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Abstract

This article explores the next phase of public management: the era of paradox. As new public management (NPM) policies and practices were shown to be inadequate to solve the problems of public management, they began to be complemented – rather than replaced – with new reforms and practices. These reforms and practices are often contradictory to existing ones, leaving managers in a difficult position. By extending the debate about contradictions and paradox from the policy level to the organisational level, we show how public sector managers work to resolve these contradictions in a situated manner, keeping the contradictions alive rather than resolving them permanently.

Introduction

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New public management
Post-NPM
Managing contradictions
Local governments
Municipal management

Public management is transforming. New public management (NPM) is evolving into its next phase: a phase of paradox (Hood, 2000; Hood & Peters, 2004), multi-rationality (Almqvist & Wällstedt, 2013a), and holistic management (Osborne, 2006; 2009); a new era in which seemingly contradictory logics and practices have to be handled simultaneously (Almqvist & Wällstedt, 2013b; Barretta, 2008). Yesterday's managerial questions, such as 'make or buy', 'centralise or decentralise', and 'compete or cooperate', are rendered more or less obsolete in today's complex world of public management (see also Almqvist & Wällstedt, 2013b). The successful public sector organisation needs to handle questions about how to induce competition *and* cooperation at the same time; be able to decentralise decision making to managers on the spot while maintaining the prerogative of defining objectives and calculating standard costs at the central level; and act as both purchaser *and* provider simultaneously. The central managerial question has hence changed from whether to implement either solution A or solution B to how to handle *both* solution A *and* solution B.

Christensen (2014) analysed and described this transformation at the policy level. In his words, '[p]ost-NPM reforms did not replace NPM-reforms, but instead partly merged with them and partly modified them in what can be described as a layering process' (161). Several authors have participated in the debate about how to come to terms with these new challenges at the policy level (see, for example, Hood, 2000; Hood & Peters, 2004; Osborne, 2006; 2009). We, however, wish to extend this debate to the organisational level, following evidence that the contradictions emerging at the policy level will primarily have to be resolved at the organisational level (Brunsson, 1993).

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Although the literature is seldom explicit regarding the effects of such contradictions on organisational practice, we see several examples of these effects. Findings show that when single purpose organisations (a typical NPM construction) are exposed to politicians' demands to engage in more cooperation, they tend to situate cooperation in projects, that is, delimit them in space and time and situate them outside the cooperating organisations (Forsell et al., 2013). Moreover, there is evidence that the NPM practice of holding specialised organisations accountable for *their own* resource use and performance makes it necessary to construct controlling devices (such as pooled budgets) to ensure that resource allocation, performance, and accountability can be distributed and traced to each participating organisation *before* the organisations can engage in cooperation (Kurunmäki & Miller, 2011). Together with other contradictory issues of competition, cooperation, legal demands, and professional specialisation, this puts managers and other members of public sector organisations in a precarious position when it comes to coordinating value creation (Barretta, 2008). This requires more attention, and therefore our overarching research question has been 'How do managers and organisational members deal with contradictions in their daily work?'

The aims of this article are twofold: First, we aim to strengthen the argument that successful management in the public sector 'after NPM' entails endorsing complexity and contradiction. As such, this part of the contribution 'is not to promote a new idea but rather to rediscover its import and its applications under contemporary conditions so that we can gain new insights' (Storey & Salaman, 2009: xv). Our argument is that in order to understand what is going on 'after NPM', we need to explore how managers not only deal with, but also exploit, dilemmas and paradoxes in their daily work. The second aim is to highlight the importance of space and time in managing apparent contradictions, that is, how managers deal with issues on a situated basis. By separating seemingly contradictory practices in time and space, managers are able to do two things: (1) sustain paradoxes and dilemmas by performing contradictory practices separate from each other, and (2) work towards turning these situated and contradictory practices into resources for each other. In this vein, the interest is not primarily to resolve a paradox or dilemma permanently, but rather to uphold contradictions so they can be used in different situations to deal with different problems.

The article proceeds with a review of the NPM literature, considering some of the solutions endorsed in the NPM paradigm, such as competition, contracts, and output control. Then, the issues of paradox, dilemmas, and contradictions are discussed, followed by suggestions for how to approach and theorise management in the era of paradox. After the literature review, the methodology is followed by two empirical examples of dealing with contradictions in a situated manner. The article ends with a concluding discussion.

Literature review

New public management: The era of simplicity

NPM rests upon the positive idea that organisations can be functional and rationally managed. According to Almqvist and Wällstedt, 'NPM is an attempt to reform public administration globally along rationalistic lines and on the basis of a general model of rational organisation and management' (2013b: 205). Each organisation should do what it does best in a competitive environment that forces all organisations to develop their efficiency. They should be objectively evaluated and managed, allowing the government to pursue the role of purchaser rather than producer or service provider.

