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NPM Under Pressure

An Inquiry in Theory

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Introduction

This paper explores the theoretical foundations of my PhD research project. This inquiry in theory is undertaken on the basis of the problematization methodology proposed by Alvesson et Sandberg (2011) and deriving from a critical approach to management studies. According to these authors, the best way to generate interesting research questions, and innovate knowledge, is *problematization*. Unlike “gap-spotting” approach to research initiatives, problematization expresses more ambitious and systematic attempts to identify and challenge the assumptions underlying existing theories. In fact, a firm understanding of the assumptions underpinning existing theories allows researchers to be able not only to use and test these theories, but also to develop new theories. The main purpose of this approach is “to come up with novel research questions through a *dialectical interrogation* of one’s own familiar position, other stances, and the domain of literature targeted” (Alvensson et Sandberg 2011).

In this paper, problematization is adopted not only to question the fundamental assumptions of New Public Management (NPM) theory, but also to develop alternative assumptions to be explored in order to highlight a new way of approaching the managerial practices of public organizations. The reason why such a critical methodology of investigation is adopted is because the empirical evidence emerging from the case study of my PhD research project unveils that NPM theory may have misleading implications for the managerial practices of public organizations depending on its weak understanding of the processes enacted by the implementation of the policy action. In fact, because of its epistemological configuration, NPM theory may fail in understanding and solving concrete problems. As referred by Astley (1985) and Kuhn (1970), assumptions seldom can be directly empirically investigated or tested, but empirical evidence may give support in understanding if some assumptions are problematic and have implications for those practices that are informed by the theory. For this reason, in this paper I will proceed from the description of the empirical case to the analysis of the theory.

Within this framework, this paper consists of three main sections and is structured as follows. A first section will give an overview of my PhD case study (TAV project) in order to show that NPM tools may fail in understanding the real world because of their theoretical posture which is one-sided focused on efficiency (the latter determining a planning approach to processes of technological innovation). In this section, I suggest that the failure of the TAV project depends on the efficiency-related assumptions bearing on the internal and external dimensions of involved public organizations: internally, the pursue of efficiency improvements by means of a greater emphasis on outputs control and disaggregation of administrative units may fragment the policy action and overlook the process of policy implementation by impeding the program to be re-adjusted in case of persistent resistance of concerned actors; externally, the one-sided focus on policy actions in terms of efficiency improvements may determine a diffusionist approach to technological innovation policies. The one-sided focus on efficiency is then framed as the core element characterizing the structure of NPM theory and is explored in section two. In this second section, assumptions are examined on the basis of Morgan (1980) and Alvesson et Sandberg (2011) who identify different typologies of assumptions allowing to de-construct theories from the *in-house* level to the *field* one. Drawing on Alvesson et Sandberg (2011), NPM assumptions are questioned on the basis of a continuum comparison with a challenging theory: the Public Value Theory (PVT). In fact, the latter blames NPM to overlook the multi-dimensional configuration of public value and have a narrow focus on efficiency that impedes it to fully comprehend the nature of problems it deals with. In this section, I argue that NPM can be framed as a problem solving theory narrowly aimed at generating useful empirical knowledge about the way how efficiency may be improved in the functioning of public organizations. This narrow focus of public organizations on efficiency is as historically determined and grounded in the great transformation of mid-twentieth century when the political shift from state interventionism to supply-

side and neoclassical policy brought policy makers' attention to replace inefficient state bureaucracies with a post-bureaucratic model mainly based on a contractualist and managerialist conception of public organizations. The third section shows through comparison that NPM and PVT are characterized by two different visions of public organizations: while NPM considers these organizations as a machine whose functioning may be improved by means of efficiency improvements to be achieved on the basis of a planning approach, PVT's vision is more similar to the image of network where public managers create public value on the basis of an interpretativist approach aiming at understanding and detecting *what is valued by citizens*. Nevertheless, the two theories seem to share the same managerialist perspective. This does not mean that NPM and PVT are necessarily equal in terms of modes of management, but rather that PVT could be subjected to the same type of managerialist performance if the public value framework is not complemented with practices and theories able to spread the decision-making process through all organizations' members, instead of concentrating it in the hands of organizations' managers. It follows that, even if as a challenging theory PVT provides interesting insights in a new approach to public management, further theoretical developments are crucial to render it mature. As a matter of fact, even if PVT argues that processes are much more important than results, it does not provide any coherent approach for theorizing how processes should be managed in order to create a shared definition of public value. For this reasons I propose to explore a meta-theoretical framework to enclose PVT by means of Pettigrew's contextualism and the actor-network theory (ANT): while the former allows public value to be framed as the content of public organizations' action and to be ultimately conceived as the product of a legitimation process shaped by gross changes in the outer context of the organization and by political and cultural consideration inside the organization, the latter allows technological innovations (i.e. the high speed train in my case study) to be treated as *artifacts* of social networks and, by doing that, it permits to understand if the content of public projects and programs corresponds to the public value as emerging from the network of concerned stakeholders or addresses the interests of managerial élites.

Before proceeding with the analysis, some terminological clarifications are required. NPM and PVT are addressed in this paper as schools of thought, which are understood as a collection or group of people sharing respectively two different outlooks of the public management field of investigation. For example, NPM is a school of thought because it consists in a set of scientific outputs referable to a group of theorists sharing the same neoclassical outlook in the discipline of public management. Even if in literature some theorists have addressed NPM as a paradigm, I prefer to use the expression school of thought in order to not create misunderstandings about the use of the word paradigm. In fact, drawing on Alvesson et Sandberg (2011), a paradigm refers to the ontological, epistemological, and methodological assumptions underlying a specific literature.

1. Dysfunctions in theory emerging from the case study

A clear example of the failure of NPM approach is derived from the Turin–Lyon high-speed railway project, promoted by the European Commission at EU level and implemented at the national level in France and Italy by a public–private partnership. The project consists in a planned 220 km/h railway line that will connect the two cities and link Italian and French high-speed rail networks.

As far as the reactions of stakeholders are concerned, the implantation of the new high-speed transport technology across two different national contexts has triggered two different processes. In fact, the French public opinion and the inhabitants of the towns where the new railway will be implanted have not risen against the innovation as strong as it has happened in the Italian context. Even if the French Court of Audit has cast doubt about the costs and the realism of traffic forecasts, in France the TAV project has not met the same resistance characterizing the Italian context. It follows that the same type of innovation implanted at the same time in two different national contexts may trigger two different

processes. While the French context with its actors seems to be more prone to the diffusion of the new railway technology, the Italian one seems to oppose its diffusion. Up to now the political and administrative authorities involved in the implementation of the TAV project have overlooked the process dimension and regardless to the resistance movement have always confirmed to complete the project as designed initially because it will boost economic growth by reducing transportation costs and travel time toward other EU countries.

At different levels of government and management, it emerges that the process dimension is overlooked. Involved authorities and organizations assume that the railway innovation is useful and once implanted across the French and Italian countries will be used not only because it reduces travelling time for both passenger and freight services, but also because it will double the transportation capacity on the Turin-Lyon axis by enhancing the competitive position of the rail and increasing its market share, in particular for freight traffic. Also the Contact Committee of the EU Supreme Audit Institutions, when auditing the utilization of EU funds allocated for the realization of investment projects focusing on the TEN-T network, focused on the following question: “Did the preparation process and the realization of the TEN-T project selected to be audited, efficiently serve the time-proportional implementation of the EU’s and national transport policy, as well as the utilization of available resources?” (State Audit Office of Hungary 2010, p.1) It seems that all along the decision-making process of the TEN-T projects there is no room to discuss about the process enacted by the implantation of TEN-T technologies: the EC is concerned with the redaction of calls for projects identifying the objectives the proposals must comply with to be selected; the executive agency follows the technical and the financial implementation of projects by managing the entire project life cycle; member states put into practice the project thanks to the support of private actors; EU audit institutions control if resources are allocated coherently with the EC requirements and policy framework. Regardless to the impact of the project as a whole and to the process it enacts, the different levels of management seem to be focused only on the completion of their specific tasks. As referred by Mazzetti (2012), the way how the TAV project is managed manifests a lack of dialogue between the political class and the administrative body, on the one hand, and the actors opposing the railway innovation, on the other. This lack of dialogue impedes public managers to understand the process enacted by the new technology and, then, the reasons of Italian stakeholders’ resistance to the innovation. From the above-mentioned considerations two reasons seem to impede the establishment of a dialogue between the administrations involved and the resistance movements. Each reason concerns a different level of policy action: the program formulation and the projects implementation. In the phase of program formulation, involved authorities and organizations assume that the railway innovation is useful and once implanted across the French and Italian countries will be used because it is a sustainable technology that will boost economic growth by means of reduced transportation costs. In fact, the TEN-T program individuates in the new railway technologies a pre-determined end which is its capability of improving economic efficiency in the countries adopting them. The TEN-T program is formulated on the basis of a planning perspective ignoring that some actors may give a different interpretation of the technological innovation and for this reason may also oppose it (the diffusion of technology is supposed to be frictionless). In the TAV case, we can observe that policy makers and resistant stakeholders have a different interpretation of the technological innovation deriving from different priorities in terms of orders of worth:

