User Innovation Inside Government
Towards a Critically Performative Foundation for Inquiry

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Copenhagen
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communities within the areas of Languages, Law, Informatics,
Operations Management, Accounting, Communication and Cultural Studies.

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English summary

The thesis sets out to study regulatory innovation inside government from the perspective of *user innovation* and to do so in a way that is *critically performative*. The empirical subject matter is 'laboratories' (Da. *Styringslaboratorier*): a form of innovation process focused on developing 'regulatory innovations' (i.e. administrative innovations used for purposes of regulating public sector organizations) in collaboration between regulators and users. This particular form of innovation process has been the subject of considerable debate in Denmark and been suggested as a way forward in public sector modernization after New Public Management. It is, however, also an underspecified phenomenon: while it is attributed some potential, it is unclear what this potential is and what it is about laboratories that make this potential plausible. We have only vague ideas about what gets done when people do laboratories.

Initial exploratory studies of one particular laboratory suggests that very little innovation happens in them. What does happen is a lot of discursive talk about the meaningfulness of management control as an abstract category and, as a consequence, the technology being discussed in the laboratory (an institutional performance contract) seems to expand in scope and complexity. Despite being underspecified, such an expansion has not been described as a potential, much less a desirable potential, of laboratories. Three patterns help us explain this unexpected outcome and should be a cause for reflection on the future organization of laboratories: 1) The participants involved in the laboratory are all managers, rather than direct users of the technology in question, 2) the organizers

of the laboratory view innovation as something that occurs within the laboratory process, rather than as something that might already be happening outside of it, and 3) the laboratory occurs in the 'shadow of hierarchy', meaning that the participants' focus shifts from developing novel and fungible solutions to developing solutions acceptable to their superiors.

The same initial studies, however, also result in a series of breakdowns prompting fundamental questions about the conduct of critical research. Of particular interest here is whether critically performative research is enabled or impeded by a reliance on the 'critical theories' of Critical Management Studies (CMS) and, more generally, how critique might be practiced differently and draw on alternative theoretical sources.

The thesis suggests that the intention of realizing critical performativity in CMS might be impeded by the way that CMS research relies on a canonical repertoire of critical theories. To broaden this repertoire while retaining a critical perspective, I argue for the relevance of several tactics of *subversive functionalism*, drawing attention to how non-critical and functionalist theories can be mobilized from critical analyses. These tactics are inspired by Reflexive methodology in that they essentially seek to create an interplay between analytical levels that can draw out the critical potential of non-critical theory.

In order to demonstrate subversive functionalism as a practice, I re-engage with regulatory innovation inside government and apply a user innovation perspective

to question the (legitimacy and efficacy of the) sources of regulatory innovation. This results in a functionalist appraisal of distributing regulatory innovation to users – involving users in the regulatory innovation process (thus implicitly upsetting established divisions of labor and power relations within government bureaucracies) is posited to yield more efficient outcomes than closed innovation processes.

The thesis also argues for the relevance of subversive functionalism and critical performativity to critical public management research. Critical public management research, it is argued, seems to have relatively little bearing on the government policy that is its primary target of critique. This is explained as a function of critical research either assuming an overly negative stance (falsifying established practices rather than contributing progressive alternatives) or operating at overly abstracted levels (calling for paradigmatic, rather than micro-emancipatory change). It is argued that the tactical approach to critique explicit in critical performativity and subversive functionalism provides an important potential complement here, which is elaborated with specific methodological recommendations for critical public management scholarship.

Returning to its topical starting point (intra-governmental regulatory innovation by users), but equipped with stronger conceptual foundations, the thesis points towards an approach to studying user innovation in governmental and hierarchical settings that combines a critically performative orientation with functionalist theoretical framings. Here, cooptation becomes at least a two-way process: less a risk (of being coopted by the mainstream) and more of an opportunity (of coopting

the mainstream); less a matter of (habitually critical) theory and more a matter of ethos (of critically interpreting and applying non-critical theory).

