional logics, however, assume that these institutional logics are largely shaped by different management views that are integrated within a single organizational unit.

There are diverse reasons why these sort of organizations appear. According to Thornton (2012) and Lounsbury (2002) hybrid organizations emerge when they are in transition so that new and old logic become embedded. As such, hybridity can be understood as the integration of differing competing institutional logics (Battilana & Dorado 2010; Pache 2011). Additionally, building on

Kuhn (1962), hybrid organizations can be viewed as the result where old and new logics meet one another. Although these authors mainly emphasize the transitional character of hybridity, authors such as Kickert (2001) and Rainey (1991) consider hybridity to be the result of two distinct spheres, which are the public and the private and therefore study hybridity from a more static view point.

We conclude this section by the following annotations. First, the classic dichotomy public-private does not fully succeed to explain processes that occur within reality, more specifically the mixture of different management views that is observable within numerous public organizations. Second, hybridity appears around multiple dimensions (De Waele, Berghman and Matthyssens 2015). Third, hybridity might be dependent on various contingencies, such as the specific relationship the organization has with other organizations. However, this concept has been only little explored and the research that has been already performed thus far is mainly restricted to hybrid forms of NPM and PVG, while numerous public organizations also show characteristics of traditional public management (Laegreid 2010). Taken together, this appeals to new research questions such as how we should define hybridity, how we could measure the level of hybridity within a public organization, if we could distinguish different forms of hybrid configurations and, if so, the underlying processes and contingencies that determine the sort of hybrid configuration.

The remainder of the paper is structured as follows. First, we conducted a thorough literature study, discussing the differing management views. Second, we discuss the main fault lines between these views, which we call *beliefs*, *design* and *control*. Third, by linking these dimensions with the results of the literature review, we were able to develop a clear understanding of the concept of a hybrid public organization and the level of hybridity within a public organization.

Finally, we discuss contingencies that explain why and how public organizations become hybrid. The unit of analysis of this paper is mainly restricted to the organizational level.

## **THEORY**

### **Traditional Public Management**

Traditional public management has been also denoted as 'bureaucratic paradigm' (Barzelay 1992; Lynn 2001). Historically, the word 'bureaucracy' originates from the expression 'bureaumania', a term which was used by a merchant and *Intendant du Commerce* in France in the 18<sup>th</sup> Century (Albrow 1970; Raadschelders 2000). In the traditional view, politics and administration were separate (Wilson 1887). Goals should be firstly determined by elected officials and only secondary refined by technical experts (Bryson et al. 2014). Efficiency in government operations was the preeminent value (Bryson et al. 2014; Denhardt 2003) and could be ideally realized via a bureaucratic system (Weber 1922).

Wilson (1887) and Weber (1922) are usually referred to as the pioneers of traditional public management. Wilson (1887) valued a stringent distinction between the political power and public servants within administrations that should be ensured by a high degree of formalization, while Weber (1922) envisioned the bureaucracy as an ideal type. These are: (1) a formal hierarchical structure, (2) management by rules which allows decisions made at high levels to be executed consistently by lower levels, (3) organization by functional specialty which means that work should be done by specialists who are organized into units based on their type of work, (4) an 'up-focused' or 'in-focused' mission and (5) purposely impersonal with the idea to treat all employees and customers equally (Gualmini 2007; Johnston 1993; Udy 1959; Weber 1922).

However, depending on the author (Alford 2008a; Lynn 2001; Olsen 2004), one emphasizes other concepts so that there is no consensus about defining traditional public management. Literature defines 'Weberian bureaucracy' (Dierickx 2003; Gualmini 2007; Kuhlman 2008), 'traditional public administration' (Alford 2008a; Stoker 2006), 'traditional public management' (French & Emerson 2014) or 'old public administration' (Cheung 2005; Dunleavy & Hood 1994; Stover 1995).

Although Weber perceived the bureaucracy as an ideal type of organization due to its efficiency and rationality, it has been largely criticized by authors such as Von Mises, Selznick and Merton for its strict-rule application and for the reason that public administrations did not have sufficient autonomies to conduct their affairs in an economic and rational manner (Merton 1952; Raadschelders 2000; Selznick 1943; Von Mises 1944). Moreover, Minogue (1997) adds that 'today, the range of transactions within modern public administrations is so extensive that it produces a complexity much greater than the traditional model would suggest' (p.64). Additionally, Minogue (1997) continues that 'the stringent devotion to rules and procedures frequently resulted in delay, inflexibility and an unresponsiveness towards citizens' (p.64). Furthermore, the inflexibility and delays together resulted to the frequently reporting of red tapes (Bozeman 2000).

This ongoing debate eventually lead to the emergence of new forms of management principles that could be generally summarized as New Public Management (Matei 2011; Minogue 1997).

## **New Public Management**

The central idea behind NPM poses that methods and techniques from the domain of business administration could be implemented into the public sector, resulting in an increased performance (Lintsen 2011).

Authors frequently point towards Hood (1991) as the initiator of NPM (Kuipers et al. 2014; Pollitt 2010) due to his significant contribution in the article 'A public management for all seasons?' in *Public Administration*. This article can be also considered as the most frequently cited article about NPM as we will discuss later on. Furthermore, NPM focuses on managerial accountability and the effective use of resources (Rutgers & van der Meer 2010; Sinclair 1995; Zafra-Gomez et al. 2013). The main ideas and techniques of NPM, depending on the author, originate from the late 1970s (Wilensky 1988) and the 1980s (Christensen 2006b; Dawson 1999; Pollitt 2010) and can be considered as a result of political economy and management theory, aiming at increasing the overall public efficiency (Christensen 2006b).

Actual debates address the emergence and outcomes of NPM. While authors such as Radej (2010) and Hood (1991) envision NPM as a doctrine due to the normative vision behind NPM, authors such as de Vries (2010) and Cordella and Iannacci (2010) proclaim that NPM has been rendered obsolete. Cordella and Iannacci (2010) therefore argue that NPM mostly enlarged institutional complexity which is increasingly riposted by information systems that enable transparency and increase efficiency. Also in line with Cordella and Iannacci, Dunleavy et al. (2006) argue that NPM is dead for comparable reasons. Nevertheless, authors such as de Vries (2010) and Walsh (1995) consider digital-era governance and the usage of information systems as an integral part of NPM.

This is also in line with findings of Pollitt (1990) who suggests that ‘productivity increases will mainly come from the application of ever-more sophisticated technologies’ (p. 2–3).

Building further on the critics of Dunleavy’s work, Hughes (2008) states that NPM cannot be dead because it has been never born. Therefore, he argues that NPM is no more than a construct, created in the eyes of critics which lacks any theory, agenda and program (Hughes 2008). However, also Dunleavy et al. (2006) assume that NPM is an abstraction which suggests a unity of ideas, while, in practice, NPM presents a great variety in implementation (de Vries 2010). In line with these arguments, Hughes (2008) argues that there has never been a clear exposition of what is involved in NPM. Moreover, depending on the author, one speaks about *new public administration* (Frederickson 1996), *managerialism* (Aucoin 1988; Denhardt 1993; Pollitt 1990; Terry 1998) or *neo-managerialism* (Minogue 1983; Terry 1998; Wilding 1992).

However, the outcomes of NPM, certainly with regard to the ideas of decentralization, created unintended consequences and even reverse effects (Gregory 2007; Hood 2000; Maor 1999; Stewart & Walsh 1992). NPM, according to Van de Walle (2011), contributed to ‘fragmentation at the detriment of institutional development, development of strategic capability and expertise, and institutional memory’ (p. 194). Additionally, NPM has been criticized for its adherence to the application of private-sector techniques that are regularly out-of-date, although literature does not specify which techniques precisely (Metcalf 1991; Osborne 2006).

### **Public Value Governance**

In order to overcome the issues that have been created by NPM, public managers were looking for new approaches (Stoker 2006). However, for the reason that this view is a rather new field of

research, literature thus far did not succeed to put forward a consensus about the designation and preliminary characteristics (Bryson et al. 2014; Williams & Shearer 2011). This view is therefore still subject to future research. Depending on the author, one speaks about *new public governance* (Osborne 2006, 2010), *public value management* (Stoker 2006), *holistic governance* (Perri & Leat, 2002), *New Public service* (Boyte 2005; Bozeman 2007; Denhardt 2003; Kettl 2008; Moore 1995; Osborne 2010; Stoker 2006; Talbot 2010), *whole of government* (Christensen & Laegreid 2007), *public value governance* or *post-NPM* (Christensen 2009; Goldfinch & Wallis 2010; Jun, 2008; Zafra-Gomez et al. 2013).

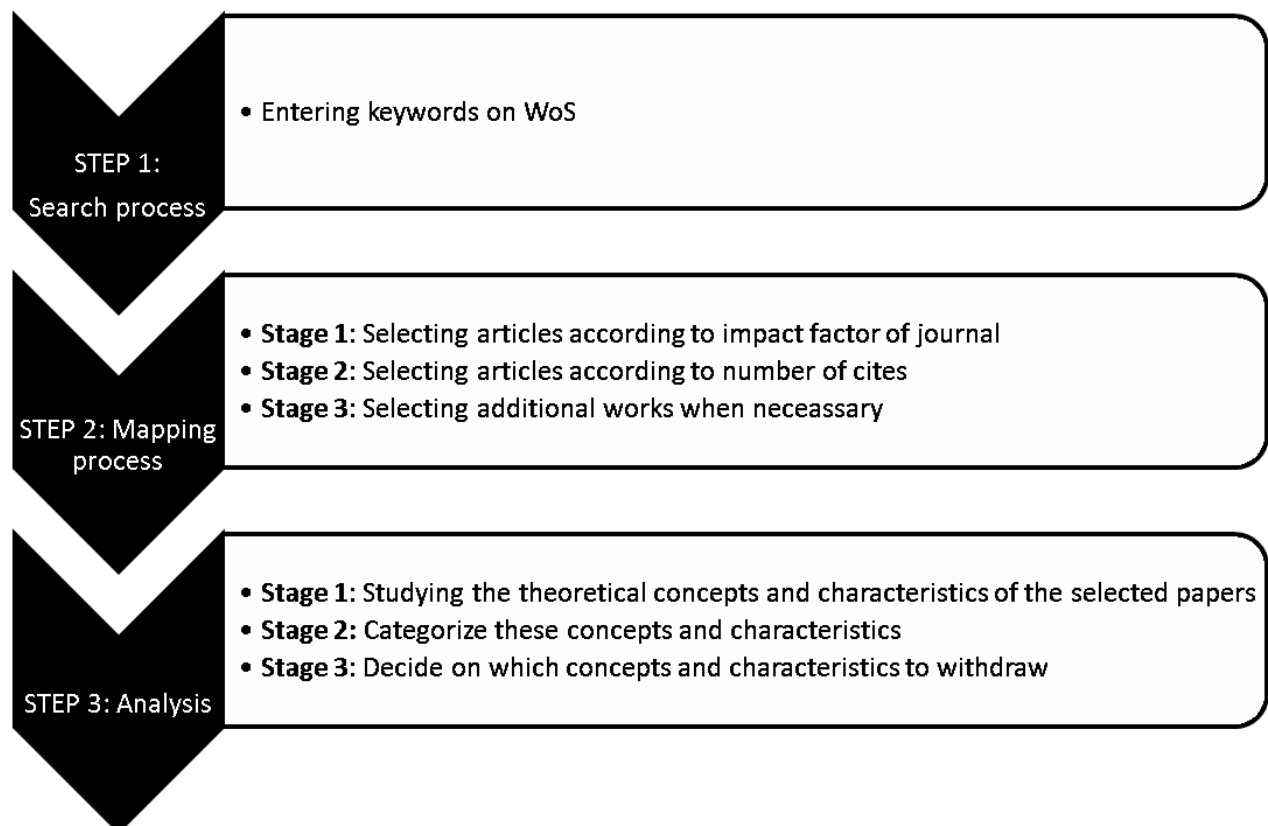
Notwithstanding the fact that PVG is a rather new discipline and therefore lacks a general consensus amongst its main scholars about its definition, characteristics such as cross sector collaboration, recentralization-initiatives and a specific focus on outcomes (the effects of a political program in the broad sense) instead of outputs (the results of a political program in the narrow sense) are usually considered to be main characteristics of PVG (Christensen 2009; Denhardt & Denhardt 2000; Zafra-Gomez et al. 2013).

The management views of traditional public management, NPM and PVG exert a large influence on how public organizations should be managed. However, literature did not well succeed to bring forward a consensus about designating and defining the characteristics of each of these views. Therefore, more profound comparative research is needed to discuss these issues in more details.

## METHODS

This literature review encompasses research on the characteristics of traditional public management, NPM and PVG and draws on scholarly work from across the field of public management and public administration. Firstly, the methods section of similar literature reviews in the following journals was studied: *Public Administration*, *Public Administration Review*, *Public Management Review*, *Governance*, *American Review of Public Administration* and *Australian Journal of Public Administration*. However, we decided to also study a selection of articles in the *International Journal of Management Reviews* for the reason that, in our experience, the methods section in the other journals was relatively limited (Bititci et al. 2012; Doherty et al. 2014; Hopkinson & Blois 2014; Lee & Cassell 2013; Shepherd 2013; Siedlok & Hibbert 2014).

Figure 2 Overview of the applied methods





## Step 1: Searching Process

First, a keyword search using the search engine Web of Science was employed to generate a list of articles (Hopkinson & Blois 2014; Kuipers et al. 2014; Shepherd 2013). Keywords were entered in the 'basic research' pane and it was indicated that we were looking for these keywords within the topic, meaning the title, abstract and author keywords of these papers. Search terms were selected to ensure inclusivity and focus on public management and public administration. Second, results were refined by ticking 'social sciences' in the research domain and 'public administration' in the research area. Keywords were selected on the basis of a snowball approach.

Consequently, this approach resulted in seven papers when searching for 'Weberian bureaucracy', twenty seven papers when searching for 'traditional public administration', one paper when searching for 'traditional public management' and eight papers when searching for 'old public administration'. The keyword 'new public management' resulted in 710 potential papers, 'managerialism' in 152 papers, 'neo-managerialism' in four papers, 'post New Public Management' in eight papers, 'post-NPM' in seventeen papers, 'public value governance' in three papers, 'public value management' in ten papers, 'new public governance' in nineteen papers, 'holistic governance' in five papers, 'new public service' in sixty one papers and 'whole of government' in forty two papers. Taken together, these queries generated a list of 1,074 individual papers. Table 1 shows an overview of the results of the first step of the literature review, according to the ten<sup>1</sup> journals with the highest five year impact factor within the study field. The table also clearly demonstrates that the journals *JPART*, *Public Administration*,

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<sup>1</sup> 'Climate policy' is ranked sixth in this top ten, however is excluded from our analysis for the reason that this journal relates to other issues and consequently resulted in none articles for each of our query's.

*Governance and Public Management Review* include the most articles about these management views.

Table 1 Overall-findings of the systematic literature-review

Keywords	Counts	JPART	Journal of Policy Analysis and Management	Journal of European Social Policy	Policy Sciences	Governance	Public Administration	Policy Studies Journal	Journal of Social Policy	Public Management Review	Total
Five year impact factor		3,553	2,283	2,255	2,148	2,103	2,084	2,000	1,635	1,613	
<b><i>Traditional view</i></b>											
Weberian bureucracy	7	0	0	0	0	1	1	0	0	0	2
Traditional public administration	27	0	0	0	0	0	3	0	0	0	3
Traditional public management	1	0	0	0	0	0	0	0	0	0	0
Old public administration	8	0	0	0	0	1	0	0	0	0	1
<b><i>New Public Management</i></b>											
New Public Management	710	16	4	1	0	22	66	2	3	51	165
Managerialism	152	5	1	0	1	3	12	0	2	6	30
Neo-managerialism	4	0	0	0	0	0	0	0	0	0	0
<b><i>Post-NPM</i></b>											
post New Public Management	8	0	0	0	0	0	0	0	0	3	3
Post-NPM	17	1	0	0	0	1	1	0	0	4	7
Public value approach	2	0	0	0	0	0	1	0	0	0	1
Public value governance	3	0	0	0	0	0	0	0	0	0	0
Public value management	10	1	0	0	0	0	0	0	0	1	2
New public governance	19	0	0	0	0	0	2	0	0	4	6
Holistic governance	5	0	0	0	0	0	0	0	0	0	0
New public service	61	1	0	0	0	0	1	0	0	0	2
Whole of government	42	0	1	0	0	0	0	0	1	1	3
TOTAL AMOUNT OF ARTICLES	1076	24	6	1	1	28	87	2	6	70	225

For each of these keywords, we clicked on the 'analyze results' button in WoS and ranked the records by source title, with two papers as a threshold, which is also automatically suggested by WoS. Consequently, unfortunately, monographs could not be included in the search for two reasons. First, the accessibility of many books is limited and second, its quality is subject to less objective evaluation (Kuipers et al. 2014).

## **Step 2: Mapping Process**

The mapping process is based upon a three-stage procedure in order to select articles to review (Hopkinson & Blois 2014; Kuipers et al. 2014; Lee & Cassell 2013; Shepherd 2013). During the first stage, we firstly categorized these papers by journal rating, following the top ten list produced by WoS, according to the five year impact factor for the reason that it is helpful in drawing authoritative conclusions about the status of management literature on a specific topic (Doherty et al. 2014; Kuipers et al. 2014; Tatli & Ozbilgin 2012). However, this might also result in bias for the reason that focusing on English-language journals will probably downplay country-differences for instance. Nevertheless, for the reason that the main research question relates to the study of different management views, the cultural context might be of less importance.

Consequently, the sample includes articles from *Public Management Review* and *Public Administration*. Other articles were rejected for the reason that they were not published in one of these top ten journals or for the reason that they did not align with the constrained threshold. This reduced our sample from 1,076 to 225 papers during the first stage. Secondly, of these 225 papers, by reading the abstracts and the full paper where the contribution was unclear, we further manually checked the relevance and quality of the papers because this process cannot be

automatized (Shepherd 2013). After screening the abstracts and full papers if necessary, the sample was further reduced to forty three papers. Consequently, we found in our sample eight papers with regard to traditional public administration and 15–20 papers for post-NPM and NPM that succeeded to give a clear description of the characteristics of each of these management views.

However, as we already stated, numerous relevant and high quality papers are published in journals that do not make part of this top ten list. This is also clearly visible in our query: around 14 per cent (110/798) of the articles that produced the most query results (*traditional public administration, New Public Management and new public service*) were published in journals such as *Public Administration Review* and the *International Review of Administrative Sciences* and are frequently cited, however were rejected during the first stage of research. Therefore, during the second stage, we tried to complement our review with articles that were frequently cited in other than top ten highest ranked journals. Therefore, we took the same actions from the ones of the first stage, however, sorted the results of our query following ‘times cited – highest to lowest’ and then clicked on ‘create citation report’. The results of the sample were then reduced to virtually the same amount of papers as the ones of the first stage, according to the number of cites; five papers with regard to traditional public management and 10-20 papers for PVG and NPM. Double entries were removed and articles that not directly related to defining the researched management views, were also removed, which resulted in thirteen papers with regard to traditional public management, forty papers with regard to NPM and twenty five with regard to PVG.

When studying traditional public management, we decided to implement an additional third stage in which we sought for classical works for the reason that searches within WoS are limited to 1955, while some traditional works date before 1955. This literature was selected on the base of a snowball approach to include relevant and important studies cited in the collated material during the first and second stage (Hopkinson & Blois 2014; Siedlok & Hibbert 2014). We concluded that at least six of the reviewed articles referred to Wilson (1887) and Weber (1922) and therefore decided to also include these in the analysis.

Articles were selected until theoretical saturation was reached (Eisenhardt 1989; Lewis-Beck 2004). With regard to traditional public management, we felt this to be reached around fifteen articles, while PVG and NPM required a more substantial review of 25–35 articles due to their more ambiguous meaning and for the reason that they relate to rather new fields of study (Christensen 2009; Lodge 2011; Zafra-Gomez et al. 2013). After these number of articles, we also ascertained that the amount of citations and relevance of the articles significantly decreased. For instance, with regard to traditional public management, the number of citations of the fifteenth article was four, while with regard to NPM and PVG, it equals zero.

### **Step 3: Analyzing Process**

The third step also encompasses three stages. The first stage includes a thorough study of the theoretical concepts and characteristics discussed within these papers while these concepts and characteristics in the second stage became categorized. During this process, each article was reviewed and labelled with dominant themes that referred to the main characteristics of each management view. Next, general and content-based data was retrieved from the articles to assist

in the classification of the data (Kuipers et al. 2014). The general classifications included author, year of publication, journal and amount of citations. The main themes discussed within each paper were then linked to central concepts. Concepts within our table were identified when we found several papers (i.e. more than one) that addressed a similar theme. Finally, the third stage discusses if a certain concept or characteristic could be included as a final characteristic of the researched management view, according to the level of theoretical consensus we could identify within the studied literature.

## **FINDINGS**

### **Traditional Public Management**

Table 2 gives an overview of the reviewed articles, according to the year of publication, the main author, the number of cites, the name of the journal and the used keyword.

Table 2 Overview of the results from the systematic literature review with regard to TPM

Articles			Concepts					Search data			
N°	Author	Year	Task separation	Management by rules	Politically neutral	Centralization	Functional division of labor	Scientific management	Number of cites	Journal	Keyword
1	Wilson	1887		X		X		X	NA	Classical work	NA
2	Weber	1922	X	X	X	X	X		NA	Classical work	NA
3	Ostrom	1971	X	X		X	X		81	Public Administration Review	Traditional public administration
4	Dunleavy	1994	X	X		X			171	Public Money and Management	Old public administration
5	Gray	1995	X	X		X			50	Public administration	Traditional public administration
6	Spanou	1998		X	X	X			27	Journal of European Public Policy	Traditional public administration
7	Denhardt	2000			X	X			197	Public Administration Review	Old public administration
8	Lynn	2001	X	X	X	X		X	58	Public Administration Review	Traditional public administration
9	Vigoda	2002	X	X		X			105	Public Administration Review	Traditional public administration
10	Dierickx	2003			X	X	X		4	Governance	Weberian bureaucracy
11	Olsen	2004	X	X		X	X		63	JPART	Traditional public administration
12	Cheung	2005	X	X	X	X	X	X	32	Governance	Old public administration
13	Stoker	2006	X	X		X	X		127	American Review of Public Administration	Traditional public administration
14	Gualmini	2008		X		X			28	Public Administration	Weberian bureaucracy
15	Kuhlman	2008	X	X	X	X			26	Public Administration Review	Weberian bureaucracy
			10	13	7	15	6	3			



The table reveals that the query's 'traditional public administration' and 'old public administration' resulted in the most frequently cited articles. However, the query 'Weberian bureaucracy' not only results in articles that were less frequently cited, but also in fewer articles a such, which is also in line with the first table about the query-results. The keyword 'traditional public management' resulted in only one article in which the concept itself remained undefined. The keyword was therefore left out from further analysis. Furthermore, within time, the query's did not have the tendency to converge to the use of a shared keyword. This might imply that literature does not succeed to bring forward a consensus about designating this management view. The table also shows that articles that can be considered as influential in terms of citations were not published in top rated journals. These frequently cited articles were published in journals such as *Public Administration Review*, *Public Money and Management* and the *American Review of Public Administration*. We were also able to ascertain that six of these articles referred to classical works such as Weber (1922) and Wilson (1887) and envisioned these authors as the progenitors of traditional public management. However, we were unable to display the number of citations for these authors for the reason that they dated back before 1955.

When analyzing all the articles, we found to be a consensus on three characteristics that are referred to as traditional public management: task separation, management by rules and a hierarchical structure.

*Task separation* states that public servants should be organized into units based on the activities and responsibilities they perform (Udy 1959; Weber 1922). *Management by rules* implies that a public administration highly values congruency with rules and procedures (Udy 1959; Weber 1922). As a result, the formalization within public organizations is characteristically high. The

underlying idea states that decisions made at high levels should be executed consistently by all other levels (Udy 1959; Weber 1922). *Centralization* refers to the idea that decision making processes are centralized and embedded within a formal hierarchical structure (Andrews et al., 2009).

Traditional public management can thus be defined as a management view that is highly driven by rules and procedures, in which public servants are hierarchically structured into units, based on the activities and responsibilities they perform.

### **New Public Management**

Table 3 gives an overview of the reviewed articles, according to the year of publication, the main author, the number of cites, the name of the journal and the used keyword.

Table 3 Overview of the results from the systematic literature review with regard to NPM

Articles			Concepts								Search data		
N°	Author	Year	Performance management	Management by objectives	Corporatization	Marketization	Decentralization	Privatization	Accountability	Customer focus	Number of cites	Journal	Keyword
1	Hoggett	1991	X	X	X	X	X		X		71	Policy and Politics	New Public Management
2	Hood	1991	X		X	X	X				1125	Public Administration	New Public Management
3	Dolg	1995	X	X					X		19	Public Administration	New Public Management
4	Frederickson	1996	X			X	X			X	74	Public Administration Review	New Public Management
5	Kickert	1997	X		X	X	X		X	X	70	Public Administration	Managementism
6	Terry	1997			X	X					124	Public Administration Review	Neomanagementism
7	Barberis	1998	X		X	X	X		X	X	56	Public Administration	New Public Management
8	Saint-Martin	1998			X						46	Governance	Managementism
9	Kaboollan	1998	X			X	X		X	X	71	Public Administration Review	New Public Management
10	Terry	1998			X	X	X				123	Public Administration Review	New Public Management
11	Box	1999	X			X	X		X	X	93	American Review of Public Administration	New Public Management
12	Maor	1999					X		X		29	Public Administration Review	Managementism
13	Rhodes	1999	X	X	X	X	X			X	0	Public Administration	New Public Management
14	Gow and Defour	2000	X		X	X	X	X	X		29	International Review of Administrative Sciences	New Public Management
15	Denhardt	2000	X	X	X		X	X	X		188	Public Administration Review	New Public Management
16	Green	2002	X		X		X	X			41	Governance	New Public Management
17	Vigoda	2002	X		X	X	X	X		X	114	Public Administration Review	Managementism
18	Bevir	2003	X		X	X	X				103	Public Administration	New Public Management
19	Nicholson	2004				X				X	5	Policy Studies Journal	New Public Management
20	Haynes	2004				X					12	Public Management Review	Managementism
21	Aberbach	2005				X	X		X	X	35	Public Management Review	New Public Management
22	Halligan	2005	X						X		29	Public Administration Review	New Public Management
23	Skelcher	2005	X		X				X		85	Public Administration	Managementism
24	Dunleavy	2006	X			X	X				186	JPART	New Public Management
25	Osborne	2006	X	X	X	X	X		X		103	Public Management Review	New Public Management
26	Ferlie	2006	X			X					5	Public Management Review	New Public Management
27	Chapman	2007	X		X	X	X				25	Public Management Review	New Public Management
28	O'Flynn	2007	X		X	X	X	X			66	Australian Journal of Public Administration	New Public Management
29	Hefetz	2007			X	X		X			54	Local Government Studies	New Public Management
30	Christensen	2007			X	X	X				58	Public Administration Review	New Public Management
31	Bloddeau	2007			X				X		16	JPART	New Public Management
32	Brodick	2007	X					X	X		22	JPART	New Public Management
33	Head	2008	X			X		X			78	Australian Journal of Public Administration	New Public Management
34	Williams	2008	X		X	X			X		11	Public Management Review	New Public Management
35	Stoker	2009	X	X	X		X		X	X	120	American Review of Public Administration	New Public Management
36	Diefenbach	2009	X	X	X	X	X	X		X	42	Public Administration	New Public Management
37	Verschuere	2009			X	X	X				2	Public Management Review	New Public Management
38	Goldfinch	2010	X		X	X	X			X	17	Public Administration	New Public Management
39	O'Reilly	2010			X		X		X		29	Public Administration	Managementism
40	Lodge	2011				X	X				16	Governance	New Public Management
			27	7	25	29	28	12	15	11			

The table clearly shows the article of Hood (1991) is the most influential in terms of amount of citations. The number of cites with regard to this article is noticeably higher in comparison with other articles. This strengthens us in the idea that Hood might be generally seen as one of the originators of the label 'New Public Management'. The table also clearly demonstrates the level of consensus about the designation of this management view. Other queries, such as 'managerialism' and 'neo-managerialism' resulted in few results. In terms of citations, journals such as *Public Administration Review*, *American Review of Public Administration* and *Australian Journal of Public Administration*, although not top rated, were also influential, which is in line with the conclusions of the previous section. This also indicates that the 'jargon' has been more frequently used in these specific journals.

When analyzing all the articles, we found to be a consensus on four characteristics that are referred to as New Public Management: performance management, corporatization, marketization and decentralization. The level of consensus is in line with the characteristics that were discussed in previous section.

*Performance management* includes activities that ensure goals are consistently being met in an effective and efficient manner which can be ensured via instruments such as Key Performance Indicators (KPI's) and the balanced scorecard (Daniels, 2004). *Corporatization* is defined as the efforts that public organizations do to make them operate as if they were private firms (Bilodeau 2006; Brown 2000; Nicholls 1989; Shirley 1999). This is mostly achieved by removing barriers to entry to private firms, by forcing public organizations to compete for finance on an equal basis with private firms (Shirley 1999) and by giving public managers the authority and freedom to conduct their organizations in more effective ways (Verschuere & Barbieri 2009). *Marketization*

refers to the use of market mechanisms in the delivery of public services, for example by contracting-out, which can be realized via compulsory competitive tendering (Rhodes 1999).

*Decentralization*, according to Schneider (2003) encompasses three dimensions, which are fiscal, administrative and political. While the first dimension refers to what extent central governments transfer fiscal authority to non-central governments, the second dimension analyzes the level of autonomy non-central government institutions possess in relation to the level of control they must endure from central government organizations (Schneider 2003). Finally, Schneider (2003, p. 33) defines the third dimension as 'the degree to which central governments allow non-central government entities to undertake the political functions of governance, such as representation'.

NPM can thus be defined as a management view that is highly driven by performance management and that favors decentralization processes, enabled by corporization and marketization.

### **Public Value Governance**

Table 4 gives an overview of the reviewed articles, according to the year of publication, the main author, the number of cites, the name of the journal and the used keyword.

Table 4 Overview of the results from the systematic literature review with regard to PVG

Articles			Concepts							Search data			
N°	Author	Year	Cross-sector collaboration	Intra-organizational cooperation	Networked governance	Public value	Transparency	Multifaced accountability	Active citizenship	Holistic government	Number of cites	Journal	Keyword
1	Boston	1997	X								18	Journal of Policy Analysis and Management	whole of government
2	Breton	1999	X		X		X				47	Public Administration	new public service
3	Denhardt	2000	X					X	X		192	Public Administration Review	new public service
4	Hefetz	2004				X	X				110	JPART	new public service
5	Halligan	2004	X								9	Australian Journal of Public Administration	whole of government
6	Stoker	2006			X	X	X	X	X		123	American Review of Public Administration	public value management
7	Osborne	2006			X						104	Public Management Review	new public governance
8	Dunleavy	2006			X					X	186	JPART	post-NPM
9	Christensen	2007	X			X					26	International Review of Administrative Sciences	post-NPM
10	O'Flynn	2007	X		X	X					61	Australian Journal of Public Administration	public value management
11	Perry	2007			X				X		17	American Review of Public Administration	new public service
12	Warner	2008	X						X		34	Public Administration Review	new public service
13	Alexander	2009	X						X		14	Administration & Society	new public service
14	Rhodes	2009				X				X	2	Public Administration	public value approach
15	Goldfinch	2010	X		X	X			X		17	Public Administration	post-NPM
16	Brainard	2010	X						X		20	Administration & Society	new public service
17	Lodge	2011	X		X	X					15	Governance	post-NPM
18	Overeem	2011				X			X		2	Administration & Society	public value management
19	Veronesi	2011	X	X	X	X					3	Public Management Review	post New Public Management
20	Andersson	2012	X							X	0	Public Management Review	whole of government
21	Klijn	2012	X		X		X	X	X		4	Policy and Politics	new public governance
22	Meynhardt	2012			X	X					1	JPART	public value management
23	Shaw	2013		X	X	X		X	X		0	Public Management Review	public value management
24	Bryson	2014		X	X	X		X	X		0	Public Administration Review	public value governance
25	Dahl	2014				X					2	Public Administration Review	public value governance
			14	3	13	13	4	5	11	3			

The table demonstrates that most cited articles were published in top rated and lower rated journals as well. The average number of citations is lower when comparing with traditional public management and NPM which can be explained by the fact that PVG is a rather new study-field, which implies that articles with regard to PVG got less time to be frequently cited. When time evolves, there does not arise any consensus about naming this management view. Moreover, the most frequently cited articles point towards different labels such as the new public service, public value management, new public governance and post-NPM. This trend is also visible within the journals, in which there is no consistency about using a similar name. Consensus is fairly limited when comparing with the other studied management views. This can also be explained by the fact that PVG is a rather new field of study so that the scientific community yet did not get the opportunity to converge to a consensus about defining this theory. This also applies for the concepts within the table: we found only weak consensus among the articles about the characteristics of PVG. When further discussing PVG in this paper, we refer to the characteristics cross-sector collaboration, networked governance and public value.

*Cross sector collaboration.* This involves the establishment of public private partnerships and the building of coalitions of public and nonprofit agencies (Denhardt & Denhardt 2000). However, collaboration is often hampered for several reasons. First, a public servant's efforts to build trust can be undermined by the turbulence of new elected government and politicians that take populist decisions (Alford 2008b). Second, it can be largely complicated by intergovernmental complexity that obliges the public servant to serve organizational imperatives (Alford 2008b).

*Networked governance,* according to Stoker (2006), refers to the vision the 'state should steer society in new ways through the development of complex networks and to the rise of more

bottom-up approaches to decision making' (p. 41). Moreover, it refers to the trend to include a wider range of participants in decision-making processes for the reason that they are seen as legitimate members of these processes within contexts of considerable uncertainty and complexity (Stoker 2006). While cross sector collaboration merely refers to the practical interpretation of collaboration, networked governance merely refers to the belief that a public organization that includes and integrates its various stakeholders will likely lead to the best results.

*Public value.* Jorgensen and Bozeman (2007) categorize public values according to seven constellations, which are the public sector's contribution to society (such as social cohesion), transformation of interests to decisions (such as citizen involvement), relationship between public administrators and politicians (such as accountability), relationship between public administrators and their environment (such as responsiveness), intraorganizational aspects of public administration (such as innovation), behavior of public-sector employees (such as professionalism) and the relationship between public administration and the citizens (such as responsiveness). According to PVG, public organizations should merely contribute to the fulfillment of public values instead of being compliant with existing procedures or the fulfillment of preconceived targets.

PVG can thus be defined as a management view that is characterized by networked governance, enabled by cross sector collaboration and that highly values the creation of public value.



## **DISCUSSION**

### **Fault Lines Between the Management Views**

The findings of the literature review suggest consensus among ten characteristics: centralization, decentralization, networked governance, task separation, corporization, marketization, cross sector collaboration, management by rules, performance management and public value. However, these characteristics can be logically clustered according to the level of the organizational culture. Schein (1992) distinguishes three layers with regard to the culture of an organization, which are artefacts, espoused values and basic underlying assumptions. Artefacts are described as the visible organizational structures (design), while espoused values are about the strategies and goals of the organization (strategy) (Schein 1992). Conversely, the basic underlying assumptions are unconscious and refer to the taken for granted beliefs (beliefs).