These ideas called out for simple technological and organisational solutions, and it is well known that these solutions were imported from the private sector. The purchaser/provider split made competition and marketisation possible, while accounting filled the evaluation gap (Hood, 1995). Auditable performance measures made professionals subordinate to new, purportedly objective, standards of what was 'good' and 'bad' (Evetts, 2009; Lapsley, 2008; Power, 1997): Organisational output was favoured over professional processes. To maintain arm's-length relationships between purchaser and provider, formal contracting was developed based on auditable criteria (Almqvist, 2004). The neo-classical economists of the Thatcher and Reagan era started to long for the perfect apolitical and objective economy in which the best organisations provided the public with the best possible products and services in a well-functioning market.

The consequence was that organisational structure, evaluation methods, resource management, and ways to control operations were expected to fit together and follow a single logic of economic rationalism (Almqvist & Wällstedt, 2013b). No contradictions were allowed, and paradoxes would be eliminated. If a technology failed – for example, if a performance measure did not represent reality faithfully – it was because it was badly constructed and needed mending (Lapsley, 2008). The call to arms was 'more of the same', and adverse effects were always a matter of poor implementation – never the product of a faulty idea.

However, despite strong efforts to solve implementation problems, paradoxes and contradictions did not cease to appear (van Thiel & Leeuw, 2003). It seemed that many of the advocated solutions created more problems than they solved (Lapsley, 2009). Counter movements grew in strength, and terms like 'modernisation' (Kurunmäki & Miller, 2006; LeGrand, 1999) and 'the third way' (Rose, 2000) resurfaced as a way to incorporate more perspectives into the governance of the public sector. Consequently, paradoxes, dilemmas, and contradictions became issues managers in public sector organisations had to deal with.

Paradox, dilemmas and contradictions

The issue of dealing with paradoxes, dilemmas, and contradictions is far from new in the literatures of sociology, public administration, and organisation sci-

ence (Storey & Salaman, 2009). It can be argued, however, that the functionalist ideas behind NPM technologies such as standard costing (Miller & O’Leary, 1987), benchmarking (Triantifillou, 2007), and performance auditing and evaluation (Radcliffe, 1998; Vedung, 2010) have turned practice towards finding ‘the one best way’ to perform services, and thus emphasised the permanent resolution of contradictions. However, when new problems rapidly surfaced because of these technologies, it became clear that there might not be one best way. What followed was not the discarding of the problematic technologies (Lapsley, 2008); instead, the solution was to put in place complementary technologies and practices, often seemingly contradictory to the previous ones.

The problems emanating from competition should be solved by cooperation (LeGrand, 1999; Kurunmäki & Miller, 2011). The problems with lacking contracts should be solved through trust in professional competence (Almqvist & Wällstedt, 2013b), while narrow focus on outputs should be balanced with more holistic views on outcomes (Osborne, 2006; 2009) paired with more participation from citizens (Dunleavy et al., 2006). Nevertheless, since competition, contracting, and output control also have their benefits, they should remain intact as managerial resources. What comes after NPM – for example, new public governance (Osborne, 2006; 2009) – is hence highly dependent on the logics and technologies developed during the NPM era.

Such contradictory demands from the policy level are not new (Brunsson, 1993), but the development during the NPM era of a strong emphasis on single-minded practices – which remain intact ‘after NPM’ – makes the managerial situation particularly difficult. When legal changes come about requiring competition to be complemented with cooperation, the solution is to modify – not discard – NPM-based technologies like standard costs and performance measures (Laughlin & Broadbent, 1993; Kurunmäki & Miller, 2011). Even if new practices emphasise outcomes and aim to direct services more towards the public good, they should be evaluated using accounting technologies built on the NPM logic. Managers’ primary goal is hence still to make sure that ‘*their own* resources are used for *their own* output’ (Almqvist & Wällstedt, 2013b: 225, italics in original). This reliance on ‘old’ technologies makes it difficult to share resources and cooperate with others for the sake of the common good.

The literature shows that this leads to different forms of pragmatic solutions at the organisational level, taking both ‘old’ NPM-based ideas and their ‘new’ complements into consideration: Cooperation is limited to projects or temporary organisations in order to maintain stability for the existing organisation (Forsell et al., 2013). Competence and resources needed for cooperative efforts are brought in from outside the immediate sphere of competition instead of using competence from the competing organisation ‘next door’ (Barretta, 2008). Budgetary processes are extended to incorporate cooperation (Kurunmäki & Miller, 2011), and performance measures are turned from ‘facts’ used for evaluating and holding managers accountable into communicative devices used in negotiating organisational change (Wällstedt et al., 2014). Although the examples above are not explicitly situated in a context of contradiction between NPM

and 'post-NPM' ideas, we argue that the employed solutions are typical of those that follow from such contradictions.