- a. policy makers interpret the railway technology on the basis of the efficiency order of worth and assume that, given that the new train will reduce the travelling time for both passenger and freight services and boost economic growth, it will not be opposed by citizens;
- b. resistant stakeholders interpret the railway technology on the basis of different orders of worth (such as environmental friendliness and collective welfare) and oppose the planning approach of

policy makers who are narrowly focused on diffusing a transport technology merely aiming at efficiency improvements.

As far as the phase of projects implementation is concerned, each administrative unit involved in the management of specific projects of the TEN-T program (from EU units to national ones) is narrowly focused on its specific task and does not consider the project they implement as a whole by ignoring the dimension of the process they enact when the project itself is put into practice. At each stage of the implementation, the attention to the projects seems to be paid in terms of results that each single unit is required to achieve in relation to its specific task (planning approach). Consequently, the project implementation results fragmented in multiple steps put forward by separated administrative units whose each has a specific function to be achieved and constituting only a small part of the project. Such an approach overlooks the process of policy implementation and impedes the projects, and the overall program, to be re-adjusted in case of persistent resistance of concerned actors.

This short overview of the TAV project and TEN-T program (a more detailed description, of the case study available in Annex I) seems to suggest that the failure of the TAV project is related to some problematic assumptions concerning the internal and external prevalence of the efficiency order of worth regarding the functioning of public organizations:

- The internal dimension regards the way how public organizations are structured internally. In fact, in the wake of NPM reforms, in order to ensure policy effectiveness and efficiency these organizations are disaggregated in several administrative units where greater emphasis is on outputs controls instead of the processes enacted by policy actions;
- The external dimension regards the way how public organizations perform, that is the way how they individuate policy measures and design public programs and projects to be implemented. The TAV case seems to suggest the existence of a planning approach to transport innovation policies where the diffusion of technology is assumed to be frictionless. This approach may derive from a one-sided interpretation of these kinds of policies which is mainly based on the efficiency order of worth: transport technological innovations allowing for efficiency improvements are prone to be easily diffused among users. The efficiency-related assumption leads policy makers and public managers to neglect other orders of worth and frame the organization performance only in terms of efficiency achievements.

In the following session I will analyze the NPM theory and compare it with the PVT in order to highlight that the efficiency assumption referred above and emerging from my case study concerns the whole body of knowledge of NPM.

2. Questioning NPM assumptions to innovate public management theory

Drawing on Alvesson et Sandberg (2011), in this session NPM will be targeted as a domain of literature for assumption challenging. NPM represents a school of thought within the field of public management studies that will be subjected to assumption analysis. Through a continue comparison with the PVT, I will progressively outline different levels of assumptions: from in-house assumptions to field ones. PVT is then framed as a challenging theory that functions as a reference point to spotlight problematic assumptions in which the NPM school of thought is grounded. With this aim in mind, the first two subparagraphs of this session will describe respectively the theoretical body of NPM and PVT. The third subparagraphs will finally proceed to assumption analysis.

2.1 NPM school of thought

New Public Management (NPM) broadly denotes the government policies, from the late 1970s, that have aimed to modernize and render more effective the public sector (Aucoin 1990, Hood 1990, Pollitt 1990). Its rise and development over the last decades are among the most striking international trends in public administration (PA) (Hood 1991) consisting in a paradigm shift (Mathiasen 1996) of PA's

organizing principles from hierarchy to market-driven structures. While the reform movements have varied in depth, scope, and success by country, they are remarkably similar in terms of pursued goals (Kaboolian 1998). In fact, “much the same set of received doctrines was advanced as the means to solve 'management ills' in many different contexts – different organizations, policy fields, levels of government, countries” (Hood 1991, p. 8). Regardless to the particularities of national contexts, NPM approach has been presented as an 'apolitical framework' (Hood 1991, Scott Bushnell et Sallee 1990, Treasury and Civil Service Committee 1990) providing a useful corrective to the traditional model of PA (TPA) underpinned by Weber's (1946) bureaucracy. Therefore, NPM has emerged as a reaction to TPA shortcomings and tended to evolve along a trajectory of PA organizational reforms mainly based on managerialism and contractualism (Alford et Hughes 2008) and consisting of a shift in emphasis from processes to outputs, from hierarchies to more competitive basis for providing public services (Hood 1991, Stoker 2006, Alford et Hughes 2008). The above-mentioned set of PA reforms, as well as NPM research in academia, has been characterized by a one-sided focus on efficiency (Andersen et al. 2012). In his famous classification of core values in public management, Hood (1991) identifies three categories of public value (1. Efficiency & output orientation; 2. Honesty, fairness & mutuality; 3. Robustness, adaptability & reliability) and argues that NPM trend in administrative reforms can be understood as primarily an expression efficiency-related values given that “its claims have lain mainly in the direction of cutting costs and doing more for less as a result of better-quality management and different structural design” (Hood 1991, p. 15). As referred by Hood (1991), NPM reforms were mainly inspired by the following doctrinal components: hands-on professional management, explicit standards and measures of performance, greater emphasis on outputs controls, disaggregation of units in the public sector, greater competition in the public sector, private sector styles of management practice, and greater discipline and parsimony in resource use.

Within this framework, these components have corresponded to four trends (Hood 1991): slowing down or reversing government growth, privatization and quasi-privatization, automation in the production and distribution of public services, and international agenda in public sector reforms.

NPM proposition was not based on a coherent theory, but rather it brought together a range of practices, policies and theories (O'Flynn 2007) stressing the importance of notions like contracts and competition which are seen as the foremost organizing mechanism of economic activity (Deakin et Michie 1997). Four theoretical perspectives bestowed general consent on NPM paradigm and played an hegemonic role in informing policymakers about the reform measures to be undertaken to overcome the shortcomings of the TPA bureaucratic paradigm: public choice theory, principal-agent theory, transaction costs economics and competition theory (Kaboolian 1998; O'Flynn 2005, 2007). Within this body of theories, political roles (such as voters, bureaucrats, elected representatives, interest groups) and the relationships among them, are modeled using market analogies (Self 1993). This explains why common to NPM reform movements is the adoption of economic markets as model for political and administrative relationships (Nagel 1997). Drawing on Nagel (1997), Kaboolian (1998) refers that “each [NPM] movement is driven to maximize productive and allocative efficiencies that are hampered by 'bureau-pathology' that is, public agencies unresponsive to the demands of citizens, led by bureaucrats with the power and incentives to expand their administrative empires and 'policy spaces'” (p. 190).

The public choice theory insinuates in PM theory the firm belief that government are inefficient and unable to reach formal goals because of inherent failures depending on the self-interest behaviors of politicians and bureaucrats. The principal-agent theory assumes the self-interest, opportunism, incomplete information and goal divergence between the principal and the agent, and, on the basis of these assumptions, stresses the importance for public organizations to construct incentives structures able to minimize agency costs, in order to produce the optimal outcome and combat adverse selection

and moral hazard. The transaction costs economics corroborated the idea that governance structures may vary accordingly to specific transaction costs characteristics: market-driven structures may be preferred to bureaucratic ones when the former allows reducing the costs of transacting (i.e. if the bureaucratic structure is inefficient and unable to reach formal goals because of the moral hazard and the bounded rationality incident to the politician/bureaucrat relationship, maybe an alternative structure based on a contractual or quasi-contractual relationship would be more suitable). In fact, the relationship between customers and suppliers changes from a monopolistic structure (hierarchy) to a competitive environment (markets) when transaction costs may be reduced. Within this theoretical framework, the competition doctrine argues that the adoption of competitive regimes in the organizational structures of the public sector can generate efficiency gains and cost savings. As a matter of fact, competitive tendering has been a wide-spread instrument used by governments to stimulate efficiency and reduce costs for purchasers.