This distinction is also visible among the characteristics we discussed during the literature review. Characteristics of centralization, decentralization and networked governance refer to unconscious, taken for granted beliefs from how a public organization should be ideally organized and therefore refer to the basic underlying assumptions. However, the characteristics management by rules, performance management and public value refer to the central goals of an organization and to the strategies how these goals should be achieved. These characteristics therefore refer to the espoused values of the organizational culture. Finally, task separation, corporization, marketization and cross sector collaboration refer to characteristics which are visibly embedded in the organizational structure and therefore refer to artefacts. Although these

three types of clusters relate to one another, they represent fault lines with regard to the level of organizational culture. Next sections discuss these fault lines in more details.

Table 5 shows an overview of the key fault lines between the management views and links these findings with the ones of our literature study. Each of these fault lines results in three dimensions (underlined), which, in turn, are concretized by one or more characteristics.

Table 5 Fault lines between traditional public management, NPM and PVG

Organizational level of analysis	Traditional Public Management	New Public Management	Public Value Governance
Beliefs	<u>Control</u>	<u>Competition</u>	<u>Collaboration</u>
	Centralization	Decentralization	Networked governance
Design	<u>Specialization</u>	<u>Delegation</u>	<u>Participation</u>
		Corporization	Cross sector collaboration
		Marketization	
Strategy	<u>Processes</u>	<u>Outputs</u>	<u>Outcomes</u>
	Management by rules	Performance management	Public value

### ***Beliefs: Competition vs. control and collaboration***

Beliefs refer to the most abstract level within an organization, more precisely they refer to the human nature that public servants share towards reality. Within an organization, public servants could be convinced that a certain organizational design could be preferable while other organizational designs might find less support. However, as will be later discussed, the actual organizational design might deviate from this belief. For example, on the one hand, personnel could argue that managers will lead the organizational members towards a shared and well-defined organizational aim. By doing so, they share a large confidence in their managers and are sensible towards the hierarchical structure within an organization. On the other hand, personnel could acknowledge that managers are mostly driven by self-interests, which implies that they potentially take decisions that might not be beneficial for the entire organization. As a result, in order to counterbalance these issues, one could be convinced to look for expertise that is found on external markets which are mainly driven by competition. However, from a third point of view, one can believe that the knowledge that is necessary to solve complex problems is not limited to a single organization and can thus be only sufficiently approached from a perspective that values cooperation amongst various stakeholders. These views will be further discussed below.

According to Williamson (1975), when prices fail to accurately convey the efficient allocation of goods and services, *control*, meaning the internal organization, may be the superior mode of allocation. Although markets and the formal organization are alternate modes to ensure an efficient exchange, depending on environmental and individual contingencies the one or the other mode should get prevalence (Ouchi 1977; Williamson 1975). However, with regard to

traditional public management, there is an underlying belief that *control* should be the best alternative for the reason that this mode guarantees the greatest chances on effective control, which, in line with traditional public management, should also result in the best performance (Albrow 1970; Barzelay 1992; Lynn 2001). According to Powell (1990), the hierarchical structure imposes 'clear departmental boundaries, distinctive lines of authority, detailed reporting mechanisms and formal decision making procedures' (p. 303). On the contrary, NPM advocates the underlying assumption that the *competition* should be the prevalent choice to ensure the highest efficiency gains and therefore it strongly embraces concepts such as marketization and corporization (Christensen 2006b; Denhardt & Denhardt 2000; Frederickson 1996; Gow 2000; Kudo 2003; Lapsley 1999; Osborne 2006; Rhodes 1999; Shirley 1999; Terry 1998). According to Powell (1990), 'in market transactions the benefits to be changed are clearly specified, no trust is required, and agreements are bolstered by the power of legal sanction. Moreover, markets offer choice, flexibility and opportunity' (p. 301-2).

However, Powell (1990) adds an extra mode, which we refer to as *collaboration*, enabled by trust (Klijn & Koppenjan 2012). Within this network form of organization, means of communication are purposely relational, the normative basis focuses on complementary strengths and the climate is primarily open-ended (Powell 1990). Information passed through networks is 'thicker' than information obtained in the market and more freely than communicated in a hierarchy (Kaneko 1987). Reciprocity is hereby crucial for the reason that it is enhanced by taking a long long-term perspective, which contributes to trust, while it reduces complexity in a far more effective way than could be achieved via prediction, authority or bargaining (Powell 1990). PVG, which is mainly rooted within organization sociology and network theory, according to Osborne (2006), departs

from 'the increasingly fragmented and uncertain nature of public management in the twenty-first century' (p. 382) and thus merely aligns with the network form of organization.

As such, we state that traditional public management, NPM and PVG differ considerably for the reason that the ideas that shape the underlying beliefs are based upon diverging viewpoints. While traditional public management favors control, NPM values competition, while PVG is based upon principles that align with collaboration.

***Design: Specialization vs. delegation and participation***

This section refers to what we call 'design' by which we understand the actual organizational structure, depending on the management view.

*Specialization* hereby refers to task separation. Tasks are understood as the essential functions to develop, manufacture, provide, market and finance a good or service (Mullins 2005; Woodward 1958). Separation or specialization<sup>2</sup> refers to the condition in which components of a work process are divided into various minute tasks (Newell 1981; Taylor 1911a, 1911b). Task separation is high when only a limited number of these tasks are assigned to an individual job (Daft 2004; Staats 2010; Stoner 1996).

Within the management view of NPM, organizational design is built around processes of *delegation* which is ensured by characteristics such as corporization and marketization. Processes

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<sup>2</sup> Although some authors make a distinction between specialization and separation, these concepts are strongly interrelated for the reason that a high specialization mostly implies a high level of task separation.

that earlier took place at the central government, now become delegated towards autonomous agencies and subnational governments (Eberlein & Grande 2005).

According to Simmons (2005, p. 261), *participation* shapes better-informed decisions and ensures that a public administration's limited resources meet service user's priorities and should therefore also contribute to a better performance. Moreover, participation may be seen as a way to help draw a balance between the desire of devolved agencies for autonomy and the need for them to maintain their credibility and legitimacy with the public for managing public services (Simmons 2005). However, participation has been practically achieved by enhancing and incentivizing cross sector collaboration, such as the establishment of public private partnerships. Participation has been considered to be a noteworthy characteristic of networked governance (Brainard & McNutt 2010; Sorensen 2009; Warner 2008).

As such, we state that traditional public management, NPM and PVG differ considerably for the reason that they favor a different organizational design. While traditional public management focuses on specialization by clustering public servants with similar tasks in a same working space for instance, NPM merely concentrates on delegation, by contracting out cleaning services for instance while PVG favors participation by the set-up of public private partnerships (PPPs) for instance.

### ***Strategy: Processes vs. outputs and outcomes***

This section refers to what we call 'strategy' by which we understand how organizational goals and strategies are defined, depending on the management view.

*Processes* describe the working procedures and activities how a certain task should be achieved (Boddy 2002). Mandl (2008) makes a distinction between outputs and outcomes. *Outputs* refer to the results of the achievement of a political program for instance (Mihaiu et al. 2010). *Outcomes*, however, refer to the *effects* resulted from the implementation of a program (Mihaiu et al. 2010). In this sense, outcomes serve a broader objective than outputs.

As stated earlier, traditional public management strongly relies on rules and procedures (Albrow 1970; Peters 2001; Selznick 1943; Udy 1959; Weiss 1983; Wood 1994). This management by rules approach should ensure that public organizations perform well, because success is defined as being compliant with preconceived norms and procedures (Albrow 1970; Olsen 2004; Peters 2001; Selznick 1943; Udy 1959; Weiss 1983). As such, traditional public management is mainly process-oriented because it highly values the working procedures and activities that should be performed in order to accomplish any tasks (Boddy 2002).

By contrast, NPM values systems of performance management that should ensure output (Denhardt & Denhardt 2000; Dunleavy et al. 2006). NPM therefore rather advocates results than rules (Kudo 2003) and highly values efficiency in a strict economic sense (O'Flynn 2007).

Conversely, PVG criticizes NPM for defining performance in terms of output too narrow (O'Flynn 2007). As an alternative, it proposes a shift towards outcomes (Goldfinch & Wallis 2010; Kelly 2002; O'Flynn 2007; Stoker 2006), which should enable public administrations to effectively steer towards the fulfillment of public values, instead of quantifying outputs (Moore 1995; Stoker 2006).



As such, we state that traditional public management, NPM and PVG differ considerably for the reason that the concepts that define organizational performance are based upon diverging viewpoints. While traditional public management equals control as being compliant with processes which must be ensured by systems that promote management by rules, NPM equals control in terms of outputs which must be ensured by performance management systems, while PVG defines control in a broader sense of outcomes, more specifically as the formation of public value.

Taken together, traditional public management is characterized by a belief in control as the ideal mode to steer public servants, which focuses on specialization by task separation and equals control in terms of processes and management by rules (Gualmini 2007; Mitzman 1969; Udy 1959; Weber 1922; Weiss 1983; Wilson 1887). Additionally, within the management view of New Public Management, competition is the ideal mode to transfer goods and services and corporization and marketization are highly valued, while a design of delegation is ensured by decentralization and by viewing control in terms of outputs, which is enabled by systems of performance management (Christensen 2009; Diefenbach 2009; Dunleavy et al. 2006; Halligan 2006; Rhodes 1999; Zafra-Gomez et al. 2013). In contrast, within the management view of PVG, collaboration is the ideal mode to approach complex problems, participation is enabled by cross sector collaboration and control focuses on outcomes, more specifically by the creation of public value (Bozeman 2007; Bryson et al. 2014; Christensen 2009; Fisher 2014; Moore 1995; Stoker 2006; Williams & Shearer 2011; Zafra-Gomez et al. 2013).

## Hybrid Contingencies

Within the scope of this paper, when mentioning 'hybrid', we refer to the public organization as an organization that combines different institutional logics that are largely shaped by different management views. Hybrid organizations will emerge as soon as one or more dimensions of the diverse management views become embedded. Figure 3 gives an overview of the hybrid dimensions within a public organization in relation to the external contingencies that assumed to influence the sort of hybrid configuration.

Figure 3 Dimensions of the hybridity-cycle

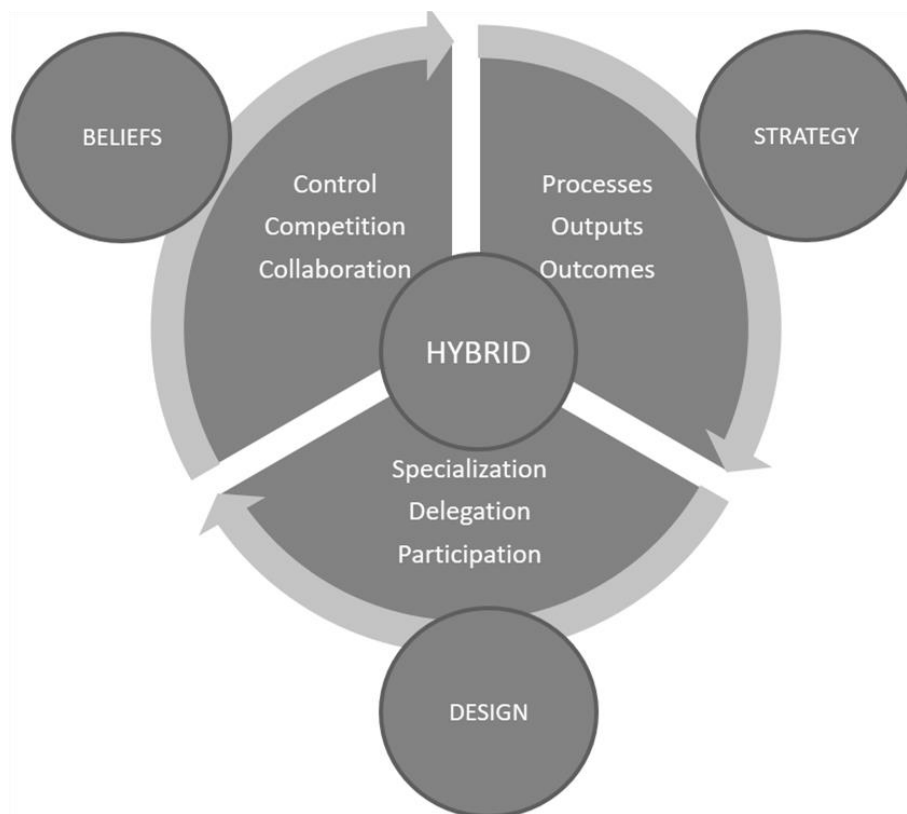


Table 6 illustrates that the extent of hybridity might vary. Configurations can be non-hybrid (level 1), configurations can be entirely hybrid (level 3), which means that they combine a dimension

that is consistent with each of the researched management views and configurations can be partially hybrid (level 2) when they combine a dimension of one management view with two of another view. Note, however, that these configurations are solely theoretical.

Table 6 List of hybrid configurations

Hybrid configuration	Beliefs	Design	Control
<b>LEVEL 1</b>			
Non-hybrid	X	X	X
<b>LEVEL 2</b>			
Partially hybrid, TPM dimensions dominating	X	O	O
Partially hybrid, NPM dimensions dominating	O	X	O
Partially hybrid, post-NPM dimensions dominating	O	O	X
<b>LEVEL 3</b>			
Fully hybrid	X	O	Δ

The sort of hybrid configuration a public organization will adopt might depend on various reasons. Following the contingency theory, there is no best way to manage an organization. Instead, the optimal course of action might be dependent upon the internal and external situation (Scott 1981; Woodward 1958). One of the most promising contingencies can be found in tight coupling (Lee 2009). Tight coupling refers to a context in which an organization is characterized by (1) the existence of rules, (2) agreement on the rules, (3) system for compliance and (4) feedback to improve compliance (Weick 1982).

Consider two independent public organizations that might decide to cooperate on an equal level. Organization A that is based upon an organizational design, following specialization, while organization B is based upon an organizational design, following delegation. Furthermore, consider public organization A and B to be non-hybrid so that organization A also controls for

procedures and views the hierarchy as the ideal way for transacting, while organization B controls for outputs and views the market as the ideal way for transacting. However, cooperation might become hampered for the reason that the communication flow between the two organizations is based upon different principles: while organization A is managed by rules, organization B is managed by performance targets. While organizational success within organization A for a common project is reached when consistency of and compliancy with rules and procedures is being met, there is no guarantee that organizational success following the performance management systems within organization B is reached as well.

Therefore, both organizations might decide to share parts of the organizational design or how they define organizational success or failure so that the cooperation between the two organizations might run in a more efficient way. As such, we assume that processes of isomorphism might take place between two organizations that work together on an equal level (DiMaggio 1983). Within our example, we discussed two public organizations. However, we are convinced that the illustration is also applicable to partnerships between a public organization on the one hand and a private organization on the other hand, such as the set-up of a public private partnership. Finally, this leads towards the following proposition:

*P1: When public organizations decide to cooperate on an equal level, isomorphic processes will lead the public organizations towards hybridization so that the cooperation can be more efficiently managed*

Previous example assumed that two organizations were working together on an equal basis. However, within reality, it frequently occurs that lower governments, such as municipalities for

instance, receive instructions from higher governments so that these lower governments have no other choice than implementing these instructions within the organization.

This might result in two potential problems. On the hand, the lower government, depending on the speed of implementation, might not receive enough time to align the different dimensions with one another. As a result, dimensions with regard to the organizational structure or the way how control systems are being effected might be only superficially implemented, while, on the other hand, 'beliefs' within the organization are still in full transition. This specific example considers hybridity to be temporary until a 'normalized' situation of non-hybridity is reached again. On the other hand, because the lower government has no choice than applying these dimensions, agreeing or disagreeing, the lower public organization might behave skeptic so that implementation might provoke organizational resistance. Depending on the power of the higher government, the lower government can chose to only integrate parts of the program within the organizational design, while still focusing on procedures for instance. However, when the power of the higher government is solid, the only way how the lower government can resile, is by avoiding that the beliefs within the lower government become transformed as well. Within this example, hybridity is more structural.

The mechanism behind the tensions that are produced by competition amongst organizational relations in which one organization is inferior to another organization, is called selective coupling. Selective coupling is described by Pache and Santos (2013) who found that 'instead of adopting strategies of decoupling or compromising, as the literature typically suggests, organizations selectively coupled intact elements prescribed by each logic. This strategy allowed them to

project legitimacy to external stakeholders without having to engage in costly deceptions or negotiations' (p.973).

*P2: When public organizations work together on a non-equal base, the use of selective coupling mechanisms by the lower public organization will lead the public organization towards hybridization in order to manage the transition, induced by the higher public organization or as a way of organizational resistance towards change*

External contingencies are dynamic. As a result, the sort of hybrid configuration and level of hybridization might also change in time. A public organization that is presently mainly characterized by forces of cooperation with other organizations and that accordingly drive the public organization towards hybridity, within the future might be characterized by forces of competition that might induce organizational resistance to change. This leads to the following proposition:

*P3: For the reason that external contingencies can change in time, hybridity within a public organization is a dynamic process. As a result, a public organization today might be non-hybrid, while it might become partially or fully hybrid on the longer term*

## **CONCLUSION**

Within this paper, we were able to define and conceptualize hybridity within public organizations from a none analytical perspective. More specifically, we envisioned hybridity as the combination of competing institutional logics that are shaped by conflicting managerial views, which better aligns with processes that take place amongst numerous public organizations. Furthermore, we

identified external contingencies that could induce hybridity within a public organization and developed a number of propositions which are subject to further empirical research.

However, research and preliminary findings presented in this article are subject to limitations. We envisioned the key research questions mainly from a conceptual, theoretical view. As such, this paper calls for further empirical research and must be considered as a conceptual and preliminary study. Furthermore, theoretical findings are largely based upon a literature review that mainly focused on international journals, which might result in bias.

This paper is subject to several avenues for further research. First, further research is needed in to find empirical evidence for the theoretical hybrid configurations and the hybrid contingencies we identified. Second, in a further stage of research, the link between the level of hybridity, the sort of hybrid configuration and organizational performance should be further studied. Third, more research is needed to determine if and how hybridity within a public organization changes within time. Fourth, the cultural context might favor different forms of hybridization.

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## **CHAPTER 3 HOW INSTITUTIONAL CHANGE INDUCES HYBRIDITY: Evidence from a Multiple-case Study among Local Administrations in Belgium**

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### **ABSTRACT**

Literature claims that numerous public organizations today are behaving as hybrids. Hybridity is argued to be caused by competing institutional demands which drive public organizations to combine various institutional logics. Yet, the main antecedents of hybridity so far have been not been fully empirically scrutinized, as being illustrated by the seminal work of Pache & Santos (2013). Authors such as Dacin et al. (2002) and Skelcher & Smith (2015) consider hybridity to be the result of institutional change, which incentivizes public organizations to combine 'old' and 'new' institutional logics simultaneously, ensuring their legitimacy. This study elaborates prior insights by analyzing the different strategies organizations employ in response to institutional changes and by examining what drivers caused the implementation of these different strategies. Findings are based on interviews with general directors among fourteen local administrations in Flanders. Each of these organizations were exposed to the same exogenous institutional shock, in which the Flemish government imposed local administration to integrate the social welfare institution and the local municipality, which pursue very distinct institutional logics. The study confirms that organizations employ different strategies in attempts to cope with the same institutional shock, ranging from segmentation to segregation and assimilation (Skelcher & Smith 2015). Furthermore, based on abductive reasoning the study reveals different potential mechanisms that explain why and how organizations pursued different strategies in attempts to cope with this institutional shock.

*Key words: Institutional change – Hybridity – Institutional logics*



## INTRODUCTION

The institutional context which profoundly affects the ways how public organizations are being steered and structured has undergone substantial changes, gradually increasing levels of institutional complexity. Christensen & Lægreid (2011) in this respect argue that this shift in institutional complexity has been caused by subsequent generations of public sector reforms. Yet, these reforms often reflected conflicting institutional demands. For instance public organizations needed to improve their overall efficiency while bureaucratic rules and procedures proved to be persistent, impeding organizations from actually increasing their efficiency (Light 1997; Lynn 2006). Public organizations in their attempts to deal with the tensions stemming from conflicting demands employed different strategies, resulting in the simultaneous co-existence of different logics which caused hybrid forms to emerge (Pache 2011; Mair, Mayer, and Lutz 2015).

The body of literature about hybridity has been steadily growing last years: a query in Web of Science showed an increase from 135 articles in 2007 to 210 in 2017. Furthermore, numerous high-impact journals, both in the research field of public administration and management, such as *Public Administration* and *Journal of Management Studies* recently announced specific calls to address this phenomenon. But not only in academia the appeal of hybridity proved to be enduring, also communities of practice rapidly embraced hybrid forms, materialized in Public Private Partnerships (PPPs) for instance which pursue both private and public characteristics. Although the effects of hybridity have not been studied in detail, hybridity has been found to potentially affect an organization's transparency, accountability, legitimacy and performance (Pache 2011; Conaty 2012; Aris Komporozos-Athanasiou 2015; Weißmüller et al. 2018).

To date, literature lacks a clear understanding about the main antecedents that drive organizations to hybridity, despite numerous explicit calls (see for instance Pache & Santos 2013 and Skelcher & Smith 2015). Consequently, the current discourse addressing the main antecedents of hybridity is incomplete at best. Yet, a more profound understanding is requisite for two reasons. First, it enables both researchers and practitioners to more effectively foresee and anticipate hybridity. Second, in their attempts to deal with institutional changes, organizations might embed different strategies, resulting in different hybrid forms.

This article aims to answer these calls by conducting a multiple case-study in which public administrations in Flanders were exposed to the same regulatory shock, i.e. the integration of the former municipality and social welfare institution.

## **THEORY**

### **Hybridity**

Hybrid templates mostly depart from the juxtaposition of two extreme institutional logics such as academic versus business logics, social versus commercial logics or public versus private logics (Battilana & Dorado 2010; Doherty, Haugh, and Lyon 2014; Ute 2015). Hybridity is then described as mixed forms of these extreme logics. This stream of research, greatly influenced by authors such as Pache (2011), Mair, Mayer, and Lutz (2015) and Ramus (2016) is largely inspired by the New Institutionalism and departs from the dynamic aspects of hybridity (Wiesel 2014). Skelcher & Smith (2015) in this respect refer to the Institutional Logics Approach (ILA). In this view, hybrid organizations attempt to respond to conflicting institutional demands by simultaneously

implementing opposing institutional logics to ensure legitimacy. Institutional logics are defined as institutional forces that determine how organizations should be structured, how they should be steered and how they should be controlled (Bacharach & Mundell 1993). Interestingly, despite the general idea that hybridity refers to a new research phenomenon, Selznick (1957) already raised the question how organizations could cope with very distinct visions which suggests that hybridity is rooted in much older theoretical debates.

Yet, other streams of research, largely influenced by transaction cost theory tend to envision hybridity as an organizational state. In this view, hybridity refers to intermediate organizational forms between the central market and hierarchy position, as being argued by Williamson (1996). Hitherto, this framework, as described by Skelcher & Smith (2015) causes some fundamental problems such as the supposition that the majority of empirical cases will de facto hybrids. Other critiques, raised by authors such as Brandsen (2006), Wiesel (2014) and Bardach (2015) hold that the underlying dynamic aspects and strategic relevance of hybridity in this view remain neglected. Furthermore, this stream of research tends to envision hybridity as a temporary artificial state, which is not in line with empirical findings suggesting hybrid forms to be much more enduring (Kirkpatrick & Ackroyd 2003).

Clearly, the ILA-approach substantially entered the research field of public administration since public administration scholars have been traditionally inspired by institutional theory (Six 2016). This study therefore also takes the ILA-approach as the starting point by envisioning hybridity as the result from the simultaneous combination of different institutional logics.

## Institutional Logics

Literature distinguishes between numerous different institutional logics which determine how public organizations should be structured, how they should be steered and which have a profound effect on the organizational culture. The amount of literature scrutinizing each of these logics is substantial (for a detailed overview see for instance Dunleavy & Hood 1994, Bryson et al. 2014 and De Waele, Berghman and Matthyssens 2015). Yet, we will focus on the logics that are mostly relevant to describe the organizations within our sample, i.e. (1) the bureaucratic logic and (2) the social welfare logic. The analysis of these logics builds further on prior insights from Powell (1990), Pache & Santos (2012) and De Waele, Berghman and Matthyssens (2015). Table 7 gives an overview of the main characteristics of each of these logics.

Table 7 Dimensions of the bureaucratic and social welfare logic

<b>Dimension</b>	<b>Bureaucratic Logic</b>	<b>Social Welfare Logic</b>
Means of communication	<i>Routines</i>	<i>Relational</i>
Methods of conflict resolution	<i>Administrative fiat, supervision</i>	<i>Norm of reciprocity, reputational concerns</i>
Degree of flexibility	<i>Low</i>	<i>Medium</i>
Amount of commitment among parties	<i>Medium to high</i>	<i>Medium to high</i>
Climate	<i>Formal, bureaucratic</i>	<i>Open-ended, mutual benefits</i>
Actor preferences	<i>Dependent</i>	<i>Interdependent</i>
Organization's focus of attention	<i>Citizens</i>	<i>Social employees</i>

Production	<i>Specialized services</i>	<i>Social services</i>
Control mechanism	<i>Bureaucratic control</i>	<i>Democratic control</i>
Goal	<i>Compliance with rules and procedures</i>	<i>Social objectives</i>

### ***Bureaucratic Logic***

The primary target groups of bureaucracies are ordinary citizens. Products and services within these organizations are typically highly specialized, ranging from distributing passports and death certificates to processing planning permissions and collecting taxes. The components of the work processes are divided into various minute tasks so that only a few number of these tasks are assigned to an individual's job, ensuring that services can be carried out on a routine basis (Taylor 1911; Daft 2004). Bureaucratic control (e.g. *management by rules*) is the appropriate way to monitor strategy and operations which translates in the appraisal of detailed reporting systems and prescribed decision making procedures (Powell 1990). The overall goal of organizations pursuing the bureaucratic logic is to ensure that rules and procedures are being consistently met (De Waele et al. 2015).

The strength of the bureaucratic logic is its reliability (its capacity for producing large numbers of goods or services of a given quality repeatedly) and its accountability (its ability to document how resources have been used). Relationships within bureaucracies matter but intra organizational exchanges are most strongly shaped by one's position within the formal hierarchical structure. Intraorganizational communication takes place among parties who generally know one another.

The visible hand of management within bureaucracies supplants the invisible hand of the market in coordinating supply and demand (Powell 1990).

Local municipalities strongly rely on these bureaucratic logics, examples being detailed order procedures which stipulate that orders have to be signed by the head of the department, the alderman and the Secretary. The power distance within the organization is typically high, suggesting a hierarchical organizational structure. The management team is responsible to set out the mission of the organization and is composed by the head of the different departments. Yet, only members of the management team are involved in setting out the organization's strategy.

### ***Social Welfare Logic***

Contrary to the bureaucratic logic, the primary target groups of social welfare institutions are people with a background of social complications or social exclusion such as physically disabled persons, unemployed or sick people or people that stay in debts. Products and services are highly personalized and adapted to local social needs and include services such as debt mediation, service assistance and social housing. Clients are perceived as unique individuals who benefit from tailor-made solutions. Rules and procedures are important but only to an extent where they are sensible to the client. The overall goal of organizations pursuing social welfare logics is thus to offer support to people who are in social needs (Pache & Santos 2012).

According to the social welfare logic, the preferred option is often one of creating indebtedness and reliance over the long haul. Transactions occur through networks of individuals engaged in

reciprocal, preferential, mutually supportive actions. Relationships are based upon reciprocity and mutual trust and take considerable effort to establish and sustain. Individual units exist not by themselves but in relation to other units. The basic assumption is that one party is dependent on resources controlled by another and that efficiency-gains are enabled by the pooling of resources. The entangling strings of reputation, interdependence, and altruism become integral parts of the relationship. Complementarity and accommodation are the cornerstones of successful production networks (Powell 1990).

The organizational culture within these organizations is typically informal and the organization has been structured in a rather flat way, resulting in an overall low power distance (De Waele, Berghman and Matthyssens 2015). The political influence within these organizations is typically limited in order to prevent the organization from being subject to clientelism.

### **Institutional Change**

Institutional changes in the public sector, according to Dacin et al. (2002) and Currie (2009) arise from perceived problems in performance levels or from shifts in the interests and underlying power distributions. These drivers of institutional change have a profound effect on the rules and processes that govern relationships between organizations, the public, and other organizations (North 1990; Ostrom 1990).

The body of literature that links institutional change with hybridity has been steadily growing (Seo & Creed 2002; Skelcher & Smith 2015). Yet, Meyer & Rowan (1977, p. 341) already argued that organizations in their attempts to cope with conflicting institutional demands and in search of

external support and stability incorporated incompatible structural elements. Authors such as Lounsbury (2002) and Thornton (2002, 2012) advanced these insights by arguing that during transition phases, organizations showed the tendency to embed new and old institutional logics simultaneously to ensure legitimacy. These findings also resonate with seminal work from D'Aunno, Sutton, and Price (1991) who described how institutional change and conflicting demands from mental health centres and drug abuse treatment eventually resulted in hybridity. Yet, also leaps in technological capabilities cause institutional changes, driving organizational forms to drift together, as being found by Haveman (2006).

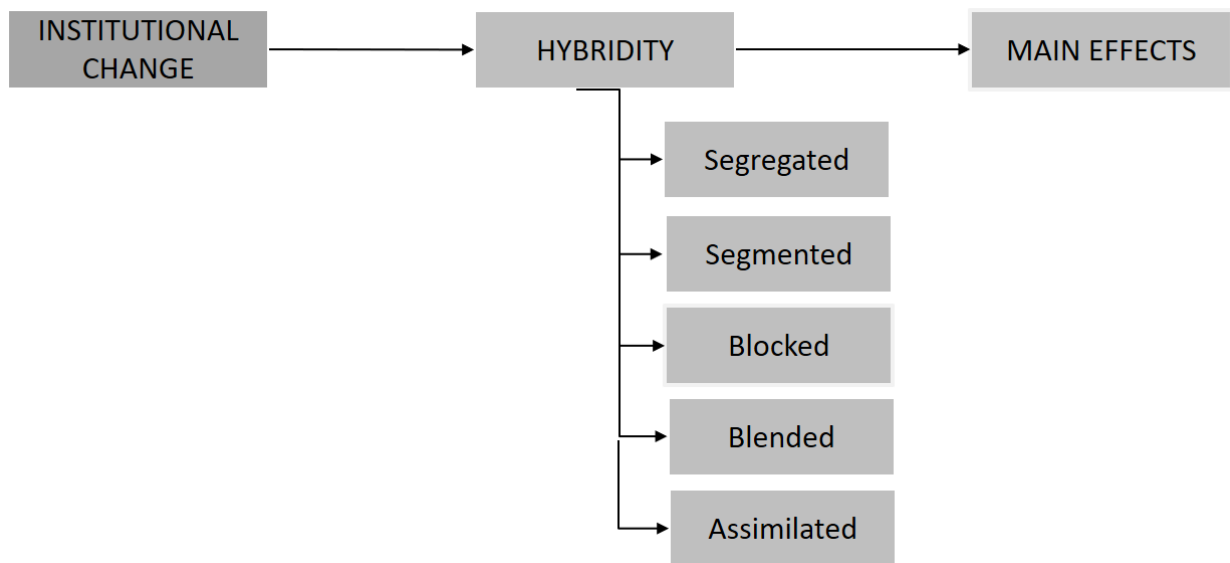
Logically, almost every organization is continuously subject to change-processes and it could be argued that every organization is therefore continuously in transition and thus hybrid. However, not every change might be substantial enough in order to cause different institutional logics to drift together (Douglass 1990; Dacin et al. 2002; Currie 2009). Hannan & Freeman (1984) in this respect distinguish between *core* and *peripheral* change. Peripheral changes may enhance performance credentials and do not fundamentally affect the legitimacy of the organization, examples being changes to the unit design or communication pattern. The contrary holds for core changes because they concern major shifts in the identity of the organization and affect the organization's legitimacy such as a fundamental reorientation of the authoritative structures, strategies or competitive objectives. Consequently, this article centralizes the effects of core institutional change on hybridity.

Yet, public organizations being exposed to similar institutional shocks might pursue different strategies in response to these changes. As a result, our main aim is to gain more insights in the



underlying drivers and potential interrelations between these different strategies. Our analysis starts from the following conceptual framework, which combines deductive insights from the former literature review. According to the framework, public organizations in response to institutional changes might use segregated, segmented, blocked, blended or assimilated strategies (Skelcher & Smith 2015). Yet, at the moment, it remains unclear what the main effects of these strategies will be like.

Figure 4 Deductive conceptual framework



## METHODS

### Research Setting

Data was collected between August – November 2018. The research was conducted in Flanders (Belgium). Flanders counts 308 municipalities and an equal amount of social welfare institutions (frequently abbreviated as OCMW, *Openbaar Centrum voor Maatschappelijk Welzijn*).

Municipalities were traditionally responsible for *administrative activities* (such as urban planning and issuing identity or civil status documents), *administrative affairs* (such as finance and policy preparation) and *territory matters* (such as green space maintenance and road maintenance). The OCMW was founded in 1925, following a law entitled '*Commissie voor Openbare Onderstand*' which constrained each municipality to install an institution which had to offer aid to needy people, including elderly care, hospital care, guardianship over poor orphans and abandoned children. As a result, while the municipality traditionally focused on varying responsibilities and all sorts of residents, the activities of the OCMW merely focused on poverty-reduction among needy people.

The Flemish government in the government statement of 2014 intended to integrate the social welfare institution and the local municipality, envisioning to enhance efficiency by pooling resources and to increase effectiveness by an improved coordination of the public services offered. Although the general idea of more integration between these organizations was nothing new, both institutions were traditionally structured as two separate entities (legal as well as political and administrative), with their own staff, human resources policy, management team and political representatives. The attempts to integrate both institutions resulted in the Local Governing decree, approved by the Flemish government in February 2018, six months before local elections would take place. Yet, the decree was characterized by a bumpy ride since the legal personality of social welfare institutions in Belgium has been administered at the federal state-level, implying that a 'full' integration of the legal personality of the social welfare institution would require a 2/3<sup>rd</sup> majority consent at the federal state-level. However, the Flemish government was unable to get this consent so that integration of the legal entity failed, resulting

in a partial integration that was limited to the political and administrative level, while both institutions from a legal perspective would remain two different entities. Still, the integration of the political and administrative entities has meanwhile been accomplished and is already being perceived as one of the most substantial institutional changes among local administrations within the last 30 years.