Paradoxes, dilemmas, and contradictions are thus becoming integral parts of contemporary policymaking and organisational management. There is not 'one best way' anymore. However, while it is rather easy to *say* 'both solution A *and* solution B should be employed', it is significantly more difficult to operationalise this idea (Almqvist & Wällstedt, 2013a). The resolution of contradictions is therefore radically decentralised to managers on the spot – those in charge of operations; the manager's reality is fraught with contradictions.

An approach to analysing complexity and contradictions

Complexity and contradictions are hence part of the everyday 'messy' work of practitioners (Callon, 2002). For researchers, it is necessary to disentangle this messy and complex reality into sufficiently clear 'objects of analysis' (Law & Singleton, 2005). This creates a serious challenge when the start and end points of events (Czarniawska, 2004), or organisational borders (Thrane & Hald, 2006), are increasingly difficult to identify (Law & Singleton, 2005), owing to managerial and political practices that sometimes make it almost impossible to discern analysable patterns (Czarniawska, 2010).

For the sake of this article, we devote our analysis to situated practices – practices socially constructed by the inclusion and exclusion of what we call 'issues'. Issues could be concrete, acute, or immediate, such as a fall injury in a nursing home; or abstract, lingering, or distant, such as a yearly performance evaluation for a manager. The fall injury has to be taken care of here and now – there seem not to be many things that would make it less acute – while the immediacy of the performance evaluation may be addressed differently depending on how it is seen to matter for the organisation and its members. It is quite a different thing if the performance evaluation determines the manager's employment conditions or the resource allocation to the organisation (for example, through a pay for performance system), or if it exists for the sake of discussion, learning, and development. Depending on its role, it becomes a very different issue in the daily practices of the organisation.

The point here is that an issue and its immediacy are socially constructed through a variety of factors such as professional norms, institutional pressures, management control system attributes, and organisational routines. However, since 'the processes of social construction take place in unique, partially autonomous contexts' and '[t]hese varying contexts are not centrally controlled and regulated except in rare cases' (Benson, 1977: 4), an issue's sense of immediacy may also be highly situated and contingent. Therefore, the issue of performance evaluation may be a burning one in budget meetings, while gaining little or no attention in the context of the relationship between a client and a professional. In many cases, for the latter to work well, the issue *has to* be expelled to the confines of the former; this is one of our main points in the article.

On the one hand, our approach resonates well with research based on institutional approaches. We acknowledge that there are institutionalised logics at

work; this is the effect of the work to establish, for example, competition, formal contracting, and output control as primary solutions during the NPM era. The later inclusion of cooperation, trust, and outcome management constitutes competing logics (see, for example, Reay & Hinings, 2009), where contradictions may work as fuel for change (Seo & Creed, 2002). On the other hand, the interest we have in immediacy and the possibility to exclude, include, or postpone issues has much in common with the science, technology, and society (STS) literature on multiple realities (Mol, 2002; Mol & Law, 1994). This article resonates with STS studies in the sense that we show how issues are brought together and acted upon in a situated practice, and how necessity and tradition, as well as intentional management, can explain the specificities of such practices. Our use of ‘issues’ is a way to broaden the theoretical scope, going beyond specific strands of theory while at the same time acknowledging the social construction of reality.

This leaves us with situated managerial practices in which much is left to practitioners to make sense of and manage. However, it also allows for an understanding of practices as dispersed in space and time: Issues can be included ‘here and now’, excluded and expelled to another space or time, or – interestingly – a little bit of both. Our two examples are aimed at showing how the dispersion of practices in space and time allows different logics to be mobilised in different situations, helping to keep paradoxes, dilemmas, and contradictions alive without resolving them permanently.

Method

This paper delivers two examples of situated practices in which apparent tensions, or paradoxes, are at hand. We make an effort to show how contradicting issues are handled situationally. In the first example, there is an effort to integrate contradicting issues, but since they are too many and too obstructive, the practitioners find it necessary to construct a shielded hybrid organisation to incorporate only a few of the issues at hand. In the second example, the issues are turned into resources for one another in an effort to utilise both sides of the contradiction.

Our examples are two of many. We wanted to keep this piece as short and informative as possible, and therefore focus on two informative cases. The data consist of well over 100 interviews and observations in five Swedish municipalities, making us confident that our examples are relevant illustrations of how apparent contradictions are upheld by practices dispersed in time and space. The specific examples used here derive from two of these municipalities. The first municipality is ‘Town’. The data collection was part of the Swedish national program of local government research (NatKom) focused on understanding the municipality’s management control at all organisational levels. We collected 33 interviews from all organisational levels of Town. We visited Town on three different occasions spread over one year and a half.