Dansk resume

Denne afhandling har som udgangspunkt at studere *styringsinnovation* indenfor den offentlige sektor ud fra et brugerinnovationsperspektiv og en normativitet om *critical performativity*. Dens empiriske genstand er *Styringslaboratorier*: en form for innovationsproces rettet mod udvikling af styringsinnovation (dvs. administrativ innovation, der anvendes til styring af offentlige organisationer) i samarbejde mellem styrende og styrede. Denne særlige form for innovationsproces har været genstand for betydelig debat i Danmark og er blevet foreslået som en vej fremad i offentlig modernisering efter New Public Management. Som fænomen er laboratorier dog underspecificerede: mens laboratorier tilskrives et potentiale, er det uklart hvad dette potentiale er og hvad det er ved laboratorier, der gør dette potentiale til et sandsynligt udfald. Vi har kun vage forestillinger om, hvad der bliver gjort når folk laver styringslaboratorier.

Indledende eksplorative studier af et specifikt styringslaboratorium antyder, at meget lidt reel innovation finder sted i dem. Hvad der finder sted er meget diskursiv snak om meningsfuldheden i styring som en abstrakt kategori og, som konsekvens deraf vokser den teknologi, der er i fokus i laboratoriet (i dette tilfælde en udviklingskontrakt), i omfang og kompleksitet. Selvom de er underspecificerede, er dette er ikke blevet forudset som et muligt (eller ønskeligt) udfald af styringslaboratorier. Tre observerede mønstre hjælper os med at forklare dette udfald og bør være en anledning til refleksion for fremtidige laboratorier: 1) deltagerne i laboratoriet er alle ledere, frem for direkte brugere af den behandlede teknologi, 2) styringslaboratoriets facilitatorer ser innovation som noget, der

foregår i styringslaboratoriet frem for som noget, der måske allerede sker uden for det, og 3) styringslaboratorier foregår i 'hierarkiets skygge', hvilket medfører at deltagernes fokus flytter sig fra udvikling af originale og velfungerende løsninger til udvikling af løsninger, der vil være acceptable for overordnede.

De samme indledende studier producerer også en række sammenbrud, der giver anledning til fundamentale spørgsmål omkring kritisk forskning som praksis. Af særlig interesse her er spørgsmålet om hvorvidt forskning, der er *critically performative*, understøttes eller begrænses ved at forskeren benytter de 'kritiske teorier', som kendetegner Critical Management Studies (CMS). Et mere generelt spørgsmål er, hvorvidt kritik kan praktiseres anderledes og trække på alternative teoretiske kilder.

Afhandlingen foreslår at intentionen om at realisere critical performativity i CMS kan være hæmmet af den måde, CMS forlader sig på et kanonisk repertoire af kritiske teorier. For at udvide dette repertoire og samtidig fastholde et kritisk perspektiv, argumenterer jeg for relevansen af en række taktikker for *subversive functionalism*, der retter vores opmærksomhed på den måde hvorpå ikke-kritiske og funktionalistiske teorier kan mobiliseres til kritiske analyser. Disse taktikker er inspireret af *Reflexive methodology* idet de grundlæggende forsøger at skabe et samspil mellem analytiske niveauer, der kan fremdrage det kritiske potentiale i ikke-kritisk teori.

For at demonstrere subversive functionalism som forskningspraksis, genbesøger jeg styringsinnovation og anlægger et brugerinnovationsperspektiv for at udfordre (legitimiteten og effektiviteten i) de etablerede kilder til styringsinnovation. Dette resulterer i en funktionalist påskønnelse af at distribuerede styringsinnovation til styringens brugere – det at involvere brugere i styringsinnovationsprocessen foreslås som et middel til at skabe mere effektive udfald end lukkede innovationsprocesser (mens det implicit problematiserer arbejdsdeling og magtrelationer indenfor og mellem offentlige bureaukratier).

Afhandlingen argumenterer også for relevansen af subversive functionalism og critical performativity inden for kritisk forskning i offentlige styring. Vi argumenterer for, at kritisk forskning i offentlig styring har begrænset indflydelse på den praksis, som den kritiserer. Dette kan ses som en funktion af den måde kritisk forskning enten antager en udpræget negativ stilling (hvor man falsificerer etablerede praksisser i stedet for at fremkomme med progressive alternativer) og opererer på udpræget abstrakte niveauer (hvor man foreslår paradigmatiske, frem for mikroemancipatoriske, forandringer). Vi argumenterer videre for, at den taktiske tilgang til kritik, som er implicit i subversive functionalism og critical performativity, udgør en vigtig komplementær tilgang her, som vi elaborerer med specifikke metodologiske anbefalinger for kritisk forskning i offentlig styring.