Yet, social welfare institutions and municipalities historically have been steered according to distinct traditions. For instance, the main aim of social welfare institutions is to fight and reduce poverty and inequality by pursuing explicit social objectives. The organigram of these organizations is typically flat, rules and procedures are less strictly interpreted and the influence of elected officials is fairly limited. The local municipality, however, is being steered following the 'alderman-model' (*schepenmodel*) in which elected officials exert a rather large political influence. Furthermore, the organigram within these organizations is rather pyramidal and compliancy with rules and procedures has been perceived as merely restrictive. Moreover, from a historical viewpoint, municipalities often showed the tendency to 'outsource' poverty and socially-related problems to the social welfare institution as they were primarily held accountable to engage in social affairs and for the reason that municipalities had to focus on many other, non-social related objectives as well.

Each of these organizations has been headed by a Secretary who has been responsible for leading the administrative staff and executing the policies being carried out by elected officials. However, the Local Governing decree stated that due to August 1<sup>st</sup> 2018 the newly integrated administration should appoint a general director, implying that a great majority of

administrations in practice now had to select one out of the two former Secretaries in cases when both of them applied. To complicate things, both Secretaries were entitled by law to remain in function which resulted in a lot of tensions among the integrated local administrations, forcing many administration to be creative with the new legislation. In order to reduce potential frictions between the two former Secretaries, the Local Governing decree stipulated that both the general director and Secretary who was unable to successfully apply for the position as general director would get a 30% salary-increase. Yet, many organizations perceived this 30% salary-increase of the former Secretary as unfair for the reason that (s)he actually did not get more responsibilities compared to the general director. To complicate things, new elections already took place in October 2018 so that many organizations now had to deal with major changes and uncertainties at the administrative level, shortly followed by a phase of political discontinuity.

Furthermore, there was a lot of consternation about the interpretation of the decree since it clearly stipulated that the social welfare institution should have been integrated *within* the municipality, feeding the perception among former employees of the social welfare institution that the organization was becoming victim from a hostile takeover. Unsurprisingly, at least the mode of operation of the integration was criticized a lot, by both academics and practitioners.

The aim of the case is fourfold: (1) to exemplify how institutional change induces hybridity, (2) to study the strategies the organizations employed in order to cope with the aforementioned challenges, (3) to analyse which underlying mechanisms had an effect on the use of these strategies and (4) to gain more insight in the main effects of these strategies.

## **Research Design**

The findings of this study are based on a multiple-case study, in which the selected organizations were all exposed to the same exogenous shock, i.e. the integration of the social welfare institution and municipality. Consequently, the organizations within our sample underwent the same treatment (DiNardo 2016). As a result, potential variations among the different institutional responses could be more effectively studied by focusing on endogenous instead of external characteristics (Dunning 2018).

Data has been collected by means of semi-structured interviews (19 in total, distributed among 14 organizations) and was approved by the ethics committee of the University (EASHW). The goal of the study is to create a set of usable propositions (Eisenhardt 1989). Reasoning is based upon the DIA approach proposed by Åsvoll (2014) which implies that construction and analysis of the data starts with deduction, followed by induction and abduction. More specifically, according to this approach, researchers rely on pre-defined theoretical frameworks (deduction, being illustrated by Figure 4) and refine these theories by subsequent phases of empirical research (induction) and post-hoc analysis (abduction) in order to construct clear propositions (Peirce et al. 1965; Dubois & Gadde 2002).

Organizations were selected on the base of two criteria. First, potential cases were selected by means of purposeful sampling to ensure maximum variation in order to increase external validity (Eriksson 2008). The sample therefore had to be composed by 'centre-cities'; administrations with a relatively high number of inhabitants and far reaching responsibilities with regard to employment, education and social welfare and smaller local administrations. Second, cases had

to be a representative depiction of the current situation in Flanders. The sample therefore had to include pioneering administrations which already started the integration before the decree came into force, while others awaited the decree or were falling short. Based on these considerations, the researchers designed a list of organizations which might be suitable for joining the research-project. Each of these organizations was contacted and taking into account prior selection-criteria, finally resulted in the selection of three centre-cities and nine smaller municipalities, of which two started to prepare the integration before any legislation was carried out.

### **Data Collection and Data Quality**

Interview questions were based on the concepts, addressed in the theoretical section. Additional input in order to refine the inquiry was obtained by conducting test-interviews with public servants and organizing a focus group in which the initial interview-questions were being discussed. After three revisions, the final inquiry-template was developed (see [Appendix 1](#))

Within each of the selected public organizations the general director was being interviewed as he was the central person in preparing and administering the integration. Additional respondents, all being members of the management team, were included in the centre cities (two in Turnhout, two in Kortrijk and one in Oostende) in order to increase the representativeness of the data. To ensure reliability, we envisioned to find a balance between general directors with a background as a former Secretary of the social welfare institutions or the municipality instead, which also reflects the present situation in Flanders.

Interviews took about 1.5 hours for each respondent. Interviews were audiotaped, after obtaining written permission from each of the respondents. Interviews were transcribed verbatim (Poland 1995). Interviews took place at the office of the interviewee each time to ensure that respondents were in familiar surroundings. The first author conducted the interviews each time.

The preparation of the interview started with a guideline in which the research was shortly introduced and in which respondents were informed about the ability to terminate the interview at any moment. Respondents received an informed consent document and a declaration of confidentiality which they signed before the interview started. The interviewer filled in a drop-off in which respondents were asked for date of birth, education-level and seniority within the organization. After interviews took place, the interviewer was entrusted to fill in a methodological report in which the overall feeling of the interview was evaluated and in which situations that might potentially bias the respondents' opinions were being described. The interviewer worked in the public sector for several years as an accountant, member of the Cabinet and senior consultant before entering academia which ensures a decent knowledge about the topics covered.

Concerning data-quality, Lincoln (1985) posits that trustworthiness is the most important evaluation-criterion. Trustworthiness in this research has been achieved by establishing credibility, transferability, dependability and confirmability, which is, among others, ensured by including detailed memos of each interview and by triangulation of the analysts (Pitts 1994; Shenton 2004). This approach implied that each transcribed interview was coded by three

independent researchers. Only when at least two of the three researchers coded a text fragment similarly, the coding was decisive.

### **Data Analysis**

Every interview was firstly processed by means of Nvivo qualitative data analysis software in order to structure the entire dataset. Next, every interview became decomposed in small textual fragments. About 80 per cent of the transcribed text was then coded by means of content analysis in order to reduce potential bias (Duriau 2007; Eriksson 2008).

Throughout the process three researchers were involved who were knowledgeable of literature concerning hybridity and strategic alliances and mergers. In the three groups, interviews were analysed both iteratively and in parallel, and saturation needed to be reached separately. For the reason that the deductive phase has been already carried out in the theoretical section (Figure 4), this phase was immediately followed by the inductive and abductive stage in which the empirical data became scrutinized. Next paragraphs will discuss the main objectives and operations of the deductive and inductive phase in detail.

During the inductive phase, researchers first became familiar with the data during interview conduct, transcription, selection and intensive rereading of the most peculiar cases (Kortrijk, Edegem, Sint Katelijne Waver and Zoersel). Second, the researchers coded these cases in parallel. A code is a summary of an essential characteristic of (a part of) the participant's story. Coding terminology was kept as close to the participant's phrasing as possible. Every interview the inter-researcher coding schemes were compared. Only minor differences between the three coders



existed (e.g. in code naming); these were resolved during thorough deliberation and integrated into one scheme containing codes of the three researchers (Morsink et al. 2017). The inductive phase enabled the researchers to determine to what extent the different institutional logics were present in the integrated organization and resulted in a refinement of the dimensions discussed in the theoretical section (Figure 4).

During the abductive phase, each of the 14 cases were studied by analysing patterns in the data reflecting important and distinct features. New themes were identified in case of: (1) patterns in the interviews, clarifying any dissimilarities that appeared during prior analysis, (2) repeated centrality in the story of participants and (3) uniqueness as compared to other themes (Morsink et al. 2017). This resulted in the identification of themes such as power balance, timing, relation between top management, size of the former social welfare institution, the effects on HR-policies and software, the use and composition of task-forces, and critical success factors. These themes were continuously and iteratively cross-checked against the interview data, in an attempt to grasp the full meaning of the themes, and to make sure other important themes were not overlooked.

This modus operandi was repeated with each new interview until saturation was reached. Saturation is an estimation that new data will not result in new information, relevant for the research question (Eisenhardt 1989; Lewis-Beck 2004). This point was reached when no new themes could be identified in four consecutive interviews. Analysis was completed as soon as theoretical saturation was reached when most of the deviating results were explained by supplementary patterns and explanations (Eisenhardt 1989; Lewis-Beck 2004). Judgments on

saturation, theme structuring and labelling were made through thoughtful insight involving all authors. A detailed overview of the coding scheme can be found in [Appendix 2](#).

## FINDINGS

### Inductive Phase

Two out of the four general directors within the sample were Secretary from the former social welfare institution while the two remaining general directors used to be the Secretary from the former municipality. While three out of the four organizations within the sample initiated the integration because of legal constraints, the integration of the blended organization emerged spontaneously, years before any legislation related to the integration became rolled out. Furthermore, in contrast to the three other cases, the hybridity-process within the blended organization has been fully accomplished while the integration in the other cases is still ongoing.

Table 8 Overview of the inductive findings

Hybrid type	Social welfare institution	Municipality	Integrated organization
Assimilated	Low political influence	High political influence	High political influence
	Decentralized control	Centralized control	Centralized control
	Pursuing social objectives	Mostly pursuing non-social objectives	Pursuing social and non-social objectives
	Informal atmosphere	High professionalization	High professionalization
Segregated	Low political influence	High political influence	Low political influence within autonomous organization
	Decentralized control	Centralized control	Decentralized control within autonomous organization

	Pursuing social objectives	Mostly pursuing non-social objectives	Pursuing social objectives within autonomous organization
	Informal atmosphere	High professionalization	Informal atmosphere within autonomous organization
Blocked	Low political influence	High political influence	Unclear how these conflict need to be reconciled
	Centralized control	Decentralized control	Unclear how these conflict need to be reconciled
	Pursuing social objectives	Mostly pursuing non-social objectives	Unclear how these conflict need to be reconciled
	Informal atmosphere	High professionalization	Unclear how these conflict need to be reconciled
Blended	Low political influence	High political influence	Low political influence when it comes to social objectives
	Centralized control	Decentralized control	Decentralized control
	Pursuing social objectives	Mostly pursuing non-social objectives	Pursuing social and non-social objectives
	Informal atmosphere	High professionalization	High professionalization

Although findings from the inductive analysis confirm that the social welfare institution is merely focusing on social objectives and control mechanisms in the municipality are generally much more centralized, not all the findings aligned with the deductive expectations. First, respondents emphasized the importance of the political context during the integration-process. While social welfare institutions proved to be less influenced by elected officials, decision-making processes in the municipality are considered to be much more influenced by politicians.

‘The decision-making process in the social welfare institution is entirely different. [...] It did not have a politically steered day-to-day management.’

‘The political representatives from the social welfare institutions were from second order. [...] Actually, the organization was composed by the weakest officials who did not succeed to get elected.’

Second, respondents often pointed to differences among the organizational culture of the two organizations. The organizational culture within the social welfare institution has been typified as much more informal, while the organizational culture in the municipality is argued to be more formal for the reason that the organizations values a high degree of professionalism.

‘The social welfare institution did not have any support services. The HR department used to be the secretariat and financial department as well. IT was managed by someone of the communication services who knew something about computers. [...] The atmosphere was much more informal.’

Third, analysis reveals potential inconsistencies among the use of control mechanisms within the former social welfare institution and municipality. While most respondents confirmed that control systems within the social welfare institution were much more decentralized, one of the respondents opposed this idea:

‘In the social welfare institution, many services were delegated to the Secretary. [...] Everything related to temporary employment I could approve without the consent of the major and aldermen, while in the city I would have needed formal approval. [...] The city wanted to get rid of the hierarchy, while in the social welfare institution everyone asked the Secretary to get approval, ranging from receptions to buying chocolates for St. Nicholas.’

Based on these inductive findings, the initial deductive framework (Figure 4) became adjusted, now including the following dimensions: (1) political influence, (2) control systems, (3) main objectives and (4) organizational culture. Applying this updated framework to the dataset resulted in a blueprint of four types of hybridity. Within the *assimilated* integrated organization, most of the dimensions aligned with the ones of the dominating organization (i.e. the municipality), yet, the integrated organization now also had to pursue social objectives, stemming from the former social welfare institution.

‘In summary, I can say that we took over and absorbed the former OCMW.’

Furthermore, within the *segregated* integrated organization all the different logics were being reflected, yet, each of the logics became clearly demarcated. This demarcation has been practically achieved by the set-up of an autonomous municipal company in which the activities from the former OCMW became integrated and which was granted substantial autonomy. Moreover, this autonomous municipal company was headed by the former OCMW-secretary. The interviewee argued that this has been caused by the large amount of resistance to change stemming from the former OCMW Secretary and for the reason that elected officials tended to agree with the arguments being brought forward by the former OCMW Secretary. As a result, the 'integrated' organization has been exclusively driven by logics from the former municipality while the former social welfare logics have been compartmentalized in the autonomous municipal company. As a result, the impact of the integration within this type of hybrid organization proved to be fairly limited.

In the case of the *blocked* integrated organization, integration did not yet take place since the organization failed to integrate the logics from both the social welfare institution and municipality. Integration thus only took place on paper, but not in the facts. The interviewee argued that this failed integration has been caused by the inability of the top management and elected officials to cope with the resistance to change stemming from the former social welfare institution.

'There is a strong resistance to change stemming from the former OCMW as they don't want to lose autonomy and due to large cultural differences. [...] From a political perspective, it is not clear what the elected officials actually want, the one is in favour of the integration while the other opposes it. [...] From the perspective of the OCMW, one considers the College as a heavily politically intervening board.'

In the case of the *blended* organization, dimensions from the former social welfare institution and municipality were present. On the one hand, the organization focused on both social and non-social objectives and attempted to limit the political influence in cases of social-related matters such as living wages and social housing. On the other hand, control systems were decentralized and the organizational culture preferred professionalism to informal networks. The type of hybridity could be described as blended since there is a clear synergistic incorporation of existing logics into a new logic, which can be illustrated as follows:

‘Nowadays, it is virtually impossible to indicate the former social welfare institution and municipality as all services, employees and processes have been fully integrated within the organization.’

### **Abductive Phase**

Table 9 gives an overview of the main findings of the abductive analysis.

Table 9 Overview of the abductive findings

	KORTRIJK	SINT KATELIJNE WAVER	EDEGEM	ZOERSEL
<b>Hybrid features</b>				
Former Secretary	Former OCMW	Former municipality	Former municipality	Former OCMW
Timing	Laggard	Late majority	Early majority	Innovator
Size of OCMW	Large	Small	Large	Medium
Top-down approach	Low	High	Medium	Medium
Power balance between Secretaries	Medium	Low	High	High
Resistance to change	High	Medium	High	Medium
<b>Institutional responses</b>				
Form of hybridity	Blocked	Assimilated	Segregated	Blended
<b>Main effects</b>				
Shared software	No	Yes	No	Yes
Composition of MAT	Dominated by OCMW	Dominated by municipality	Dominated by municipality	Dominated by municipality
Economies of scale	No	Yes	No	Yes
Corporate identity	Stad Kortrijk	Gemeente Sint-Katelijne Waver	Gemeente Edegem	Gemeente en OCMW Zoersel
HR-policies	Small differences	Large differences	Small differences	No differences
	LINT	WILLEBROEK	OOSTENDE	HEMIKSEM
<b>Hybrid features</b>				
Former Secretary	Former OCMW	Former municipality	Former municipality	Former municipality
Timing	Laggard	Innovator	Laggard	Early adopter
Size of OCMW	Medium	Large	Comparable to municipality	Medium
Top-down approach	Top-down	Low	Low	High
Power balance between Secretaries	Low	Low	High	Medium
Resistance to change	Medium	Low	Low	Low
<b>Institutional responses</b>				
Form of hybridity	Segmented	Blended	Segregated	Blended
<b>Main effects</b>				
Shared software	No	No	Yes	No
Composition of MAT	Close to parity	Dominated by municipality	Not dominated by any party	Dominated by municipality
Economies of scale	No	No	No	Yes
Corporate identity	Gemeente Lint	Da's Willebroek	Stad Oostende	Helemaal Hemiksem
HR-policies	Small differences	No differences	Small differences	Small differences

	TURNHOUT	LONDERZEEL	KONTICH	BORSBEEK
<b>Hybrid features</b>				
Former Secretary	Former city	Former OCMW	Former municipality	Former OCMW
Timing	Early majority	Innovator	Early adopter	Early majority
Size OCMW	Large	Medium	Small	Small
Top-down approach	Medium	Medium	Low	Low
Power balance between Secretaries	High			Low
Resistance to change	High	High	Medium	Medium
<b>Institutional responses</b>				
Form of hybridity	Segregated	Segmented	Blended	Segmented
<b>Main effects</b>				
Shared software	Yes	No	No	No
Composition of MAT	Dominated by municipality	Dominated by OCMW	Not dominated by any party	Dominated by municipality
Economies of scale	No	No	No	No
Corporate identity	Stad Turnhout	Londerzeel	Lokaal bestuur Kontich	Gemeente Borsbeek
HR-policies	Small differences	Small differences	Large differences	No differences
<b>Hybrid features</b>	RUMST	ZEMST		
Former Secretary	Former municipality	Former OCMW and municipality		
Timing	Late majority	Late majority		
Size of OCMW	Small	Medium		
Top-down approach	Low	Low		
Power balance between Secretaries	Low	Medium		
Resistance to change	Medium	Medium		
<b>Institutional responses</b>				
Form of hybridity	Segmented	Blocked		
<b>Main effects</b>				
Shared software	Yes	Yes		
Composition of MAT	Dominated by municipality	Dominated by municipality		
Economies of scale	No	No		
Corporate identity	Gemeente Rumst	Site de Griet en Hoogstraat		
HR-policies	Small differences	No differences		



First, findings suggest a link between the timing and steering of the integration-process and the organization's institutional response. In blended organizations, the integration-process can be described as spontaneous and organic, with a high commitment from the different stakeholders while in blocked or assimilated organizations this process has been largely steered top-down with a lack of commitment from the different stakeholders to support the integration. Moreover, the more the organizations took the time to prepare the integration, the more integrated the organization finally became. More precise, the organizations within the sample with blocked forms of hybridity each time reported a lack of time to prepare the integration. As a result, blocked forms of hybridity are likely to be induced in contexts with a lack of support from the different stakeholders and in which the organization experienced insufficient time to prepare for the integration.

Example of blocked hybridity:

'When it comes to the implementation of the integration, we were very late in comparison with other administrations [...] In 2016, elected officials agreed on a management contract which stipulated that the ICT and HR department should be integrated. That was it. Nothing more'.

Interestingly, although there were forces of resistance to change at play in the organizations and that findings indicated that these forces were generally stronger in blocked hybrid forms, none of respondents argued that this had a substantial impact on the integration-process, unless this resistance stemmed from the former Secretary. More specifically, further analysis revealed a link between the power balance among the top management, being enforced by the scale of the social welfare institution and the outcome of hybridity. In contexts with comparable size of the two organizations in terms of FTEs and an equal power distribution among the former Secretaries,

the institutional response resulted in segregation. This equal power distribution implied that the former Secretary who did not succeed to acquire the appointment from general director had sufficient power to successfully campaign against the integration. This segregation implied that the activities from the former social welfare institution were granted substantial autonomy, embodied by the incorporation in autonomous agencies.

‘We started with a statement of intent which explicitly stipulated principles such as equivalence. [...] I think this is also a matter of scale since the OCMW is almost as large as the city. [...] There was friction between me and my former colleague. [...] That’s why we decided to detach him to the autonomous municipal company.’

‘My former colleague from the social welfare institution immediately started to oppose the integration by focusing on the independency from the social housing services. She actually took the lead in doing so and she succeeded.’

‘What I noticed, is that, if social welfare institutions are large, for instance when there is a hospital or a care home involved, is that you get a completely different situation. [...] Some opted to set-up autonomous agencies especially for this purpose.’

Yet, also the background from the general director appears to play an important role during the integration-process. In cases when the new general director was Secretary from the former municipality, mostly logics from the municipality appeared to dominate the integrated organization. Interestingly, the opposite also holds: in cases when the general director was Secretary from the former social welfare institution, logics in accordance with the former municipality became criticized, yet also the integration in itself was received with more scepticism. This perception greatly differs from cases in which the general director was Secretary from the former municipality: in these occasions, the integration has been mostly considered to be part of a logical process, featuring lots of opportunities.

Former OCMW Secretary:

'In the OCMW, the Secretary was much more dominant which enabled a more effective management. [...] The political interference (in the integrated organization) is much larger. [...] Over here, you are beaten to death by regulation and politics, while the OCMW proved to be much more professional. [...] I am still an advocate of a separation between the OCMW and the municipality.'

Former Secretary of the Municipality:

'I always have been a proponent of the integration since the social welfare responsibilities have been too much dispersed. [...] This for instance resulted in two different departments, which organized similar activities and that worked completely next to each other. Purely from a rational and economical point of view, this integration was an absolute necessity.'

Clearly, the physical location plays an important role during the integration-process. Further analysis revealed that organizations which pursued blended forms of hybridity centralized the activities of the former OCMW and municipality on the same location. Interestingly, the innovators within the sample who started with the integration voluntarily indicated that the opportunity to acquire a new building served as an impulse to start with the integration, long before any legislation about the integration was carried out. On the contrary, organizations pursuing segregation strategies reported that activities from the social welfare institution and the municipality continued to be centralized on distant locations. Alternatively, organizations pursuing segregated strategies argued that only minor parts of the activities, mostly back-office related services, became integrated on the same location while front-office services continued to be located elsewhere. Finally, in the case of assimilation-strategies, the dominant organization (the former municipality in our cases) centralized the services of the subservient organization on the physical location of the dominant organization.

Example of blended hybridity:

'We moved to an entirely new building and this has been an incentive to think and reflect on a possible integration. Without this move, the integration would have proven to be much more difficult because during the preparation we had the feeling that this would only work if we would be located in the same room. [...] If you remain at different locations and would think as one organization, this would have proven to be much more difficult.'

Example of segregated hybridity:

'Everything related to social services is being clustered at another location. Yet, all activities related to the back office are being located at the same site.'

Example of assimilated hybridity:

'In my opinion, the move has been a crucial step. [...] The social cluster of the OCMW and municipality has been now integrated within the same wing of the municipality.'

Findings indicated that the main effects of the integration differ considerably according to the institutional response. For instance, relating to the use of HR and accounting software, software packages in assimilated hybrid forms have been greatly determined by the dominant organization. Yet, in blended organizations these decisions have been based on a cost-benefit analysis or, alternatively, one preferred to implement entirely new software packages.

Further analysis showed that the composition of the management team is dependent on the institutional response as well. The management team of organizations embedding assimilation-strategies has been mostly composed by staff affiliated with the dominant organization. Yet, the case of blended organizations showed mixed results. On the one hand, findings indicated that the MAT has been composed by people who are new to the organization and therefore have no link with any of the former organizations. However, on the other hand, one of the respondents argued that the MAT has been mainly composed by public servants that have a municipality-background. Yet, the interviewee also argued that the former background of the public servants within these

organizations no longer plays a role. In the case of organizations that pursued segregated forms of hybridity, findings are unclear: some organizations aimed to ensure a parity between former employees from the social welfare institution and staff from the municipality while others selected members purely on the base of their expertise. In organizations with blocked forms of hybridity, the MAT of the former social welfare institution and municipality at present still met separately while the integrated MAT was a parity between staff from the former municipality and social welfare institution.

Example of blended hybridity:

‘The composition of the management team has been almost completely changed [...]. We have four team managers that come from outside of the organizations so they don’t have a stamp from neither the municipality or social welfare institution. The team managers come from the federal government, the prison service or the provinces.’

Example of blocked hybridity:

‘We still have a separate MAT for the municipality and the social welfare institution. Yet, we also have a joint MAT city-OCMW but this joint MAT already counts fifteen people, which impedes progress.’

Furthermore, findings indicated that the sort of institutional response had a profound effect on the corporate identity of the integrated organization. Blended hybrid forms preferred to communicate as ‘local administration X’, chose for alternative names or a combination of the two former organizations but in each case avoided references to one organization in internal and external communications. Yet, other hybrid strategies lacked a clear consensus. Some blocked organizations tended to follow similar strategies as blended hybrids while segregated hybrids tended to distinguish between the former municipality and social welfare institution (albeit named differently). However, further analysis revealed some interesting differences. In blended organizations, staff only referred to the wording ‘municipality’ or ‘OCMW’ in legal contexts since

the organizations were still independent from a legal perspective. Employees were even actively discouraged to internally use these wordings. Yet, in other hybrid forms internal references to the municipality or social welfare institution were commonly accepted by management. Segregated organizations showed the tendency to less and less refer to the municipality and social welfare station, yet, respondents argued that this process has been hampered by the remote distance of the two organizations.

Example of blended hybridity:

‘If colleagues are talking about the former social welfare institution, I immediately correct them by arguing that the social welfare institution has been spread among various departments and services.’

Example of segregated hybridity:

‘We still internally refer to the social welfare institution and municipality, but this occurs less and less. Yet, we still have two buildings that are a former building of the social welfare institution and the municipality so we attempt to speak about location ‘Hoogstraat’ and ‘De Griet’ but still, I easily speak about the social welfare institution.’

The integration of the social welfare institution and municipality caused shifts among human resources policies, however the analysis showed that these dissimilarities were generally indifferent from the institutional response. Yet, the differences among organizations that started to prepare the integration more in advance were generally smaller as they already started to merge the legal status documents. However, as being argued by one of the respondents, these rules were often interpreted differently according to the organization, which led to a different application of the same rules. Finally, in assimilated organizations, HR policies were largely constrained by the dominating organization.

Example of segmented hybridity:

'We already designed a new legal status document with the municipality and the social welfare institution. They were identical for each of the organizations. Yet, the application proved to be very different depending on the organization so I had to polish a lot.'

Example of blended hybridity:

'In the municipality, the number of working hours was 37 hours, while in the social welfare institution this was 38 hours. Also the system of the meal vouchers between the two organizations was different. The number of working hours is now 38 hours for everyone, yet we increased the amount of meal cheques to compensate for this. I can say that nobody got less, however, some people got more than others.'

Example of assimilated hybridity:

'There was a common staff party between the social welfare institution and municipality, yet the social welfare institution organized another one. These are situations that disappear. Other examples are the hospitalization insurance. Former OCMW-staff had the full option, while the municipality staff had the base formula. Now the former staff of the OCMW will be part of the insurance-policy of the municipality'.

When discussing the critical success factors ensuring an effective integration, most of the organizations referred to the same factors, independent from the institutional response. Most important success factors were (1) timing, (2) enabling support from the MAT, (3) enabling political support, (4) writing an inspiring narrative and (5) the physical location. Yet, only blended hybrid organizations within our sample argued that these key success factors actually caused economies of scale.

## **DISCUSSION**

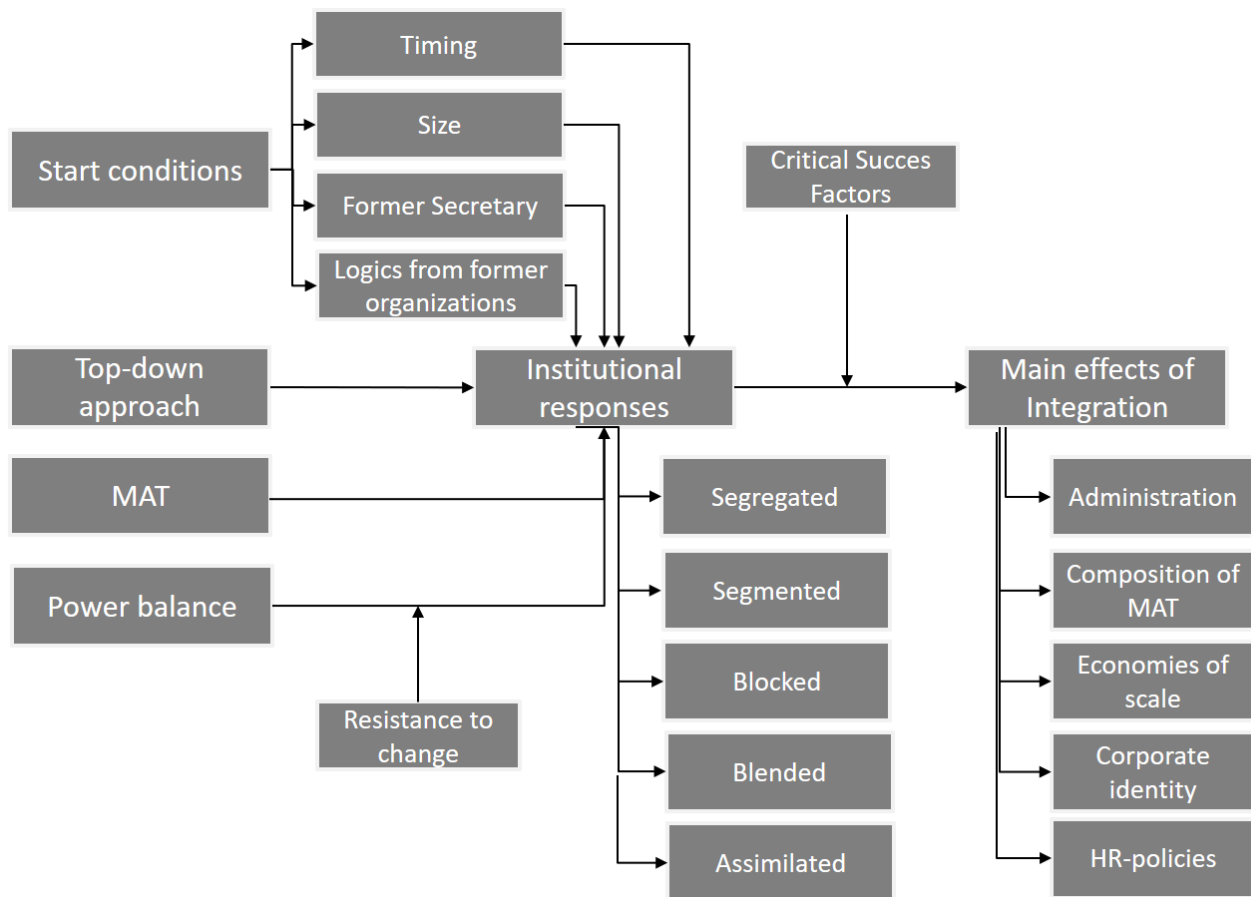
Interestingly, during analysis we found that the logic applying to either the social welfare institution or the municipality was not always consistent with our expectations. More specifically, we expected that the social welfare logic would be always applicable to describe the social welfare institutions within our sample. Yet, in particular cases such as Lint and Kortrijk, the respondents argued that these organizations were in accordance with bureaucratic logics instead.

This is a peculiar finding as it indicates that institutional logics in practice might be more inconsistent than initially anticipated.

Furthermore, findings showed a conceptual overlap between segmentation and segregation strategies. As a result, the conceptual distinction between segregation and segmentation strategies within the original model of Skelcher and Smith (2015) might be made more explicit.

Yet, the conceptual model has proven to be extremely valuable and resulted in numerous new insights. In summary, these insights can be depicted in the following conceptual model (Figure 5).

Figure 5 Conceptual model of hybridity





The conceptual model demonstrates that different start conditions such as timing, size, general director and logics from the former organizations are likely to have an impact on the institutional response. Yet, also the way how the integration-process has been managed by the general director, the management team and the power balance between the current general director and the former Secretary play an important role during the integration-process. Combining the insights from the initial framework of Skelcher and Smith (2015) with the empirical findings from this article, results in different hybrid archetypes, as demonstrated by Table 10 below.

Table 10 Hybrid features in relation to Skelcher and Smith (2015)

Hybrid features	Blocked	Assimilated	Segregated	Segmented	Blended
Size of the other organization	High	Small	High	Medium	Medium/High
Timing	Laggard	Early /Late majority	Early /Late majority	Early/Late majority	Innovator
Top-down approach	Low	High	Medium	Medium	Low
Power balance	High	Low	High	Medium	High
Resistance to change	High	High	High	Medium	Low
Corporate identity	Failed	Acquisition	Partnership	Joint venture	Fusion
Economies of scale	Low	Medium	Medium	Medium	High

Blocked forms of hybridity are likely to occur in contexts when the size of the two organizations is comparable and when the organization did not have sufficient time to prepare in advance of the integration. Furthermore, the power balance between the top management from both the organizations is strong so that one organization does not succeed to impose its logics to the other organization. This power balance also results in limited steering from the top management as

none party is able to successfully take the lead without having consent from the other party and due to the high levels of resistance to change from both parties. As a result, the organization is unable to create a shared corporate identity and to generate economies of scale.

Assimilated forms of hybridity occur in contexts in which the top management of the dominating organization steers the integration and impedes the integration to the smaller organization. The power balance is low as the top management of the dominated organization is not sturdy enough to counterbalance the top management from the dominating organization. The resistance to change within the dominated organization is typically high but is largely fragmented so that there is no party which successfully takes the lead in opposing the integration. The corporate identity within the integrated organization best compares to an acquisition in which the identity from the dominated organization is being taken over.