2.2 PVT: an insight in the challenging theory

As referred by the Public Management Committee of the OECD (1995), NPM emerged as a paradigm aimed at fostering a performance-oriented culture in a less centralized public sector where a key role is played by a closer focus on results in terms of efficiency, effectiveness and quality of service. Unlike NPM, PVT has re-asserted a focus on citizenship, network governance and the role of public agencies in working with citizens to create public value, generate democratic authorisation, legitimacy and trust, and stress the domains within which public managers are working as complex adaptive systems with characteristics which are qualitatively different from simple market forms, or private sector business principles. PVT has emerged as a post-NPM paradigm (O'Flynn 2007, Christensen et Laegreid 2007, Stoker 2006) in order to reconcile democracy and efficiency: in this sense PVT represents a theoretical challenge to NPM.

Stoker (2006) argues that public value management is the style of management most suited to the emergence of networked governance: it is a paradigm to guide public servants in their networked governance roles. Networked governance constitutes a "distinct form of coordinating economic activity" (Powell 1990: 301) contrasting and competing with markets and hierarchies (Jones et al. 1990). In fact, it requires the state to steer the society in new ways and by means of complex networks on the basis of a bottom-up approach to decision-making. "Networked governance is a particular framing of collective decision making that is characterized by a trend for a wider range of [stakeholders] to be seen as legitimate members of the decision making process in the context of considerable uncertainty and complexity. [...] One must involve many stakeholders to make good decisions and to get a grip on delivery and implementation. The public value paradigm places its faith in a system of dialogue and exchange associated with networked governance. It is through the construction, modification, and adaptability of that system that democracy and management are reconciled and delivered" (Stoker 2006: 41, 56). As also referred by Bao et al. (2013), a PV approach necessarily requires a relationship management skills to build networks in addition to hierarchies. Thus, public managers are required to be able to negotiate horizontally and vertically within and outside of government with vested stakeholders to be successful. This process provides, finally, the opportunity to construct a shared definition of performance among multiple stakeholders. Unlike the traditional performance management, where "planning, decision making, and design of implementation are always made by government itself according to its current political mandate, resource availability, and financial conditions [...] [the public value framework] highlights the importance of public processes [emphasis is mine] as the primary instrument through which public value is both expressed and created" (Bao et al. 2013: 458). From this standpoint, the public value approach can be considered a new pragmatic approach to public management focusing both on the

process through which public value is created and expressed, and on the context. In fact, “in addition to the diversity of values that arise from the contextual settings, there is also the challenge of creating policy strategies that align with the particular characteristics of a problem that government is seeking to solve” (Bao et al. 2013: 449).

As suggested by Moore (1994, 1995, 2008), the adoption of a public value framework in public organizations implies to change the strategy pursued by these organizations, whose mission is not merely increasing efficiency, but rather the creation of public value. In fact, unlike managers in private organizations, public managers sought “to find ways of expressing [citizens’ and elected representatives’] collective aspirations through the operations of government organizations” (Moore 1994: 297). It follows that, from a strategic management standpoint, public managers are different to private ones because they operate in a political “marketplace”, not an economic one (Moore 1994, Alford & O’Flynn 2009): the main distinction between government and market organizations is that government should work in the public interest (Appleby 1952, Flathman 1966, Goodin 1996).

Many concerned with the public value approach find NPM approach inappropriate to the most fundamental questions of governance (Stone 1997). “[...] Efficient markets often have very little to do with development or human happiness, and thus market frameworks are inadequate to the social allocation of goods and services [...]. Governments create value, which is not easily understood within a market framework” (Bozeman 2002: 147). For this reason, for government to play a legitimate role, economic efficiency cannot be the unique and most important criterion for directing resources allocation in the public sector (Marlow 1995). In fact, when strategic management in public organizations is merely based on the criterion of efficiency can encounter what Bozeman (2002) defines as public-value failures. According to Bozeman (2002):

Public failure occurs when core public values are not reflected in social relations, either in the market or in public policy. [...] Public failure occurs when neither the market nor the public sector provides goods and services required to achieve core public values. A public-failure approach changes the discussion of public policy by making government (and public values) something other than residual category or an issue of technical efficiency in pricing structures. [...] The public-failure model is not a decision-making tool (à la cost-benefit analysis), but a framework to promote deliberation about public value. (p. 150)

According to this perspective public value does not exist per se, but it is negotiated and constructed among wide-ranging stakeholders who may disagree on what course of actions will produce the maximum public value (Yang & Holzer 2006, Larsen 2008, Sanger 2008). This approach to public management should results in the creation of new policy instruments, negotiated agreement, and performance measures that would be difficult, if not unthinkable under NPM (Brookes & Grint 2010, Osborne 2010, Bao et al. 2012). “Under [the public value] model, the role of government is not simply to regulate, distribute, or redistribute public benefits but to serve as a catalytic agent to invest private and nonprofit stakeholders in shared ownership of the public good. This can take the simple form of community policing programs or a much more complicated form of networked governance such as watershed management over a very large geographic area involving multiple stakeholders, jurisdictions, and structures of authority” (Bao et al. 2012: 447).

To summarize the PVT perspective, public managers sought to create public value by expressing citizens’ and elected representatives’ collective aspirations through the operations of government organizations. Given that public value does not exist per se but is a social construct, they need to understand and interpret the system of common meanings (socio-economic boundaries, core political values, and institutional structures and procedures) to specify public programs and projects to be implemented for the enactment of public value. The impacts associated with public managers’ initiatives have multidimensional repercussions (economic, political, social, strategic, quality of life,

ideological, and stewardship) on a wide range of stakeholders (civil society, political actors and economic operators).

Unlike NPM planning approach, PVT argues for a complex approach to public organizations where public managers lead the organization by interpreting the beliefs and the symbolic values relating to the citizenship and its context.

2.3 Assumptions in NPM theory

NPM emerged as a school of thought broadly consisting of four theoretical components: public choice theory, principal-agent theory, transaction costs economics and competition doctrine. Its theoretical body was aimed at fostering a performance-oriented culture in a less centralized public sector where attention is mainly paid to results in terms of efficiency, effectiveness and quality of service. As far as public organizations are concerned, NPM primarily expresses a one-sided focus on efficiency (Andersen et al. 2012, Hood 1991).

2.3.1 In-house assumption

From a first comparison with PVT, NPM theoretical configuration seems to be affected by a clear in-house assumption descending from its narrow focus on efficiency. “In-house assumptions exist within a particular school of thought in the sense that they are shared and accepted as unproblematic by its advocates” (Alvesson et Sandberg 2011). NPM has a one-dimensional vision of public organizations whose functioning is merely conceived in terms of efficiency. If we go through its theoretical components (public choice theory, principal-agent theory, transaction costs economics and competition theory) we unveil an unquestioned concern among scholars about efficiency issues that condition the whole NPM theorizing process. When arguing that efficiency is only one of the dimensions of which public value consists, PVT researchers implicitly question the trait assumption of NPM because they ask themselves whether the scope of public organizations limits to or goes beyond efficiency improvements.