The second municipality is 'City'. We followed City's management in a range of different research projects since the mid 1990s. The most recent project, from which this data are retrieved, consists of a three-year study of the management control system as operationalised in the elder care in City. A total of 55 persons were interviewed and we attended 16 meetings (staff meetings and budget meetings).

The method was similar in all the municipalities we visited. We approached our interviewees from a practical point of view with the aim of letting them do most of the talking. Thus, we started by letting them address what they were working on right now, and what they saw as significant challenges¹ for their own practice, be it political, administrative, financial, or operational. Thus, we could build a picture of related and discrepant practical stories within the two municipalities, a picture that conveyed which issues and practices were interrelated or kept apart, contradictory or mutually reinforcing. We could also see if practices were kept apart, despite the same actors being present in all of them, or if issues could intrude into each other's situated realities, and how this happened.

We analysed the data in several iterative steps. The interviews and notes from observations were transcribed and reviewed a number of times over the few years in which the empirical work progressed. The management of contradictions soon came up as a topic, partly as a clear empirical category, since this was something almost all our interviewees made a point of, and partly as a response to much of the NPM literature focusing on reform and rational management. Reviews of literature on institutional theory and STS literature furthered our contention that a constructionist approach based on the idea of situated practices displaced in time and space needed more attention. The empirical material offered several examples, and we selected the following as informative ones.

Empirical evidence: Two examples

The two examples in this article show the efforts to divide issues in time and space. The first example shows the messy work of holistic governance: Overlapping and contradictory practices are abundant and forced upon practitioners from several directions. As such, it portrays the work needed to accomplish situated practices when contradictions are endorsed and assembled – efforts ending with limited success. The solution that emerges shows that contradictions are best kept apart in space and time, awaiting modification. The second example conveys a more structured approach in which contradictory practices are kept apart in space and time, and then turned into resources for one another.

Holistic governance: (Dis)assembling the issues

The first example comes from the municipality of Town and deals with the difficulties following the integration and assembly of contradictory issues into a holistic mode of governance. This effort to govern in a holistic manner entails situating difference and contradiction within the same practice; contradictory issues should hence *not* be separated in space and time. As we will see, however,

contradicting issues are too many and too disparate to bring together; they will have to stay separated. In order for things to work, a shielded hybrid organisation is constructed. We follow the cooperation between the municipality's schooling service and social care services as they try to bring all the issues of children in need of special assistance and care into one single practice. To understand the complexities of this, we must start with some of the issues circumscribing the governance and control system.

In order to maintain a holistic mode of governance, Town is working with a management control system that emphasises strategic, and thus somewhat 'fuzzy', objectives. The word 'fuzzy' is actually not of our construction, but was used (with some pride) by a senior politician on the municipal board. The idea is that every part of the organisation, management as well as staff involved in operations, should primarily know *why* they work in the municipality, so they can use their professionalism to decide *how* to contribute to this greater good. This is seen as the key to holistic governance.

This deviates from the idea that objectives need to be well specified and measurable and goes together with scepticism towards what measures can actually convey. An important statement in Town's budget document reads:

The role of the quantitative measures is to support a qualitative assessment, but they can never constitute the sole foundation for assessing goal fulfilment. Comparisons with other municipalities make it possible to relate to our own results. The analysis is directed towards the holistic achievement of the goal, or the strategic area, and not towards details.

This means that measurement is but one part, and there are no mechanical aggregations of measures from one organisational level to another. Instead, the measures are used to compare some important areas from year to year or against other municipalities. They contribute to making a 'case' of schooling or elder care, consisting, among other things, of stories from professionals and clients in the area, media coverage, and the comparisons enabled by these measures: a range of different issues. Together, these different pieces of information make up the 'case' of how things are, and what should be done. This 'case' is the main object of management – and the individual child in need of help should be seen as such a case.

The use of the 'case' metaphor makes clear that there is an element of conflict, or at least negotiation, when it comes to resolving how things are and what should be done. When media coverage, client feedback, and quality measures convey different images, an analysis has to be made to come to a decision on what to listen to, believe in, and prioritise. Together with the idea of 'fuzzy' goals, the allusion to 'cases' shows the efforts Town makes to govern its services in a holistic manner and with a communicative ideal in mind, so that a multiplicity of issues have their place. In the specific case of a child in trouble, the message is clear: Everything should be done for the good of the child, and all negotiations around this case should aim for this.