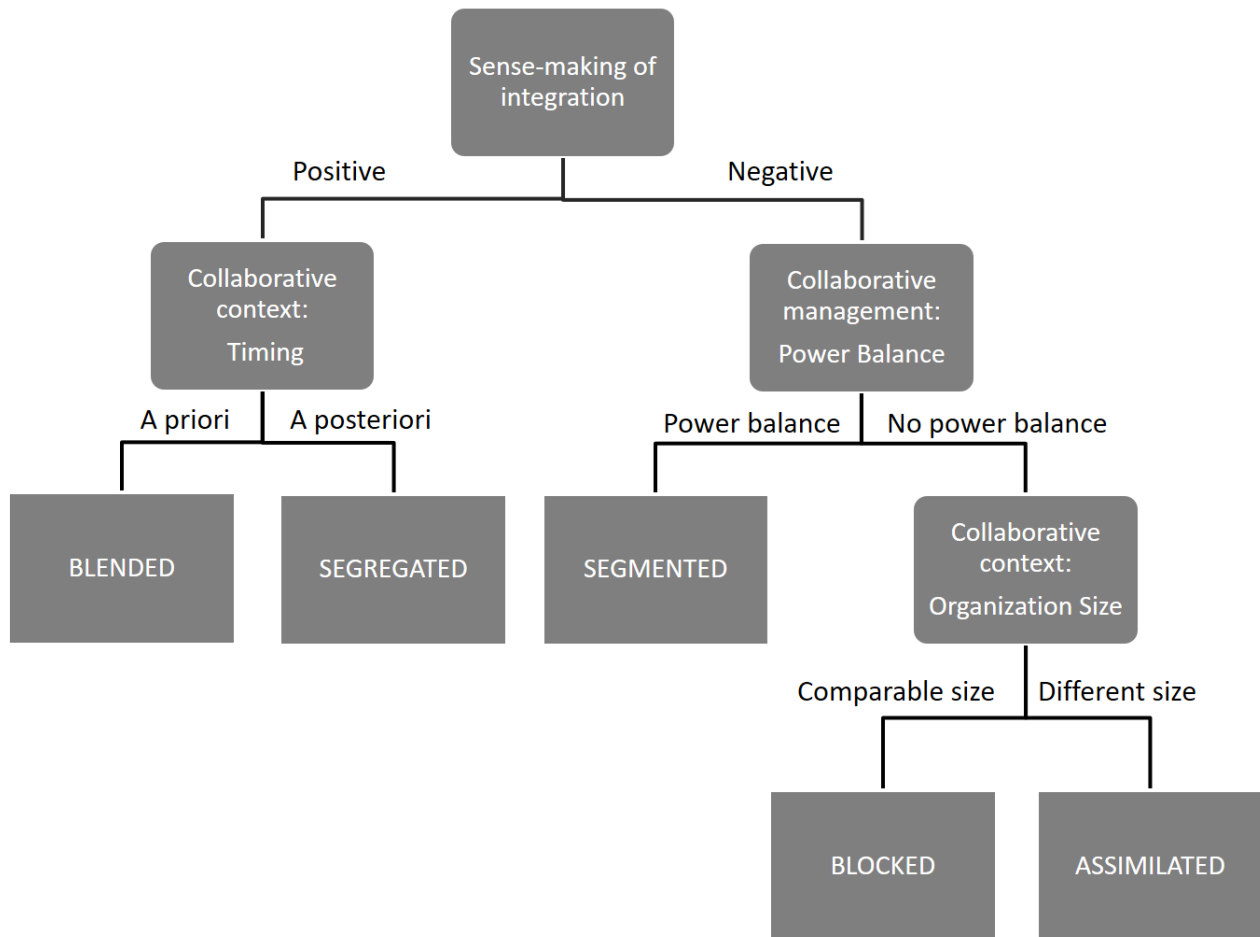
Segregated forms of hybridity occur in contexts in which the size of the two organizations is comparable. Organizations started to prepare the integration in line with most of the other organizations. The top management steers the integration, yet, the integration-process has been also supported by task-forces who are being composed by middle-management positions. The power balance and resistance to change within these organizations are typically high which enable top management to successfully oppose the full integration. Yet, in contrast to the blocked forms of hybridity, the result of this process is not dysfunctional as some parts of the back office become integrated which ensures some economies of scale. The corporate identity of this integration can be typified as a partnership in which the two former organizations preserve a substantial degree of autonomy.

Segmented forms of hybridity occur in contexts in which the size of the other organization is intermediate which implies that the other organization cannot be dominated by another organization, nor that its size is substantial enough to successfully counterbalance the integration. Organizations started to prepare the integration in line with most of the other organizations. The top management steers the integration, yet, the integration-process has been also supported by task-forces which are being composed by middle-management positions. The power balance between the former organizations and the resistance to change is mediocre, implying that the one organization is obstructed from simply absorbing the other organization. Yet, the power of the other organization is not substantial enough to successfully oppose the integration. The corporate identity of the organization can be best described as a joint venture in which the two organizations successfully integrate, yet, without the highest efficiency-gains as the integration does not receive full support from the former organizations.

Blended forms of hybridity occur in contexts in which the size from the two organization does not too much deviate. Yet, the size of the two organizations in this situation is less relevant as the call for integration emerges spontaneously and receives support from the top management of both the organizations, indicating a high power balance between the top management. Due to the spontaneous and gradual character of the integration, the integration typically takes time to accomplish and this type of integration is therefore rather unique. For the same reasons, the public support in favour of the integration within these organizations is typically high, reducing potential resistance to change. The corporate identity of the organization can be best described as a fusion in which the two organizations successfully integrate while maintaining the highest efficiency-gains.

Furthermore, findings showed a relation between the sense-making of the integration and the integration-approach. In cases where the integration was being viewed by both parties as an opportunity to more effective collaboration and to create economies of scale, the integration resulted in blended forms or segregated forms of hybridity. Yet, in cases where one of the parties was more sceptic about the integration, the integration resulted in segmented, blocked or assimilated forms of hybridity. These links were further intensified or narrowed down depending on the collaborative context, i.e. the timing of the integration and the size of the former organizations. This results in pathways as demonstrated by Figure 6.

Figure 6 Overview of pathways with regard to hybrid strategies



In summary, the findings of the empirical research in this article result in a set of propositions, as demonstrated by Table 11, which can be refined and tested in a further stage of research:

Table 11 Propositions-overview

P1	More preparation-time of the integration will likely result in blended forms of hybridity
P2	When the organization that is subject to integration does not succeed to successfully oppose the integration and when the other organization is unable to impose its will to this organization, the integration will likely result in segmented forms of hybridity
P3	Successful opposition from the top management of the organization that is subject to integration will likely result in segregated forms of hybridity
P4	The smaller the size of the organization that is subject to integration, the more likely this organization becomes subject to assimilated forms of hybridity
P5	When there is no clear steering from the top management during the integration-process, the integration will likely result in blocked forms of hybridity
P6	The economies of scale are at most in blended forms of hybridity

## CONCLUSION

This article started with the research question if - and if so - how institutional change might induce hybridity. Empirical findings provided striking support for our main hypothesis which stated that institutional change induces hybridity. All the public organizations in our sample were exposed to the same institutional shock. Interestingly, despite this similar exogenous shock, empirical findings demonstrated that the organizations pursued very distinct strategies in their attempts to cope with the different institutional logics, ranging from blended, assimilated, segmented, segregated and blocked forms of hybridity. These findings therefore support, validate and refine

the proposed framework by Skelcher and Smith (2015) by identifying various contingencies such as the power balance, time of integration, size of the organizations, level of resistance to change and the way how the integration was steered. Furthermore, the article discussed how the different strategies might affect the corporate identity and economies of scale within the integrated organization. The findings of this article are complementary with existing research on mergers and acquisitions because the proposed frameworks enable researchers to gain more insight in the dynamic aspects of integration-processes and enable longitudinal research such as how organizations might move from blocked to blended forms of hybridity over time. Furthermore, the DIA-approach presented in the methods-section of this article proved to be valuable as it enabled us to end with a set of clear propositions that can be used in a next research-phase. As a result, the value of this article is not limited to purely theoretical and empirical advancements, yet it also comes with a few methodological contributions.

Yet, the article also raises a number of important limitations. First, the respondents were general director from the organization each time which implies that the results might be somehow biased as these individuals might have the tendency to demonstrate socially desirable behaviour by overly focusing on the positive aspects of the integration. In order to have a more nuanced view on the integration, we should have been therefore able to also interview the Secretary who lost the application for the position of general director. Yet, although we attempted to do so, these potential respondents in numerous cases were extremely reluctant to collaborate. Furthermore, the additional interviews we conducted in the centre-cities did not result in new findings, indicating that this critique should not be overestimated. Second, we acknowledge that the examples of blocked forms of hybridity within the sample might be underrepresented. During the

interviews, respondents frequently referred to other administrations in which the integration proved to be much more challenging, yet, although we attempted to contact these organizations, none of these organizations was willing to collaborate, indicating the high sensitivity of this research-topic. Third, institutional logics typically refer to abstract conceptualizations and might be therefore subject to personal perceptions during the coding-process, causing confirmation bias. Yet, triangulation of the researchers was carried out in order to reduce these chances as much as possible.

Several avenues of future research can be identified. First, the propositions and conceptual frameworks presented in this paper should be validated and refined and might therefore benefit from more rigorous research. Second, although we found some indications about the effects of hybridity on organizational performance, more research is needed to study these potential effects in more detail. Yet, this paper might serve a first step to do so.

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## APPENDIX

### Appendix 1: Inquiry-template

The research is based upon semi structured, non-directive interviews through an underlying question protocol. Interviews are face to face and unilateral. For the reason that the underlying research questions are relatively abstract, one could also use vignettes that fathom how respondents should react within specific practical contexts. Before the interview, respondents should fill in a drop off in order to determine the classical socio demographic characteristics of the respondents. Interviews are conducted at the operational level of the organization, as well at the managerial level.

The study tries to find an answer on the following research questions:

- Exemplify how institutional change induces hybridity
- Study the strategies the organizations employed in order to cope with the aforementioned challenges
- Determine which underlying mechanisms had an effect on the use of these strategies.

Let me first introduce myself. I am XX from the XX University and my research attempts to gain more insight in the emergence of hybrid organizations which are organizations that combine different governance logics. The interview will take between one and 1,5h. The questions that I will ask are related to personal experiences. As such, there exist no good or bad answers. The purpose is that you answer these questions broadly. Everything you think and feel and which is related to these questions, you might talk about.

All data within this research is treated strictly confidentially: your anonymity will be ensured. All interviews will be processed carefully. This interview will be recorded, if that is okay to you. Otherwise I should take notes during the entire interview which might be inconvenient.

***I also would like to make clear that you as a participant, at any time, have the possibility to interrupt or terminate the interview.***

The purpose of the interview is (1) to gain more insight in the different management views that are possibly present within your organization and (2) to gain more insight in the underlying processes that contribute to this phenomenon. The interview starts with a few general opening questions before diving deeper into the characteristics of the organizational structure and culture.

*Do you have any questions or reservations?*

Before starting the interview, I would like to kindly ask you to read and sign two documents in case you agree: (1) an informed consent document and (2) a document that ensures anonymity of the interviewee.

<b>Interviewee:</b>	
<b>Date and hour:</b>	
Education (highest degree)	
Seniority within the organization	
Previous responsibilities within the organization	
Number of FTEs within the organization	

#### Structure of the interview

1. How do you feel about the integration between the social welfare institution and municipality?
2. Did you notice cultural differences between the municipality and social welfare institution?
3. Can you explain potential cultural differences with examples?
4. Did the integration start spontaneously or was it mainly induced by the legislation carried out by the Flemish government?
5. When did your organization start preparing the integration?
6. Was the integration mainly prepared at the level of Secretary, the Management Team (MAT) or was it prepared bottom-up?
7. Was the organization mainly relying on task forces?

8. Did you rely on the knowledge of external consultants during the integration-process?
9. Did you have consultations with the unions during the integration?
10. Were you and the former Secretary applying for the same vacancy of general director?
11. Did the financial director from the municipality and the social welfare institution apply for the same vacancy of general director?
12. If so, how did the organization attempt to deal with these tensions?
13. Did the social welfare institution and municipality use the same software? If not, how was this solved?
14. Were there differences between the remuneration system of the municipality and social welfare institution? If so, how was this solved?
15. Can you provide more details about the 30% rule? Did it cause tensions among the employees within the organization?
16. How was the relation with the former Secretary?
17. What are important factors that might enable the integration to be successful?
18. How would you describe the relation between your organization and the Flemish government?
19. Did you notice resistance to change during the integration?
20. If so, where did these forces of organizational resistance stemming from?
21. Were there potential differences among the application of ordering procedures? If so, how was this solved?
22. Have the social services been outsourced to an autonomous organization?
23. Do you communicate to civilians referring to municipality X, social welfare institution X or do you use another branding strategy?
24. How has the front office now been organized?
25. Are the social welfare institution and municipality now located at the same physical location?
26. How has the MAT been composed? Is there a parity among former employees of the social welfare institutional municipality?

## Appendix 2: Coding schemes

Hybrid features	Subcategory	Code subcategory	Code	Description
<b>Start conditions</b>	Seniority	S	Numeric answer	
	Former responsibilities	FR	Text	
	Degree	D	Text	
<b>Sort of hybridity</b>		HYB	Blocked/Blended/Segregated/Segmented/Ab	
<b>Time stage of the integration</b>		STAGE	Innovator/Early adopter/Early majority/Late majority/Laggard	Innovator: started the integration on a voluntary basis before any legislation was carried out. Early adopter: started the integration about two years ago. Early majority: started the integration about one year ago. Late majority: started the integration as soon as the legislation was carried out. Laggard: did not start with the integration yet.
<b>Resistance to change</b>	Resistance stemming from OCMW staff	RO	Low/Medium/High	Low: Virtually no resistance. Medium: Some spontaneous resistance. High: Organized resistance.
	Resistance stemming from municipality staff	RM	Low/Medium/High	Low: Virtually no resistance. Medium: Some spontaneous resistance. High: Organized resistance.
	Resistance stemming from former Secretary	RS	Low/Medium/High	Low: Virtually no resistance. Medium: Some spontaneous resistance. High: Organized resistance.
<b>Institutional logics</b>	Organization's focus of attention	FOA	Mainly viewing citizens as client/Mainly viewing citizens as people with social needs	
	Control mechanism	CM	Bureaucratic control/Decentralized control	
	Goal	GOAL	Mainly focusing on equity/Mainly focusing on	
<b>Relations between top management</b>	Top management dominated by former municipality	TMM	Low/Medium/High	Low: Key management positions are balanced between employees from the former municipality and OCMW. Medium: Key management positions are slightly dominated by employees from the former municipality. High: Key management positions are strongly dominated by employees from the former municipality.
	Top management dominated by former OCMW	TMO	Low/Medium/High	Low: Key management positions are balanced between employees from the former municipality and OCMW. Medium: Key management positions are slightly dominated by employees from the former OCMW. High: Key management positions are strongly dominated by employees from the former OCMW.



<b>Integration-process</b>	Relying on task-forces	TF	Low/Medium/High	Low: During the preparation-process of the integration, the organizations did not rely on task-forces or working groups. Medium: The organizations relied on task-forces and working-groups, yet, most preparations were carried out by the top management. High: Most of the preparations were carried out by task-forces and working-groups. The role of the top management was limited to the passive coordination of these activities.
	Top-down steering from general director	TD	Low/Medium/High	Low: The role of the general director during the integration-process was mainly passive, most of the activities were being carried out by the management team or task-forces and working groups. Medium: The role of the general director was more active. The general coordinated the activities between the task-forces and the MAT. High: The role of the general director was very active; the general director carried out most of the activities of the integration-process.
	Power-balance between former Secretary and general director	PB	Low/Medium/High	Low: The power from the former Secretary is very limited and does not include key responsibilities such as HR-policies. Medium: The power from the former Secretary is significant and includes some key responsibilities. High: The power from the former Secretary is substantial and includes many key responsibilities such as HR-policies. The former Secretary is not required to report to the general director.
	Importance of physical location during the process	PL	Low/Medium/High	Low: The physical location did not play an important role during the integration-process. Medium: The physical location played a significant role during the integration-process and resulted in some renovations of the patrimony. Large: The physical location played a very important role during the integration-process and resulted in substantial renovations of the existing patrimony or the construction of entire new facilities.
	Budget available	BA	Numeric answer	
	Amount of FTE's	FTE	Numeric answer	
<b>Software</b>	OCMW and municipality used the same software	S	Yes/No	
	Organization relies on external consultants	CO	Low/Medium/High	

<b>Main effects</b>	More staffing for the former OCMW	MS	Yes/No	
	More administrative support for the former OCMW	MAS	Yes/No	
<b>Critical Success Factors</b>	Importance of software-development	SD	Low/Medium/High	Low: The use of similar software has not been considered as key to the integration. Medium: The use of similar software is acknowledged to have resulted in economies of scale. High: The use of similar software has been argued to be critical towards the successful integration.
	Enabling political support	PS	Low/Medium/High	Low: The support from elected officials has not been considered as key to the integration. Medium: The commitment from elected officials has been considered as noteworthy to the integration. High: The support from elected officials has been argued to be critical towards the successful integration. Elected officials were strongly committed throughout the integration-process.
	Enabling support from the MAT	MATS	Low/Medium/High	Low: The support from members of the MAT has not been considered as key to the integration. Medium: The commitment from members of the MAT has been considered as noteworthy to the integration. High: The support from members of the MAT has been argued to be critical towards the successful integration. Members of the MAT were strongly committed throughout the integration-process.
	Developing a shared vision	SV	Low/Medium/High	Low: Before the integration was carried out, no shared vision was developed and communicated to the organization-members. Medium: A shared vision was developed to some extent, yet, was not strongly communicated to the organization-members. High: A shared vision was carefully developed and many different parties were involved during this process. This vision was strongly communicated to the organization-members.
	Starting on time	TIME	Low/Medium/High	Low: The respondent did not stress if the timing of the integration-process was a key factor of the integration's success. Medium: The respondents acknowledged that the timing of the process was important to some extent. High: The respondent strongly emphasized the importance of the timing of the integration-process.

## **CHAPTER 4: UNRAVELING THE PREJUDICED PERFORMANCE PUZZLE IN PUBLIC ADMINISTRATION: Towards a Balanced Performance Instrument**

Authors: Lode De Waele, Liselore Berghman and Arjen van Witteloostuijn

### **ABSTRACT**

Literature claims that numerous public organizations today are behaving as hybrids. Hybridity is argued to be caused by competing demands that stem from the institutional environment, driving public organizations to combine governance logics from different management views, those of Traditional Public Management (TPM), New Public Management (NPM) and Public Value Governance (PVG). Yet, the potential consequences of hybridity on organizational performance have been not studied in detail. As a first step to eventually measure the effects of hybridity on performance this article relies on a systematic literature review to propose a balanced instrument of organizational performance in which performance-dimensions from the different management views are being integrated. In doing so, the article also addresses an important bias in the current performance discourse. Finally, the article identifies potential frictions and opportunities between the different performance-dimensions in hybrid organizations.

*Keywords: Organizational performance, Traditional Public Management, NPM, Public Value Governance, Hybridity*

## INTRODUCTION

The institutional context in which public organizations operate today has gradually become more complex for the reason that democracies implemented different generations of modern public sector reforms at an accelerating pace (Christensen & Lægreid 2011). These different generations of public sector reforms frequently resulted in conflicting governance logics from the institutional environment (Light 1997; Lynn 2006). In their responses, public organizations frequently use selective coupling strategies in which they attempt to integrate logics from each of these institutional demands, resulting in hybrid forms (Pache & Santos 2011; Mair, Mayer, and Lutz 2015). The research interests and relevance of hybridity are still present-day and even increasing: a query in Web of Science about hybridity resulted in 135 articles in 2007 and 210 in 2017, showing a substantial increase. But not only in academia the interest on hybridity is enduring, also communities of practice rapidly embraced hybrid forms such as PPPs which simultaneously combine private and public characteristics (Marsilio, Cappellaro and Cuccurullo 2011).

Hybridity has been found to potentially affect organizational performance such as an organization's transparency and accountability (Conaty 2012; Athanasiou & Thompson 2015), its financial performance (Peda et al. 2013) and it might cause 'mission-drift' (Alexius and Cisneros 2015). Yet, these relations remain only little scrutinized since organizational performance is contingent on various factors such as the organization's purpose, which turn organizational performance in a hard to grasp and thus difficult to operationalize concept (Brewer & Selden 2000; Boyne 2002a; Chun & Hal 2005; Walker & Rhys 2013; Andrews & Van de Walle 2013). For example, while it makes a lot of sense to value compliancy with rules and equity in social welfare institutions in order to ensure that applicants are treated equally, the

application of other performance dimensions such as innovation or quantity of outputs might remain of secondary importance.

The aim of this paper is threefold. First, by conducting a systematic literature review on organizational performance, we find that current literature on organizational performance shows a bias towards NPM. Second, following a more inductive phase of reasoning, we propose an alternative balanced performance instrument that integrates performance-dimensions from the different management views. Third, we discuss how performance dimensions stemming from the different management views are likely to produce tensions or opportunities by counteracting or complementing one another.

## **THEORY**

### **Hybridity**

Although there is a lot of conceptual research available yet, hybrid templates mostly depart from the juxtaposition of two extreme institutional logics such as academic versus business logics, social versus commercial logics or public versus private logics (Battilana & Dorado 2010; Doherty, Haugh, and Lyon 2014; Ute, Uhlener and Stride 2015). Hybridity is then described as mixed forms of these extreme logics. This stream of research, greatly influenced by authors such as Pache & Santos (2011), Mair, Mayer, and Lutz (2015), Ramus, Vaccaro and Brusoni (2016), Johanson & Vakkuri (2017) and Savignon et al. (2018) is largely inspired by the New Institutionalism and departs from the dynamic aspects of hybridity (Wiesel & Modell 2014). In this view, hybrid organizations attempt to respond to conflicting institutional demands by simultaneously implementing opposing institutional logics as a way to ensure legitimacy (Alexius 2018; Johansen et al. 2015). Institutional logics, in this viewpoint, refer to institutional

forces that determine how organizations should be structured, how they should be steered and how they should be controlled (Bacharach & Mundell 1993). Interestingly, although hybridity is often considered as a new research phenomenon, Selznick (1957) already raised the question how organizations could cope with very distinct visions. It therefore appears that hybridity is rooted in much older theoretical debates.

Yet, another stream of research, largely influenced by transaction cost theory, envisions hybridity as an organizational state. In this view, hybridity refers to intermediate organizational forms between the central market and hierarchy position in which the underlying dynamic aspects and strategic relevance of hybridity remain only exposed to a small extent (Bardach 2015; Coase 1996; Brandsen, van de Donk and Kenis 2006; Wiesel & Modell 2014). Clearly, the institutional viewpoint on hybridity more swiftly entered the research field of public administration since this research field has been traditionally largely influenced by institutional theory (Six & Swedlow 2016). Consequently, the remainder of our analysis departs from this theoretical lens.

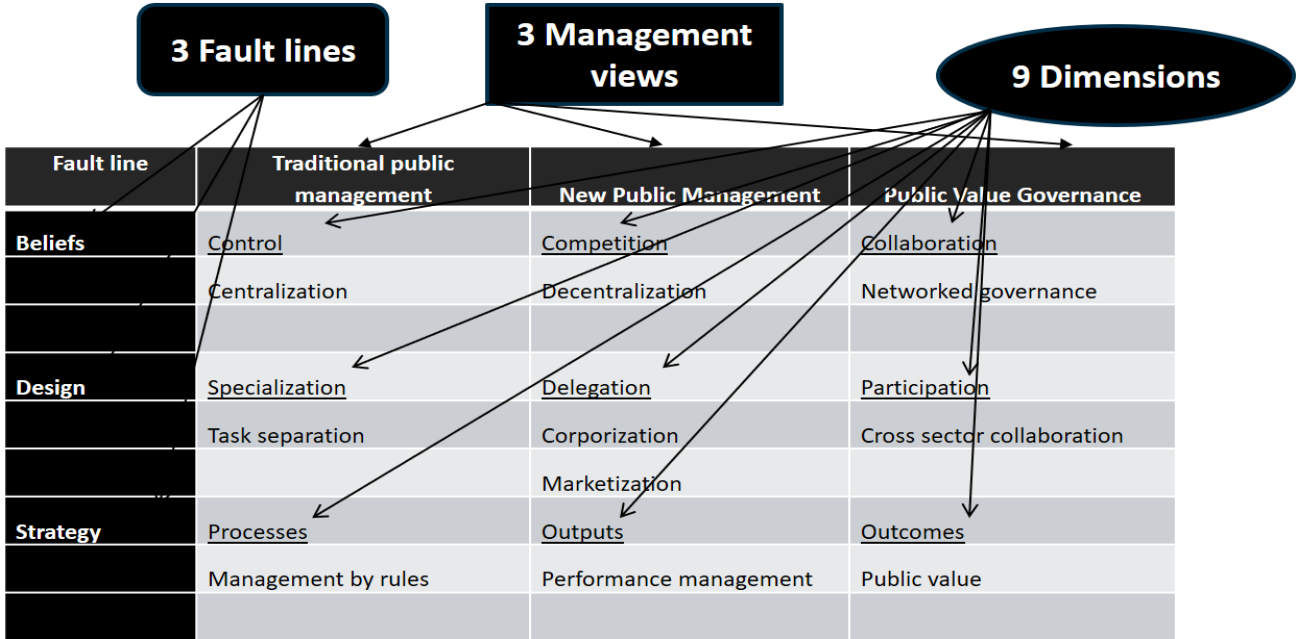
Under the impetus of authors such as Kickert (2001), Brandsen, van de Donk and Kenis (2006), Christensen & Lægreid (2011), De Waele, Berghman and Matthyssens (2015) and Skelcher and Smith (2015) these institutional logics became further operationalized as *governance logics*. Lynn (2006) describes governance logics as frameworks that interconnect the values and interests of citizens, legislative enactments, executive and organizational structures. Following Lynn (2006), hybridity implicates that organizations simultaneously combine a variety of different governance logics.

Applied to the current discourse of PA, literature differentiates between three governance logics: Traditional Public Management (TPM), New Public Management (NPM), and Public

Value Governance (PVG) (Hood 1991; Denhardt and Denhardt 2000; Hood 2000; Zafra-Gomez, Bolivar, and Munoz 2013). Figure 7 displays how these governance look like in practice and how they oppose to one another. According to this analytical framework, hybridity emerges from the moment that public organizations combine dimensions that refer to different governance logics (De Waele, Berghman and Matthyssens 2015). Naturally, in reality organizations might frequently combine characteristics that refer to different governance logics. Yet, this does not imply that these organizations can be therefore considered as hybrid: the blueprint of the governance logics within these organizations is the result from the interplay of many different characteristics (Bacharach and Mundell 1993).

Depending on the combination of the different logics, one could differentiate between partially hybrid organizations in case when a dominant governance logic is complemented with another logic or fully hybrid organizations in case when the three different governance logics in an organization are present.

Figure 7 Analytical framework of hybridity



Source: De Waele, Berghman and Matthyssens (2015)

The first column of Figure 7 displays three *fault lines* between the different management views. First, the organizational culture (displayed as *beliefs*) has been shaped by the informal attitudes that public servants share. Public servants might favour control by preferring detailed reporting systems and prescribed decision making procedures (Powell 1990). Alternatively, public servants might favour competition by envisioning the organizations as if it were a private company, focusing on efficiency gains (Rhodes 1999; Lapsley 1999). Finally, public servants might value collaboration by purposely relational communication and an open-ended climate in order to reinforce the legitimacy of previously devolved institutions (Simmons and Birchall 2005).

Second, the actual organizational structure (displayed as *design*) might deviate from the organizational culture and describes how the numerous tasks within the organization are being structured. Components of a work process might be divided into various minute tasks and individuals can be responsible for only a few number of these tasks, demonstrating *specialization* (Taylor 1911; Daft 2004). Contrary, non-critical processes can be contracted out and *delegated* toward autonomous agencies, resulting in a rather flat organizational structure (Eberlein & Grande 2005). Finally, public private partnerships and cross sectoral networks can be incentivized to ensure *participation* which blurs the organization's boundaries (Hood 1991; Osborne 2010).

Third, the main organizational goals, strategies and key performance indicators differ among the governance logics (displayed as *strategy*). The main aim of the organization might be compliance with rules, procedures and *processes*. However, instead, the organization's aims might be to ensure the greatest amount of *outputs*, supported by performance management systems (Dawson 1999; Groot & Budding 2008; Zafra-Gomez, Bolivar, and Munoz 2013).



Finally, the organization's objectives might focus on *outcomes* by forming public values such as social cohesion and empowering transparency (Fisher 2014; Jorgensen & Bozeman 2007). Yet, the conceptual distinction between outputs and outcomes might be difficult to make. In line with Brown & Raynold (1988), we therefore argue that outputs refer to *measurable* results such as the amount of services offered whereas outcomes refer to the accomplishments that have value for the organization and which are typically less quantifiable.

### **Organizational Performance**

Organizational performance in public organizations is an intriguing, yet ambiguous concept. While performance in private organizations can be often narrowed down towards profitability or growth, the majority of public organizations generally lack the profit criterion (Rainey & Bozeman 2000; Hvidman & Andersen 2016). Moreover, even when the profit criterion in public organizations is there, other organizational aims such as equity, redundancy and transparency might be more prevailing (Andrews & Van de Walle 2006).

While organizational performance in the public sector initially started as a one-dimensional concept, literature gradually shifted towards a much more multi-dimensional view on organizational performance (Ammons 1995; Boyne 1997). Boyne (2002a), Chun & Rainey (2005) and Walker & Andrews (2013) for instance state that performance has been constructed around dimensions such as *efficiency*, *effectiveness* and *economy* (Carter 1989). The great value of multi-dimensional performance instruments has been also confirmed by van Thiel & Leeuw (2002), however, these authors also warn for a performance paradox: if these instruments have been not well developed or too much skewed into a certain direction they might create unintended consequences. Van Thiel & Leeuw (2002) illustrate this paradox

with the example of a labor exchange agency of which the outcome is to help uneducated or poor people. However, if the agency's performance is mainly based on outputs (helping somebody find a job again), the success rate will be the highest when only accepting clients who have good chances, mostly not the uneducated or poor ones. The example well demonstrates the discrepancy between performance standards and policy objectives and how this results in perverse effects.

Discussions not only relate to the different dimensions of organizational performance but also to the way how it should be ideally measured. On the one hand authors such as Moynihan & Pandey (2005) accentuate the importance of subjective performance measures since they offer a more holistic view of organizational well-being. On the other hand, authors such as Brewer & Selden (2000) and Walker & Boyne (2006) criticize these measures as they might suffer from common method bias which leads to invalid measurements. Objective performance measures on the contrary are referred to as the 'gold' standard since they are supposed to reveal the 'real' world accurately and minimize discretion (Andrews, Boyne & Walker 2006). Yet, Andrews, Boyne & Walker (2006) and Walker & Boyne (2006) state that objective measures reflect the judgements of powerful groups about what data should be collected. Moreover, Chun & Rainey (2005) add that objective measures are frequently pragmatically selected based upon availability and ease of measurement which also threatens the validity of these instruments. Clearly, well-designed performance instruments should therefore contain both subjective and more objective performance dimensions.

Furthermore, organizational performance is contingent on factors such as the organization's purpose. The main purpose of bureaucratic agencies for instance is to ensure equity, i.e. by guaranteeing equal access from citizens towards public services (Mills & Gerth 1970).

However, state-owned enterprises that operate in an environment largely controlled by private companies might frequently accommodate NPM-dimensions such as efficiency and effectiveness in order to withstand the competition that typically stems from their environment (De Waele & Berghman 2017). Likewise, the different governance logics within hybrid organizations might result in the implementation of different performance dimensions.

Interestingly, Andrews & Van de Walle (2013) point that the performance-question in itself is a laden concept since performance has been mostly associated with quantifiable and result-driven constructs that tend to align well with NPM-principles. Yet, also pragmatic reasons might explain why performance and NPM-principles tend to align seamlessly: because performance is such an abstract concept, researchers tend to favor performance criterions that are relatively convenient to measure, easy to compare with other organizations and easy to access (Andrews & Van de Walle 2013).

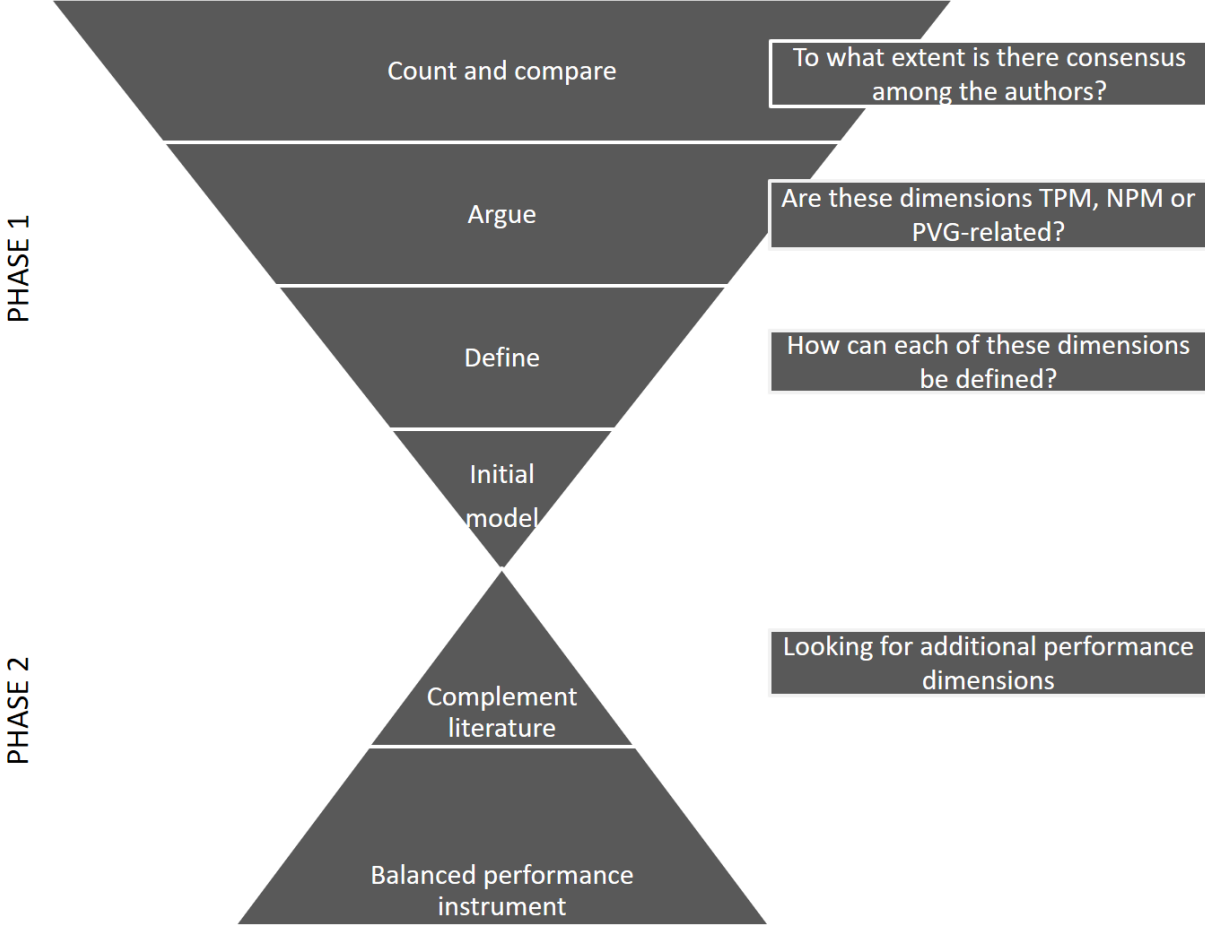
Consequently, our expectation is that most of the available empirical research on performance is based on 'hard' and quantifiable data such as efficiency and effectiveness measures and less on 'soft' and difficult to operationalize measures such as innovation, equity or public value which align with other management views. This favoritism among scholars has been also mentioned by Lewis (2017) who finds primary motives in the large influence of mechanistic and rationalist thinking behind the influential performance literatures such as principal-agency theory and the public choice school. In summary, these ideas thus suggest that performance literature is merely skewed toward NPM-related performance dimensions, generally overlooking the potential relevance of TPM or PVG-dimensions. In order to overcome this problem Guenoun et al. (2015) refer to the development of a balanced performance instrument which might enable organizations in more effectively coordinating their

performance dimensions according to the aforementioned contingencies and to the potential hybrid character of the organization. Yet, although these calls are nothing new (Brignall 2000), the attempts to do so to our knowledge are fairly limited and at best focus on only two of the management views (Guenoun et al. 2015). Furthermore, earlier attempts to 'balance' performance such as the balanced scorecard are being criticized for actually growing into a symbol of the New Public Management since this tool was originally developed as a management control tool for the private sector (Dreveton 2013; Kaplan & Norton 1996).