Afhandlingen vender tilbage til sit emnemæssige udgangspunkt (brugerdreven styringsinnovation inden for staten) med et forbedret konceptuelt udgangspunkt og peger fremad mod en tilgang til at studere brugerinnovation indenfor offentlige organisationer og hierarkiske betingelser, der kombinerer en critically

performative orientering med en funktionalistisk teoretisk rammesætning. Her bliver *cooptation* som minimum en tovejsproces: mindre en risiko for at blive coopted og mere en mulighed for at coopte; mindre et spørgsmål om habituelt kritisk teori og mere et spørgsmål om en etos (om at kritisk fortolke og anvende ikke-kritisk teori).

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FAILED DOCTRINE, FRAIL CRITIQUE:

Prologue

A gambit on form

This thesis is concerned with the phenomenon of user innovation inside government and with how one studies this in critically performative ways. It also represents the opening, more than the conclusion, of an agenda and of a set of questions. This certainly was not intended at the outset of the doctoral work that the thesis marks the closing off. However, the experience of trying to study empirically *this* phenomenon in *this* way quickly created a series of breakdowns in expectations: expectations about the empirical world, expectations about the efficacy of critical theories, expectations about it means to be constructive, expectations about the interplay of interpretive levels. The location of the project at the intersection of innovation management research and critical management studies (with a connection to public management research) would itself produce a tension that has followed the project throughout.

Resolving these breakdowns, for me at least, called for developing a stronger conceptual foundation for doing this kind of work and for finding ways of bringing together different and ostensibly hard-to-align ways of thinking. It has involved mobilizing user innovation research in new ways, relating to problems in the field of public management and drawing out the implicit politics of the perspective. It has also involved questioning the notion of critique, pushing at the boundaries of critical performativity and findings ways to do critique without critical theory. The effect of this is that the thesis can actually be read in two ways,

depending on whether one approaches it from the tradition of innovation management or from that of critical management studies.

Because I believe this to be a (if not the main) strength of the thesis, what follows will be two separate introductions and two separate sets of research questions, one for each audience, and an outline of the individual papers of the thesis. But, because I also believe that the greatest merit of this deliberate scholarly schizophrenia is the interplay of the perspectives, these opening sections will be followed up by a series of moves showing why and how they may in fact be seen as more interconnected than is immediately apparent. The first move is a narrative account of the research process that highlights the conditions of my academic production (and some of the aforementioned breakdowns). The overarching methodological orientation of the thesis is then presented, as I suggest how *reflexive methodology* informed the work in both direct and indirect ways.

This schizophrenia is, of course, a bit of an experiment and I hope for the reader's understanding and willingness to play along. The alternative to being explicit about the experiment was to dress up the research process with an air of focus and *a priori* clarity that was almost too heavy to breathe.

Introduction I: On user innovation and the division of labor inside government

User innovation describes the phenomenon that innovations are developed not by organizations for the purpose of selling and profiting from their innovations, but

by individuals or organizations needing the innovation for their own use. Since the 1970's and especially in recent years, research has demonstrated this to be a widely occurring phenomenon in the economy (von Hippel, 1988; von Hippel et al, 2012), but also one that follows logics very different from manufacturer innovation. While being a phenomenon with a long history (see Nuvolari, 2004), it has been spurred on in recent years by technological developments enabling users to develop and share innovations more easily and at lower cost (Baldwin & von Hippel, 2010) and a phenomena from which established firms can benefit in numerous ways (e.g. Lilien et al, 2002).It is, however, also a phenomenon that raises numerous questions about established assumptions about *who innovates* and, indeed, *who should (be allowed and encouraged to) innovate* in the economy.