2.3.2 Root metaphor assumption

Efficiency in-house assumption directly derives from the root metaphor assumption underlying NPM school of thought. As referred by Morgan (1980) “the use of metaphors serves to generate an image for studying a subject. This image can provide the basis for detailed scientific research based upon attempts to discover the extent to which features of the metaphor are found in the subject of inquiry” (p. 611). In fact, as humans are continuously attempting to develop conceptions of the world, scientific theories may be understood as a construct based on symbolic forms allowing scientists to make the world concrete: in this sense it is important to pay attention to the role of metaphors. Coherently with its neoclassical understanding of markets and state, NPM looks at public organizations as a part of a machine functioning on the basis of market structures, hierarchies and hybrids. The human beings expected to work within such organizational structures are to be valued for their instrumental abilities: the whole PA enterprise is evaluated in terms of efficiency that is “another concept deriving from the mechanical conception of an organization as an instrument for achieving predetermined ends” (Morgan 1989, 614). The machine metaphor of society underlying NPM leads to a rationalistic approach according to which public organizations may be comprehended on the basis of a structured analysis of objective facts about the environment. By adopting this perspective, NPM does not differ substantially from the Weber’s bureaucratic theory, whose principal emphasis is placed on the analysis and design of the formal structure of an organization. Weber states that “rationalization destroyed the authority of magical powers, but it also brought into being the machine-like regulation of bureaucracy, which ultimately challenges all systems of belief”. Weber described and participated in a modern society that was becoming characterized by a shift in the motivation of individual behaviors. Social

actions were becoming based on efficiency instead of the old types of social actions, which were based on lineage or kinship: behavior had become dominated by goal-oriented rationality and less by tradition and values. By means of its theoretical components, NPM accuses bureaucratic hierarchies to control resources in pursuit of their own personal interests, but, instead of questioning the metaphor underlying the bureaucratic school of thought, it proposes a new way of re-structuring the mechanisms of public organizations: the market mechanism. The latter consists in the process by which a market solves a problem of allocating resources, in the sense of deciding how much of a good or service should be produced. This mechanism refers to the use of money exchanged by buyers and sellers with an open and understood system of value trade-offs (the so called market) to produce the best distribution of goods and services. PVT stress on public-value failures questions NPM metaphor assumption and moves toward a metaphor of society able to go beyond the efficiency principle and the pricing structures of the market mechanism: as argued by Bozeman (2002), “a public-failure approach changes the discussion of public policy by making government (and public values) something other than residual category or an issue of technical efficiency in pricing structures. [...] The public-failure model is not a decision-making tool (à la cost-benefit analysis), but a framework to promote deliberation about public value” (p. 150). Instead of a machine, PVT theorists seem to be inspired by the metaphor of a sense-making network. Stoker (2006) argues that public value management is the style of management most suited to the emergence of networked governance: it may guide public servants in their networked governance roles. Unlike the machine metaphor where public manager are required to intervene and fix the damaged gears of the social mechanism, the network metaphor requires public manager to participate and interpret the social relationships: from PVT angle of view the chief function of governments and public administrations is “to collect the values of the community and create integrated responses to these values across increasingly fragmented government systems where values are in conflict [...]. Under [the public value] model, the role of government is not simply to regulate, distribute, or redistribute public benefits but to serve as a catalytic agent to invest private and nonprofit stakeholders in shared ownership of the public good. This can take the simple form of community policing programs or a much more complicated form of networked governance.” (Bao et al. 2013: 446-447)

2.3.3 Paradigmatic assumption

As mentioned above, the adoption of a mechanistic metaphor of society entails a rationalistic vision of public organizations which are conceived as a machine where the human beings expected to work within such mechanical structures are to be valued for their instrumental abilities. It emerges, then, a further clear paradigmatic assumption consisting in a functionalist vision of the world. According to Burrell and Morgan (1979) social theory in general, and organization theory in particular, could be usefully analyzed by understanding its broad vision of the world. The latter is reflected in different sets of metatheoretical assumptions concerning the nature of science (interpretive/descriptive epistemology) and the nature of social reality (subjective-objective epistemology). NPM vision of the world is filtered through a paradigmatic perspective referring to functionalism. “The [functionalist] ontological assumptions encourage a belief in the possibility of an objective and value-free social science in which the scientist is distanced from the scene which he or she is analyzing through the rigor and technique of the scientific method” (Morgan 1980). Under this paradigm, reality in NPM is conceived as being independent from the actors: it exists as an objective and autonomous world consisting of a set of resources to be exploited and allocated across actors. Within this paradigm the actor is conceived as a utility-maximizer whose behavior is performed on the basis of the efficiency principle: a reality consisting in an irreversible objective and autonomous world made of scarce resources requires him to efficiently exploit and allocate them in order to maximize individual and

social utility. PVT seems to escape from the one-sided functionalist perspective underpinning NPM analysis when embraces the public value perspective as basis for its theorizing process. In fact, it argues that public value goes beyond the efficiency value and does not exist *per se*, but it is negotiated and constructed among wide-ranging stakeholders who may disagree on what course of actions will produce the maximum public value (Yang & Holzer 2006, Larsen 2008, Sanger 2008). On this basis, PVT seems to share an interpretive paradigm where “the view that the social world has a very precarious ontological status, and that what passes as social reality does not exist in any concrete sense, but is the product of the subjective and inter-subjective experience of individuals. Society is understood from the standpoint of the participant in action rather than the observer” (Morgan 1980).

2.3.4 Ideology assumption

Going through the analysis of the unquestioned assumptions of NPM theory, there is a further step of investigation and reflection about its theorizing process that has to be analyzed in order to grasp the whole and intimate nature of its theoretical body. This step consists in going further in the deconstruction of assumptions by reaching the ideology underlying the theory. “Ideology assumptions include various political-, moral-, and gender-related assumptions held about the subject matter.” (Alvesson et Sandberg 2011, p. 255). In order to unveil the ideological features of NPM, a further examination of its theory is required to discover the “epistemological unconscious” in which it is grounded: in this way the intimate relations between theory and power come to be uncovered. Based on neoclassical understanding of economy that is seen as a value-free field form of knowledge, NPM theorists have always been focused on efficiency-related issues of study and have never attempted to frame their field of investigation within the wider functioning of the world economy and within the structure of power underpinning market institutions. As claimed by Strange (1986, 1987, 1988), neoclassical economists simply do not understand how the global economy works due to a poor understanding of power and an over-reliance on abstract economic models (Brown 1999). The relationship between power and knowledge is a crucial theme also emerging from Foucault’s work, whose aim is to understand how the former is used to control and define the latter: in fact, what authorities claim as ‘scientific knowledge’ often represents means of social control (Stoker 2004). Exploring how man came to be an object of knowledge, Foucault (1966) argued that all periods of history are characterized by certain underlying conditions of truth constituting what was acceptable as scientific discourse. From his angle of view, these conditions of discourse have changed, and changes, over time, from one period’s *episteme* to another. He defines “the *episteme* retrospectively as the strategic apparatus which permits of separating out from among all the statements which are possible those that will be acceptable within, I won’t say a scientific theory, but a field of scientificity, and which it is possible to say are true or false. The *episteme* is the ‘apparatus’ which makes possible the separation, not of the true from the false, but of what may from what may not be characterized as scientific” (Foucault 1980, p. 197). In Foucault’s words, the *episteme* consists in the historical a priori grounding knowledge and its discourses and thus representing the condition of their possibility within a specific epoch. From the foucauldian perspective, NPM can be framed as a theory within the *episteme* where the fundamental assumptions of its theoretical process are not questioned. The foucauldian *epistemes* correspond to a sort of “epistemological unconscious” of an era: the configuration of knowledge in a particular *episteme* is not immediately present to the consciousness of the researcher and is based on a set of fundamental assumptions that are so basic to that *episteme* so as to be invisible to people operating within it (both theorists and practitioners). The notion of *episteme* allows Foucault (2000 [1994]) to highlight that science and “truth” are produced out of social relations of an era, and that political relations of power of this era are “the very ground on which the subject, the domains of knowledge, and the relations with truth are formed” (p. 15). As a consequence, when questioning the assumptions of NPM school of thought, the foucauldian perspective suggests paying

attention at the social and political relations of power characterizing the emergence and consolidation of NPM as theory and practice. As mentioned above, the latter is defined upon a system of ideas born between late 1970s and 1980s. During this period “a neoliberal policy consensus that elevated the pursuit of low inflation over growth or employment replaced the Keynesian beliefs of political elites” (Mc Namara 2006, p. 803). Neoliberalism came to replace what John Ruggie (1982) called ‘embedded liberalism’. The latter defines the global economic system and the associated international political orientation as it existed from Bretton Woods agreements (1946) to the 1970s. The system was set up to support a combination of free trade with the freedom for states to enhance their provision of Welfare and to regulate their economies to reduce unemployment: “[...] Bretton Woods was liberal in the sense of encouraging international economic transactions, but its liberalism was tempered, or embedded within, a larger social context of goals beyond economic efficiency, in contrast to the *laissez-faire* approach of the nineteenth century” (Mc Namara 2006, p. 805). In 1970s the world economy experienced an ideational shift from the so called embedded liberalism to neoliberal ideas primarily depending on the evolution of the economic structure and the rise of new political solution to economic problems. The embedded liberalism, defined by the Bretton Woods Agreements, rose up in the post-world wars scenario. It emerged after World War II and represented the ideational “blueprint” structuring the economic role of states and markets up to late 1980s. The reasons of its emergence are well summarized by Rose (2012) in a special number of *Foreign Affairs* dedicated to the history of ideologies that have characterized the XX century:

The catastrophic destruction of the Great War and the economic nightmare of the Great Depression brought the contradictions of modernity to a head, seemingly revealing the bankruptcy of the liberal order and the need for some other, better path. As democratic republics dithered and stumbled during the 1920s and 1930s, fascist and communist regimes seized control of their own destinies and appeared to offer compelling alternative models of political, economic, and social organization [...]. Fascism flamed out in a second, even more destructive world war. Communism lost its appeal as its tyrannical nature revealed itself, then ultimately collapsed under its own weight as its nonmarket economic system could not generate sustained growth. And liberalism’s central principle of *laissez faire* was abandoned in the depths of the Depression. What eventually emerged victorious from the wreckage was a hybrid system that combined political liberalism with a mixed economy (p.4)

After World War II in Europe and USA social-democratic forces had acquired a large consent and the idea that state should define its objectives in terms of full employment and economic growth was combined with the belief that public intervention should operate beside market mechanisms (Harvey 2005). While during 1950s and 1960s the embedded liberalism guaranteed high growth rates in the economies of advanced capitalist countries (Armstrong 1991), in late 1960s and early 1970s it appeared inappropriate to face the new conditions of the world economy. As referred by Harvey (2005), the oil shock, the stagflation, the reduction of fiscal revenues (and the correspondent increase of public expenditure in order to finance social expenses), the rising level and mobility of capital flows entailed a change in the economic priorities to be faced by politics. In fact, the 1974-1975 stagflation and fiscal stress cast doubt on the relevance of Keynesian policies and shifted policy-makers’ attention on efficiency-oriented reforms aiming to replace inefficient bureaucracies with a post-bureaucratic model of PA based on contractualism and managerialism. The concept of State’s failures grew under the influence of alternative theoretical currents (namely monetarism for the overall macro-economic policy and public choice for specific PA reforms). By the early 1980s, the political paradigm was changing from State interventionism to supply-side and neoclassical policy: as a consequence of these historical developments public PA organizational structure undertook a profound process of administrative change aiming at establishing organizational practices based on customer-service, performance-based contracting, competition, market incentives (liberalization and privatization) and deregulation (Fecher et Lévesque 2008). In this framework, market competition was considered as the

best resource allocator mechanism where efficiency gains are maximized. Within this socio-political and economic context, the *episteme* came to be centered around the efficiency discourse: the question underlying the public choice theory, the principal-agent theory, the transaction costs economics and the competition theory was aimed to analyze and understand why the state and its constituent organizations did not perform as much efficiently as the market and its institutions did. The above-mentioned historical background highlights a parallelism in the development of neoliberalism as ideology and NPM as model to manage public organizations, both of them supporting deregulation, enhanced privatization, and an overall reduction in government control of the economy. From a foucauldian perspective, since 1970s neoliberalism has contributed to corroborate and stabilize an *episteme* centering its arguments on the efficiency discourse. From this perspective, a neoliberal-oriented *episteme* can be considered as the historical a priori grounding knowledge and discourses - and thus representing the condition of their possibility - within the post 1970s epoch. According to this angle of view, NPM assumptions are conditioned by the above-mentioned neoliberal epistemological unconscious that restricts the scientific debate to efficiency-related issues.

2.3.5 Field level assumption

At this point of the assumptions' analysis, the ultimate question to be answered is about the nature of the historically determined *episteme* mentioned above: this exercise can be done by unveiling the so called field assumptions. The latter is defined by Alvesson and Sandberg (2011) as referring to a broader set of assumptions about a specific subject matter that are shared by several different schools of thought within a paradigm, and sometimes even across paradigms and disciplines. While ideology assumptions lead to individuate the historical framework allowing the establishment or the consolidation of an *episteme*, the field assumptions lead to understand the elements constituting the *episteme*. In other words, ideology assumptions focus on the political framework legitimizing the *episteme* in a given time span, whereas the field assumptions focus on the theoretical content of the *episteme* during the same time span. This kind of assumptions relies on a level of epistemological consciousness that is deeper than the one upon which ideological assumptions rely. In fact, drawing on Bourdieu (1979), Alvesson and Sandberg (2011) refer that "field assumptions may also unite antagonistic schools, which, at one level, often present as different and even oppositional but, at a deeper level, share a set of assumptions about their particular field" (p. 255). This could be the case of NPM and PVT that, despite the above-mentioned differences, seem to share the same type of managerialism at the base of their theoretical bodies. Managerialism considers societies as equivalent to the sum of the transactions made by the managements of organizations (Enteman 1993): societies are then conceived as steered by the managerial elites setting the goals toward which transactions in societies are oriented. Managerialism appears then as the creed in a strategic approach believing that by setting goals of all of us will get to where we wish to be (Preston 2002). Society is seen as composed of numerous groups: while traditional management is performed within one of these groups, public management addresses the totality of these groups referable to the same society or jurisdiction. Government is then conceived as a part of the managerial process and public management mainly consists in: gathering and collecting information, identifying and listing options, calculating cost-benefits of each, evaluating impacts and consequences, choosing the best solution. This vision clearly emerges from NPM believing that all that is needed to perform well in public administration and government is a rational assessment of problems affecting societies. From NPM standpoint, this can be done by means of performance indicators which are supposed to measure the efficiencies of the different management units and inform about the most suitable structure of governance (hierarchy vs market) to be adopted in order to reduce transaction costs. Such a vision seems to be shared, in a different way, also by the PVT. In fact, its focus on the role stakeholders as key actors to be involved

in the decision-making process unveil a vision of society consisting of different organized groups attempting to influence the orientation of government action. From the PVT angle of view, the success of public management does not only depends on the steering capabilities of public managers but also on those of stakeholders' spokespersons whose role is to influence and orient public managers in identifying and listing the options of the public action. The success and failure of stakeholders' groups will depend on the ability of their spokespersons in pursuing their case and blunting the case of their competitors. It emerges then that finally also in the PVT approach the success may depend on the steering capabilities of stakeholders' management.