## **METHODS**

The main purpose of this section is twofold. First, the aim is to find out to what extent there might be a bias in the current discourse about performance dimensions studied. This has been achieved by conducting a systematic literature review in which the main performance dimensions are being listed and counted which led to an initial conceptual model on organizational performance (*phase I*). Second, the aim is the construction of a balanced performance instrument, based on a supplementary research phase in which additional literature about the emergence and main characteristics of each of the management views was taken as the starting point (*phase II*).

Figure 8 Overview of the applied methods



**Phase I**

First, a keyword search using the search engine Web of Science was employed to generate a list of articles (Shepherd & Challenger 2013). Keywords, based on a snowballing approach, were entered in the ‘basic research’ pane. Second, results were refined by ticking ‘public administration’ in the research area. Consequently, this approach resulted in 257 articles when searching for ‘performance dimensions’ and 359 papers when searching for ‘performance indicators’. Taken together, these queries totaled a list of 616 individual papers.

The records were then ranked by source title. Monographs were not included in the search for the reason that the accessibility of many books is limited and because their quality might be subject to less objective evaluation (Kuipers et al. 2014).

The selection of the articles is based upon a two-stage procedure (Lee and Cassell 2013; Shepherd & Challenger 2013; Hopkinson & Blois 2014; Kuipers et al. 2014). First, papers were ranked according to journal rating, following the top ten list produced by WoS (five year impact factor) for the reason that top rated journals are helpful in drawing authoritative conclusions (Tatli & Ozbilgil 2012; Doherty, Haugh, and Lyon 2014). The sample therefore includes articles from *JPART*, *PAR*, *PA*, *JEPP*, *Governance, Regulation & Governance*, *JPAM* and *PMR*. This dropped the initial sample from 616 to 144 papers. Next, the relevance of the papers was manually checked by reading the abstracts and/or the full paper (Shepherd & Challenger 2013). After this process, the sample was reduced to thirteen (using the keyword 'performance dimensions') and twelve papers (using the keyword 'performance indicators') since only few papers in our sample explicitly referred to different performance dimensions.

Yet, another important measure for the scientific contribution of an article relates to its amount of citations. The review was therefore complemented with high-impact articles that were published in journals with a lower impact factor and that were being cited at least fifteen times (Stremersch, Verniers, and Verhoef 2007). Double entries were removed, resulting in thirteen papers. The sample included numerous recent articles to ensure that this technique would not disproportionately advantage older articles since they are more likely to be frequently cited. Articles were selected until theoretical saturation was reached, whereupon the amount of citations and relevance of the articles substantively decreased (Eisenhardt 1989; Lewis-Beck et al. 2004).

During the actual analysis, each article was reviewed and each of the performance-dimensions mentioned in the articles was labelled. Next, general and content-based data was retrieved from the articles to assist in the classification of the data (Kuipers et al. 2014). The general classifications included author, year of publication, journal, amount of citations, methods, unit of analysis and main findings. Hereafter, similar dimensions in the papers were summed up to find out to what extent there was consensus among the authors. Dimensions where the application was limited to a specific context (for instance public schools) were left out from further analysis.

Figure 9 illustrates how the initial model was developed. First, performance dimensions were selected when being mentioned by more than five different authors within the sample. However, this implies that the model would be exclusively based on counting data and less on robust theoretical foundations within the current discourse. Therefore, dimensions below this cut-off stemming from articles with a major theoretical contribution, i.e. literature containing outstanding empirical (qualitative or quantitative) analyses about the performance dimensions were also withdrawn. This grouping resulted in the initial conceptual model.

Figure 9 Developing the initial conceptual model



## **Phase II**

The risk of the findings so far is that a great majority of the dimensions might relate to a specific management view, neglecting the potential contribution of dimensions that rely on other management views. The aim of the second research phase was therefore to seek for additional performance dimensions in order to construct a more balanced performance instrument. Literature reviews, exceptional in terms of citations (i.e. most frequently cited among the research field) or conceptual contribution (i.e. when they comprised a systematic overview of the three different management views) were taken as the basis of analysis. This involved the scrutiny of the following articles: Denhardt and Denhardt (2000), Olsen (2006), Crosby, t' Hart & Torfing (2016) and Stoker (2006).

Hereafter, additional performance dimensions in each of the articles were identified. When a performance dimension was repeatedly mentioned in multiple (i.e. more than two) of these articles, the potential performance dimension was selected to be included in the balanced performance instrument. Furthermore, studying the additional literature resulted in a further theoretical refinement and re-categorization among the performance dimensions of the balanced performance instrument.

## **FINDINGS**

### **Phase I**

Most influential articles in terms of citations (more than 50 citations) were published in *JPART* (3), *PAR* (3), *PMM* (2), *IRAS* (2) and *JPAM* (1). Most leading authors in the sample were Walker (authoring and co-authoring nine articles), Boyne (six articles), Andrews (four articles) and



Brewer (three articles). The great majority of the articles were published in the period 1994-2015. The analysis demonstrates that as time evolved, organizational performance became more and more studied as a multi-dimensional construct. Before 2000, organizational performance was mostly covered by only a few performance-dimensions, whereas after 2000 the amount of performance dimensions rapidly increased. But also the sort of performance dimensions changed. Before 2000, the performance-dimensions were mostly narrowly defined, while after 2000 more and more abstract performance-dimensions such as *participation, program outcomes* and *innovation* entered literature.

Four of the reviewed studies were purely conceptual, two were based on a systematic literature review (SLR), five were based on a qualitative research design (mostly case-studies) and 25 on quantitative analyses. Furthermore, two meta-analyses were conducted. The dominant presence of quantitative research might reflect the preference of authors to focus on quantifiable performance measures while more abstract performance measures remain explored to a very small extent. Most of the empirical data focused on English local authorities (sixteen articles), of which eight articles were based on Comprehensive Performance Assessment (CPA) data. The use of these records might reflect the pragmatic intention of researchers to rely on second hand data again. Yet, the empirical focus on local governments here also implies that the effect of potential contingencies on organizational performance such as the organization's purpose so far has been only little explored. Other studies were conducted in the USA (ten articles), Australia (two articles) and Canada, New-Zealand, Switzerland and Sweden (each one article), implying that most empirical research was being conducted in countries that could be generally typified as 'NPM-friendly'.

Henceforth, NPM-like public organizations have a major advantage when it comes to performance since performance has been mostly operationalized in a way that greatly aligns with NPM dimensions as we illustrated earlier. As a result, NPM-like organizations are likely to score artificially high when it comes to organizational performance. The opposite might hence hold true: public organizations favoring dimensions apart from NPM might score artificially low on organizational performance. This is especially relevant within the context of hybrid organizations since they simultaneously combine different governance logics: at best, they might have mixed scores when they partially rely on NPM-dimensions or worse when they solely rely on logics apart from NPM.

Table 12 Findings of the systematic literature review

Author	Year	Number of Cites	Journal	Methods	Region	Type of organization studied	Involved performance-dimensions
Stipak, Brian	1979	124	PAR	QUAN	USA	Police services and park and recreation services	Service-inputs, service-outputs, administrative workloads
Carter, Neil	1989	35	PP	CONCEPTUAL	N/A	N/A	Efficiency, effectiveness, economy
Carter, Neil	1991	43	PAR	QUAL	UK	Police services, courts, NHS and British rail	Quality of outputs, equity, efficacy, customer satisfaction
Palmer, Anna J.	1993	15	PMM	SLR	UK	Local governments	Quality of services provided, cost-effectiveness, customer satisfaction, provision of service, productivity, level of goal-achievement, volume of service, time-targets, utilization rates
Boschken, Herman L.	1994	34	PAR	CONCEPTUAL	USA	N/A	Economic authority, operational level function, political authority, strategic level function
Symon, Peter.; Walker, Richard M.	1994	14	E & PCG & P	QUAN	UK	Local housing authorities	None explicit performance-dimensions were used
Ammons, David N.	1995	40	PAR	QUAN	USA	97 city governments	Efficiency, effectiveness, productivity and workload

Smith, Peter	1995	29	PMM	QUAN	UK	308 respondents among local authorities	Efficiency and effectiveness
Alford, John; Baird, Jeanette	1997	21	PMM	QUAL	Australia	N/A	Processes, efficiency, cost-efficiency, inputs, outputs, effectiveness, service quality, outcomes
Boyne, George A.	1997	24	LGS	QUAN	UK	39 non-metropolitan counties, eight counties, 32 boroughs, 36 metropolitan districts, 296 non-metropolitan districts and 37 districts	Efficiency, quality of outputs, equity, effectiveness, output quantity, financial and physical inputs, throughputs, consumer satisfaction, citizen participation
Boyne, George A.	2002	89	PMM	QUAN	UK	Local governments	Efficiency, quality of outputs, equity, formal effectiveness, consumer satisfaction, quantity of outputs, staff satisfaction, cost per unit of responsiveness, accountability, impact, citizen satisfaction, probity, participation, cost per unit of democratic outcome
Kelly, Janet M.; Swindell, David	2002	86	PAR	QUAN	USA	40 cities and counties	Quantity of outputs, efficiency, satisfaction-measurement
Meier, Kenneth J.; O'Toole, Laurence J.	2002	136	JPAM	QUAN	USA	1000 school districts	TAAS scores, ACT scores, SAT-scores, dropout, class-attendance, percentage above 1100, percentage tested, low-income pass
Bouckaert, Geert; Van de Walle, Steven	2003	93	IRAS	CONCEPTUAL	N/A	N/A	Resources, output, customer satisfaction, trust
Selden, Sally Coleman; Sowa, Jessica E.	2003	40	JPART	QUAN	USA	22 human service organizations providing early care and education services	Management outcomes, management capacity, program capacity, program outcomes

Chun, Young Han; Rainey, Hal G.	2005	133	JPART	QUAN	USA	49 federal agencies	Managerial performance, customer service orientation, productivity
Goerdel, Holly T.	2005	42	JPART	QUAN	USA	Independent school districts in Texas	TAAS scores, ACT scores, SAT-scores, dropout, class-attendance, percentage above 1100, percentage tested, low-income pass
Martin, Smith	2005	47	JPART	QUAN	UK	135 acute hospitals within the National Health Service (NHS)	Hospital efficiency, clinical quality, inpatient access to health care
Pollitt, Christopher	2005	116	JPART	QUAL	Sweden, the Netherlands, Finland and UK	Ministries in Sweden, the Netherlands, Finland and the UK	Efficiency, service quality, cost effectiveness, customer satisfaction
Andrews, Rhys; Boyne, George A; Walker, Richard M.	2006	83	PAR	QUAN	UK	119 local authorities. Core service Performance of the Comprehensive Performance Assessment (CPA)-data was used	Efficiency, quality of outputs, quantity of outputs, formal effectiveness, customer satisfaction
Collier, Paul M.	2006	21	PMM	QUAL	UK	Police force	Processes, inputs, outputs, outcomes
Walker, Richard M.; Boyne, George A.	2006	75	JPAM	QUAN	UK	117 local authorities. CPA-data has been used	Efficiency, quality of outputs, quantity of outputs, formal effectiveness, customer satisfaction, inspection of services, service plans, value for money
Guthrie, James; Neumann, Ruth.	2007	40	PMR	SLR	Australia	Universities	Financial viability, equity, student load, achievements in research

Jacobs, Rowena; Goddard, Maria	2007	35	PMM	QUAN	UK	Healthcare organizations and local governments. CPA-data has been used	Quality of outputs, quantity of outputs, efficiency, effectiveness, equity, satisfaction-measurement
Walker, Richard M.; Brewer, Gene A.	2007	15	A & S	QUAN	UK	135 local government authorities. CPA-data has been used	Efficiency, quality of outputs, equity, quantity of outputs, formal effectiveness, customer satisfaction
Gregory, Robert.; Lonti, Zsuzsanna	2008	17	PA	QUAN	New-Zealand	Government departments between 1992 and 2005	Processes, efficiency, cost-efficiency, inputs, outputs, effectiveness, service quality, outcomes
O'Toole, Laurence J.; Meier, Kenneth J.	2009	17	ARPA	QUAN	USA	2400 cases in Texas schools	TAAS scores, ACT scores, SAT-scores, dropout, class-attendance, percentage above 1100, percentage tested, low-income pass
Ritz, Adrian	2009	53	IRAS	QUAN	Switzerland	7 ministries of the federal administration	Process simplification, timely decision making, cost reduction
Brewer, Gene A.; Walker, Richard M.	2010	36	JPART	QUAN	UK	166 local authorities. CPA-data has been used	Efficiency, quality of outputs, equity, quantity of outputs, formal effectiveness, customer satisfaction
Johnsen, Åge	2010	79	PMM	CONCEPTUAL	N/A	N/A	Efficiency, effectiveness, equity
Micheli, Pietro; Neely, Andy	2010	23	PAR	QUAL	UK	Comparison between health and police force	Service standards, value for money, outcomes

Walker, Richard.; Damanpour, Fariborz; Devece, Carlos.	2010	76	JPART	QUAN	UK	136 local authorities	Efficiency, quality of outputs, equity, quantity of outputs, formal effectiveness, customer satisfaction
Andrews, Rhys; Boyne, George	2011	11	PA	QUAN	UK	386 local authorities. CPA-data has been used	Equity, effectiveness, cost-effectiveness
Andrews, Rhys; Boyne, George A.; Walker, Richard M.	2011	31	JPART	META	UK	CPA-data has been used	Efficiency, effectiveness, cost-effectiveness
Brewer, Gene A.; Walker, Richard M.	2013	4	PAR	QUAN	UK	Local governments. CPA-data has been used	Efficiency, quality of outputs, equity, quantity of outputs, formal effectiveness, customer satisfaction
Amirkhanyan, Anna A.; Kim, Hyuon J.; Lambright, Kristina T.	2014	5	JPART	QUAN	USA	141 community child care centers that receive Head Start funding in Ohio	Compliance with regulatory, quality of services provided, customer satisfaction, employee satisfaction
Walker, Richard M.; Andrews, Rhys	2015	8	JPART	META	N/A	Meta-study among local government studies	Efficiency, equity, cost-effectiveness, effectiveness
Pollanen, Railii; Abdel-Maksoud, Ahmed; Elbanna, Said	2017	0	PMR	QUAN	Canada	143 public organizations	Efficient use of allocated budget, quality of services provided, operating efficiency, quantity of services provided, accountability for results, customer satisfaction, employee capabilities, social responsibilities, environmental performance, innovation, employee satisfaction

***WITHIN TRESHOLD (CITED BY > 5 AUTHORS)***

Although authors named constructs differently, the main underlying concepts they referred to could be very similar. Consequently, the performance dimensions displayed in the last column of Table 12 were clustered. Dimensions such as time targets, timely decision making and productivity were clustered in *efficiency*, “citizen satisfaction” and “employee satisfaction” in *satisfaction-measurement*, “level of goal-achievement”, “management-outcomes”, “management capacity” and “utilization rates” in *effectiveness* and “service-outputs” and “volume of service” in *quantity of outputs*. Based on counts, the analysis, summarized in Table 13 revealed a consensus among seven dimensions of organizational performance: *efficiency*, *satisfaction-measurement*, *effectiveness*, *equity*, *quality of outputs*, *quantity of outputs* and *outcomes*. Next paragraphs will discuss the meaning of each of these dimensions and their relation to the relevant management view in more detail.



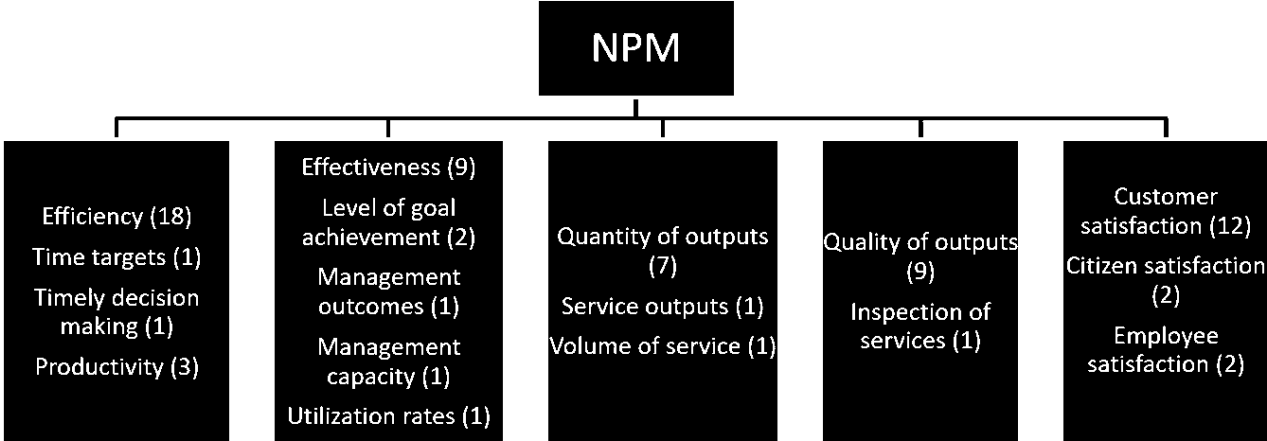
Table 13 Counts based on the systematic literature review of Phase 1

Clustering Phase 1												
WITHIN TRESHOLD (>5 times cited)									Σ			
Efficiency	18	Time targets	1	Timely decision-making	1	Productivity	3	Processes	3	Process-simplification	1	27
Customer satisfaction	12	Citizen satisfaction	2	Employee satisfaction	2							16
Effectiveness	9	Level of goal-achievement	2	Management outcomes	1	Management capacity	1	Utilization rates	1			13
Equity	12											12
Quality of outputs	9	Inspection of services	1									10
Quantity of outputs	7	Service-outputs	1	Volume of service	1							9
Outcomes	5	Program outcomes	1									6

NPM related performance-dimensions

Figure 10 illustrates how the performance-dimensions, brought forward by the literature review, are interlinked and relate to the New Public Management. According to Hood (1991), New Public Management envisioned to expose public organizations to the market competitiveness, leading to the integration of a private sector management style. This includes a cost control and audit culture, greater managerial discretion, specific performance measures linked with outputs rather than processes, the evaluation of performance against pre-established standards and economic efficiency. Consequently, when discussing NPM, performance dimensions such as efficiency, effectiveness and quantity of outputs, are omnipresent. Carroll (1995) continues by characterizing New Public Management in paradigmatic terms: reducing and deregulating bureaucracy, using market mechanisms and simulated markets to conduct government action, devolving responsibility downward and outward in organizations, increasing productivity, energizing agencies and empowering employees to pursue results, improve quality, and satisfy customers. Consequently, quality of outputs and satisfaction-measurement are highly valued performance dimensions of NPM.

Figure 10 NPM and its clustered dimensions of organizational performance



Hence, not all of these concepts are properly defined in literature, which impedes a further categorization and deeper understanding. The literature review reveals that *efficiency* is one of the best-defined concepts. Boyne (2002a) argues that efficiency reflects inputs-outputs relationships and is concerned with achieving relatively short-term results with minimum resources. Efficiency thus refers to the financial means and time that are required to perform a specific action.

Bouckaert & Van de Walle (2003) argue that *satisfaction-measurement* is about evaluating the citizen's perception of the quality of the 'steering' of society and of the direction in which society is steered such as the satisfaction with waste collection or the amount of users satisfied with theaters and concert halls (Andrews & Van de Walle 2006).

Jackson (1988) (in Palmer (1993)), defines *effectiveness* as the extent to which the defined task or work program has been accomplished in relation to overall aims such as the percentage of rent collected from council housing tenant (Boyne 1997; Andrews, Boyne and Walker 2006). Effectiveness thus implies if specific actions have been achieved yes or no.

None of the authors in the sample succeeded to bring forward a clear definition of *quality of outputs*, hence, illustrated with examples such as the number of cyclists killed (Andrews, Boyne and Walker 2006) or speed of delivery (Boyne 2002a). A similar logic applies to *quantity of outputs*. Chun & Rainey (2005) for instance refer to the number of home visits for the elderly. Quantity of outputs thus merely refers to the number of times a specific action has been accomplished whereas quality of outputs refers to the quality of the performed actions.

#### TPM related performance-dimensions

Andrews & Boyne (2011) define *equity* as the extent to which each authority aligns its policies in respect to gender, race and disability such as the equal access to public housing (Walker, Fariborz and Devece 2010; Brewer & Walker 2013). Consequently, equity is about the extent to which people have equal access to the public services offered by a public organization. Equity therefore aligns with TPM since the core-philosophy of this management view is about avoiding randomness in which privileged people might disproportionately benefit from particular public services (Weber 1922).

#### PVG related performance-dimensions

*Outcomes* are considered to be a major characteristic of PVG since this management view criticizes TPM for focusing too much on being compliant with existing procedures and NPM for its extensive focus on preconceived targets (De Waele, Berghman and Matthyssens 2015). Instead, the outcome of public organizations should be to create public value (Stoker 2006). Boyne (2002a) states that outcomes encompass the 'impact' of a service. Gregory & Lonti (2008) in an abstract way argue that outcomes should aim for an inclusive and innovative economy. In sum, outcomes, in comparison to outputs thus merely refer to the effects of political programs in a broader sense, such as enabling social cohesion or transparency.

In summary, previous analysis shows that of the seven performance-dimensions identified, five clearly relate to NPM, thus indicating the over-presence of NPM-related performance dimensions.

***BELOW TRESHOLD (CITED BY ≤ 5 AUTHORS)***

Next, the data of the systematic literature review was re-analyzed to determine what other performance dimensions below the threshold (i.e. being cited by less than or equal to five authors) was referred to. Especially relevant were articles that contained major theoretical as well as empirical contributions. Concepts that lacked conceptual clarity or empirical rigor were excluded from further analysis while the concepts “environmental performance” and “innovation” were withdrawn from further analysis (Pollanen et al. 2017).

Table 14 illustrates that the constructs social responsibilities, environmental performance, impact, participation and cost per unit of democratic outcome related to each other, resulting in a new, overarching construct: *environmental impact* (O'Faircheallaigh 2010). According to Glasson, Therivel and Chadwi (2013), this concept implies that the environmental consequences, both social and ecological, of a plan, policy or program are taken into account in order to ensure sustainability. As a result, this concepts strongly resonates with PVG (Bryson, Crosby and Bloomberg 2015).

Table 14 Counts based on the systematic literature review of Phase 2

Clustering Phase 2										
BELOW TRESHOLD ( $\leq 5$ times cited)									$\Sigma$	
Social responsibilities	1	Environmental performance	1	Impact	1	Participation	1	Cost/unit of democratic outcome	1	5
Cost-reduction	1	Value for money	2	Efficient use of allocated budget	1					4
Innovation	1									1
Administrative workloads	1									1
Service-inputs	1									1
Trust	1									1
Political authority	1									1
Strategic level function	1									1
Service plans	1									1
Probity	1									1

The second concept, *innovation*, according to Crosby, 't Hart and Torfing (2016), relates to PVG for the reason that innovations are driven by collaborative structures, which, according to Denhardt and Denhardt (2000), ensure that governments are open, accessible and responsive.

Table 15 indicates the omnipresence of NPM dimensions: The results beyond the threshold were clearly more oriented towards NPM. Yet, the supplementary dimensions brought forward by analyzing the results below the threshold exclusively referred to PVG. Consequently, the unbalance between the performance dimensions stemming from the different management views remains persistent.

Table 15 Initial conceptual model

Performance-dimensions	TPM	NPM	PVG
Quality of outputs		X	
Quantity of outputs		X	
Efficiency		X	
Effectiveness		X	
Equity	X		
Outcomes			X
Satisfaction		X	
<b>Results below the threshold</b>			
Environmental performance			X
Innovation			X

## Phase II

The former analysis confirmed that the current discourse under represents performance-dimensions relating to PVG and TPM. The aim of this section is therefore to seek for additional performance dimensions in pioneering and leading articles that represent these

perspectives. Analysis of the supplementary literature (Denhardt and Denhardt 2000; Olsen 2006) resulted in the identification of several performance dimensions.

### ***Additional performance-dimensions of TPM***

In his very influential work 'Maybe it's time to rediscover bureaucracy', Olsen (2006) stated that one of the key-concepts of TPM implies that bureaucrats are supposed to obey the guardians of constitutional principles, the law and professional standards. Bureaucrats should therefore comply with prescribed rules, procedures and codes of conduct. Compliancy with rules, according to Vigoda (2003) implies that rules and procedures are being met in a consistent way. This finding is also confirmed by Denhardt and Denhardt (2000), who state that TPM is being preoccupied with rules and procedures and excessive control systems. Being *compliant with rules and procedures* is therefore an essential performance dimension of TPM.

Other authors such as Glanz (1991) state that bureaucracies, by their very nature, require a high degree of standardization with stress on uniformity in both rules and conduct. This is also confirmed by Stoker (2006, 45), who in his significant work in which he contrasts TPM with the other management views states that 'Mass-citizenship led to increased demands on the state in areas such as education and health that only can be managed by standardization of administrative responses that enable an organization to meet the welfare tasks it generates.' *Standardization of rules and procedures* can therefore be considered as another indispensable performance dimension of TPM.

In summary, the analysis thus illustrates that compliancy with and standardization of rules and procedures are other essential performance dimensions of TPM.



### ***Additional dimensions of PVG***

Olsen (2004, 7), in line with Brereton & Temle (1999) states that, within the view of PVG, 'citizenship involves more than voting, requiring a new institutionalized moral vision synthesizing private and public ethical principles'. Downe, Cowell and Morgan (2016) define these guidelines as written frameworks used by organizations to specify and shape what is regarded as appropriate conduct. PVG thus accentuates the relevance of *integrating ethical principles*.

A further study of the literature reveals that PVG is also about the commitment to outcomes such as enabling transparency or social cohesion. Yet, these outcomes can be also considered as illustrations of *public values* (Jorgensen & Bozeman 2007). Crosby (2016, 658) for example defines a public value as 'that which is valued by the public or is good for the public'. PVG, according to Crosby, 't Hart and Torfing (2016) encompass direction setting, policymaking, and management that takes the full range of public values into account and typically involves multiple actors. This large conceptual overlap between outcomes and public value results in the replacement of the more generic term of outcomes in the initial conceptual model by public values in the final conceptual model.

These findings together result in an alternative, balanced performance instrument that integrates performance-dimensions from the different management views, which will be discussed in the next section.

## **DISCUSSION AND CONCLUSION**

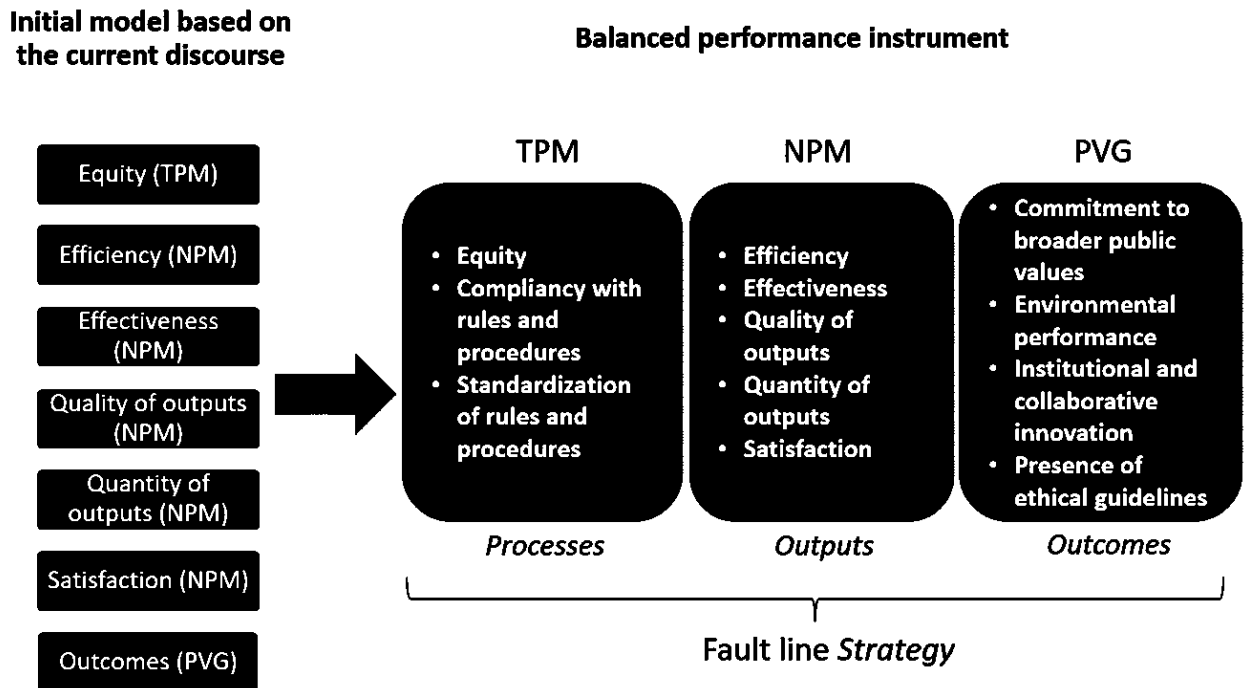
This article started by accentuating the multi-dimensional grounds of organizational performance and the potential bias among the main performance dimensions. First, results

demonstrated that performance literature at the moment is mainly oriented to an Anglo-Saxon context in which primarily NPM-related performance dimensions prevail. A powerful illustration is the observation that the available quantitative research has been primarily based on CPA-data of local governments in the UK. However, this carries various risks. For instance Higgins (2005) posed questions about the measurement validity of CPA-data since performance indicators have the tendency to run down over time due to learning effects so that is no longer possible to discriminate between good and bad performers (van Thiel & Leeuw 2002). In line with these critiques, Davis (2011) argued that CPA embodied (at least nominally) a criterion-based or absolutist referencing system, resulting in a significant rise in category scores over time. Furthermore, Martin et al. (2016) stated that CPA was being perceived as very aggressive because of its tendency to name and shame poor performers.

Second, and more important, Figure 11 illustrates how the article started with a model on performance, based on the analysis of the current discourse and how this model slightly transformed into a more balanced performance instrument. In the initial model performance dimensions relating to different management views were separate and NPM-related performance dimensions were over-presented. In the final balanced performance instrument performance-dimensions relating to different management views are interconnected and the over-representation of NPM-related performance dimensions is less dominant. Furthermore, the balanced performance instrument connects with the conceptual model about hybridity, introduced in the theory section. The figure demonstrates that the performance dimensions of the different management views relate to the fault line control within this conceptual model. TPM-related performance dimensions are therefore dedicated towards the fulfillment of processes whereas organizational goals following NPM are merely oriented towards the

realization of outputs. Finally, organizational goals according to PVG are mainly concerned with outcomes.

Figure 11 Moving towards a balanced performance instrument



This biased performance puzzle thus implies that performance, according to the literature so far, is largely constructed around NPM dimensions. As a result, public organizations, mainly focusing on NPM related performance dimensions such as efficiency, effectiveness, quantity and quality of outputs and satisfaction might score artificially high on performance. But the opposite also holds: Organizations that tend to focus on environmental performance or standardization might score low since these performance dimensions are seemingly undervalued in the current discourse on performance management.

This complexity increases in the context of hybrid organizations since these organizations typically combine logics from different management views. For instance, when a given organization embeds TPM and PVG logics, it is very likely to score low on performance since

NPM-related performance dimensions might be underrepresented within this organization. Ideally, performance dimensions should be therefore in accordance with the main governance logics. Large inconsistencies are undesirable and are likely to negatively affect the performance of the organization.

Applying the balanced performance instrument to hybrid organizations in which for instance TPM and NPM dimensions are present implicates that the organization should not only value efficiency, effectiveness and satisfaction on the one hand but also equity, compliancy with rules and standardization of procedures on the other hand. Yet, interactions between performance dimensions stemming from different management views might create threats or reinforce each other, creating opportunities as suggested in Table 16.

Table 16 Opportunities and threats among the constructs of organizational performance

	<b>Opportunities</b>	<b>Threats</b>
<b>TPM and NPM</b>	Standardization and outputs	Compliance versus satisfaction
<b>TPM and PVG</b>	Equity and presence of ethical guidelines	Compliance versus innovation
<b>NPM and PVG</b>	Efficiency and innovation	Satisfaction and environmental performance

First, blending logics from TPM and NPM leads to potential threats. The tendency to comply with rules and procedures in order to ensure equal access to public services might come at the expense of (customer) satisfaction. Organizations, bounded by detailed rules and procedures are typically less flexible and responsive to a client’s needs (Rai 1983). Furthermore, in this type of hybrid organizations, policies are primarily designed for the

benefit of the organization so that clients might have the feeling to be treated in a very impersonal way. Moreover, public servants might hide themselves behind rules and procedures in cases when they made mistakes, ignoring their responsibilities towards their clients and complicating accountability (Fatemi & Behmanesh 2012). Yet, customer satisfaction might also exacerbate political inequalities for the reason that public service efforts may be biased towards citizens of higher socioeconomic status as those citizens are more likely to know and exert their rights and to successfully raise their voice (Fountain 2001).

However, conjoining TPM and NPM performance-dimensions might also generate opportunities for two reasons. First, the standardization of rules and procedures might enable the organization to increase the volumes of delivered products or services, suitable for standardization, resulting in economies of scale. Second, the implementation of standard operating procedures might enable public organizations to increase the quality of the products and services offered (Ungan 2006).

Second, similarly, blending logics from TPM and PVG generates threats and opportunities. Highly formalized processes hamper the organization in fostering innovation as they typically result in organizational climates in which employees are discouraged from taking part of creative processes (Baer & Frese 2002; Hirst et al. 2011). Furthermore, employees within these organizations might have the feeling of distrust from the management, inhibiting powerlessness and frustration which are harmful to innovation-processes (Baer & Frese 2002).

However, combining TPM and PVG logics might also generate opportunities. More specifically, the implementation of ethical guidelines might enforce this type of hybrid organizations in preserving equal access to citizens and smaller subgroups since equity is at

the core of most ethical standards within public organizations (Cameron 2004). Furthermore, the implementation of ethical guidelines might enhance accountability-processes within the organization. In line with DeLeon (2002), improved accountability-processes enable public administrations to more effectively fight corruption, which is an act that fundamentally contravenes the ideas of equal access to public services.

Third, combining NPM and PVG logics might negatively affect the organization's environmental performance. Customer-centered missions that align well with NPM logics mostly depart from a shareholder instead of a stakeholder model which limits the organization's ability to respond to shifts in the greater environmental context, as being illustrated by Hillman and Keim (2001).

However, combining NPM and PVG logics might also generate opportunities. The focus on innovation that stems from the PVG logic might increase the organization's efficiency for the reason that the outcomes from institutional and collaborative forms of innovation might result in the restructuring of technical and administrative processes (de Vries et al. 2016).

In summary, the opportunities and threats that stem from the integration of different performance dimensions imply that hybrid organizations should attempt to find a compromise when increasing their performance.

We started this article by referring to the context-dependency of organizational performance. Once again, we raise the question if it is convenient to strongly value efficiency and effectiveness in public organizations that are being confronted with large and complex problems and that primarily operate in a non-competitive environment. Instead, these organizations might benefit from valuing innovation and collaborative approaches. A similar

reasoning could be followed with state-owned enterprises that operate in a competitive environment in which non-efficient and non-effective organizations are being forced to leave. These sorts of organizations might benefit from focusing on NPM-dimensions in order to withstand the strong competition they have to cope with. Furthermore, as we stated earlier, this complexity increases in hybrid organizations that should be aware of the tensions but also of the opportunities that follow from the integration of performance dimensions that stem from different governance logics.