This view of users as active innovators stands in stark contrast to a dominant doctrine influencing public management reform over the past three decades, namely New Public Management (NPM). While rhetorically focused on making public sector organizations less bureaucratic and more responsive and innovative, it has been argued that the form of innovation most centrally associated with NPM has in fact been bureaucratic in nature: it has been much more about innovation in administrative and organizational processes than in citizen-directed services (Hartley, 2005). This kind of 'regulatory innovation' has been central in enabling the strengthened control over public organizations that is seen as essential for incentivizing and ensuring efficiency according to the theories that underpin NPM (Hood, 1991). While a dominant form of innovation in public organizations, it is also noteworthy that the development of regulatory innovation has been characteristically a closed process. The implicit innovation paradigm of NPM, in other words, has been one in which users in the form of frontline public service

organizations and employees play little or no role. Regulatory agencies and government ministries have, characteristically, developed regulatory innovations and done so alone. The question is, then, whether this implicit innovation paradigm is partly to blame for the failure of massive efficiency increases to materialize in public services. Whether the way regulatory innovations are developed have something to do with the escalating costs of controlling public sector organizations (Halachmi, 2002; Hood et al, 2000). And, by implication, whether user innovation can provide an alternative model of regulatory innovation development.

This thesis argues conceptually that the re-organization of the development of regulatory innovations can have positive efficiency outcomes for public organizations. Under certain conditions, transferring a greater share of development to users can lead to a lowering of the in-use compliance costs associated with administrative control in government. Empirically, however, an explorative case study reveals that the organization of such a transfer is a central to successful outcomes. Particularly salient in enabling this transfer to actually result in innovation are factors related to selection of users, management of collaborative processes and the effects of hierarchy on innovation. These factors are subject to an implicit managerialist bias, privileging managers and managed processes over actual, non-manager users who have already innovated for themselves. As such, there is ample space from drawing more heavily on established process concepts (e.g. lead users workshops or forms of crowdsourcing) to better leverage the potential innovation resources of intra-governmental users of administrative processes specifically and possibly service delivery more generally.

I arrived at these arguments by way of answering some specific research questions. The first paper of the thesis (the one which prompted most of the breakdowns) sought to answer some very explorative questions: *What gets done when regulatory innovation is done through user involvement?* How does user involvement play out, in other words. And *How does the organization of the involvement influence the innovation outcomes?* Trying to answer these questions gave rise to other more fundamental ones. Of central interest was

What are the different ways that the involvement of users in regulatory innovation can be organized?

What are the effects of different forms of user involvement in regulatory innovation on the efficiency of regulation inside government?

More generally, and implicated in this prologue and paper II of the thesis, a related question was

How can user innovation be applied as a critical analytics of public organizations and management?

Introduction II: On critical performativity and the tactics of critique

With the concept of critical performativity, Spicer et al (2009) argue that critical management studies (CMS) should be thought of as a thoroughly performative project, but also that realizing this performative intent requires a change in how critical scholarship is done. This is an argument best understood in the context of how critical scholarship has dealt with the issue of performativity.

As CMS was beginning to take on the semblance of a coherent field, Fournier & Grey (2000) described *anti-performativity* as one of CMS' defining features along with de-naturalization and reflexivity. Since then, the question of performativity, of whether and how CMS should attempt to bring about change in the things it studies, has been a persistent one that inevitably links to other debates about political, epistemological and theoretical positions. From the pragmatic vantage point taken by Spicer et al, however, many of these debates (largely internal to CMS) get in the way of the a larger agenda of also intervening in and changing debates and practices external to CMS. We might impute to them the viewpoint that there is too much that needs change and too much for critical management scholarship to contribute for CMS' critique to bound by purism, self-imposed limits and aesthetics. For Spicer et al (2009), making CMS critically performative requires us to adopt new tactics for engaging with and intervening in management discourse. It should become affirmative, caring, potential focused, normative and pragmatic.

In this thesis, I build on this notion in two ways. Firstly, I attempt to conceptualize and demonstrate how critical performativity can further escape the institutionalization that has taken place in CMS by also engaging with bodies of theoretical work otherwise considered to be uncritical. My argument is that critical research can be done without relying on critical theories. In itself, this is a relatively empty claim, to I try to elaborate some tactics for how this might be done and show an exemplary attempt to do it. The former is captured in the concept of subversive functionalism. The latter serves as a 'proof of concept' and is done in relation to a particular question of user innovation inside government, where we focus on 'regulatory innovation' as a specific, but crucially important class of innovations. Secondly, the idea of critical performativity is explored in relation to public management research and to critique of New Public Management (NPM) as a doctrine for public management reform. The argument that we present is that critical analyses of NPM tend to be undertaken from three dominant positions that all fall short of contributing to substantively new directions for reform. The particular openness of critical performativity to *both* a radically critical questioning *and* to the exploration and amplification of 'close' alternatives creates a new tactical basis for engaging critically with NPM. We propose that this has is a particular methodological implication for public management scholarship that may, like CMS, need to change to become critically performative.