To summarize, NPM theory is grounded in a set of assumptions (Tab. 1) which are historically determined. In fact, the in-house level of assumption shows that among NPM theorists there is an unquestioned concern for efficiency-related issues. The latter derives from a mechanistic view of the society (root metaphor assumption) prompting a rationalistic approach to organizations. According to this approach the organizational performance is to be evaluated in terms of efficiency that is a concept deriving from the mechanical conception of organizations seen as an instrument for achieving predetermined ends. As a matter of fact, the adoption of a mechanistic metaphor of society entails a rationalistic vision of public organizations which are conceived as a machine where the human beings expected to work efficiently within such mechanical structures are to be valued for their instrumental abilities. This focus on instrumental abilities reveals a functionalist conception of the world where the society is conceived as having a real concrete existence and "a systemic character oriented to produce an ordered and regulated state of affairs" (Morgan 1980, p. 608). Within this conception of the world, the behavior is always seen as contextually bound in a real world of concrete and tangible social relationships. The functionalist approach generates *problem solving* theories concerned with understanding society in a way that produces useful empirical knowledge to steer society itself: it does not pay attention to its theorizing process. It follows that NPM can be framed as a problem solving theory narrowly aimed at generating useful empirical knowledge about the way how efficiency may be improved in the functioning of public organizations. This narrow focus of public organizations on efficiency is historically determined and is grounded in the neoliberal transformation of mid-twentieth century when the political shift from state interventionism to supply-side and neoclassical policy brought policy makers' attention to replace inefficient state bureaucracies with a post-bureaucratic model based on a contractualist and managerialist conception of public organizations. This managerialist approach to public organizations underlies also PVT but in a different way: while in the framework of NPM public managers set goals in terms of efficiency, in the framework of PVT public managers set goals in collaboration with managers from stakeholders' organizations. This does not mean that NPM and PVT are necessarily equal in terms of modes of governance, but rather that PVT could be subjected to the same type of managerialist practices if the public value framework is not complemented with practices and theories able to spread the decision-making process through all organizations' members, instead of concentrating it in the hands of organizations' managers. It follows that PVT may be turned into a managerialist approach when the public value framework is adopted as a mere instrument to legitimize decisions taken at the top of the organization, while it can be turned into a useful instrument to innovate decision-making practices of public organizations when the public value framework is adopted to concretely structure the decision-making process from the bottom toward the top. Such an ambiguity derives from the fact that PVT mainly consists of descriptive case studies rather than a coherent theoretical body (Lévesque 2012): it is relatively a young body of theory where concepts and methods still need to be typologized (Hirsch and Levin 1999). However, Moore's (1995) stress on the role of public managers in steering the process of public value creation seems to be so strong that somebody has compared their role to the one of "Platonic guardians" considered to be arbiters of the public value (Rhodes et Wanna 2007). In this case, if the PVT consists in charging

public managers with imagining value and defending their notions of the public good against other conceptions, then it is definitively a managerialist form of public management where stakeholders' participation to the decision-making processes merely plays a legitimating function of the decisions taken at the top and to be diffused toward the bottom.

		<u>SCHOOL OF THOUGHT</u>	
		NPM	PVT
<u>LEVEL OF ASSUMPTION</u>	In-house	one-sided focus on efficiency	public value
	Root Metaphor	machine	sense-making network
	Paradigm	functionalism	interpretivism
	Ideology	neoliberalism	post-materialism
	Field	managerialism	

Tab. 1

3. Discussing assumptions' implications

The last section concludes by stating that NPM is a functionalist theory based on a rationalistic approach to public organizations which are conceived as machines whose proper functioning depends on efficiency improvements to be achieved by means of a planning mode of management. As far as PVT is concerned, the theoretical placement is more complex due to the fact that it is from his early years and its concepts and methods still need to be firmly typologized. However, on the basis of Moore's seminal work *Creating Public Value Strategic Management in Government* (1995) that invented the term and the concept of public value, the PVT approach seems to fall within the field of managerialism. This is due to the primary role he designs for public managers who maybe are not seen as Platonic guardians, but neither as passive by-standers: "public managers can play a role in managing policy development, negotiating purposes with politicians, and leading public deliberation and social learning - in other words, bringing their authority and expertise to bear to enhance the decision-making process" (Alford et O'Flynn 2009, p. 178).

Bearing in mind that, at the current state of the art, PVT may be turned into a theory challenging NPM within the same field of assumptions, I will proceed to analyze the differences relating to the preceding levels of assumptions. At in-house level, instead of a one-dimensional focus on efficiency, PVT is centered on public value which is to be seen as a multi-dimensional concept deriving from a firm understanding and interpretation of the values' system shared among relevant stakeholders. At root metaphor level, instead of an efficient machine, PVT adopts the image of a sense-making network. Unlike private organizations, public ones are required to create public value. The latter results from a collective decision-making process where relevant stakeholders are consulted in order to construct a shared definition of the performance required to public organizations. PVT emerges then as a system of dialogue and exchange associated with networked governance. Unlike NPM, whose vision opposes market machines to hierarchy machines, PVT argues for the improvement of relationship management skills to build networks in addition to machines (hierarchies, hybrids or markets). At the paradigmatic level of assumption, instead of a functionalist approach, PVT seems to share an interpretive angle of

view. In fact, within PVT public managers sought to create public value by expressing citizens' and elected representatives' collective aspirations through the operations of government organizations. It follows that public value does not exist *per se* but is a social construct that public managers need to understand and interpret on the basis of the system of common meanings in order to specify public programs and projects to be implemented for the enactment of public value itself. As far as the ideological level of assumption is concerned, while NPM grounds in what I have called neoliberal-oriented *episteme*, PVT, because of its focus on *what is valued by citizens*, seems to embed political or moral assumptions related to post-materialism, where the individual values of materialism (physical and economic) are replaced by new individual values of autonomy and self-expression. A post-materialist system of values has relevant implications on the organizational behaviors of individuals in society. In fact, within a post-materialist system of values a new framework for individual action is created, and is centered on non-material goods such as personal and political freedom, participation (i.e. in government, in a given community, and on the job), solidarity, equality, respect of minorities, openness to new ideas and life styles, environmental protection and concern over quality-of-life issues (Inglehart et Flanagan 1987, Calista 1984). At the field level of assumption, both NPM and PVT may be characterized by the same managerialist perspective. If that was true, all the differences between PVT and NPM referred above would emerge only to consolidate and legitimate the power of the managerial élites, instead of supporting a real democratization of the decision-making process in public organizations. Despite that, because of its focus on practices of dialogue and exchange with citizens, PVT may be turned concretely in a post-managerialist approach to serve the cause of democratizing decision-making processes in public organizations. At field level, managerialism may be envisaged to be escaped thanks to the support of Pettigrew's contextualism and ANT to be framed as components of a meta-theory informing about the practices to be implemented to co-create public value.

As a challenging theory going beyond the managerialist perspective, PVT emerges as an interpretive theory based on interpretivist approach to public organizations which are conceived as a part of a network in relation to which public value is co-interpreted (interpreted with citizens) and co-created (created with citizens). While in the NPM perspective, the role of public organizations concerns the way how public resources are regulated, distributed, or redistributed, from the PVT standpoint public processes aiming at interpreting *what is valued by citizens* are the primary instrument through which public value is both expressed and created.

3.1 Theoretical implications

The analysis of assumptions makes emerge five questions: one for each level of assumption (Fig.1 – Annex II)

The first question concerns the process through which public value is co-created and the dimensions it should include in order to correspond to what is valued by citizens. In fact, the first question rising from the in-house assumption's analysis is: "If efficiency covers only one dimension of public organizations' performance, how the other dimensions should be selected and implemented to ensure that the public value is properly co-created?" This question raises concern about the co-creation process of public value. In fact, the PVT approach *per se* does not guarantee that the public value is created with stakeholders. Within a managerialist perspective, it may happen that public managers adopt a PVT process of decision-making only to provide the outputs of their policy action with an increased legitimacy in order to gain stakeholders' compliance with the policy intervention. From this standpoint, the PVT approach would serve the purpose of what institutional theorist define as the strategy of decoupling legitimacy from efficiency. Meyer and Rowan (1997) argue that legitimacy and efficiency can represent two different organizational goals and can be pursued by decoupling formal

structures from ongoing activities. While the organizational structure is *isomorphic* (Di Maggio and Powell 1983) with the environment and legitimate myths respectively, the ongoing activities are not. From a managerialist standpoint, the adoption of a PVT process in public organizations does not differ from the adoption CSR plans when undertaken by companies in order to distract the public from ethical questions posed by their core operations. In fact, in these cases corporations start CSR programs for the commercial benefit they enjoy through raising their reputation with the public or with government. If PVT was applied on the basis of a managerialist approach would be turned in a sort of mere “mythological” discourse adopted by the public organizations in its formal structure in order to gain legitimacy.