The analytical framework and balanced performance instrument presented in this article might help researchers to determine what governance logics are dominantly present in the organization and, given that, what performance-dimensions should be the most appropriate. The developed balanced performance instrument challenges researchers (1) to pursue a more holistic view on organizational performance, (2) to be aware of potential contingencies that play a role when prioritizing performance dimensions that should fit with the organization's purpose and (3) to identify frictions and opportunities that follow from the interplay of performance dimensions that stem from different management views. As such, the use of the instrument is not only limited to academics but also of great value to practitioners that can use it to steer their organization to much more customized forms of performance.

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## **CHAPTER 5: PUBLIC SERVICE MOTIVATION AND PRO-SOCIAL RULE-BREAKING: An international vignettes study in Belgium, Germany and the Netherlands**

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### **ABSTRACT**

We theorize that people with high Public Service Motivation (PSM) are especially prone to engage in (pro-)social rule-breaking (SRB) behavior, which ultimately leads to discriminatory practices, particularly if moderated by positive affect. We test our argument by conducting an original vignette-based study in three countries (Belgium, Germany and the Netherlands) with 1,239 observations in total. Our findings provide first behavioral evidence on the linear relationship between PSM and the likelihood of SRB. The results reveal that the relation between PSM and SRB is moderated asymmetrically by client-based information affect cues: Negative affect cues have a larger negative effect than positive affect cues have a positive effect. This means that high-PSM people are not only more likely to engage in SRB, but that they also discriminate more sharply between clients they perceive to be more deserving than their low-PSM peers.

*Keywords: Social Rule-Breaking, Public Service Motivation, Risk behavior, Multi-site design*



## INTRODUCTION

The aim of this chapter is twofold. First, according to neo-institutional theory, the institutional context affects individual behavior. Yet, the empirical research linking these two levels of analysis is fairly limited. This chapter aims to contribute to this discussion by analyzing how the institutional context and individual characteristic traits might be interlinked. Second, this chapter aims to empirically test one of the most challenging performance-threats brought forward in chapter 4, i.e. the tension among customer satisfaction and compliance. More precisely, this chapter studies how these tensions might incite respondents to engage in acts pro-social rule-breaking. The study therefore departs from a widely-studied concept in public administration and public management, Public Service Motivation (PSM).

A central claim in this literature is that high-PSM people tend to behave differently vis-à-vis their low-PSM counterparts. For example, Esteve et al. (2016) reveal in an unconditional public goods game experiment that high-PSM participants contribute more to a public investment than their low-PSM colleagues. In the current paper, we develop a theory of a dark side of PSM. Specifically, we argue that high-PSM people are more likely to engage in discriminatory rule application than their low-PSM counterparts. After all, high-PSM individuals are assumed to be driven by the intrinsic motivation to help other people (van Witteloostuijn, Esteve, & Boyne 2017). This care motive is an essential part of the PSM construct. Hence, we reason that high-PSM individuals reveal a higher tendency than their low-PSM counterparts to break the rules in favor of citizens they believe need and deserve help and support.

In this paper, we report evidence from a multi-site, three-country vignette study designed to explore this potential dark side of PSM. Specifically, the current study reports findings of a

between-subject randomized vignette-based quasi-experiment regarding (pro-)social rule-breaking (SRB) in a public service setting, examining the impact of PSM. The quasi-experiment was conducted at universities in Belgium ( $n = 220$ ), Germany ( $n = 211$ ) and the Netherlands ( $n = 193$ ), adding a complementary questionnaire to measure PSM as a potentially important micro-determinant of SRB. Hence, our design is a quasi-experiment, because PSM (our central independent variable) is very difficult – if at all – to manipulate experimentally, and thus cannot be designed as a randomized treatment. The three treatments involve vignettes that differ in the information affect cues provided about the client in the form of either neutral, adverse, or compassionate stimuli to create sufficient treatment variation. So, in all, this paper presents findings from three studies, replicating a novel quasi-experiment in three countries, examining the information-conditional impact of PSM on the likelihood to engage in SRB.

The research design of this study comes with a few crucial methodological advantages. First, this study employs an experimental design – following pleas of van Witteloostuijn (2015) and Walker, James, and Brewer (2017) – because this offers the opportunity to identify treatment-related causal mechanisms (of affect). Moreover, as argued by van Witteloostuijn (2015), we add a survey-based measure in the context of a quasi-experimental design for the purpose of a correlational analysis of the impact of a key respondent characteristic (i.e., PSM). Second, in line with Landman (2008) and Walker, James, and Brewer (2017), this study conducts a comparative multi-country study allowing the analysis of differences and similarities across culture-specific settings. Third, by running the experiment in three countries, this research responds to the recent pleas of van Witteloostuijn (2016), Walker, James, and Brewer (2017), Vandenabeele, Ritz, and Neumann (2018), and Walker et al. (2018)

to conduct replication studies, offering opportunities to reflect on the generalizability of the findings and to discuss their boundary conditions.

## **THEORY**

### **Public Service Motivation and Pro-social Rule-breaking**

Although the principle of non-discrimination among citizens and clients (i.e., equity) is still a core foundation of today's public sector, reality in public organizations often looks different. In a recent systematic review, Tummers et al. (2015) argue that prioritizing among clients is a widely-used strategy among street-level bureaucrats to cope with increasing job demands in modern bureaucracies. By "giving certain clients more time, resources, or energy" (Tummers et al. 2015, 1108), bureaucrats make use of their *de facto* discretion to deal with the challenges of public service delivery. Yet, the consequence is that some clients are prioritized to the disadvantage of other clients, who will not be given this extra time possibly because bureaucrats might feel more emotionally detached from these individuals. Facing such trade-offs, Tummers et al. (2015) argue that bureaucrats follow different coping strategies.

On the one hand, they can decide to move *toward* the client. This triggers positive, pro-active, and client-centered behavior, linking neatly with selfless pro-social behavior. This strategy includes rule-bending and rule-breaking to meet the client's demand, as well as discretion in prioritizing. On the other hand, bureaucrats might move *against* the client by "sticking to rules in an inflexible way that may go against the client's demands" in a way that borders on hostility against the client (Tummers et al. 2015, 1108). Yet, moving either toward or against the client is associated with risk since both strategies are discriminatory, threatening the

fundamental principle of equity that is at the core of public bureaucracies. This paper's central claim is that Public Service Motivation (PSM) plays a key role here in co-determining rule-breaking vis-à-vis rule-obeying behavior.

PSM can be defined as “an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations” (Perry and Wise 1990, 368). The central idea of PSM scholarship is that people with high PSM feel attracted to the public sector because employment as a civil servant provides the opportunity to do meaningful work for the sake of (selfless) societal benefit (Perry & Wise 1990; Perry, Hondeghem & Wise 2010). Furthermore, research by Oberfield (2014), as well as Vogel and Kroll (2016), finds that an individual's level of PSM is relatively stable over time, making this a very important concept indeed to understand individuals' motivation in working for public sector organizations.

The rich body of research on PSM largely argues that people with high PSM are more likely to be attracted to working in the public sector (Kjeldsen & Jacobsen 2013). When examining the underlying dimensions of PSM more closely, PSM actually incorporates very distinct conceptual ideas. More precisely, the concept of PSM comprises at least four sub-dimensions – compassion (COM), self-sacrifice (SS), commitment to the public interest (CPI), and attraction to policy-making (APM) – two of which directly relate to acting selflessly in the interest of other people: i.e., in the clients' immediate interest (Kim 2008; Vandenabeele 2008).

PSM does not only influence employee motivation and behavior, but is also argued to be positively related with individual and organizational performance (Alonso and Lewis 2001; Bellé 2012; Ritz, Brewer, and Neumann 2016). Yet, Perry and Wise (1990) already noted that high PSM might potentially have negative effects for bureaucratic organizations. To date,

research about these dark sides of PSM is fairly limited, and empirical evidence – to the best of our knowledge – is even scarcer, despite some explicit calls (Steen & Rutgers 2011). One of the first to address this issue were Giauque, Anderfuhren-Biget, and Varone (2013), revealing that the PSM dimensions of COM and SS are related to higher satisfaction rates after resigning from public service, while the other two dimensions of APM and CPI are associated with reduced satisfaction after resignation. In accordance with Schott and Ritz (2017), PSM is also reported to positively correlate with stress (Giauque et al. 2012), burnout and job dissatisfaction (Van Loon, Vandenabeele & Leisink 2015), absenteeism (Koumenta 2015), and over-attachment leading to adverse presentism (Andersen & Hjortskov 2016).

We argue that a potential downside of PSM is a higher likelihood of pro-social rule-breaking. Rule-breaking is a concept that has been discussed frequently in the entrepreneurship literature (Obschonka et al. 2013; Warren & Smith 2014; Arend 2016; Elert & Henrekson 2017). Rule-breaking can be characterized as ‘institutional deviation’, which means that individuals deviate from the behavior stipulated by implicit and/or explicit rules of institutions (Elert & Henrekson 2017). Traditionally, the argument is that employees violate such rules in order to serve their own monetary or hedonic self-interest at the expense of others and/or their organizations. Consequently, this rule-breaking behavior is primarily considered as unethical and self-oriented in the sense that the goal is to serve one’s self-interest at the expense of the public’s interest (Robinson and Bennett 1995; Griffin and Lopez 2005; Hodson et al. 2012; Arend 2016). The literature defines these forms of rule-breaking as pro-self or anti-social (Nogami & Takai 2008).

Most studies stress the negative consequences of rule-breaking. However, deviations from the behavioral norms set by institutions can also function as a remedy if these norms are

(seen as) dysfunctional (Vadera, Pratt, and Mishra 2013). In this sense, rule-breaking can also be pro-social instead of pro-self when the primary intention is to help others (Morrison 2006). However, little is known about (pro-)social rule-breaking (SRB), as only limited empirical research has been conducted on this issue. A query in the Web of Science gives five hits only: Morrison (2006), Dahling et al. (2010), Parks, Ma, and Gallagher (2010), Vardaman, Gondo, and Allen (2014), and Ambrose, Taylor, and Hess (2015). Morrison (2006, 6) pioneers SRB by defining it as “any instance where an employee intentionally violates a formal organizational policy, regulation or prohibition with the primary intention of promoting the welfare of the organization or one of its stakeholders.” Morrison (2006) reports the findings from three studies, based on phone interviews, face-to-face interviews, and one quantitative study exploring the antecedents of SRB.

In her initial study, Morrison (2006) identifies three forms of SRB: rule-breaking to (a) facilitate work performance, (b) help another member of the organization, and (c) provide good customer service (Morrison 2006). Morrison’s vignettes study shows that participants are more likely to indicate that they would engage in SRB if the job in the scenario was characterized by high autonomy and if the scenario revealed that other employees had also engaged in SRB in the past. Furthermore, (self-reported) risk-taking propensity is found to be positively related with the likelihood of SRB (see also Dahling et al. 2010). Elaborating on these findings, Dahling et al. (2010) develop and validate a general scale to capture the likelihood of SRB. In a conceptual study, Parks, Ma, and Gallagher (2010) argue that work characteristics such as autonomy and risk-propensity have an impact on SRB. Vardaman, Gondo, and Allen (2014) suggest that the ethical norms of the organization play a major role in explaining SRB, proposing that a climate of instrumental and law-incongruent standards is likely to increase the chances of SRB. Ambrose, Taylor, and Hess (2015) contribute to a further

conceptualization of the antecedents of SRB by describing the latter as a deontic reaction to the organizations' unfair policies toward customers. They furthermore propose that the likelihood of SRB increases with organic workgroup structures, low workgroup service motivation, and substantial supervisor support for SRB.

Translated to the context of modern public bureaucracies, examples of SRB could be shortcutting lengthy bureaucratic procedures to the benefit of a client requesting public services, with no direct and functional benefit for the civil servant taking the shortcut (Morrison 2006; Dahling et al. 2010). Seemingly benevolent, SRB can be a fundamental and severe problem for public bureaucracies as the core equity principle is violated, and because the hierarchical logic of top-down rules and policies set by law and formal regulation is undermined (Zhou 1993). This violation is deliberate, the primary motive being the intent to help the organization, clients and/or stakeholders in an honorable fashion (Morrison 2006; Dahling et al. 2010). However, such deliberate SRB actively breaks down the core principles of public bureaucracies (Udy 1959; Mills 1970).

So how may PSM be related to SRB? We argue that high-PSM people are more likely to break the rules for noble causes. The discriminatory effect of high PSM is supported by another study of Andersen and Serritzlew (2012), revealing that public service providers with high PSM are more likely to deviate from profit-maximizing strategies in order to help more needy clients – or rather, those clients they regard as more needy. Moreover, they report that professionalism in the sense of rule-abiding behavior on the job is negatively correlated with user orientation and compassion with the client. This again indicates that high PSM potentially leads to discriminatory behavior in the form of SRB.

*HYPOTHESIS 1 (H1): The relationship between the decision-maker's PSM and the likelihood of SRB is positive, implying that the likelihood of SRB increases with higher PSM.*

### **The Role of Client-based Information Cues**

Classical economic theory's ideal-typical benchmark assumes that people behave as economic agents who make perfectly objective and informed decisions with the only goal to maximize their self-interest (Von Neuman 1947). Behavioral choice theory argues that human rationality is frequently bounded, which is backed by impressive evidence from both behavioral economics and cognitive psychology. In many occasions, peoples' decisions are driven by a mixture of utility maximizing and satisficing strategies (Simon 1945). Depending on the context, both strategies are rational in the sense that they help to "maximize" an actor's very own "utility function", which may well include the interest of others next to one's own, by making informed decisions under limiting conditions and binding constraints (van Witteloostuijn 1988). The behavioral approach is especially useful to explain peoples' behavior when they have to deal with incomplete information, risk and uncertainty, which is all too common in many real-life conditions.

In public bureaucracies, SRB is a risky endeavor because there is a real threat that breaking the rules to the benefit of a client will be noticed higher up in the hierarchy. Furthermore, SRB is associated with uncertainty because the likelihood and magnitude of the potential adverse consequences for both the actor him/herself and for the organization are unknown, and are, consequently, incalculable. If odds cannot be calculated, people (subconsciously) rely on heuristics to cope with the motivational conflict between the wish to pro-socially help a client and the potential of experiencing adverse consequences from doing so. Heuristics are cognitive rules of thumb that are activated by internal and external cues, and that help



making sufficiently “good” decisions under uncertainty by reducing complexity (Gigerenzer and Goldstein 1996). Such external cues could be, for instance, the perception of organizational mistreatment of customers (Ambrose, Taylor, and Hess 2015), or specific client characteristics that trigger sympathy toward this client, so increasing the will to help him or her (Keiser 2010). Experimental research on decision-making shows that such feelings play an essential role in priming behavior because they substantially influence attitudes and preferences, and hence behavior (Kahneman 2003; Thaler and Sunstein 2008).

Real public servants facing real clients with real problems are challenged with the daunting task of trying to match the formalized rules and procedures with the dire needs of their needy clients. Street-level bureaucrats will, oftentimes, inevitably be emotionally affected by their clients’ fate. For instance, Buurman and Dur (2012) found that caseworkers that were weakly altruistic toward clients preferred to not allocate help to needy but unwilling clients, rather than sanctioning them. These findings also resonate with those of Jilke and Tummers (2018), who found teachers to be more willing to help students who worked hard, rather than to help students who were merely successful according to the bureaucratic criteria of success. Affect can be positive – e.g., in the form of having empathy or sympathy for another person – or negative – e.g., in the form of disliking another person (Eisenberg 2000). A large body of psychological research shows how affect – i.e., liking or disliking – does moderate behavior (see, e.g., Fazio 2001; Oikawa, Aarts & Oikawa 2011). In a similar vein, we argue that the relationship between PSM and the likelihood of SRB is moderated by affect toward the client. Empirical research by Scott (1997) shows that bureaucrats’ use of their discretion in decision-making is strongly influenced by the attitudes they form on the basis of client characteristics. He argues that client characteristics function as behavioral cues that are much stronger than

the individual attitudes or traits of the decision-maker him/herself. Furthermore, Scott's (1997) study reveals that the level of (monetary) assistance provided to a client of social services is directly related to the level of compassion held by the bureaucrat toward the client. These results resonate with earlier findings by Goodsell (1980; 1981), who provides evidence that clients who gave cause for compassion because they exhibited greater need will also receive proportionally greater benefits. Also, an experimental study by Weimann (1982) indicates that bureaucrats can be easily swayed by clients who use 'altruistic' – i.e., pro-social – appeals that result in positive affect toward the client.

Consequently, we assume that positive affect is directly linked with a higher likelihood of SRB. Indeed, more recent empirical findings also point into this direction. For instance, conducting a series of laboratory experiments, Christian and Alm (2014) report that people who are very pro-socially motivated, in the sense of being more than averagely concerned with other peoples' wellbeing, as expressed by these other peoples' emotional state, are more likely to be tax compliant. Research from the for-profit sector can also be used to support this argument. For example, Gino and Pierce (2009; 2010) show that clerks are more likely to give discounts to certain customers if they feel empathy or sympathy toward these customers, which obviously implies discriminating against the rest of the customer base.

*HYPOTHESIS 2a (H2a): The likelihood of SRB increases with the decision-maker's positive affect toward a client.*

Client discrimination based on the perception of individual deservingness can also lead to adverse consequences for clients who are perceived as less likeable or less needy (Weimann 1982; Scott 1997; Goodsell 1980; 1981). This is especially evident when street-level bureaucrats have to make decisions without face-to-face contact with their clients. For

instance, Keiser (2010) shows that street-level bureaucrats make eligibility decisions in social welfare programs based on abstract (and factually irrelevant) informational cues about the client (whom they have never met) to form heuristic attitudes about the perceived deservingness of the clients. Using a dataset on a social security disability program from the US, Keiser (2010) reveals that such abstract negative cues cause bureaucrats to arbitrarily make an assumption about the honesty of the client, which, eventually, decreased the likelihood of generously applying the eligibility rules. Having a negative attitude vis-à-vis the client also decreases the priority given to the cases of these clients.

*HYPOTHESIS 2b (H2b): The likelihood of SRB decreases with the decision-maker's negative affect toward a client.*

## **METHODS**

### **Multi-national Vignette Study**

We test our hypotheses by conducting an original vignette-based online study modelling the typical choice dilemma of SRB in public services. This study was conducted between April and August 2017 with three independent convenience country samples in Belgium, Germany, and the Netherlands. Potential study participants were invited through an e-mail distributed among students in public and for-profit management degree programs, as well as other social sciences at four large universities. Participation was voluntary and incentivized by the chance of winning one of four substantial gift certificates (1 x €250, 1 x €150, and 2 x €50) from a well-known online retailer. Socio-demographic characteristics of respondents are discussed in more detail in the subsequent results section and presented in Table 17.

Table 17 Socio-demographic characteristics of respondents

	Study 1	Study 2	Study 3
Sampling site	Germany	Belgium	The Netherlands
<i>n</i>	211	220	193
<i>Obs.</i>	315	322	219
Experimental treatment ( <i>Obs.</i> ) <sup>a</sup> :			
Vignette 1	33.7% (106)	33.9% (109)	33.0% (96)
Vignette 2	32.7% (103)	33.2% (107)	33.3% (97)
Vignette 3	33.7% (106)	32.9% (106)	33.7% (98)
Perceived realism			
Vignette 1	2.14 ± .80	2.45 ± .84	2.13 ± .81
Vignette 2	2.97 ± .84	3.06 ± .61	3.04 ± .66
Vignette 3	3.19 ± .70	3.10 ± .71	2.97 ± .56
Gender, male ( <i>n</i> ) <sup>a</sup>	45.0% (95)	48.6% (107)	48.2% (93)
Age in years <sup>a</sup>	25.84 ± 4.82	21.13 ± 2.82	22.47 ± 3.65
Field of study ( <i>n</i> )			
Public administration	19.7% (38)	.	1.4% (3)
Business administration	19.2% (37)	46.8% (103)	36.1% (76)
Socioeconomics & economic policy	9.9% (19)	10.0% (22)	31.3% (66)
Political sciences	3.6% (7)	7.3% (16)	5.7% (12)
Industrial engineering and management	.	24.1% (53)	4.3% (9)
Other applied social sciences	47.7% (92)	11.8% (26)	21.3% (45)
Public service motivation	5.26 ± .98	5.53 ± .85	5.38 ± .92
Risk preference <sup>b</sup>	.65 ± .62	1.57 ± .63	.96 ± .61

*Notes:* Items are either reported with geometric means and standard deviations ( $M \pm SD$ ) or proportions (%) and frequencies (*n*). <sup>a</sup> Frequencies in relation to total number of observations per study sample; tested for treatment balance; all two-tailed *t*-tests within and between studies non-significant. <sup>b</sup> Centralized logarithmic discounting parameter.

The survey and the vignette stimuli were carefully designed by an international team of researchers to make sure that the treatment was equally reliable and logical in the specific context of civil services for all three countries. If necessary, scale measures validated in prior research were translated with due diligence from English into German and Dutch in a triple-blind procedure to maximize translation reliability. Furthermore, adequate and rigorous pre-tests were conducted prior to launching the vignettes (Finch 1987; Wilson and While 1998). In the prospect of small to medium-sized effects (Cohen's  $d \leq 0.3$ ; power = 0.8;  $\alpha = 0.05$ ),

samples per country should at least comprise  $n = 176$  respondents (Ellis 2010), which has been achieved for each sample. The final datasets only include complete responses since raw data were strictly pre-stratified for missing values and repetitive response patterns.

### **Quasi-experimental Design and Vignette Treatments**

We designed three different vignette treatments. Vignettes are narrative scenarios that invite participants to imagine a specific scenario. Participants are asked to express how they would behave if they personally were in the said scenario. Vignettes use textual descriptions that are more elaborate than most written stimuli used in other experimental setups to create scenarios that are highly relevant and realistic to the participants. This realism increases the ecological reliability and validity of measured responses (Hughes & Huby 2004). Thus, vignettes are very powerful instruments in triggering context-dependent behavior with high internal and external validity under highly controlled experimental conditions that allow for systematic variation of treatments in a very economical manner (Aguines & Bradley 2014).

Our study comprises four parts, which are presented in Appendix A.1 in full detail. First, study participants were introduced to the study. Second, we administered a short socio-demographic questionnaire to measure control variables regarding age, gender, nationality, and field of study. Third, we measured our key independent variable (PSM) and respondents' risk preference as a potential covariate using standardized measures developed in prior work: Kim's (2011) PSM scale and Madden, Petry, and Johnson's (2009) Probability Discounting Questionnaire (PDQ). Kim's scale consists of 12 Likert-type statement items to capture individuals' PSM, with the standard quadruple of underlying dimensions (COM, SS, APM, and CPI), and answer values ranging from 1 (= 'absolutely disagree') to 7 (= 'absolutely agree').

Vardaman, Gondo, and Allen (2014) offer a set of propositions in which individual attributes such as risk preference are argued to increase the likelihood of SRB. This should, therefore, be controlled for in empirical studies. Consequently, we use Madden, Petry, and Johnson's (2009) PDQ to reveal respondents' risk preferences. Based on a total of 30 dyadic trade-off tasks between one relatively smaller but fixed pay-out (e.g., €20 for sure) and one higher but risky pay-out (e.g., 67% chance to win €80 and 33% chance to win €0), we use Weißmüller's (2016) algorithm to estimate a risk discounting parameter ( $h$ ) from respondents' pattern of choice and preference reversals across this set of 30 items. Pay-outs are hypothetical, but Madden, Petry, and Johnson's (2009) measure is very reliable in predicting not just preferences, but also real choice under risk (Green and Myerson 2004), while at the same time being very robust against conscious manipulation. The resulting parameter is exponential and is centralized by taking its logarithm. Since higher discounting parameter values indicate that respondents devalue risky options more strongly, individuals with  $\ln(h) > 0$  are characterized as risk-averse.

In the fourth and last part of the study, respondents were randomly assigned to two out of three vignette treatments. These vignettes are designed to represent a typical scenario for street-level bureaucrats. Respondents were put into the active role of a civil servant handling applications for a social housing institution in which two competing institutional logics were integrated. These institutional logics represented the most problematic tensions among performance-dimensions as addressed in chapter 4, i.e. the integration of TPM and NPM-logics. On the one hand, the vignette stipulated that the street-level bureaucrat was employed by an organization that strongly relied on rules and codes of conduct (TPM-logic). On the other hand, the vignette described that the mission-statement of the organization was strongly customer-centered (NPM-logic). In a face-to-face meeting, clients ask to speed

up this process by prioritizing their case, which is not in accordance with the organization's prescribed rules and procedures. The manipulation is through the (lack of) specific information given about the client's background, aiming to trigger different emotional affects toward the client. The first vignette describes a male client with a very negative criminal track-record, who is also reluctant to collaborate ('negative' treatment). The second vignette serves as a control scenario, providing no specific information about the client except that he is male ('neutral' treatment). Including a control group by way of benchmark is essential for experimental research, with randomization offering the opportunity for causal inference (Meyer, van Witteloostuijn & Beugelsijk 2017). The third vignette is designed to prime favorable affect, as triggered by an emotion such as compassion, by presenting a male disabled single-parent in need beyond his own fault ('positive' treatment). In each of the scenarios, respondents are reminded that speeding up individual applications would clearly conflict with the organization's internal codes of conduct. Furthermore, the vignettes make very clear that the civil servant will not benefit personally in any way from prioritizing the client's case. The cases described in the vignettes are based on real application procedures in actual institutions of public welfare services in Belgium, Germany, and the Netherlands. The ecological validity and perceived realism of these treatments was corroborated by both an expert panel, as suggested by Gould (1996), and by pre-testing. Between and within-group *t*-testing indicate that treatment balance was achieved for all three country samples.

The above setup implies that we have a quasi-experimental design. On the one hand, our design is not fully experimental (hence the "quasi"), as our key dependent variable is PSM, which cannot be "randomly treated". PSM is a feature of an individual that we – as is standard in the literature – had to measure through a survey scale. Below, we enter this measure into regressions for what are essentially correlational analyses, as PSM is not randomly attributed

in a pure “treatment fashion” across our study participants. On the other hand, our other central variable is affect, which we could randomly vary across study participants through an experimental vignettes design. This implies that we are able to engage with causal inference regarding this second variable. Together, this implies that we have a so-called quasi-experimental design (van Witteloostuijn 2015), with a non-malleable correlational leg (PSM) and a treatable causal leg (affect). Hence, whilst interpreting our findings, we need to be cautious not to infer causality where our findings are essentially correlational.

### **Dependent Variable: Social Rule-breaking**

To capture respondents’ social rule-breaking intent (*SRB Intent*), we developed a three-item scale that serves as a measure of our main dependent variable. Respondents were asked to indicate how likely they were to break the rules for the client (likelihood), how justified breaking the rules was (justification), and how comfortable they would feel in doing so (affect).<sup>3</sup> All of these items were Likert-type questions, with score options ranging from 1 (= ‘absolutely disagree’) to 5 (= ‘absolutely agree’). The three items were standardized and sum-scored to form our main dependent variable *SRB Intent*.

We conducted confirmatory factor analyses (varimax rotated) to corroborate the validity of this aggregation procedure. Since five-point Likert scales are not continuous, the data were first transformed into a polychoric matrix upon which factor analyses were performed. Results (see Appendix A.3) confirm high internal validity and robustness against country effects. Shapiro-Wilk testing shows that *SRB Intent* is normally distributed across all

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<sup>3</sup> Our questionnaire originally included a fourth item asking respondents to indicate whether they believed that breaking the rules presented in the vignette case involved a mistake. However, factor analysis revealed that this reverse item did not benefit the scale since its uniqueness values were too high, and because it was hardly inter-correlated with the other items.



treatment groups (Vignette 1:  $W(311) = 0.965, p = 0.000$ ; Vignette 2:  $W(307) = 0.985, p = 0.003$ ; Vignette 3:  $W(310) = 0.989, p = 0.016$ ), thus allowing to estimate regression models. Furthermore, we investigate participants' rationalization strategies on rule-breaking by explicitly asking them to indicate on two five-point Likert scales whether they found that breaking the rules was beneficial for the client (client's benefit) and damaging for the public agency (agency's loss). Moreover, we added a fourth item (realism) as a manipulation check control variable, which is a four-point scale asking participants to assess each vignette from being 'very unrealistic' (1) to 'very realistic' (4).

### Model Estimation

All participants responded to two vignettes that were randomly assigned and drawn randomly from the set of three different vignettes.<sup>4</sup> Table 18 presents the effect sizes of the different vignette treatments. To estimate conditional contribution, we run linear regression analyses with heteroscedasticity-robust standard errors clustered at the individual respondent to test our hypotheses. In the expectation of a linear relation between *SRB Intent* and contextual factors such as treatment, explicit motives for rule-breaking (perceived client's benefit and agency's loss), perceived realism, and potential country effects, on the one hand, and individual traits such as PSM and risk aversion, on the other hand, we specify our model as:

$$SRB\ Intent = \beta_1 PSM + \beta_{2;3} Treatment + \beta_{4;5} Motiv + \beta_6 Realism + \beta_7 Risk\ Aversion + \beta_8 Age + \beta_9 Female + \beta_{10;11} Country + \varepsilon_i.$$

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<sup>4</sup> Appendix A.4, available as online material, provides the results of extensive post-hoc analyses to control for order and spill-over effects potentially resulting from randomization-based latent secondary treatment-clusters between respondents. Results show that the current experimental setup and procedure were robust, and that procedure-based order and spill-over effects were not an important issue.

We use the neutral vignette scenario as a reference category for the treatment effects. In the following section, we first analyze each country study individually and then pool the data for a combined sample in which the German sample arbitrarily serves as the reference category (which we therefore take as our Study 1). The table in Appendix A.2 shows the correlation matrix between all dependent and control variables, as well as respective reliabilities at the five per cent level. The results of the regression analyses are presented in Table 19.<sup>5</sup>

All steps of the analysis have also been conducted with *PSM* split into its four underlying dimensions (results available upon request). However, this decreased the explanatory power in comparison to using *PSM* as the compound multi-dimensional construct as originally conceptualized by Perry and Wise (1990). Since the effect of each individual dimension of *PSM* is not the main concern of this study, we decided to follow the many recent examples of, for instance, Vandenabeele, Ritz, and Neumann (2018), van Loon, Vandenabeele, and Leisink (2015), and Schott and Ritz (2017), who all argue in favor of a unidimensional conception of *PSM*, and use *PSM* in the way originally intended by Perry and Wise (1990) and validated by Kim (2011) as a compound scale measure.

## **FINDINGS**

### **Study 1**

The data of study 1 were collected through a standing online panel of a large German university. The final sample comprises data of  $n = 211$  respondents who are, on average, 25.8 ( $SD = 4.8$ ) years old. The sample is slightly dominated by female participants (55.0%) and

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<sup>5</sup> Appendix A.5, available as online material, provides additional post-hoc analyses exploring potential interaction effects between *PSM* and treatments. Results further substantiate the findings of the direct effects model and, furthermore, point toward a small but substantial interaction effect between *PSM* and *SRB Intent* in the negative treatment condition.

consists of undergraduate and graduate students of various social sciences, predominantly of public administration (19.7%), business administration (19.2%), and other advanced economic, political and socio-economic studies (47.7%). Respondents scored relatively high on Kim's (2011) *PSM* scale ( $M = 5.26$ ,  $SD = 0.98$ ) and are rather risk averse ( $M = 0.65$ ,  $SD = 0.62$ ).

We find strong discriminatory behavior. Two-tailed *t*-testing shows that different client descriptions in the vignette treatments create significant variance in *SRB Intent*. The descriptive analysis of the treatment effects on *SRB Intent* is presented in Table 18.

Table 18 Descriptive analyses of *SRB Intent* by study

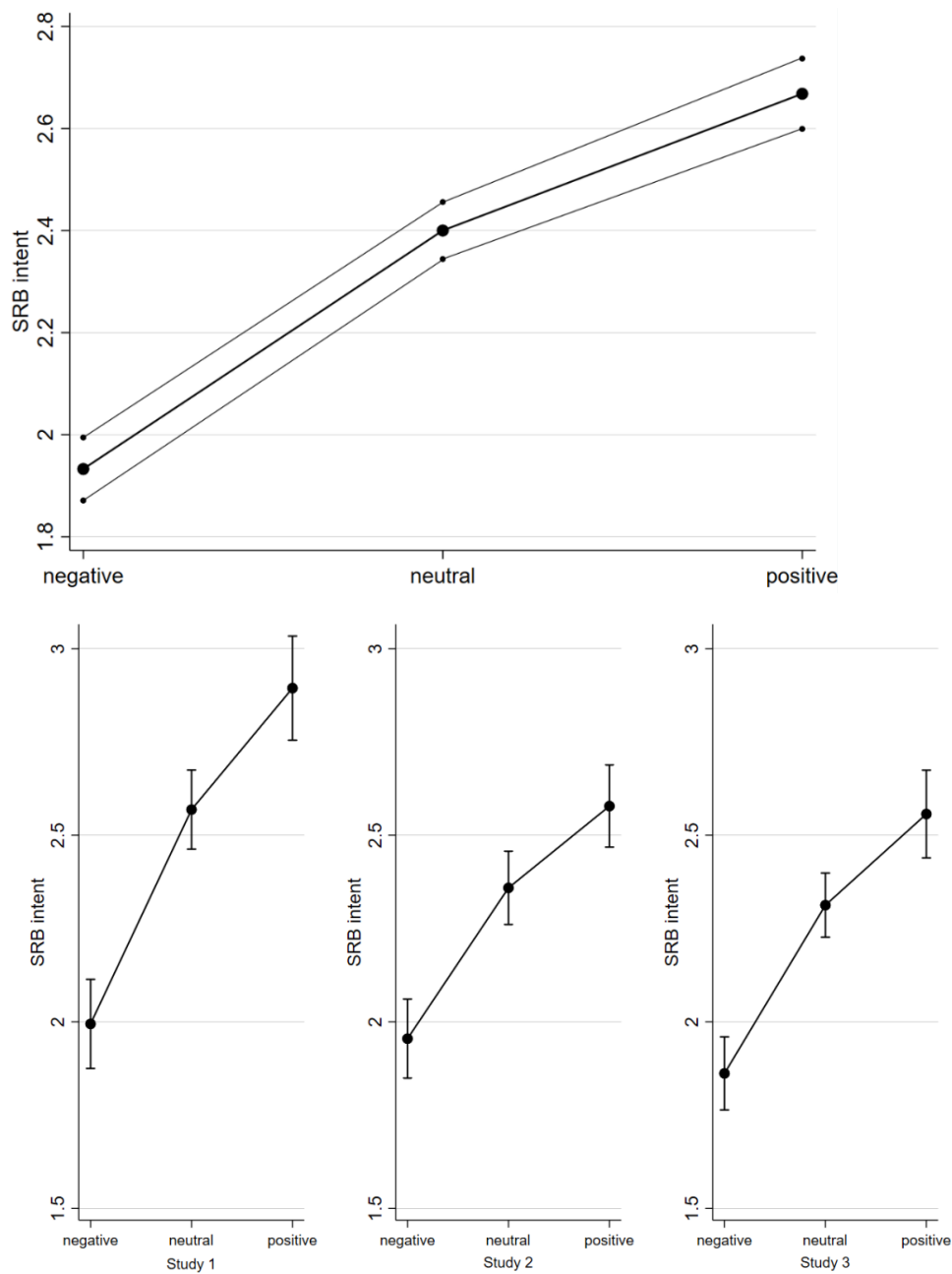
SRB Intent	Mean	SD	Treatment effect <sup>a</sup>		
			<i>t</i>	<i>p</i>	<i>d</i>
Study 1 (GER)					
Negative treatment	1.79	.77	-6.98	.000	-1.026
Neutral treatment	2.64	.87	– reference category –		
Positive treatment	3.17	.89	4.19	.000	.611
Study 2 (BEL)					
Negative treatment	1.81	.67	-5.55	.000	-.804
Neutral treatment	2.38	.76	– reference category –		
Positive treatment	2.83	.80	3.96	.000	.573
Study 3 (NL)					
Negative treatment	1.68	.65	-6.93	.000	-.966
Neutral treatment	2.38	.80	– reference category –		
Positive treatment	2.73	.87	2.99	.003	.422

Notes: Values range: 1 = 'very low' to 5 = 'very high'. <sup>a</sup> Tested against vignette 2 ("neutral") with two-tailed *t*-tests; effect sizes estimated with Cohen's *d*-score (Welch-adjusted).