Taken together, the overall direction of the arguments in the thesis is that critique in order to be performative needs to be less tied to established conventions around theories, methods and positions relative to the research object. Rather, critical performativity as I conceive it is best thought of as nimble and on the move *away*

from the inherent trend toward stabilization. Importantly, critique should be thought of primarily as an ethos (not a theory or method) and a practice (not a position). Here, I adopt a 'risk-seeking' approach: where critical scholars tend to focus on the dangers of cooptation associated with mainstream engagement, I would advocate that mainstream engagement might also have the potential to critically coopt that mainstream. Cooptation, at the very least, should be seen as a two-way process. It is, therefore, not only a risk for the critical researcher. It is also an opportunity.

It is in relating this view of critique to the phenomenon of user innovation inside government that the thesis provides a critical foundation for (further) inquiry.

I arrived at these arguments by way of answering some specific research questions. The first paper of the thesis (the one which prompted most of the breakdowns) sought to answer some very explorative questions: *What gets done when regulatory innovation is done through user involvement?* How does user involvement play out, in other words. And *How does the organization of the involvement influence the innovation outcomes?* Trying to answer these questions gave rise to other more fundamental ones. These questions, the central ones of the thesis, were

What is the role of theory in defining and de-limiting critical research?

Can critical research be done without the use of critical theories, and if so, how?

Less centrally and most manifest in the last half of the thesis, a related set of questions were

What might be the contribution of critical performativity to studying New Public Management critically?

The structure of the thesis

The overall argument of this thesis concerns the practice and relevance of subversive functionalism (and critical performativity, of which it is a part) to CMS and critical scholarship on public management. The thesis, being the punctuation that it necessarily is of a larger effort, is structured so as to specifically support this self-contained argument, even if the papers could be read differently in isolation or other contexts. As such, its four individual papers have four individual roles to play in this thesis' choreography. One describes the impetus for re-thinking critical engagement, one describes an alternative approach to critical engagement, one serves as a 'proof of concept' and one illustrates the empirical relevance of such alternative approaches.

The first paper ("Contracts in the lab") reports on the case study that provided the *impetus* to think differently about the use of theories in critical management scholarship. In itself, it is a very 'clean' story about how the *organization* of a particular effort at user involvement came to determine the *outcomes* of the effort and is addressed primarily to an audience interested in styringslaboratorier. The problem underlying this particular clean form is that of how to engage in a way that is both critical and constructive, that opens up and amplifies progressive

efforts, when conventional critical perspectives are all so familiar to the empirical participants that they provide no further reflection.

The second paper ("Subversive functionalism") develops the thesis' key notion of subversive functionalism. It argues that as CMS has become institutionalized, it has also developed an implicit canon of theoretical perspectives that CMS scholars consider suitably critical. This becomes a problem when we accept CMS as a performative project and critical performativity as a constructive direction for future developments because it closes CMS off from relevant discussions in 'mainstream' practice and academia. One way to solve this problem is by drawing on non-canonical theories such as those that CMS tends to view as 'functionalist', but to do so in subversive and potential-focused ways. There are, I propose, at least three useful tactics for pursuing this kind of subversive functionalism.

The third paper ("Opening innovation in regulation inside government") has a dual function. For one, it provides what in engineering circles might be called a 'proof of concept': an illustration that a conceptual solution can be practically implemented (proof of concept sounds a lot funkier than 'the proof is in the pudding', which would have been another way to say it). The proof of concept here is that subversive functionalism can be applied, using mainstream theory such as user innovation to exoticize a mainstream problem with a critical aspiration. That is the identity of the paper in context of this thesis. Secondly, the paper has a separate identity focused on advancing the thinking on user innovation in relation to the governmental context. That is the identity of the paper in the context of the journal and scholarly field to which it has been submitted. Our argument is that

some of (allegedly unintended) consequences of New Public Management can be understood as a function of the dominant sources of regulatory innovation, i.e. the administrative innovations used to exercise centralized managerial control over service-providing public sector organizations. We then examine four ways of involving alternative sources and explain how these different forms of involvement can produce different outcomes related to the efficiency of the managerial process.