The second question is about the possibility of constructing a theory of public management starting from the image of a sense-making network, instead of a machine consisting of different organizational structures (markets, hierarchies and hybrids). A useful support to theorize organizations as a sense-making network may derive from Weick’s (1979, 1995) theory of enactment. The latter denotes the notion that when people act they bring structures and events into existence and set them in action. He uses this term in the context of sense-making by managers who actually enact the environments they face in dialogues and narratives (Bruner, 1991; Watson, 1998; Currie et Brown, 2003). By constructing narratives of the organization, managers structure employees’ experience in the organization itself and, thus, control and predict organizational events (Isabella 1990, Weick 1995, Abolafia 2010). By doing that, complexity and uncertainty are reduced in the organization that finally may be steered coherently with the objectives selected by managers at the top. Within this perspective, the role of managers is to create a persuasive narrative of the organization able to instruct and inform other members not only about the role they play in the organization but also about the way how this role has to be performed. Such an approach to PVT would not escape from a managerialist vision of public organizations where sense-making practices could be turned into sense-giving and adopted by public managers in order to establish and exert a sort of cultural dominance to impose their vision of public value: this managerialist angle of view would turn PVT into a form of soft power where the concept of public value would be adopted either to justify the organizational *status quo* or to promote one managerial elite rather than another.

The third question raises concern about the capability of an interpretive theory to have as many concrete and useful consequences for practitioners as a functionalist one. As a matter of fact, functionalism takes the world as it is and focuses on correcting certain dysfunctions, certain specific problems. Interpretive theory is concerned not only with how the world is (that is all the conditions that functionalism takes as the given framework) but also with how it may be changing. Unlike functionalist theories, interpretive theories focus on the world as a continuum process of change where actors and their shared meanings play a crucial role. In fact, it looks at the facts that functionalism presents from the “inside” as they are experienced by actors in a context in change all along the time line. An interpretive approach recognizes that theory is a part of history and addresses the problematic of the world of its time and place. On the one hand, functionalism seems to respond to the need of guiding the solving of problems posed within a particular context (the existing one) and leads to a problem-solving form of theory, which takes the existing context as given and seeks to make it work better. On the other hand, interpretive theories are more reflective on the processes of change of the context, upon the transformation or challenges arising within the complex of forces constituting operating in the context. Because of its focus on change, an interpretive theory of public management may give useful support to decision-making practices in public organizations. Especially if these organizations are required to create public value, the interpretive approach will be more prone than the functionalist one to get adapted in changes about what is valued by citizens.

The fourth question deriving from the assumptions' analysis is about the moral and political prescriptions related to the PVT. In fact, such as NPM, it has a normative vision of the world because it prescribes to public organizations to create public value by going beyond the efficiency dimension and including post-materialists dimensions. The question raised by this level of assumption is: "how theories can be reliable if ideology has always a certain degree of influence on them?" This level highlights that all theories should always been regarded as *idiosyncratic* in the sense of being peculiar to the circumstances from which they arise: a theory is influenced by the social, political, and economic *status quo* contextualizing the circumstances of its emergence. It follows that a theory should be looked with a critical regard in order to understand which interests it serves and which political and moral prescriptions it embeds and delivers: this critical regard should be able to unveil the power structures and hierarchical relationships it brings into existence when applied in practices. Then, a theory has to be treated as an *artifact* delivering a *Weltanschauung* (vision of the world) and those who use it should pay attention to not render themselves unconscious bearer of a political message. For these reasons, a theory must not be adopted uncritically for the solutions it proposes but, conversely, should be framed in the concrete case it is supposed to solve and understand not only if its application to this specific case is prone to defend a set of interests rather than another, but also if its application is suitable for the specific case it is required to be solved. For the reasons mentioned above, an uncritical application of the PVT framework in public management paves the way to a managerialist mode of managing public organizations. A managerialist use of PVT would render it a mere theoretical *artifact* functioning in the interest of managerial élites who actually adopt it as a legitimizing tool to guarantee their position of power and spread their *Weltanschauung* through society's stakeholders. It follows that a meta-theoretical framework allowing unveiling the *episteme* underlying theories and treating these theories as *artifacts* is due in order to evaluate case by case the suitability of these theories. Such a meta-theoretical framework should not propose solutions but rather a method to formulate problems without privileging a set of interests rather than another. It should consider power relations among the variables of its problem and orient solutions toward a genuine co-creation of public value. At this point of analysis the question becomes: "What kind of meta-theoretical framework should be adopted to guarantee that PVT is not turned into a managerialist approach?"

The fifth question raises concern about the meta-theoretical framework to be adopted in order to deal with the *idiosyncratic* nature of theories that always arise in particular historical circumstances to be contextualized in its social, political, and economic *status quo*. Such a meta-theoretical framework should allow dealing with *episteme* underlying the theory that is the epistemological unconscious where the theory itself is grounded. More precisely, it should support researchers and practitioners (in general any user of theoretical *artifacts*) in dealing with the *idiosyncrasy* of theories. For example, NPM is an *idiosyncratic* theory in the sense that, because of the historical context from which it emerges, it is mainly focused on efficiency and, consequently, is suitable to be used to solve efficiency-related problems. It follows that before applying NPM, two questions have to be answered: 1) "does the efficiency dimension of worth prevail in the context of the problem to be solved?" 2) "does the prioritization of the efficiency dimension of worth favor a specific group of actors rather than another?" When applying a theoretical *artifact* to solve concrete problems, its *idiosyncrasy* should be questioned on the basis of two issues: 1) the context of the problem to be solved, and 2) the position of actors in the network.

On the basis of these two issues, the *idiosyncrasy* of the PVT may be questioned in order to prevent it to be turned into a managerialist approach. While the analysis of the context may be done by means of Pettigrew's contextualism, the analysis of the actors's position may be conducted by means of ANT. Contextualism and ANT may be used to define a meta-theoretical framework to support PVT in escaping from managerialism. Such an integrated PVT framework would not be adopted to prescribe

solutions to public problems, but rather to formulate public problems in such an *inclusive* way that all dimensions of worth pertinent to problem at stake are taken into account. When arguing that public value does not exist *per se* but is co-constructed and negotiated among wide ranging stakeholders, PVT stresses the importance of the process over the content and this render it an ideal candidate for the definition of an integrated approach to public management going beyond managerialism. Within this integrated model, PVT is enclosed within a meta-theoretical framework consisting of contextualism and ANT.

As far as contextualism is concerned, it is crucial to understand that public value does not exists *per se* but is a social construct, which may include efficiency but it is not limited to it¹. In order to understand and detect which dimensions of value should be taken into account to ensure that public value is properly created, a useful support may derive from the Pettigrew's contextualism. According to Pettigrew "an organization's strategy is the result of a process embedded in a context" (2003). This is particularly true for public organizations whose mission is the creation of public value (the content of public administration' projects and programs) by interpreting the context in which public actions are required. In fact, PV is negotiated and constructed among wide-ranging stakeholders (the process) who may disagree on what course of actions will produce the maximum public value (Yang & Holzer 2006, Larsen 2008, Sanger 2008). For this purpose the Pettigrew model is a suitable approach to analyze the content/process/context interactions bearing on the strategy deployed by public managers to create public value. Unlike NPM, which is narrow focused on the content in terms of efficiency improvements, PVT seems to stress the importance of the process and the context that must be properly interpreted and managed for the creation of public value. Drawing on Pettigrew (2012), public value is framed as the content of public organizations' action and is ultimately conceived as the product of a legitimation process shaped by gross changes in the outer context of the organization and by political and cultural consideration inside the organization.

As far as ANT is concerned, it may be useful because it treats objects as part of social networks and, by doing that, it permits to understand whether the content of public projects and programs (i.e. the high speed train in my case study) corresponds to the public value as co-creation of the network of relevant stakeholders or it is only for the benefit of a specific group of actors. Broadly speaking, ANT is a constructivist approach but it makes the additional argument that *artifacts* influence actors' behavior: the material world pushes back on people because of its physical structure and design. Central to ANT is the concept of translation which is sometimes referred to as sociology of translation, in which innovators attempt to create a forum, a central network in which all the actors agree that the network is worth building and defending. Callon has defined four moments of translation: problematisation, interessement, enrollment and mobilisation of allies. While the machine metaphor brings researchers to focus on the objects of the world (the content of the world), the network metaphors is much more concerned with the human processes behind the objects (process). In fact, ANT incorporates what is known as a principle of generalized symmetry, according to which what is human and non-human (e.g. artifacts, organization structures) should be integrated into the same conceptual framework and assigned equal amounts of agency. In this way, one gains a detailed description of the reasons that hold the network together, while allowing an impartial treatment of the actors.