Tested against the neutral treatment (Vignette 2:  $M = 2.64$ ,  $SD = 0.87$ ), we find that respondents are less willing to break the rules when confronted with a less amiable client ( $M = 1.79$ ,  $SD = 0.77$ ;  $t = -6.98$ ,  $p = 0.000$ ), but much more willing to do so for an amiable client ( $M = 3.17$ ,  $SD = 0.89$ ;  $t = 4.19$ ,  $p = 0.000$ ). The direction of this treatment effect is strictly transitive, indicating a causal relation between affect toward client and likelihood of rule-

breaking, thus supporting *H2a* and *H2b*. This effect is subject to a negativity bias since effect sizes (Cohen's *d*) indicate that the negative treatment ( $d = -1.026$ ) has a stronger effect on inhibiting *SRB Intent* than the positive treatment ( $d = 0.611$ ) has on increasing *SRB Intent* (see Figure 12).

Figure 12 Treatment effect



Note: Absolute effects with 95%-CIs; upper panel: pooled effect (*Obs.* = 1,239); lower panel: treatment effect split by study.

Likewise, we find a strong and significant linear main effect of treatment on *SRB Intent* (negative treatment:  $\beta_2 = -0.224$ ,  $p = 0.020$ ; positive treatment:  $\beta_3 = 0.313$ ,  $p = 0.002$ ) with linear regression modelling (see Table 19). The model is well specified [ $F(9, 193) = 26.47$ ,  $p = 0.000$ ] and, in the context of an (quasi-)experiment in the social sciences, explains a relatively large share of variance (adj.  $R^2_1 = 0.370$ ). The main association of *PSM* with *SRB Intent* is negative, but not statistically significant ( $\beta_1 = -0.023$ ,  $p = 0.599$ ), providing no support for *H1*.

Table 19 Regression on *SRB Intent*

	<i>Study 1</i>		<i>Study 2</i>		<i>Study 3</i>		<i>Pooled data</i>	
<b>Independent variable</b>								
PSM	-.023	(.04)	.053	(.05)	.047	(.04)	.028	(.03)
<b>Treatment</b>								
Negative	-.224*	(.10)	-.047	(.08)	-.106	(.09)	-.129**	(.05)
Neutral	– reference category for vignettes –							
Positive	.313**	(.10)	.283**	(.08)	.285***	(.08)	.310***	(.05)
<b>Control variables</b>								
Client’s benefit	-.037	(.04)	-.089†	(.05)	.080†	(.05)	-.010	(.03)
Agency’s loss	.272***	(.04)	.393***	(.04)	.453***	(.04)	.355***	(.02)
Realism	.357***	(.05)	.249***	(.05)	.141*	(.07)	.262***	(.03)
Risk aversion	-.224*	(.10)	.033	(.10)	-.041	(.08)	-.100†	(.05)
Age	.023*	(.01)	.026	(.02)	-.004	(.01)	.005	(.01)
Female	.010	(.10)	-.090	(.08)	-.158*	(.07)	-.114*	(.05)
German	– reference category for county effects –							
Belgian							.040	(.07)
Dutch							-.017	(.06)
Intercept	.321	(.43)	-.052	(.54)	.104	(.33)	.353	(.27)
<i>Observations</i>		386		384		397		1,239
<i>F</i>		26.47***		32.49***		31.48***		66.67***
<i>VIF</i> <sup>a</sup>		1.14		1.09		1.11		1.25
<i>R</i> <sup>2</sup>		.384		.414		.456		.382
Adj. <i>R</i> <sup>2</sup>		.370		.400		.443		.376

Notes: Linear regression estimates clustered at subject level for conditional contribution; heteroscedasticity-robust standard errors in parentheses; †  $p < 0.1$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$ . <sup>a</sup> Mean variance inflation factor (*VIF*): all *VIF*  $\leq 1.99$ .

Regarding respondents' explicit motives for SRB, we find that consideration of the client's interest is not significantly associated with *SRB Intent* ( $\beta_4 = -0.037, p = 0.384$ ). However, surprisingly, assuming that breaking the rules will result in adverse effects for the public agency actually increases *SRB Intent* ( $\beta_5 = 0.272, p = 0.000$ ). Lastly, we do not find a significant gender estimate, and only a small but significant age effect ( $\beta_8 = 0.023, p = 0.039$ ) but – as expected – risk aversion is strongly negatively and significantly related with *SRB Intent* ( $\beta_7 = -0.224, p = 0.032$ ), which means that risk-averse individuals are less likely to engage in SRB.

## Study 2

Study 2 was conducted at a Flemish university in Belgium. The sample comprises data of  $n = 220$  participants who predominantly study business administration (46.8%), industrial engineering and management (24.1%), and socioeconomics and economic policy (10.0%). The sample is slightly dominated by female respondents (51.4%). Respondents are slightly younger ( $M = 21.1$  years,  $SD = 2.8$ ) than the sample of Study 1. The Belgian sample reports relatively high scores of *PSM* ( $M = 5.53, SD = 0.85$ ) and is predominantly risk-averse ( $M = 1.57, SD = 0.63$ ).

The data of Study 2 mostly corresponds with the findings from Study 1. We find a linear, transitive and asymmetric treatment effect (positive treatment:  $M = 2.83, SD = 0.80; t = 3.96, p = 0.000, d = 0.573$ ; vis-à-vis negative treatment:  $M = 1.81, SD = 0.67; t = -5.55, p = 0.000, d = -0.804$ ) compared to the neutral treatment (see Figure 12). These results strongly support *H2a* and *H2b*. Linear regression analysis (see Study 2 in Table 19) supports the descriptive analysis and relies on a well-specified model [ $F_{II} (9, 191) = 32.49, p = 0.000$ ], explaining a significant share of the variance (adj.  $R^2_{II} = 0.400$ ). The findings reveal a positive but statistically non-significant relation between high *PSM* and *SRB Intent* ( $\beta_1 = 0.052, p = 0.303$ ). Consequently,

the data of Study 2 provides only indicative sign support for *H1*, at best. Regarding respondents' explicit motives for SRB, we find that consideration of the client's interest does not influence *SRB Intent* ( $\beta_4 = -0.089$ ,  $p = 0.066$ ). However, again, being aware that breaking the rules will result in public agency harm significantly increases *SRB Intent* ( $\beta_5 = 0.393$ ,  $p = 0.000$ ). Lastly, we do not find a significant association of individual risk preferences, age, or gender with *SRB Intent*.

### Study 3

The data of Study 3 are from two universities in the Netherlands. The sample comprises data of  $n = 193$  respondents who are, on average, 22.5 ( $SD = 3.7$ ) years old. The dataset features a slight overrepresentation of female respondents (51.8%). Participants are students of a number of social sciences degree programs, with the majority in business administration (36.1%) and economic policy (31.3%). They report high levels of *PSM* ( $M = 5.38$ ,  $SD = 0.92$ ) and are rather risk averse ( $M = 0.96$ ,  $SD = 0.61$ ).

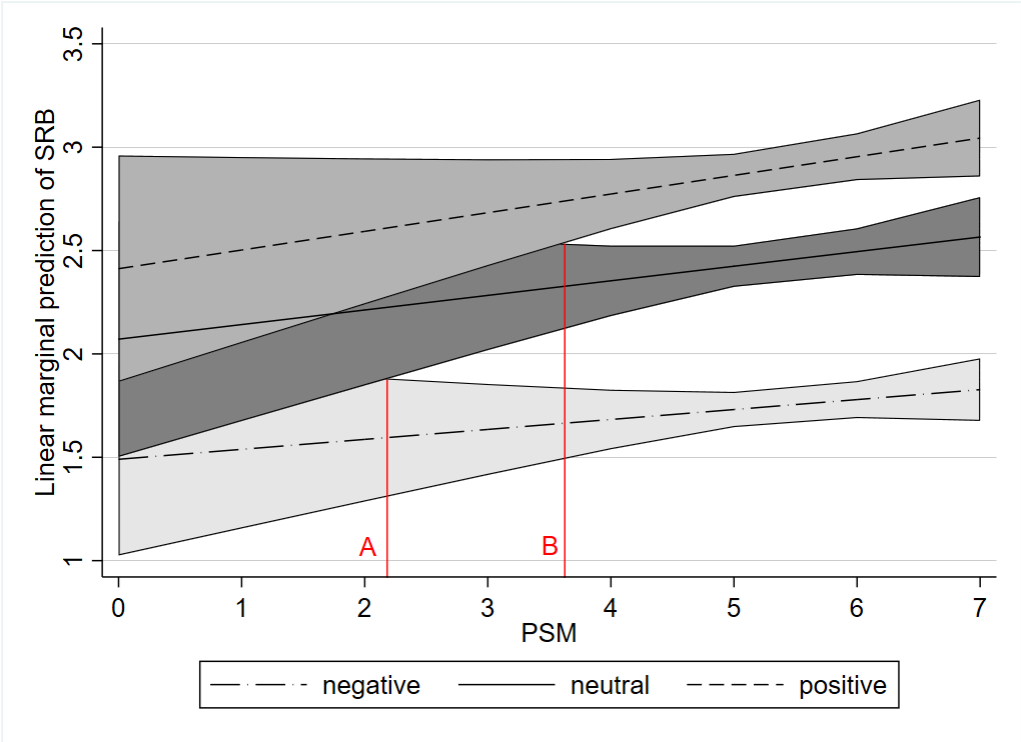
In line with the results of Study 2, high *PSM* is positively associated with higher *SRB Intent* ( $\beta_1 = 0.047$ ,  $p = 0.239$ ), providing sign-indicative but non-significant support for *H1*. Regarding the effect of client-based information cues, the findings mostly correspond with those from Study 1. We observe linear and transitive, but asymmetric positive ( $M = 2.73$ ,  $SD = 0.87$ ;  $t = 2.99$ ,  $p = 0.003$ ,  $d = 0.422$ ) and negative treatment effects ( $M = 1.68$ ,  $SD = 0.65$ ;  $t = -6.93$ ,  $p = 0.000$ ,  $d = -0.966$ ) compared to the neutral treatment (see Table 18). Linear regression analysis further substantiates this asymmetric treatment effect (see Study 3 in Table 19;  $F_{III}(9, 198) = 31.48$ ,  $p = 0.000$ ,  $adj. R^2_{III} = 0.443$ ), with a negative but none significant relation between the negative treatment and *SRB Intent* ( $\beta_2 = -0.106$ ,  $p = 0.242$ ), and a significantly larger and positive relation between the positive treatment and *SRB Intent* ( $\beta_3 = 0.285$ ,  $p = 0.000$ ). Both analyses provide

support for *H2a* and *H2b*. In contrast to Studies 1 and 2, the perception that SRB would benefit the client has a small but only indicative positive association with *SRB Intent* ( $\beta_4 = 0.080, p = 0.081$ ), while agency harm is strongly significantly and positively related with *SRB Intent* ( $\beta_5 = 0.453, p = 0.000$ ). In this sample, female participants reveal significantly lower *SRB Intent* ( $\beta_8 = -0.139, p = 0.013$ ), but a significant coefficient for age or risk preferences cannot be observed.

**Pooled Data**

Pooling the data of the three country samples (*Obs.* = 1,239) for clustered regression analysis does not provide further evidence confirming a positive association between *PSM* and *SRB Intent* ( $\beta_1 = 0.028, p = 0.281$ ), thus not supporting *H1*. The model is well specified [ $F_{IV}(9, 1,239) = 66.67, p = 0.000$ ] and explains a significant share of the variance (*adj. R*<sup>2</sup><sub>IV</sub> = 0.376).

Figure 13 Marginal effect of treatment on the relationship between PSM and rule-breaking



Note: Shadings indicate 95%-CI; pooled data-set (*Obs.* = 1,239); red lines indicate PSM thresholds for discrimination.



We find that treatment with positive information cues has a strong direct positive effect on *SRB Intent* ( $\beta_3 = 0.310, p = 0.000$ ), and that negative treatment results in a complementary but asymmetrically larger negative effect on *SRB Intent* ( $\beta_2 = -0.129, p = 0.009$ ), providing further support for *H2*. The marginal effects plot reveals a substantive asymmetric moderation effect of treatment on the relation between *PSM* and *SRB Intent* (see Figure 13; further exploration in Appendix A.5). A first threshold (A) is reached between the negative and neutral vignette. In this case, the reaction of the respondents with very low *PSM*-scores hardly differs between the negative and the neutral treatment, with the 95 per cent confidence intervals intersecting. A second threshold (B) is reached for average *PSM*-scores. Up to this threshold, respondents' reaction to the neutral and positive treatment is indiscriminant, as indicated by the intersection of the confidence intervals. Furthermore, public agency harm has a significantly positive association with *SRB Intent* ( $\beta_5 = 0.355, p = 0.000$ ), while the notion of acting on behalf of the client's benefit ( $\beta_4 = -0.010, p = 0.714$ ) is not significantly associated with *SRB Intent*. The pooled sample reveals that the slight variations between the three country samples cannot be explained by country or culture-specific characteristics, but that they should be attributed to differences within the samples regarding, for instance, the small variances in age and gender distributions, as discussed above.

## **DISCUSSION**

### **Dark Horse**

The empirical findings provide support for our central hypothesis that positive cues about the client do, probably due to triggering a feeling of sympathy, increase the likelihood of rule-breaking, with negative cues having a disproportionately larger adverse effect. These findings are in line with prior studies by Goodsell (1980; 1981), Weimann (1982), Scott (1997), Gino

and Pierce (2009; 2010), and Christian and Alm (2014) that also indicate that positive affect toward clients will result in a higher likelihood of pro-social rule-breaking. In our study, the cross-national consistency and the large effect sizes across the three replications are substantial, emphasizing the crucial influence of client-based affect cues on the likelihood of SRB. In contrast, and as hypothesized, negative information cues about the client decrease the likelihood of SRB. Resonating with prior research by Goodsell (1980; 1981), Weimann (1982), Scott (1997), Keiser (2010), and Tummers et al. (2015), negative information cues, which are practically irrelevant for the application of bureaucratic rules and procedures, lead the way to strong discrimination of these clients against other clients perceived as more amiable.

However, this effect is asymmetric in the sense that the negative cues have a stronger negative effect than the positive cues have a positive effect. This asymmetry relates to a well-researched psychological effect often referred to as the negativity bias: People tend to ascribe stronger valence to negative events than to equally strong positive events. This effect is not uncommon in public administration and public management research. For instance, earlier studies by Lau (1985), Rozin and Royzman (2001), and Olsen (2015) showed that dissatisfaction generally has a larger negative impact than satisfaction has a positive effect. Lau (1985) points out that, under certain circumstances, this perceptual asymmetry can actually be a rational heuristic because negative events are perceived as more threatening, with their overall impact often being rapid and complex to grasp, hence creating higher uncertainty.

As expected, risk aversion is negatively correlated with the likelihood of engaging in SRB behavior, but this association is only statistically significant for Study 1's German sample and

the pooled data. This can be explained by country-specific differences between the samples, with Study 1 comprising a sample that is generally more risk-affine vis-à-vis the other two samples with larger variance in risk preferences between subjects. Consequently, it is hard to detect any statistically significant association of risk aversion with pro-social rule-breaking in these two samples. However, in all three samples, the association of experimentally revealed risk aversion with SRB intent is negative, which turns significant in the pooled data. This sign consistency is an indication that bureaucracies might want to carefully consider whether or not to hire people that score high on PSM *and* are highly risk affine at the same time.

Furthermore, regarding the effect of PSM, we find indications for significant moderation between PSM and the positive or negative information cues provided about the client. The amplifying association of PSM with SRB is stable across all three replication studies in all three European countries, indicating that the effect is robust across Germany, Belgium, and the Netherlands. Furthermore, The discriminatory effect based on the client's information cues treatment only sets in when people pass a certain PSM threshold. This implies that people scoring low on PSM are not just less likely to engage in SRB in general, but that the biasing effect of affect toward clients also proves to be less substantial. As illustrated in Figure 2, the marginal effects of the three treatment conditions converged in two thresholds. This implies that individuals with high PSM react more strongly to the client-based information cues and, based on these, make more discriminatory distinctions between the perceived deservingness of clients. High-PSM people then adapt their behavior accordingly, and are more likely to break the rules in the favor of the clients they perceive to be more deserving.

Our study contributes to the emerging discourse on the so-called dark sides of PSM. This paper should therefore also be considered as a direct empirical response to recent theoretical

appeals in the research field. When developing their multi-level conceptual framework of the potential negative effects of PSM, Schott and Ritz (2017) proposed that people with high PSM are more likely to engage in SRB. Their primary argument is that people might find it easier to derive moral justification for their acts if they perceive that their rule-breaking serves (what they perceive as) a noble cause. The treatment effects observed in our study directly support this argument. The reasoning of Schott and Ritz (2017) is also consistent with the argument by Bolino and Grant (2016) that the primary motive for rule-breaking is to benefit the client. Yet, we find that the principle motive for rule-breaking is not grounded in helping others, but in harming the organization instead. This finding is reflected in the large and positive correlation (0.48) between the perception of agency loss and the likelihood to engage in SRB, opposed to a much weaker correlation (0.09) between the motive of producing benefit for the client and SRB.

This is a peculiar finding further emphasizing the negative behavioral consequences of high PSM. Perhaps, a certain feeling of moral superiority makes justifying deviant behavior easier, taking the detrimental loss of bureaucratic efficiency for granted. In our study with three cross-country replications, we find that the prospect of the public agency's loss is a primary predictor of rule-breaking behavior. This anti-bureaucracy motive has an equally strong association with the likelihood of SRB behavior as have the client-specific information cues. Apparently, the act of SRB itself might function as an implicit expression of resistance toward the bureaucratic organization, which is in contrast with earlier work primarily focusing on the pro-client perspective. We can only speculate why this is the case. Perhaps, in Western democracies such as Germany, Belgium, and the Netherlands, bureaucracy bashing is popular among young adults, including university students. Of course, future research is needed to

find out whether or not this finding is – notwithstanding its robustness across three replications – a false positive; and if not, what might be the underlying explanation.

### **Bureaucratic Paradox**

Our samples are all three composed of young adults without job experience in bureaucracies. What may our results imply for these bureaucracies? The origin of the term bureaucracy dates back to the 18<sup>th</sup> century. While the use of organized and consistent administrative systems was already quite common in ancient history, Max Weber was the first to formally study the principles of bureaucracy, leading to a wide popularization of the concept (Albrow 1970; Pearce 1995; Raadschelders 2000). According to Weber (1922), a bureaucracy comprises the following five key characteristics: (1) a formal hierarchical structure; (2) rules that allow decision-making to be executed consistently across the hierarchy; (3) organization by functional specialty; (4) an ‘in-focused’ mission; and (5) bureaucrats purposely acting impersonally to treat all employees and customers equally. Consequently, equity is the core principle of a bureaucracy (Weber 1922; Udy 1959; Warwick, Reed & Maede 1975).

Indeed, an essential strength of a bureaucracy is assumed to be the non-discriminatory implementation of policy (Mills 1970). Ever since Weber’s (1922) seminal analysis of the rationality of a well-functioning bureaucracy, this is a common assumption in the public administration and public management literatures (Udy 1959; Olsen 2006). A bureaucracy is an organizational form well equipped to apply rules regardless of non-relevant attributes of those being ruled. In the words of Olsen (2006, 2 & 5), an ideal-type bureaucracy is a “formalized, hierarchical, specialized [bureau] with a clear functional division of labor and demarcation of jurisdiction, standardized, rule based, and impersonal”, populated with “bureaucrats [who] are responsible for following rules with regard to their office with

dedication and integrity and for avoiding arbitrary action and action based on personal likes and dislikes.” So, the ideal-type bureaucracy is a non-discriminatory organization with non-discriminating bureaucrats applying standardized rules efficiently without any preferential treatment.

Bureaucracies are the habitat of bureaucrats. But bureaucrats come in many different forms and shapes, as already brilliantly argued by Downs (1957). Ever since Perry’s (1996) introduction of the Public Service Motivation (PSM) construct, scholarship in public administration and public management argues that high-PSM people are attracted to (stay in) the public sector (Perry 1996; Bozeman & Su 2015; Vandenabeele & Skelcher 2015). This follows from the attraction-selection-attrition (ASA) model (Wright and Grant 2010) and homophily logic (McPherson 2001), convincingly arguing that groups of people reveal in-group similarities and out-group differences. For instance, Boone et al. (2004) show that top management teams are “cloning machines”, selecting in likes and selecting out dislikes. Applying ASA argumentation, Wright and Grant (2010) indeed argue that high-PSM people are more likely to land in a public sector job. That is, although high-PSM graduates might not enter the labor market through a public sector job, they are more likely to end up in the public sector later in their career, compared with their low-PSM counterparts. However, the empirical evidence regarding this core assumption in PSM research is still mixed (Wright, Hassan, & Christensen; 2017), requiring further future studies.

Strikingly, we find that these young high-PSM people who might be more likely to end up in jobs in public bureaucracies, may also, *ceteris paribus*, be more likely to engage in discriminatory (pro-social) rule-breaking. At first sight, this would imply a paradox: non-discriminatory bureaucracies tend to attract discriminatory bureaucrats. This is an intriguing

paradox that suggests an important future research agenda. Maybe, the tendency of these young high-PSM people to discriminate, like those populating our three samples, is reduced after entry into a public bureaucracy. Perhaps, socialization processes in public bureaucracies, with formal rules and informal codes *not* to discriminate, neutralize the “natural” tendency of high-PSM bureaucrats to engage in (pro-social) rule-breaking. Extensive fieldwork is required to find answers to these important questions, also exploring potential contingencies (such as national culture, preventive choice architectures, or HRM practices) that may turn a public bureaucracy into either a discriminatory or a non-discriminatory organization.

## **CONCLUSION**

Our research contributes to making public managers and scholars aware of the potential dark sides of high PSM. In order to inhibit the adverse effect of high PSM on SRB, public organizations might want to follow long-term strategies with the goal of creating awareness of the critical egalitarian principle that lies at the heart of their bureaucracy. If (high-PSM) bureaucrats internalize that rules exist for a positive reason, which is to ensure equal treatment for every client, and that each client is equally eligible to public service provision irrespective of how much s/he appeals to the individual bureaucrat affectively, moral justification for SRB disappears. By appealing to morality and providing information about the underlying reasons for bureaucratic processes, and (possibly) also about the deceiving effects of irrelevant informational cues, bureaucracies can aim to foster intrinsic resistance to SRB in their employees. Given this study’s evidence, we assume that this more subtle and long-term oriented educational approach is much more promising in fostering compliance than stressing extrinsic motivational incentives in the form of punishing rule-breaking, because the prospect of punishment for pro-social non-compliance with the rules of the bureaucracy could be

interpreted as an indicator that it is even more noble to rebel against this “inhumane” bureaucracy.

Like any empirical study, ours is associated with limitations. First, our empirical evidence is based on student samples so that our analyses have not been based on a representative sample of the general populations of Germany, Belgium, and/or the Netherlands. This might result in different biases such as acquiescence or social desirability for the reason that students might be perceived as more suggestible. Yet, by focusing on undergraduate students predominantly engaging in (public) management and policy studies, the data are especially representative of precisely the population of students likely to seek employment in the public sector once they graduate. Thus, the current study provides a glimpse into the behavior of the key focus group of public sector recruitment candidates. The students of today are the civil servants of tomorrow. Second, as a survey-based quasi-experiment largely relying on self-reported measures, this study suffers from the general problem that self-reported behavior never fully correlates with real behavior (Fan et al. 2006). Third, the two-out-of-three randomization approach of the vignettes in the experiment might have caused procedural cluster-based artefacts, which potentially influence the main effect of PSM on SRB. However, additional robustness checks (see Appendix A.4 in the additional online material) showed that these effects were very limited and did not confound the main effects observed, thus underlining the validity of the randomization approach and the findings.

Fourth, this study only investigated the relation of PSM on pro-social forms of rule-breaking. We assume that PSM might also play a role regarding the likelihood of anti-social forms of rule-breaking, for instance in cases when high-PSM bureaucrats actively block clients from accessing public services because they perceive these clients as undeserving. Moreover, this



and the effects of PSM and affect on prosocial rule-breaking may play out differently in different cultural and institutional contexts than those represented by our set of three affluent Western-European countries.

Given these limitations, we identify several further avenues for future research. First, the study calls for further replication in other countries in which the cultural perception of rule-breaking is more diverse than between the three European cultures included in the current study. In this way, replications will help to shed more light onto the effect of different bureaucratic traditions and administrative organizational cultures, and the greater institutional context on the likelihood of SRB. Second, future studies could explore even further the effect of PSM as a necessary condition with distinct thresholds in discriminatory SRB behavior by systematically manipulating the client information cues provided. Choice-based conjoint analyses on a diverse set of clients and also bureaucrat characteristics such as age, gender, social status, religious beliefs (to name just a few possible examples) could be a very promising method to gain further insights. Third, future research could include implicit methods (cf. Slabbinck et al. 2018) to systematically and (quasi-)experimentally scrutinize what exactly causes asymmetric discrimination in SRB behavior to further explore the behavioral paradox of modern public sector bureaucracies.

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## APPENDIX

**A.1** Structure of survey experiment and vignette treatments in English translation (extensive codebooks in German and Dutch are available upon request).

<b>1</b>	<b>General introduction</b>
<b>2</b>	<b>Socio-demographic questionnaire</b> <ul style="list-style-type: none"><li>- Year of birth</li><li>- Gender</li><li>- Nationality</li><li>- Field of study</li></ul>
<b>3</b>	<b>PSM-scale (Kim 2011)</b>
<b>4</b>	<b>Probability discounting task (Madden et al. 2009)</b>
<b>5</b>	<b>Introduction to social rule-breaking scenarios [all study participants]:</b> <p>‘Please imagine that you are employed as a public servant at a social housing institution that assists individuals with physical disabilities or low income in finding an appropriate and affordable residence. You are employed at the organization for three years so that you are well-informed about its internal operations. One of the important activities of your job responsibilities includes settling application forms in an efficient manner.</p> <p>One client, John, asks you to prioritize his application form.</p> <p>You know that strict procedures are applicable when application forms become prioritized. The most important rules stipulate that you get permission from your manager when prioritizing an application form. However, the problem is that your manager today has to attend meetings during the entire day so that it is impossible to prioritize this application form. As a result, the dossier is likely to receive final approval within a month</p>

	<p>when it is not approved today. You doubt to approve this application without permission from your manager, which might entail potential consequences. Although you will not have any personal gain when prioritizing this application, you know that it would be the best for John and that it aligns with the mission of the organization that stipulates that every client needs to be helped as soon as possible.</p> <p>What would you do in the following two situations?’</p>
6	<p><b>Vignettes:</b> Study participants randomly received two out of three vignette treatments, the order of which was randomized; each treatment was followed by seven Likert-type scale items:</p> <p>‘The following statements relate to the preceding scenario. Please indicate to what extent you agree with the following statements:</p> <ol style="list-style-type: none"> <li>1. This scenario appears realistic. [1 = ‘totally disagree’; 4 = ‘totally agree’]</li> <li>2. How likely do you think you will break the rules in order to prioritize the dossier without permission from your supervisor? [1 = ‘very unlikely’; 5 = ‘very likely’]</li> <li>3. How justified do you find to break the rules and to prioritize the application without permission from your supervisor? [1 = ‘very unjustified’; 5 = ‘very justified’]</li> <li>4. How would you feel about breaking the rules and prioritizing the application without permission? [1 = ‘very uncomfortable’; 5 = ‘very comfortable’]</li> <li>5. Breaking the rules is beneficial for the client (John). [1 = ‘totally disagree’; 5 = ‘totally agree’]</li> <li>6. Breaking the rules is adverse for the organization. [1 = ‘totally disagree’; 5 = ‘totally agree’]</li> </ol>



A	<p><b>Negative treatment: “Former IS-fighter”</b></p> <p>You receive an urgent application form from John, a former ISIS-fighter who led a terrorist cell in Syria that committed several assaults in which many people became wounded. John since then became interned for three years that he sat out. John is now looking for a residence so that he can rebuild his life and apply for a job.</p> <p>Therefore, he makes an appointment with you to discuss his application. After the appointment John asks you to prioritize his application.</p>
B	<p><b>Neutral treatment: “Male client”</b></p> <p>You receive an urgent application form from John. John makes an appointment with you in order to discuss his application. After the appointment John asks you to prioritize his application.</p>
C	<p><b>Positive treatment: “Disabled single father with three children”</b></p> <p>You receive an urgent application form from John. John is a single father with three children and has a physical disability (wheelchair patient).</p> <p>John is desperate because he has been refused by the social housing institution for the third time due to lack of space. Consequently, he is waitlisted. John makes an appointment with you in order to discuss his application. After the appointment John asks you to prioritize his application.</p>
7	<p><b>Acknowledgement and end of study.</b></p>

**TABLE A.2:** Correlations and reliabilities

	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Study variables</b>													
1. SRB Intent	1												
2. Negative treatment	-.22***	1											
3. Neutral treatment	.05*	-.36***	1										
4. Positive treatment	.25***	-.29***	-.36***	1									
5. Client's benefit	.10***	-.01	-.07*	.12***	1								
6. Agency's loss	.51***	-.12***	.06*	.07*	.11***	1							
7. PSM	.09**	-.01	-.04	.01	.00	.08**	1						
8. Realism	.36***	-.21***	.13***	.13***	.14***	.18***	.13***	1					
<b>Control variables</b>													
9. Risk aversion	-.10**	-.03	-.01	.02	-.03	-.11***	.08**	-.01	1				
10. Age	.10***	.00	.03	-.03	-.06*	.17***	.07*	-.01	-.10***	1			
11. Female	-.04	-.01	.01	.03	.02	.03	.12***	.01	.03	-.10***	1		
12. German	.10**	-.02	-.03	.00	.01	.21***	-.08**	-.05	-.30***	.40***	.03	1	
13. Belgian	-.02	-.02	.02	-.02	.09**	-.07*	.09**	.07*	.37***	-.37***	-.01	-.45***	1
14. Dutch	-.08**	.03	.02	-.00	-.03	-.12***	-.00	-.03	-.06*	-.08**	-.03	-.46***	-.46***

Note: \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001.

### A.3 Details of Dependent Variable Validation

Table A.3.1 reports the results of the factor analysis and unique variances for each item, as well as the respective Kaiser-Meyer-Olkin (KMO) measure of sample adequacy. KMO mean values range between 0.64 and 0.74 across all treatment conditions and country samples, and indicate meritoriously high sample adequacy (Kaiser 1974). Prior to factor analysis, Bartlett's test for sphericity was conducted to examine whether factor items are inter-correlated, which is a prerequisite for factor analysis. The significant  $Chi^2$ -testing results of Bartlett's test ( $Chi^2$  (3): 238.70 – 305.56,  $p < 0.000$ ) indicate that factor items are interrelated and should load onto the same factor(s). The factor analysis results show that the three items strongly and significantly load onto one single factor. This finding is stable across all three country samples, indicating high internal and external validity of the developed construct of *SRB Intent* with its three components.

Item uniqueness ( $U$ ) is usually regarded as a measure of the percentage of variance for the respective item that is not explained by the common factors. Values of  $U = 0.6$  are considered as high. In our analysis, uniqueness values range from  $U = 0.26$  to  $0.55$ . Items with lower uniqueness matter less for explaining the variance observed. First, across all treatments and study samples, *justification* ( $U = 0.26$  to  $0.39$ ) was relatively less influential in explaining the variance observed than those items with relatively higher uniqueness values, with *likelihood* ranging from  $U = 0.36$  to  $0.44$  and *affect* from  $U = 0.42$  to  $0.55$ . Second, across all three samples, items are in a relatively stable and narrow range, which indicates only subtle differences between samples, further substantiating the measure's internal validity in measuring one underlying construct and its robustness against country-specific influences, indicating high external validity. Because of the high inter-correlation, high overall scale

reliability (Cronbach's  $\alpha$  ranges from 0.762 to 0.803), and the strong factor model fit, no item was excluded, and the final dependent variable of this study is created by arithmetically summing the four indicators *likelihood*, *justification*, and *affect*.

## Reference

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**TABLE A3.1:** Results of factor analysis of dependent variable by treatment and study

	Study 1 (GER)			Study 2 (BEL)			Study 3 (NL)			Pooled data		
<b>Negative Treatment</b>												
Factor item	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO
Likelihood	.86	.26	.69	.81	.35	.62	.80	.36	.77	.80	.36	.73
Justification	.92	.16	.63	.83	.31	.70	.84	.29	.71	.86	.26	.67
Affect	.76	.42	.80	.76	.43	.78	.81	.34	.75	.76	.42	.78
Mean KMO	.70			.73			.74			.72		
Eigenvalue	2.16			1.92			2.01			1.96		
Bartlett <i>Chi</i> <sup>2</sup> (3)	182.47			131.71			163.57			473.46		
<i>p</i>	.000			.000			.000			.000		
Cronbach's $\alpha$	.839			.784			.809			.803		
<b>Neutral Treatment</b>												
Factor item	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO
Likelihood	.92	.16	.59	.65	.58	.71	.84	.30	.74	.80	.36	.68
Justification	.91	.17	.60	.77	.41	.63	.88	.23	.69	.85	.28	.64
Affect	.57	.68	.92	.66	.56	.69	.80	.36	.79	.69	.53	.80
Mean KMO	.64			.67			.74			.69		
Eigenvalue	1.99			1.45			2.11			1.83		
Bartlett <i>Chi</i> <sup>2</sup> (3)	163.93			79.47			181.81			405.69		
<i>p</i>	.000			.000			.000			.000		
Cronbach's $\alpha$	.800			.709			.836			.791		
<b>Positive Treatment</b>												
Factor item	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO	Factor 1	<i>U</i>	KMO
Likelihood	.78	.40	.65	.72	.48	.65	.77	.41	.72	.75	.44	.69
Justification	.80	.35	.64	.79	.37	.61	.73	.48	.77	.78	.39	.66
Affect	.62	.62	.80	.60	.64	.75	.81	.35	.68	.67	.55	.77
Mean KMO	.68			.66			.72			.70		
Eigenvalue	1.63			1.51			1.77			1.62		
Bartlett <i>Chi</i> <sup>2</sup> (3)	100.61			82.65			118.34			315.13		
<i>p</i>	.000			.000			.000			.000		
Cronbach's $\alpha$	.748			.722			.789			.762		

Notes: *U* = uniqueness; KMO = Kaiser-Meyer-Olkin measure.