At the same time, however, the municipality is organised into separate entities such as the school administration and the social services administration, and despite the ideas about holism, these boundaries are enforced. Firstly, there are the issues of separate budget items within the municipality, and, secondly, there are the issues of different national laws: The schools are governed by the Education Act, and social services by the Social Service Act. Consequently, traditional struggles over financial allocations also ensue in Town, and both the schools and the social services are in constant fear of failing to comply with legal demands pertaining to their respective operational fields.

An interviewee in the social services administration describes the former issue – struggles over financial resources:

[T]he chairpersons [of the different administrations] drive their own race [in the budget process] and want money for their own administration. And we [the managers] play along in that game. That is not good – it becomes counterproductive!

This game is extremely difficult to refrain from – mostly because (1) financial management is one of the most important objectives in the municipality, and (2) it is much easier to see that you have a budget deficit than to see that you fail to take good care of a child in danger of social exclusion. The issue of budget management is highly institutionalised and substantial. 'Cases' referring to service quality are perhaps easy to talk about, but it is difficult to give them the substance to stand up against financial budget management: Financial management issues seem all too immediate.

An interviewee working at the social services administration told us about a workshop where managers from both social services and schooling were present. At this workshop, they brainstormed, among other things, how to come to terms with problems concerning children in need of help. It was easy to see that in order to be proactive and pick up problems early, all resources should go to the schools – not to social services. Everyone agreed upon this, including the social services managers. However, the social services administration, at this time, had a budget deficit, and so this issue took precedence and they nevertheless demanded more resources – in line with the budget games discussed above – when the budget was decided.

During the workshop, the social services managers also proposed that their personnel should be used as supportive resources available for other services, including schooling. As such, their resources should go to achieving the municipality's holistic goals. Hence, a success in the municipality's schools would also be a success for social services, while an apparent success for social services that did not contribute to the overall good of the municipality's citizens could not be determined as such. The social services managers hence suggested that their resources should not primarily be used for the results of their own administration: Budget games were confined to covering deficits, not to connecting costs to specified targets.

The oversight bodies, the ones set to enforce the Social Service Act, do not see things this way, however. A social services manager explains:

The National Board of Health and Welfare [the national oversight body] are demanding more of our investigations and inquiries – it becomes more important to comply with the letter of the law. In those cases, you don't want to think outside the box. Instead, we go for our own logic, make our investigation, and then 'bang!' – decision – and then we follow up. There are not many actors involved in this way of doing things. You become very formal to be safe, and you don't want to be exposed... Or the municipality doesn't want to end up on the map over 'mistreatment municipalities'. There is a built-in fear of doing things wrong, and that doesn't benefit our development. When we have done ours, we have done ours. Then someone else can make a mistake [for example, the school], but we have done ours. It becomes highly cemented.

Although it is possible to talk about holism, construct 'cases', and emphasise the greater good and the relevant issues, budgetary boundaries and legal demands constitutes issues that make this difficult.

The specific case of working with children and collaboration with the schools became highlighted in another interview with a social services representative:

When the school, they live in these individuals' reality, sees something here and now, then they can report that to us [social services] and think that 'now they will fix this'. But then we can see that it doesn't hold, legally, to go in and, for example, take custody. The school might not understand this, and our work is confidential, so we build walls between us all the time. The school's principal can call us and ask, 'Why aren't you doing anything?' And when the National Board of Health and Welfare comes and inspects, it is not so exciting for our co-workers to say, 'Well, we have had some informal talks, which we think have been constructive ...'

The logic is that if social services should intervene, it should be in a way that could be 'closed' and therefore possible to audit in an inspection. If a case is opened, it should also be closed – otherwise social services will receive criticism from the oversight body. This makes it difficult for social services to act proactively: Although informal talks with involved actors may prove useful, they are not enough to constitute 'an intervention' in legal terms.

In order to escape the problems with both budgetary and legal issues, the municipality has situated the collaboration in a specific – hybrid – organisation. This organisation consists of specialists from both the school administration and the social services administration. It has its own budget and works both formally and informally. One of the interviewed managers of this organisation explains her view of why they started it:

[C]hildren in need of support can be found both in school and receive social services. Instead of having these parents going to social services that said one thing, and then the school that said something else, and they had so many different people that... If you are a family in need of support, it can be quite tough to collaborate with many people, and different people in different administrations say different things. So it is really about creating meeting spaces so social services and the school could meet and say the same things to parents – for a supportive and preventive purpose. And also so that parents wouldn't need so many different contacts.