3.2 Implications for practice: back to the case study

In the first section I presented a case study from the TAV project defined in the TEN-T program of the EC. As already said in the first section of this paper, the project seems to fail because of its incapability

¹ The fact that the PVT framework may include efficiency but it is not limited to it, means that NPM theoretical artifacts may be used when efficiency emerges as a priority dimension of value.

to deal with the processes it enacts when implemented. In fact, its implementation in the Italian context has entailed resistance behaviors among different types of stakeholders not only at local level but also at national one. The TAV questions, indeed, has invaded the Italian public opinion, from *policy* has turned to *politics*, and entered officially the institutional political debate in 2013 when the M5S (Movimento a 5 Stelle) won 25.6% of the vote for the Chamber of Deputies, more than any other single party (the M5S vote for the Senate was 23.79% in Italy and 10% abroad second only to the Partito Democratico). The NO-TAV movement has acquired wide support especially from intellectuals who have contributed to resist against the train infrastructure by providing studies and scientific outputs demonstrating its uselessness. In 2012 Italian researchers and university professors signed a petition, promoted by environmentalist Luca Mercalli, senior researcher at the Department of Chemistry of the University of Siena Sergio Ulgiati attempting to convince the Italian authorities of the futility and danger of continuing with the project: so far Italian authorities continue to support the project. The reasons against the train are well summarized by Boitani *et al.* (2007) in a briefing paper demonstrating that:

1. There is no transport demand for the new high speed train because there is no traffic congestion in the existing Italy/France transport connections that actually do not even reach the 50% of their full capacity;
2. There is no need to increase the transport supply because currently the circulation of passengers and goods between France and Italy is mainly based on road transports. It follows that the investment return to the various transport suppliers will not be positive unless specific legal or fiscal provisions are introduced to diverge transport flows from road to rail;
3. There is no effective environmental improvement deriving from the implantation of the new transport technology. In fact, even if we assume that the road traffic toward France will be reduced to zero thanks to the new train, the reduction of regional dust emissions would be less than 1% (it would be less than 0.1% if we consider dust emissions at national level). As the authors state in their paper: how many TAV should be built to shift such a traffic from road to rail that dust emissions are significantly reduced?

Despite such a reasoned critique on the train infrastructure, also supported by elaborated scientific outputs, administrative authorities downgrade the resistance movement to a form of Nimby ("Not In My Back Yard") where resistant stakeholders are considered as actors objecting to the occurrence of the new transport infrastructure simply because it will affect them and their locality. Actually, only at its beginning the NO-TAV movement could be considered as a NIMBY expression of local interests because nowadays the movement has support also in other regions of Italy and have also political expression in the Parliament thanks to the support of the M5S that actually mentions its opposition to the TAV also in its electoral manifesto. As mentioned in the first section, the indifference of administrative authorities may derive from the one-sided focus on efficiency characterizing the NPM approach. On the one hand, internally the narrow focus on efficiency entails an organizational setting based on outputs control and disaggregation of administrative units that may fragment the policy action and overlook the process of policy implementation by impeding not only the dialogue with relevant stakeholders but also the program to be re-adjusted in case of persistent resistance of concerned actors. On the other hand, externally this narrow focus on efficiency leads to a planning approach of public organizations to transport policy that, based on a diffusionist vision of transport technologies, may result in an *imposition to citizens* of technological innovation instead of a *construction with citizens*. A planning approach to public management imposing to citizens a set of policy measures with a low degree of stakeholders' consensus may results in a dangerous situation. In fact, as also emerging from the TAV case, the absence of dialogue between public administrations and

citizens can finally lead to the rupture of the social contract which means to call the origin of society and the legitimacy of the authority of the state over the individual into question.

For the reasons mentioned above, a non-managerialist and collaborative form of governance between public managers and stakeholders from civil society is required in order to promote processes of public consultation enabling citizens to co-create the content of public projects and programs. This form of co-creative governance may be achieved only if the planning approach gives the way to a genuine interpretativist one so that the public action may be expanded beyond the efficiency dimension and integrate all those orders of worth that are valued by citizens. In order to do that a useful support may derive from Pettigrew's contextualism and ANT. While the former permits to focus on the content/process/context interactions bearing on the strategy to be deployed by public managers in order to detect what kind of dimensions of worth are to be considered to create public value, the latter stresses the role of networks in co-producing technological innovations.

It emerges that the epistemological posture of theories has relevant implications for practice in the field of public management. It also emerges that the solution to the management of problematic cases, such as the one of the TAV project, may be solved only if the approach, in terms of practices and theories, is radically reviewed.

4. Conclusions

On the basis of the problematization methodology proposed by Alvesson et Sandberg (2011), this paper analyzes the overlapping set of assumptions underlying the NPM school of thought (see Tab. 2). The starting point of this inquiry in theory is a concrete case (TAV project) showing that public management practices based on NPM perspective may fail in understanding real problems. In fact, the one-sided focus on efficiency bears on the internal and external dimensions of involved public organizations: internally, the pursue of efficiency improvements by means of a greater emphasis on outputs control and disaggregation of administrative units may fragment the policy action and overlook the process of policy implementation by impeding the program to be re-adjusted in case of persistent resistance of concerned actors; externally, the one-sided focus on policy actions in terms of efficiency improvements may determine a diffusionist approach to technological innovation policies. The one-sided focus on efficiency is then framed as the core element characterizing the structure of NPM school of thought. Starting from the in-house level of assumptions, NPM theoretical body has been gradually deconstructed by progressively increasing the level of abstraction and reaching the field level of assumption. The assumption's content at each level of abstraction has been determined thanks to a continuum comparison between NPM and PVT school of thought. Because of its status of challenging theory, PVT has played the role of a *theoretical reagent* added to NPM system of thought in order to bring about a *theoretical reaction* enabling to spotlight problematic assumptions and generate further research questions. Such a "theoretical reaction" has shown that NPM is a functionalist theory based on a rationalistic approach to public organizations which are conceived as machines whose proper functioning depends on efficiency improvements to be achieved by means of a planning mode of management. By contrast, PVT emerges as an interpretive theory prompting an interpretativist mode of managing public organizations which are conceived as a part of a network in relation to which public value is co-interpreted and co-created on the basis of a system of dialogue and exchange between public managers and stakeholders. Moreover, I suggest that, to prevent PVT to be turned into a managerialist mode of managing public organization, it should be enclosed within a meta-theoretical framework based on Pettigrew's contextualism and ANT. While the former allows public value to be framed as the content of public organizations' action and to be ultimately conceived as the product of a legitimation process shaped by gross changes in the outer context of the organization and by political and cultural consideration inside the organization; the latter allows technological innovations (i.e. the high speed train in my case study) to be treated as *artifacts* of social

networks and, by doing that, it permits to understand if the content of public projects and programs corresponds to the public value as emerging from the network of concerned stakeholders or addresses the interests of managerial élites.

In the third section of this paper, I finally come back to the TAV case study and argue that it would be better managed on the basis of collaborative mode of governance between public managers and stakeholders. This collaborative approach could adopt the form of networked governance where managerialism as mentioned above is either removed or replaced with other forms of inclusive management (Fournier and Grey 2000).

Assumption's Level	Assumptions' Analysis		Generated Question	Research Directions	
	NPM	PVT		Planning approach to PVT	Interpretive approach to PVT
In-house	One-sided focus on efficiency	Public Value	How/Which other dimensions should be integrated to ensure that PV is properly co-created?	Planned Public Value	Co-created Public Value
Root Metaphor	Machine	Network	Which theories can support a public management approach based on the image of a network?	Sense giving	Sense making
Paradigm	Functionalism	Interpretivism	What kind of concrete contribution to decision-making processes may derive from a theory that « interprets » the world instead of describing it?	Rational Interpretivism	Constructivist Interpretivism
Ideology	Neoliberalism	Post-Materialism	How theories can be reliable if ideologies have always a certain degree of influence on them?	Ideological PVT	Critical PVT
Field	Managerialism		What kind of meta-theoretical framework should be adopted to guarantee that challenging theories are not turned into managerialism?	Managerialism	Contextualism & ANT *

Tab. 2 - * This is not a field assumption