The fourth paper ("Failed doctrine, frail critique") demonstrates the relevance of critical performativity and subversive functionalism in the context of public management reform 'post-NPM'. We depart from the observation that NPM in many ways has failed to deliver the 'promised' improvements in efficiency and sketch out the three dominant critical positions on how to relate to NPM. We argue that all three positions fail with respect to contributing viable and proximate alternatives to the doctrinal components of NPM and that this might explain why public management policy is currently characterized by continuity, rather than the change that should come from the failure of NPM. Our propostion, the implications of which we explicate, is that an approach inspired by subversive functionalism might provide interesting openings for more performative critical public management scholarship. This might seem like shameless self-promotion and generally bad form, but it is worth noting that this particular version of the paper was revised considerably relative to the original. In the original (which was also much more loosely coupled to the thesis' argument), subversive functionalism played a significantly smaller role.

The thesis ends with an epilogue, which states the main conclusions and contribution of the thesis. It also offers some ideas for further research directions. As could be expected from the deliberate schizophrenia that underlies this research process, conclusions and contributions are presented in two separate lights and answer the two sets of explicit research question. The directions for future research, however, are more unitary. The purpose of the present thesis, after all, has been to establish a (relatively) coherent single basis for further inquiry. The directions I present point in the direction of empirical inquiry, following Parker's advice to avoid the endless mirror-staring of much critical research (2013). To end the thesis on a light-hearted and slightly self-ironic note, I offer an appendix relating my experience of this research to von Hippel's seminal findings on the role of users in the scientific instrument innovation process (1976).

Before we get to the papers and epilogue, this prologue proceeds with a narrative account of the research process. This account serves to situate the individual papers and my general interest. We will also cover sections on methodology and generalization of relevance across the papers.

A narrative account of the research process: The conditions of my production

There is a marked tendency in scientific accounts to "aim to respect the ideal norms of scientific protocol rather than describe what really happened" (Bourdieu, 2004, p. 20). This is something I feel gets amplified in paper-based dissertations: where monographs can relay in depth one story to one audience, four papers with each their little story (addressed to very different academic communities) easily

become disjointed, four different pebbles at the foot of different mountains of earlier work. Bringing those papers back from the field to examined side by side in the laboratory, they often look more like fragments. This in turn makes a thesis look less like one coherent effort and more like the collected early works of an author who ought to calm down a bit. As I compiled my papers for this thesis, this was definitely the sense I got (although I had felt neither schizophrenic nor incoherent during my doctoral work) and tying the papers together in accordance with 'scientific protocol' just made the whole affair seem contrived. So what follows in this section is an effort to account in a more narrative form for what 'really' happened. I know that many readers find this sort of thing unpalatable, self-disgorging and narcissistic (I tend to feel the same way), so I will keep it brief and focus on the conditions of my production: the historical circumstances, the problems and the intellectual inspirations that prompted me to make the choices I did and where they brought me.

This thesis reports on a project that was originally funded by the Danish Ministry of Finance, set to examine something called 'styringslaboratorier', which loosely translates from Danish as 'management laboratories' or 'control laboratories' (we will henceforth call them *laboratories*). Around 2008, laboratories emerged as an idea that management of public sector organizations could be and ought to be done differently. Researchers like Preben Melander, who is head of the research center where I came to do my Ph.D., wrote several essays and papers joining in on the critique of the New Public Management agenda that has been shaping the Danish public sector since the 1980's and suggesting that the generic management technologies and performance measures of NPM had to be re-invented in dialogue with professionals, local managers and citizens on a case-by-case basis (e.g.

Melander, 2008). Practitioners, too, converged on the idea of laboratories and wrote about the potentials of experimenting with management, design and services in public organizations (e.g. Bason, Majgaard, Bendix, Hjortdal etc.). At some point, the idea caught on and when the Danish Ministry of Finance decided to fund a research project about the future of public sector management, one of the six subprojects was dedicated to studying laboratories. That subproject became, starting in May 2011, my Ph.D. project.