The different logics of the two administrations made it difficult for the children and parents in need of help when administrations were separated. In the hybrid organisation, they can get together and try to work more coherently. However, since the two administrations' logics are aggravated by their adherence to different legal systems, this is not always enough: 'Cultural clashes' sometimes occur between the two professional groups. This makes the second purpose of the organisation even more important: the focus on proactive and less formal work. Another manager in the organisation explains:

Above all, it should be easily accessible to call social services. Perhaps they felt that they [the children or parents in need of help] should only call when it is crisis, crisis, crisis. They don't call to ask for advice, and that was something we wanted to change ... They make more spontaneous contacts today. They used to call social services to have us open a formal case, but today they call to receive counselling and support.

Calling social services should not be so dramatic anymore, and it should be possible to have these 'constructive informal talks' the social services representative discussed above without opening a formal case.

However, the organisation's increased availability and easy access to children, led to a dilemma: The number of cases increased significantly. For the staff, it is impossible to know whether this is good or bad – whether it is a sign of a previously hidden need that is now taken care of, or whether there is an actual increase in needs. However, since the numbers are never used as targets in their own right, and since both the staff and the clients seem to find this way of working constructive, it is possible to continue with this service without knowing why the number of cases is increasing. With time – so goes the reasoning – it will become clear what lies behind these numbers. Shielded from imposed contradictions of external inspections and detrimental budget games, the expectations for better 'case management' are high.

Competition and contractual management

The second example deals with the issues of competitive tendering and contractual management and addresses the apparent tensions between competition and cooperation, between arm's-length relationship and constructive partnership, and

between the roles of purchaser and provider. The example is from City's management of nursing homes for the elder care. City has contracted services out for a long time, while at the same time retaining a certain amount of the operations in house. This holds for most areas, including schooling, childcare, and elder care. The administrations hence have the roles of both purchaser and provider. The aim, however, is always to function in similar ways for both in-house and private providers, that is, as both external evaluator and constructive partner.

For elder care, this ambition is visible in the internal control system and the invitations to tender: The city has made an effort to convey the same demands and performance criteria to both in-house units and private providers. Resource demands (for example, the competence level of staff), performance measures (for example, customer satisfaction indexes) and financial remuneration remain the same for the two kinds of providers. At the same time, no one is exempt from competition. If an in-house unit fails to deliver, it meets the risk of takeover by private alternatives, while a private unit always risks losing its contract. The competitive environment is hence upheld by these risks and the formal system that treats in-house and private providers equally.

The burning issue that emerges, however, is how one can uphold this formal, competitive system and simultaneously engage in constructive partnership? The solution lies in situating the practices of competitive tendering, and evaluation and development, each in a specific time and space. The invitation-to-tender document is standardised and conveys what is demanded of the competitors – again, it is similar to what is expected of in-house units. The document has remained similar for more than 10 years, although with incremental changes corresponding to changes in the internal control system. Hence, it stabilises the environment for prospective providers, who can develop their bids in peace and quiet, knowing what will be expected of them. Once the bidders have submitted their bids, the purchaser opens them, reviews them in anonymity, and rates the bids according to a range of quality criteria. Every quality criterion receives a score, and the bidder with the highest quality score overall wins the bid.

Thus, an arm's-length relationship is retained during the tendering process. The bidder promising the best quality, following the pre-established criteria, will be the winner. The problem is that some things might not be captured by these criteria, and the bidder making the promises might not be the provider that would be best suited to actually carrying them out. These problems have to be dealt with; this is where the relation turns into a partnership. One of our interviewees from the elder care purchaser level describes how this partnership evolves after the winner is decided:

We have developed these tables of added value where, once you have won a bid for a nursing home, I sit down with this provider and walk him or her through these added values so we can agree upon them. And if they have these added values in their bids, it is easy because then we just agree upon when, in time, this added value should be achieved. And then I can go out, after that date, and check if it is accomplished. Then there are a bunch of different things that can be in-

terpreted as added value but are not in the bid, and then we have a dialogue like, 'How long do you need to accomplish this?' It could be, for example, that if they said, 'We promise that all staff will have the competence level of an assistant nurse', and we gave points for that, then they will need time to accomplish this, to carry out the training that is needed.

On the one hand, then, the evaluation and development of the provider's operations are based on the criteria in the contract that comes out of the bid and what is established during the dialogue. On the other hand, there are always matters of interpretation involved; everything is not as easily measured as a formal competence level. Therefore, the follow-up needs to be constructive rather than suspicious. The interviewee again:

It is very much about following up, to do it in collaboration with the provider. We have a common objective – it is only two different roles. So it is not about being STASI² or the police or something like that...