## [Additional online material]

### A.4 Additional analysis on order and spillover effects

For each country sample, the order of vignette treatments was randomized before randomly drawing two out of three vignettes for each respondent. Compared to a between-subject design in which each respondent would receive only one single vignette, this approach dramatically reduces the number of respondents needed to achieve reasonable sample sizes to investigate treatment effects with respect to the anticipated effect sizes. Yet, this way of distributing the treatments could potentially confound the observed treatment effect on the main dependent variable because showing two randomly drawn vignettes to each respondent actually creates latent clusters between respondents based on the unique vignette order they received. For instance, the effect of receiving a positive vignette first followed by a neutral vignette next could relatively outweigh the effect of receiving two extreme conditions – for instance, in the form of first receiving a negative vignette followed by a positive vignette.

The technical implementation of our quasi-experimental design allows us to identify three unique combinations – “clusters” – of vignettes, as described in Table A.4.1: *neutral & negative* (cluster C1), *negative & positive* (cluster C2), and *neutral & positive* (cluster C3). Cluster C2 represents the combination of receiving the two extreme treatment conditions. In order to investigate whether the clustering of the vignette within each respondent resulted in order or spillover effects, we conduct a series of two-tailed *t*-tests between these three clusters on the pooled data, and we redo the regression analyses (main effects and, subsequently, adding interaction terms; both clustered at the level of the individual for conditional contribution) using the treatment clusters instead of the singular vignette treatments.

Descriptive mean-based analysis of *SRB Intent* by clusters (see Table A.4.1) instead of singular treatments provides further support for hypotheses *H2a* and *H2b* as well as the finding that negative affect cues have a larger negative impact on *SRB Intent* than positive affect cues have a positive impact. Respondents receiving both the neutral and the positive vignettes (*C3*) are substantially more likely to engage in SRB behavior (*C3*:  $M = 2.71$ ,  $SD = 0.84$ ) compared with respondents who received the negative affect cue paired with either the positive (*C2*:  $M = 2.34$ ,  $SD = 0.98$ ) or the neutral cue (*C1*:  $M = 2.25$ ,  $SD = 0.91$ ).

**TABLE A.4.1:** Descriptive statistics of *SRB Intent* by treatment cluster

<i>SRB Intent</i>		Obs.	Mean	SD	Min	Max
Cluster description						
<i>C1</i>	Neutral & negative treatment	248	2.250	.910	1.000	4.642
<i>C2</i>	Negative & positive treatment	222	2.342	.981	1.000	5.000
<i>C3</i>	Neutral & positive treatment	196	2.707	.844	1.000	4.642

Notes: Pooled data; *SRB Intent* values range: 1 = 'very low' to 5 = 'very high'.

Mean comparison analysis reveals that cluster-based order effect do not confound the findings presented in the main body of this study, but rather confirm the observation that negative affect cues relatively outweigh positive affect cues: Receiving a combination of a neutral and positive treatment stimuli (*C3*) correlates with a higher likelihood of *SRB Intent* compared to receiving any cluster including a negative affect cue, hence  $M_{C3} > M_{C1}$  and  $M_{C3} > M_{C2}$ .

**TABLE A.4.2:** Between-cluster differences of *SRB Intent*

<i>SRB Intent</i>		<i>t</i>	<i>p</i>	<i> d </i>
Cluster comparison				
<i>C1</i> vs <i>C2</i>	[neutral & negative] vs. [negative & positive]	1.058	.290	.098
<i>C2</i> vs <i>C3</i>	[neutral & positive] vs. [negative & positive]	4.049	.000	.397
<i>C3</i> vs <i>C1</i>	[neutral & positive] vs. [neutral & negative]	5.424	.000	.518

Notes: Clustered treatment effect; tested with two-tailed *t*-tests; effect sizes estimated with Cohen's *d*-score (Welch-adjusted).

Furthermore, two-tailed *t*-testing for between-treatment cluster differences of *SRB Intent* (see Table A.4.2) reveals that receiving the neutral and negative treatment cluster (*C1*) has the same effect on *SRB Intent* than receiving the negative and positive treatment cluster (*C2*);  $t = 1.058$ ,  $p = 0.290$ ,  $d = |0.098|$ . In contrast, there are significant differences in dependent variable outcome when comparing cluster *C3* with either *C2* or *C1* (*C3* vs *C2*:  $t = 4.049$ ,  $p = 0.000$ ,  $d = |0.397|$ ; *C3* vs *C1*:  $t = 5.424$ ,  $p = 0.000$ ,  $d = |0.518|$ ). Hence, we do observe order effects, but these are in line with our hypotheses, that is, both findings mirror the results of the main (treatment-based) analysis and can be explained by two compound effects. Although the vignette treatments were developed in a diligent procedure using an expert panel, to warrant their relative affective equivalence, negative stimuli are generally more salient than positive stimuli and, consequently, both clusters that incorporate the negative affective cues toward the client in the vignette (*C1* and *C2*) logically result in lower likelihoods of *SRB Intent*. Consequently, the latent cluster analysis does not indicate that the randomization procedure created obtrusive artefacts based on order or spillover effects, but rather confirm the results of the main analysis testing *H2a* and *H2b* by showing that practically irrelevant client information substantially and asymmetrically influences *SRB Intent*.

Replicating the regression analyses by vignette clusters (see Table A.4.3) further substantiates this result by showing that both the direction and the relative size of the association between the vignette treatment respondents received and *SRB Intent* directly match the results reported in Table 3 in the main body of this study. The association of receiving a negative treatment combined with any of the other treatments and *SRB Intent* is substantially smaller (*C1*:  $\beta_2 = 0.089$ ,  $p = 0.148$ ; *C2*:  $\beta_3 = 0.166$ ,  $p = 0.008$ ) than receiving a neutral and positive treatment (*C3*:  $\beta_4 = 0.342$ ,  $p = 0.000$ ). All other associations between the remaining independent variables and *SRB Intent* remain stable, as does the amount of variance explained



by our models. Thus, the vignette-cluster-based analysis matches our findings in the main analysis we conclude that the current experimental setup was robust against order effects involuntarily induced by latent vignette clustering, and hence that order or spillover effects between vignettes were not an issue.

**TABLE A.4.3:** Regression on *SRB Intent* by clustered treatments

	<i>Pooled data</i>		
	<i>β</i>	<i>p</i>	<i>rob. SE</i>
<b>Independent variable</b>			
PSM	.028	.293	(.03)
<b>Treatment effect</b>			
C1: neutral & negative	.089	.148	(.06)
C2: negative & positive	.166**	.008	(.06)
C3: neutral & positive	.342***	.000	(.08)
Client's benefit	.002	.957	(.03)
Agency's loss	.360***	.000	(.02)
Realism	.278***	.000	(.03)
<b>Control variables</b>			
Risk aversion	-.086	.109	(.05)
Age	.003	.547	(.01)
Female	-.118*	.018	(.05)
German	– reference category for county effects –		
Belgian	.025	.739	(.08)
Dutch	-.035	.584	(.06)
Intercept	.290	.307	(.28)
<i>Obs.</i>			1,239
<i>F</i>			52.56***
<i>VIF</i> <sup>a</sup>			1.25
<i>R</i> <sup>2</sup>			.359
<i>Adj. R</i> <sup>2</sup>			.353

*Notes:* Linear regression estimates clustered at subject level for conditional contribution; heteroscedasticity-robust standard errors in parentheses; \*  $p < 0.05$ , \*\*  $p < 0.01$ , and \*\*\*  $p < 0.001$ . <sup>a</sup> Mean variance inflation factor (*VIF*): all *VIF*  $\leq 2.00$ .

Consequently, we have confidence in our findings and methodological approach, but encourage scholars conducting future replications of the current study to recognize the methodological risk of introducing additional noise by automatized randomization procedures that might potentially result in latent vignette-clusters in treatment distribution among

respondents. Although we do not find evidence for order or spillover effects induced by latent treatment clusters, future replication studies could, alternatively, use a pure between-subject design in which respondents receive, first, a non-affective neutral vignette to set a benchmark across respondents followed by, second, a single (positive, negative, or neutral) treatment vignette randomized across the whole sample to rule out the potential of treatment cluster-based artefacts. Yet, researchers following this approach should be aware that they would have to work with substantially larger sample sizes to achieve the same level of power, which – due to increasing between-subject heterogeneity – might induce further noise into the data, while the expected benefit of circumventing marginally small cluster effects is limited. Research pragmatism, hence, suggests that replicating the current study in its original design would be the most advisable.

## A.5 Additional explorative analysis on interaction effects

In order to further explore the asymmetric treatment-related client affect on the effect of *PSM* on *SRB Intent*, we conducted additional post-hoc analyses exploring the potential interaction effects between *PSM* and treatments. In the expectation of a linear relation between *SRB Intent* and the experimental variables, as well as controls, we specify our direct effects model (Model I) as

$$\begin{aligned} SRB\ Intent = & \beta_1 PSM + \beta_{2;3} Treatment + \beta_{4;5} Motiv + \beta_6 Realism + \\ & \beta_7 Risk\ Aversion + \beta_8 Age + \beta_9 Female + \beta_{10;11} Country + \varepsilon_i. \end{aligned}$$

We use the neutral vignette scenario as a reference category for the treatment effects and we, first, analyze each country study individually and then pool the data for a combined sample in which the German sample arbitrarily serves as the reference category. Subsequently, we add two-way interaction terms between treatment and *PSM* in the second model (Model II), which is specified as

$$\begin{aligned} SRB\ Intent = & \beta_1 PSM + \beta_{2;3} Treatment + \beta_5 Negative \times PSM + \beta_6 Positive \times \\ & PSM + \beta_{7;8} Motiv + \beta_9 Realism + \beta_{10} Risk\ Aversion + \beta_{11} Age + \beta_{12} Female + \\ & \beta_{13;14} Country + \varepsilon_i. \end{aligned}$$

The results of the regression analyses of both Models I and II are presented in Table A.5.1. In **Study 1** (German sample), we find no significant moderation effects between high *PSM* and treatments (negative:  $\beta_{115} = -0.040$ ,  $p = 0.713$ ; positive:  $\beta_{116} = -0.189$ ,  $p = 0.104$ );  $F_{II}(11, 386) = 21.99$ ,  $p = 0.000$ ; adj.  $R^2_{II} = 0.414$ . Similarly, conducting regression analyses with the data of **Study 2** (Belgian sample) ( $F_{II}(11, 384) = 20.69$ ,  $p = 0.000$ ; adj.  $R^2_{II} = 0.399$ ; see Model II of Study 2 in Table A.5.1), **Study 3** ( $F_{II}(11, 397) = 21.81$ ,  $p = 0.000$ ; adj.  $R^2_{II} = 0.440$ ; see Model II of Study 3 in Table A.5.1), and the **pooled data** ( $F_{II}(11, 1,239) = 29.94$ ,  $p = 0.000$ ; adj.  $R^2_{II} = 0.397$ ; see

Model II of *Pooled data* in Table A.5.1) support the main findings of the current study but including interaction terms reveals no additional interaction effects between PSM and treatment reception. In total, the analysis indicates no substantial additional interaction effect between respondents' level of *PSM* and receiving a negative or positive treatment on the likelihood of *SRB* throughout all three country studies.

**TABLE A.5.1:** Regression on *SRB Intent* including interaction effects

	<i>Study 1</i>		<i>Study 2</i>		<i>Study 3</i>		<i>Pooled data</i>									
	<i>I</i>	<i>II</i>	<i>I</i>	<i>II</i>	<i>I</i>	<i>II</i>	<i>I</i>	<i>II</i>								
<b>Independent variable</b>																
PSM	-.096 <sup>†</sup>	(.05)	.037	(.754)	.055	(.06)	.127	(.269)	.044	(.05)	.112	(.281)	.004	(.03)	.080	(.218)
<b>Treatment</b>																
Negative	-.338**	(.11)	-.130	(.822)	-.187*	(.09)	.715	(.277)	-.190 <sup>†</sup>	(.11)	.679	(.228)	-.235***	(.06)	.263	(.453)
Neutral	– <i>reference category for vignettes</i> –															
Positive	.342***	(.10)	1.339*	(.031)	.278**	(.09)	.135	(.820)	.314***	(.09)	-.163	(.741)	.314***	(.05)	.538	(.108)
<b>Two-way interactions</b>																
Negative x PSM			-.040	(.713)			-.164	(.164)			-.164	(.128)			-.092	(.154)
Positive x PSM			-.189	(.104)			.029	(.790)			.091	(.317)			-.041	(.508)
<b>Control variables</b>																
Client's benefit	-.057	(.05)	-.045	(.325)	-.066	(.06)	-.077	(.218)	.084	(.06)	.070	(.239)	-.006	(.03)	-.007	(.827)
Agency's loss	.309***	(.04)	.311***	(.000)	.385***	(.04)	.385***	(.000)	.450***	(.05)	.458***	(.000)	.369***	(.03)	.369***	(.000)
Realism	.310***	(.06)	.307***	(.000)	.224***	(.06)	.220***	(.000)	.115	(.08)	.107	(.157)	.229***	(.06)	.228***	(.000)
Risk aversion	-.296**	(.11)	-.317**	(.007)	.045	(.06)	.022	(.853)	.016	(.09)	.001	(.988)	-.102 <sup>†</sup>	(.06)	-.104 <sup>†</sup>	(.074)
Age	.022*	(.01)	.025*	(.014)	.020	(.02)	.021	(.348)	-.006	(.01)	-.011	(.305)	.003	(.01)	.003	(.760)
Female	.089	(.10)	.086	(.398)	-.093	(.09)	-.084	(.345)	-.185*	(.08)	-.186*	(.030)	-.103 <sup>†</sup>	(.05)	-.095 <sup>†</sup>	(.078)
German	– <i>reference category for county effects</i> –															
Belgian													.048	(.08)	.047	(.560)
Dutch													-.027	(.07)	-.027	(.698)
Intercept	0.888*	(.43)	.079	(.915)	.157	(.58)	-.205	(.798)	.257	(.40)	.088	(.879)	.650*	(.29)	.241	(.576)
Observations		386		386		384		384		397		397		1,239		1,239
<i>F</i>	25.88***		21.99***		25.86***		20.69***		25.27***		21.81***		57.58***		49.94***	
<i>VIF</i> <sup>a</sup>		1.18				1.11				1.13			1.28			
<i>R</i> <sup>2</sup>		.430		.437		.414		.422		.449		.460		.404		.406
Adj. <i>R</i> <sup>2</sup>		.411		.414		.395		.399		.432		.440		.397		.397

Notes: Linear regression estimates clustered at subject level for conditional contribution; Model I: direct effects, heteroscedasticity-robust standard errors in parentheses; Model II: with interaction

effects (*p*-values in parentheses); † *p* < 0.1, \* *p* < 0.05, \*\* *p* < 0.01, \*\*\* *p* < 0.001. <sup>a</sup> Mean variance inflation factor (*VIF*): all *VIF* ≤ 2.04

## **CHAPTER 6: CONCLUSION**

This final chapter provides a synoptic overview of the topics, the approach and the main findings of the preceding chapters, and closes with an overall conclusion, a peek into the future research agenda and final remarks concerning the limitations of the dissertation.

### **RECAPITULATION OF THE PRIOR CHAPTERS**

This dissertation aimed to contribute to three main research questions. First, the dissertation intended to define and operationalize hybridity within public organizations by studying the underlying institutional logics of the main management views, in particular Traditional Public Management, New Public Management and Public Value Governance. Second, the thesis aimed to study the effects of institutional change on hybridity and the strategic responses public organizations pursued when replying to these changes. Third, the dissertation attempted to analyze the potential effects of hybridity on organizational performance by identifying different paradoxes which might result from hybridity. The subsequent paragraphs will recapitulate the main problem statements, research questions, approaches and findings of each of the chapters, before moving to a general conclusion.

#### **Chapter 2: Concepts of Hybridity**

This chapter defined and operationalized hybridity within public organizations, based on a systematic literature review. The chapter argued that hybridity emerges as soon as different institutional logics become simultaneously embedded within a public organization. Yet, the paper

identified a large research gap by stating that these institutional logics in literature remained largely undefined. By conducting a systematic literature review regarding the main management views in public management – i.e., Traditional Public Management (TPM), New Public Management (NPM) and Public Value Governance (PVG) – the chapter identified three main fault lines between each of the management views. The first fault line referred to the organizational culture, whereas the second and third referred to the organizational structure.

Juxtaposing the findings from this conceptual research resulted in three logics, which could be operationalized as follows. The organizational culture according to Traditional Public Management has been characterized by a belief in the hierarchy as the ideal mode to steer the organization. Furthermore, the organizational structure has been typified by task separation and systems that ensure that procedures are being consistently followed (Wilson 1887; Weber 1922; Udy 1959; Mitzman 1969; Weiss 1983; Gualmini 2007).

New Public Management is characterized by a belief in the market as the ideal mode to steer the organization. Furthermore, the organizational structure focuses on delegation by the outsourcing of non-core activities and integrates performance management systems to ensure that predefined outputs are being achieved (Rhodes 1999; Dunleavy et al, 2006; Halligan 2006; Christensen & Laegreid 2009; Diefenbach 2009; Zafra-Gomez et al. 2013).

In contrast, Public Value Governance envisions the network as an ideal mode to approach complex problems. Moreover, the organizational structure has been characterized by the set-up of cross-sector collaborations such as public private partnerships. Finally, performance management systems and rule-based systems are less represented in the organizational structure

because the organization tends to mainly focus on outcomes, materialized in the creation of public value (Moore 1995; Stoker 2006; Bozeman 2007; Christensen & Laegreid 2009; Williams & Shearer 2011; Zafra-Gomez et al. 2013; Bryson et al. 2014; Fisher 2014).

Based on these conceptual findings, hybridity is defined as public organizations that simultaneously implement logics relating to different management views, in line with the conceptual model presented in this chapter.

### **Chapter 3: Institutional Change as an Antecedent of Hybridity**

The third chapter studied to what extent institutional change affects hybridity, and analyzed the strategies organizations pursued in response to these changes. The chapter empirically validated prior conceptual insights from Skelcher & Smith (2015), and developed propositions about the main contingencies of these strategies. The research design was based on a multiple case-study in which exogenous factors that might affect hybridity were ruled out so that potential variations within the dataset could be explained by the analysis of endogenous factors (Di Nardo 2016; Dunning 2018; Leatherdale 2019). The research setting focused on the integration of the social welfare institution and municipality in Flanders (Belgium), as dictated by a new law (the exogenous shock). Data has been based on interviews among 19 respondents within these organizations. Data has been analyzed by subsequent phases of deductive, inductive and abductive research (Åsvoll 2014).

The chapter found that the timing, the size of the two integrating organizations, the power balance between the former Secretaries, the composition of the Management Team, and the way the integration was prepared (induced top-down versus a bottom-up approach, largely relying on



task forces in which middle management was represented) played a major role in the strategies the integrated organization would finally pursue. We recapitulate the findings of the most extreme cases: i.e., assimilation and blending strategies.

Assimilated forms of hybridity occurred in contexts in which the top management of the dominating organization steered the integration and transferred the integration burden onto the smaller organization. The power balance was low, as the top management of the dominated organization was incapable to counterbalance the top management from the dominating organization. The resistance to change within the dominated organization was typically high, but was largely fragmented so that there was no party that successfully took the lead in opposing the integration. The corporate identity within the integrated organization best compared to an acquisition in which the identity of the dominated organization has been taken over to be fully assimilated into the one of the dominant counterpart.

In the case of blended forms of hybridity, the size of the two organizations proved to be less relevant as the call for integration emerged spontaneously and received support from the top management of both the organizations, which indicated an equal power balance within the top management. Due to the spontaneous and gradual character of the integration, the integration typically took time to accomplish, which implied that this type of integration was rather unique. For similar reasons, the public support in favor of the integration within these organizations was typically high, which reduced potential resistance to change. The corporate identity of the organization can be best described as a merger in which the two organizations successfully integrated, which ensured the highest efficiency gains.

#### **Chapter 4: The Biased Performance Puzzle**

In order to study the effects of hybridity on organizational performance, performance needed to be defined first, since performance in the public sector is a multi-dimensional and hard-to-grasp concept. This chapter's systematic literature review, which involved the 40 most significant articles about performance in detail, revealed an important bias in the performance literature (Brewer & Selden 2000; Walker & Boyne 2006; Brewer & Walker 2013; Walker & Rhys 2015). More precisely, most of the available empirical research on performance has been based on 'hard' and quantifiable NPM-related data such as efficiency and effectiveness, and less on 'soft' and difficult-to-operationalize measures such as innovation, equity or public value, which tend to better align with the management views of TPM and PVG. These ideas thus suggested that the performance literature is skewed toward NPM-related performance dimensions. To compensate for this bias, the chapter analyzed additional literature in order to construct a more balanced performance framework in which performance dimensions relating to other management views apart from NPM were integrated (Vigoda 2003; Denhardt & Denhardt 2006; Olsen 2006).

Furthermore, logically, we expected the different institutional logics within hybrid organizations to also represent performance dimensions relating to different management views. Consequently, within hybrid organizations, performance dimensions stemming from different management views might strongly interact with each other. The chapter therefore continued by studying the potential interactions among these different performance dimensions. On the one hand, the chapter theorized that these interactions might positively affect organizational performance; yet, on the other hand, the chapter discussed that these interactions may result in

so called 'performance paradoxes'. We recapitulate the findings of the main paradox for the reason that Chapter 5 tested this paradox empirically.

The main paradox addressed in this chapter stated that the tendency to comply with rules and procedures (a typical TPM-characteristic) might come at the expense of customer satisfaction (a distinctive NPM-characteristic). The chapter discussed that organizations bounded by detailed rules and procedures may be less flexible and responsive to a client's needs. The chapter continued by arguing that policies within these organizations seemed to be designed solely for the benefit of the organization, which makes it difficult for the client to get exceptions approved so that clients have the feeling to be treated as numbers. Finally, the chapter stated that public servants might hide themselves behind these rules and procedures in cases where they made mistakes, which reduces the accountability towards the client.

### **Chapter 5: Addressing the Performance Paradox**

The findings from the prior chapter resulted in the identification of several potential performance paradoxes within public organizations. One of the most intriguing paradoxes brought forward related to the tension between TPM and NPM logics – more precisely, between the performance dimensions customer satisfaction and compliancy with rules and procedures. For the reason that this type of hybrid organization can be used to describe many of today's public organizations, this chapter aimed to gain more insight in the underlying tensions among these performance dimensions. More specifically, the chapter aimed to explore to what extent employees in this type of hybrid organization would engage in pro-social rule-breaking behavior in favor of the client. For the reason that employees are driven by different motives in their decisions to engage in acts

of pro-social rule-breaking, we integrated the construct of Public Service Motivation (PSM) in our analysis to determine if respondents being employed in hybrid organizations and characterized by high levels of PSM were more likely to break the rules in favor of the client (Perry 1996; Ritz et al. 2016). The research design of this study is a quasi-experiment in which the dependent variable pro-social rule-breaking became randomized, using vignette-techniques (Hughes & Huby 2004; Aguinis & Bradley 2014). Respondents received vignettes that portrayed a hybrid organization which valued TPM-related performance dimensions (i.e., consistency with rules and procedures), on the one hand, and NPM-related performance-dimensions (i.e., a customer-oriented mission), on the other hand. Respondents were subsequently asked to what extent they would be willing to break the rules in favor of the client.

The findings provided first behavioral evidence on this performance paradox by finding a linear relationship between PSM and the likelihood of pro-social rule-breaking behavior in hybrid organizations. The results revealed that the relation between PSM and pro-social rule-breaking behavior is moderated asymmetrically by client-based information affect cues: Negative affect cues had a larger negative effect than positive affect cues had a positive effect. This meant that high-PSM people were not only more likely to engage in pro-social rule-breaking behavior, but that they also discriminated more sharply between clients they perceived to be more deserving than their low-PSM peers.

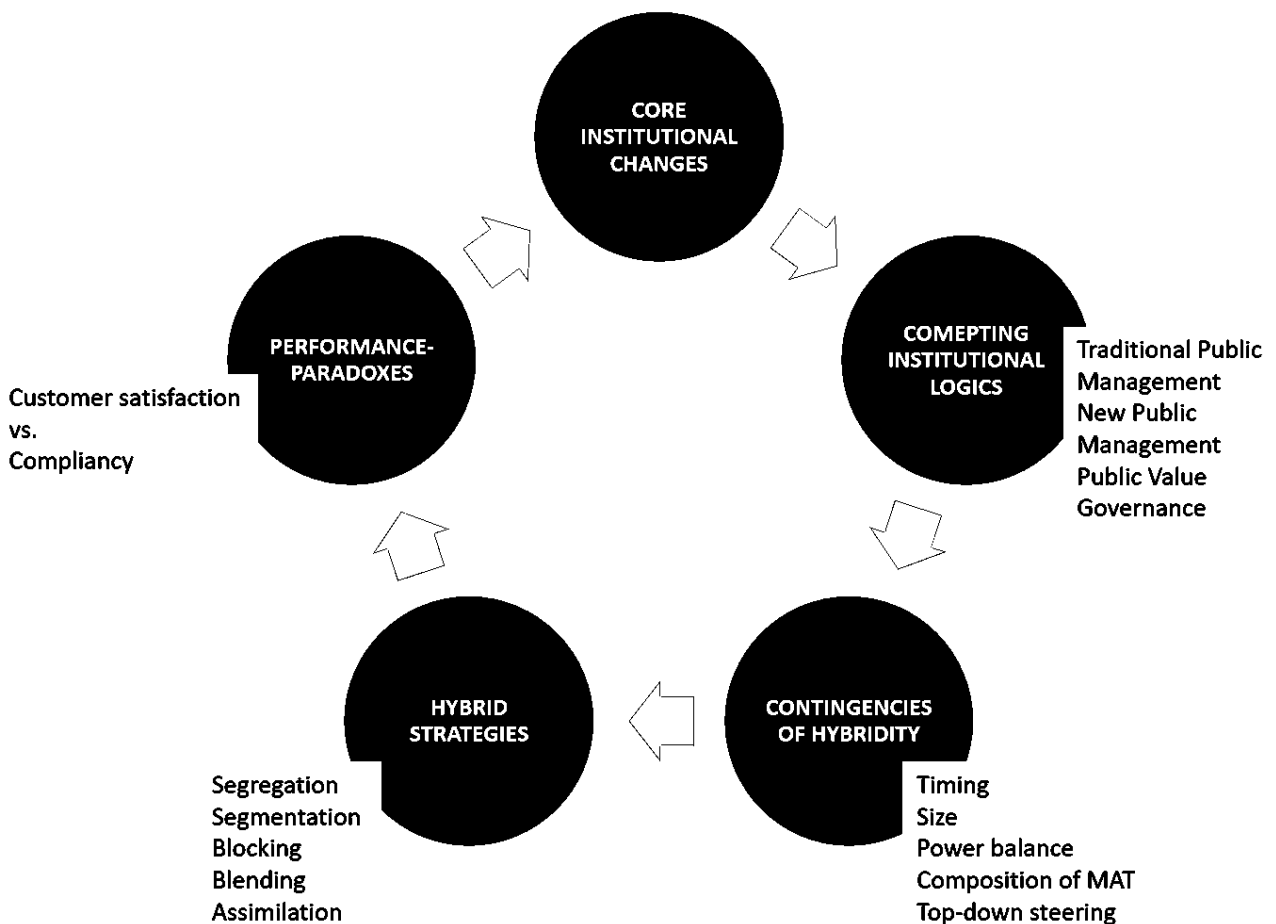
## **GENERAL CONCLUSION**

The conceptual and empirical contributions of this dissertation started from a predominantly neo-institutional lens. This viewpoint described hybridity as organizations that combine different,

frequently competing institutional logics. In contrast to other, more instrumental approaches on hybridity, the insights stemming from the ILA—approach enabled us to study the dynamic aspects of hybridity in more detail and to analyze the interactions between the institutional context and individual behavior in more depth.

Combining the insights from the different chapters results in an overall conceptual framework on hybridity, as depicted by Figure 14.

Figure 14 Conclusive conceptual framework



Core institutional changes cause competing institutional logics to drift together. Depending on the characteristics of the collaborative context and management, such as the way the integration-process has been steered or the size of the integrating organizations, the organization will pursue different strategies, such as assimilating, segregating, segmenting, blending or blocking these logics. Furthermore, hybridity affects organizational performance. Yet, these effects serve as a double-edged sword. On the one hand, the effects might be positive in cases where the performance dimensions from the different management views positively affect each other. On the other hand, they may cause different tensions in which the strengthening from one dimension might come at the expense of another such as customer satisfaction and compliancy with rules and procedures, as we envisioned.

Yet, the findings also contribute to other, broader theoretical debates about hybridity. A first ongoing debate focuses on the relation between complexity and hybridity. Hybridity and complexity are often treated in similar ways, the result being that hybridity and complexity are often used as synonyms, without making any clear conceptual distinction (Christensen & Lægneid 2011). Yet, this dissertation opposes this idea and revealed that, albeit hybridity and complexity might be interlinked, institutional complexity is the result from large institutional changes, and that these institutional changes are one of the main drivers of hybridity. This viewpoint also strongly resonates with recent work from Raynard (2016). In her work, Raynard (2016) explained how large shifts in the competitive environment of accounting firms to have caused shifts from one set of professional activities to a plurality of activities such as law, which pushed these organizations to internalize multiple logics in highly differentiated departments (Raynard 2016).

A second debate focuses on the long-term impact of hybridity. Hybridity can be viewed as temporal for the reason that the combination of competing institutional logics is de facto artificial since hybridity causes both internal and external tensions (Battilana & Lee 2014; Kraatz & Block 2008; Moizer & Tracey 2010). Internal challenges arise when groups within the organization identify with and champion different logics so that the organization becomes vulnerable to fragmentation and incoherence (Heimer 1999; Kraatz & Block 2008). Yet, also external challenges arise when the legitimacy of the organization becomes challenged for the reason that hybrid organizations are being affected by the number of different authorities sovereign over it (Navis & Glynn 2011; Pache & Santos 2013). These arguments materialize in the idea that hybridity is an artificial organizational state, which is therefore undesirable and temporal because it lacks internal and external support (Moizer & Tracey 2010; Battilana & Lee 2014). The findings brought forward in this dissertation, however, show a more nuanced view. Depending on type of hybridity, we can logically assume that some types such as blocked forms of hybridity are dysfunctional and therefore undesirable which at least suggests that hybridity is not part of a sustainable strategy. However, our research showed that other types such as blended forms of hybridity successfully combined competing institutional logics and reported economies of scale, which suggests that hybridity within these organizations can be part of a more enduring strategy.

A third debate focuses on the limited conceptual rigor of hybridity. It has been frequently argued that every organization can be considered as hybrid in a way since every organization to some extent implements different institutional logics. The concept of hybridity is therefore subject to many sceptic debates: when every organization is hybrid in a sense, the concept loses its value since hybridity implies that also non-hybrid organizations would exist. Yet, the conceptual

contributions of this dissertation made clear that hybridity is about the implementation of different institutional logics. Organizations combining smaller elements from different institutional logics should be therefore not considered as hybrid. Instead, hybridity requires the substantial integration of different institutional logics (Smets et al. 2012; Smith & Besharov 2019).

## **FUTURE RESEARCH AGENDA**

This dissertation mainly contributed to the literature by gaining more insight in the theoretical roots of hybridity and by analyzing one of its main antecedents and consequences. Clearly, several avenues of future research can be identified.

First, in our attempts to conduct research about the main antecedents of hybridity, we primarily focused on institutional change. Yet, in practice, there might be much more antecedents at play that induce hybridity. For instance, autonomy may play a key role as well, since the primary drivers during the integration processes we studied referred to institutional changes that were constrained by another government, implying that all the organizations within our sample, at least from a legal perspective, were characterized by low levels of autonomy (De Waele & Berghman 2017). Second, to date, it is still unclear whether hybridity is the result of spontaneous change processes or whether it is the result of more conscious strategic decisions of the organization, as being argued by the selective coupling literature, for instance (Pache & Santos 2013). Third, the empirical findings covered in this dissertation largely suggest that hybridity should be considered as a process, and not just as an organizational state, which implies that hybridity might evolve over time, as also brilliantly argued by Smith and Besharov (2019). As a result, collecting longitudinal data might be appealing as this may enable researchers to find out



to what extent hybridity is subject to changes over time. Using this data might support researchers in determining if blocked and temporary forms of hybridity may, for instance, evolve to blended and more persistent forms of hybridity in the long run, which is consistent with the limited empirical observations in Chapter 3.

Finally, the conceptual models developed in this dissertation identified various tensions among the performance dimensions within hybrid organizations, yet also proposed several opportunities in which different performance dimensions might be able to reinforce each other. However, this dissertation empirically focused on only one of these tensions, which implies that the remaining tensions and opportunities are still subject to further empirical research.

## **LIMITATIONS**

The research embodied in this dissertation is, of course, subject to limitations. First, we preferred to study hybridity from a purely institutional point of view, neglecting the complementarity of other potentially relevant organization theories such as transaction cost theory, which tend to envision hybridity from a completely different perspective, as already argued in Chapter 3 (see, for instance, Williamson (1985) and Ménard (2004)). Second, hybridity within this dissertation has been exclusively studied from the context of public administrations, and especially focused on local public administrations, which limits the external validity of the findings that were brought forward. Third, the empirical research has been conducted in Western-European countries, assuming that hybridity is conceptualized likewise in every country. Yet, prior research indicated that the institutional context might have a profound effect on hybridity. For instance, Anglo-Saxon countries more swiftly integrated NPM-logics, while Scandinavian countries have been found to

be much more reluctant towards the integration of NPM-principles (Rhodes 1999; Arrelano-Gault & Del Castillo-Vega 2004). As a result, to enhance the external validity and generalizability of the findings offered, the studies should be not only be extended to other organization types, but also to other institutional country contexts.

Finally, the research designs proposed in this dissertation are all subject to limitations. For instance, the conceptual studies typically lack extensive empirical falsification, while qualitative research designs generally suffer from limited external validity and low generalizability (Russell & Morse 1995; Miller & Whicker 1999). Yet, also the experimental research design proposed in this dissertation might suffer from comparable problems because the collected data was exclusively based on a student sample, which might result in potential bias as the complex context in which street-level bureaucrats typically operate has been underrepresented.

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