As should be quite clear from that opening, laboratories was not a very straightforward thing to do research on. Melander drew on quite a diverse set of inspirations, implicitly being quite informed by ideas that I would now probably associate with critical thinkers like Habermas. The practitioners that gathered around the concept similarly had implicit inspirations of many kinds, just as they invariably were tied up in organizational practices, agendas and politics. The people who had asked for this thing to be studied, similarly, did not seem to have a clear idea of what they wanted studied. The faculty opponents at my first seminar said that I was studying a phantasm, an idea with all kinds of utopian dreams and political strings attached, and more than anything an empty category with so much interpretive flexibility that it got used for all kinds of things (and then they suggested that I picked up some Luhmannian systems theory). There were instances of laboratories in practice, but those instances seemed to have no other substantive similarities than the claim to a common name. And so my first effort was to try to turn laboratories into something that I could actually study. To make them a case of something.

Here, my previous training seemed the first place to look. I received my pre-doctoral education at Copenhagen Business School, studying business administration and psychology in an environment infused with postmodernism and social constructionism and a certain aesthetic around especially the making of recommendations for practice: from my second semester as a bachelor student, it seemed like the most natural thing in the world to conclude all practical assignments with some variation on the statement that "We have studied all these things and taken up all these critical theoretical lenses, which indicate all these problems, but really we cannot say anything about anything, but would still very much like for someone to read what we have written". And so it seemed perfectly natural for me to think that *critiquing* the practice of laboratories was what I needed to do, so that I could prompt the organizers and participants in them to constructively reflect while I myself could avoid committing very strongly to anything. Only when I was explicitly asked during a Ph.D. course with Ester Barinaga and Thomas Basbøll to consider *"What will be your critique?"* did I pause and think about the form that this critique should take.

During this time, I was reading quite widely in trying to get a hold on what I was studying. Starting with ideas about collaborative governance spun me in two directions that would ultimately lead me to a quite focused reading of the literature on *user innovation* and von Hippel's 'Democratizing Innovation' (2005) and to a more general reading of the public management literature. The latter seemed to helpfully frame the problem that my empirical object was addressed to, namely the problems of NPM and the potential of programmatic alternatives (e.g. ideas of new governance paradigms). The former seemed to capture, albeit metaphorically, what was styringslaboratorier was a case of: *processes* involving *users* aimed at

developing *administrative innovations* in *public organizations*. It also did something else that I found valuable, as it provided a functional argument for why it was even worth doing and studying laboratories, as well as ideas on how to actually do them. Given the confusion about what laboratories were, this seemed like a timely thing to contribute. Essentially, user innovation provided me with something to fill into the otherwise phantasmic concept of laboratories.

All the while, the question about critique had prompted me to read into critical management studies, thinking that I might here find the resources to study critically laboratories as innovation processes. There are many who speak about the confusion and frustration of the doctoral learning process in sentimental and romantic terms and if those things are the dream, I was definitely living it.

Fortunately, all that reading got interrupted by my first empirical exposure: participation in a real-life "styringslaboratorium".

The laboratory was organized as a workshop of sorts, designed to bring together representatives from a university college and the ministry of education. It was to run as three half-day workshops focused on re-thinking how 'development contracts' were used in coordinating between the ministry and the college and I was to follow the individual workshops and do interviews with the participants afterwards. As far as what was to happen, I knew roughly what kind of process it was going to be, but came into it with a relatively open mind about what might end up going on there. My problem was that what ended up happening was not

surprising at all. Or rather, given what I had read, there was nothing that transpired in the workshops that I could get to surprise me.

One thing was that I saw very little innovation happening. This is not surprising: innovation is hard and risky and many other things that make it unlikely to occur (e.g. Osborne & Brown, 2011). Another thing was that only managers were present and they seemed quite uninterested in the type of *practices* and *concrete experience* that user innovation research would see as the basis for innovation (e.g. von Hippel, 2005). Instead, the discussions that went on at the workshops seemed extremely discursive in nature, focused on general and structural problems and on the nature of organizational control. But is not that surprising either (e.g. Czarniawska & Mouritsen, 2009). What was a breakdown, given my aspiration to say something critical about what was going on, was that all the participants were far ahead of me in thinking critically, both *in situ* at the workshops and in the interviews I did afterwards: all about twice my age, all had extensive experience, several had social science Ph.D.'s and, most importantly, all were quite well-read about postmodernism, organizational philosophy, systems theory and quite comfortably brought up Foucauldian analyses of the workshops and the role played by different forms of power, agency and resistance in them. But this had very little to do with the innovation process (or so I thought at the time).