There can always be debate about whether a demand was actually specified in the contract, whether this or that is actually what was stipulated, but in the long term there needs to be a constructive relationship – otherwise the city will terminate the contract rather than extend it. This threat is maintained by setting the contract time to six years, with the possibility for the city to terminate it – unconditionally – every second year. This brings the issue of competition inside the practice of cooperation.

In these dialogues, it is helpful to have experience as a service provider. Another purchaser interviewee said:

It is so important, I think, to have a provider perspective. I have worked quite a long time in this area, and if you only have a purchaser perspective, you miss out on all the knowledge... So it is always helpful to be able to compare with your in-house operations and work with service provision, developing it, so you know what you actually can demand from a provider.

In a cooperative relationship, this makes the purchaser both a good discussion partner and a formidable opponent. The second interviewee again:

There is nothing that can't be done, if you say so. Now, no private provider really says so, but they often complain about the financial remuneration, that it is too low, and then I can say that it is still possible to accomplish what we are set to do [because I know it from my own provider experience]. But I can also have a better understanding for some things, because we share the same difficulties.

The partnership becomes reality through the maintenance of an experienced dialogue in which it is possible for the purchaser to make realistic demands, and give the provider some leeway if necessary. One should, however, always remember the potential consequence of not being a good partner: the possibility of

the city terminating the contract if one does not live up to expectations. On the other hand, the city provides the new provider with excellent starting conditions – not only in terms of the time to accomplish set targets, but also in other ways. Our first interviewee again:

It becomes something of a ‘fresh start’, one could say, for the operations, [when we put an existing nursing home out to tender], because many of the ‘weaker’ co-workers, they might be a little tired or partially on sick leave, they choose to stay employed by the city when a private provider takes over. This means that you can bring some ‘fresh blood’ into the operations when you take over. This alone can affect the quality in a positive manner, which doesn’t have to do with it being a new provider out there. It is more the consequence of a change in the staff. Because it is always the staff, no one else, that may raise the quality of operations.

The city thus deliberately ‘takes the hit’ by letting committed employees leave and keeping the least committed in house. This shows that the city is quite understanding of the private provider’s situation and, parallel with having high demands, wants to give them good conditions for developing the quality of operations. Again, this is made possible both by the double role of purchaser and provider and by the circumstance that the city is a provider of multiple services. In this instance, the city can make the most of the situation and make use of synergies. As it happens, the problem with too many staff in in-house elder care (caused by too many staff wanting to stay employed by the city when provider units went into the hands of private businesses) coincided with a deficit in staff at in-house childcare. The city hence launched a one-year educational program turning assistant nurses into childcare assistants – with full pay. This had great success, and solved a significant part of both problems while giving the ‘tired’ elder care workers a fresh start.

This example shows how keeping practices of competition and tendering separated from day-to-day cooperative work makes it possible to turn the logic of competition into a resource for cooperation: Where cooperation becomes the immediate issue at hand, competition remains an abstract and distant issue not to be forgotten. This is facilitated further by the municipality’s potentially contradicting roles of purchaser and provider. By making use of provider competence, the municipality can act as both a knowledgeable opponent and a constructive partner. This does not make the purchaser-provider relation free from conflict: Issues around quality standards, the right level of remuneration, and so on, remain contested. The most problematic issue is anonymous bids, where a former provider cannot benefit from a previously constructive relationship or be rejected because it did not reach the quality standards in an earlier contract. Everyone gets a new chance, regardless of previous performance. As such, the ideas of competition and objective arm’s-length relationships continue to be obstacles to a cooperative relationship.

Discussion

We have tried to show how public sector organisations work to resolve paradoxes and dilemmas by situating practices so that (1) paradoxes and dilemmas are retained in order to satisfy contradicting logics, and (2) contradictions may become resources. In the example of City, this development has gone quite far, while Town is still in a more troublesome position. Both organisations try to work in a holistic, processual, and cooperative way without challenging 'old' ideas of competition, purchaser-provider splits, stable budget processes, or decentralised responsibility.

For Town, the holistic governance ideal is still compromised by 'old' ideas of budget negotiations, rigid financial objectives directed towards pre-established organisational boundaries, and legal demands enforced by central government authorities. Most of these ideas are older than NPM but aggravated by the NPM focus on single-purpose organisations. The powerful role of the oversight body – the inspector – is, however, a typical NPM construction (Almqvist & Wällstedt, 2013b).

The multiplicity of demands is difficult to escape: Each administration has to keep the budget, and laws must be abided by and inspections undergone with positive results –in line with the study by Kurunmäki and Miller (2011). 'Fuzzy' and visionary objectives make it easier to discuss strategic issues and brainstorm about solutions for organisational and budgetary borders, but they have trouble standing up against such 'hard' demands. This is something Town will have to work on if a holistic governance system is to be retained; some of these practices, such as the budget process, need modification. In the meantime, contradicting practices have to be kept apart, while the important matters at hand can be assembled into one.

The creation of a hybrid organisation accomplishes this ideal. Here, professionals can work together in a constructive manner. Detrimental budget games are expelled to other times and spaces, where they can be played by politicians representing the administrations, and not bother the professionals. If necessary, informal cases can be turned into formal ones with the potential to be evaluated by the oversight body – but informal work can still progress. This gives the necessary stability to both the traditional branches of social services and schooling and to the hybrid organisation (Forsell et al., 2013).

At this stage, Town has managed to keep up contradictory practices by keeping them apart, but not to turn them into resources for each other. The only thing that can be seen as working in this direction is the insight from the social services administration that their experienced staff can be 'lent' to operations directed towards the schools. The money 'won' by the social services administration in the budget games can thus be brought back into the schools and used to achieve results for the municipality as a whole. Theoretically, then, competition for resources can lead to better cooperation (Barretta, 2008), but only if those involved are interested in sharing competence.

This is also where the holistic governance system comes through: Cooperation rests on the idea that professionals are there to perform work that can be holistically evaluated – not to perform according to specific performance measures directed to either social services or schooling. The success of their work is not evaluated based on contradicting targets that force managers to focus on just their own targets – as was the case in the NPM era (Almqvist & Wällstedt, 2013b). Instead, stories from those working in this hybrid organisation – teachers, pupils, and parents using the organisation’s resources – will be combined with measures to show whether the work is a success or failure.

In City, contradictions are not only successfully kept apart in space and time but also used as resources for one another. Both competition and cooperative partnership have been retained by letting these two different practices have their own spaces and times. The threat of competition, however, also lingers throughout the partnership practice. This makes competition a resource all the time, even when the focus is on partnership. Thanks to the holistic view, as a purchaser and a provider, City is also able to balance the threat of competition with excellent conditions for private providers when starting up a new operation. The private providers hence have little to complain about if they lose a contract, and at the same time it becomes obvious that the city contributes to the common goal of higher quality.

With these two cases, we extend the literature that discusses the layering of NPM and ‘post-NPM’ ideas (Christensen, 2014), contradictions (Hood & Peters, 2004), and the need for holistic governance (Osborne, 2006; 2009) at the policy level, and show the consequences at the organisational level. We argue that evidence from the organisational level of, for example, the tendency to situate collaboration within projects and temporary organisations (Forsell et al., 2013), the difficulty sharing competence across organisational boundaries (Barretta, 2008), and the reliance on traditional management control systems as a condition for cooperation (Kurunmäki & Miller, 2011), is a direct consequence of the need to keep both NPM and ‘post-NPM’ ideas alive.

Conclusion

In this article, we wanted to show two things: first, successful public sector management in the aftermath of NPM is determined by handling contradicting ideas and practices and, if possible, turning them into resources for one another; and second, this must become the responsibility of the manager on the spot: The hard work of dealing with contradicting logics and practices is not carried out at the policy or top management level. This is a direct consequence of the ‘layering’ of NPM ideas and post-NPM ideas (Christensen, 2014): ‘after NPM’ managers encounter *both* ‘more NPM’ *and* its complementary and contradicting practices.

We demonstrate that the management of these contradicting practices can be accomplished by situating them in their own spaces and times, at least to the degree that the contradictions that remain ‘here and now’ are possible to deal with. This is not easy work, as can be seen in the case of Town. However, the

main point of this article is that we – researchers, as well as policymakers and managers – need to take these efforts seriously and step away from thinking that contradictions means ruling one or the other out. Many times, there seems to be a solution in which two seemingly contradictory logics, or practices, can live side by side and prove useful to each other. Sometimes they require modification from their original shape in order to become helpful, but that is something completely different from scrapping them entirely.

In conclusion, there is a need to embrace paradoxes, dilemmas, and contradictions and thoroughly investigate how they can be used simultaneously, instead of endorsing one logic or practice at the expense of another. It is often displacement in time and space, and sometimes modification, rather than total rejection, which is needed for things to work. We cannot afford to discard good ideas, logics, and practices just because they seem contradictory to one another. If we go local – situating management as well as research – it will be easier to see what will actually work, which components of contradicting practices can be retained or displaced in space and time, and which ones need to be modified. It is 'on site' that we will be able to endorse 'both and' over 'either or'.

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Noter

¹ A few of the interviews in both City and Town were, however, influenced by the standardised interview guide constructed for the NatKom pilot study. This guide followed a similar logic of inquiry, but with some more specific questions aimed at getting to know the history of the specific municipality.

² Referring to the infamous secret police in East Germany during the cold war.