What really prompted me to think in the aftermath of this experience was that despite this level of reflexivity, the participants and organizers seemed unable to reflect on how their process could have been more likely to result in the kinds of outcomes that they said they wanted. It seemed that all that critical theory and

reflexivity that I associated with CMS was much less helpful in actually being critical and constructive than the kinds of very operable ideas that I found in user innovation research.

I ended up writing about this, my first laboratory, in terms that were very functionalist and definitely not critical in the way that I felt it would be interesting to CMS scholars. Drawing on user innovation research, I proposed the seemingly obvious, but practically overlooked: that there was a connection between who was involved in a laboratory and what outcomes it might have. It not a critical point per se, but I felt it would be a helpful one to make, as it would bring in a consideration previously not present. There was, I think, a not-so-surprising critical point implicit in it, namely that the supposedly democratic process was less than that, at worst pseudo-participative (Alvesson, 1993), in that it was democracy and dialogue for managers only and not the opportunity for communicative interaction that was its most interesting potential. But by and large, I did feel that this case study was a bit of a failure. This feeling was compounded by what I felt was a pretty low quality of my empirical observations. The paper (the first one of this thesis) was definitely a messy experience to write.

There were, however, two upsides (that did not really seem like upsides at the time). For one, the experience prompted me to think about whether the theoretical resources in CMS were actually fit for purpose. They were not very empowering or helpful to the participants or to me. And secondly, it prompted me to engage with some different empirical material. At a meta-level, both of these prompted movements were inspired by Alvesson & Sköldberg's (2009) descriptions of

reflexive methodology. While I understood this as primarily addressing empirical analysis, there were ideas in the approach that I could use. This included the idea of creating an interplay between levels of interpretation and of deliberate inconsistency. What I needed was, in a sense, to create a way of having the perspective of user innovation 'talk' to critical interpretations emphasizing power and control. I saw lots of critical potential in user innovation research and needed to find a way to bring that to the fore.

At that point, I had been working on an idea about how case studies of 'what could be' could be used a platform for critiquing 'what is', inspired by Spicer et al's notion of a potential-focused CMS (2009) and Schofield's on case studies (2002). This was originally intended to be the method section for my study of laboratories. But the more I thought about the idea of potentials in relation to the theoretical resources of CMS, the more another possibility gestalted itself, namely that CMS seemed to be tied to some kind of canon of theories that *were* critical, instead of opening up to theories that *could be critical*. For a while, I played around with the idea of *criticalizing* (a term that I am now happy to have abandoned), but eventually the argument settled around the idea of subversive functionalism: that critical studies did not need to be confined to critical theory, but could also actively work with 'functionalist' theories in subversive ways.

The other upside was the prompt to find more and different empirical material to work with. The first styringslaboratorium experience left me with the sense that it was untenable to build a substantive argument on the kind of material that I had been able to gather. While not subscribing to an empiricist understanding that

more data is better (as critiqued e.g. in Alvesson & Sköldberg, 2009) and appreciating that all theories are empirically underdetermined (Bourdieu, 2004), I was still left feeling that I simply did not have enough empirical material and insight to really *get* what was going on in these contexts, that I could not develop a suitably deep understanding of what was in play (I drafted a paper with a methods section called 'In defence of weak data', but the stubborn realist in me simply could not take it seriously). All these frustrations were at this point compounded by my beginning conference participation: as I tried to explain to people what I was studying, they did not seem to *get* it either. It seemed to be quite a bit too far down the rabbit hole to tie meaningfully into anything else going on.

Thus progressed the project through three related processes: 1) articulating a concept of subversive functionalism, connecting it to other approaches to critique and thinking about it in relation to public management as a distinct field of scholarship, 2) elaborating on the varieties and consequences of opening innovation in regulation and 3) undertaking what was essentially an archival study of the Right to Challenge. The Right to Challenge is a program run by the Danish government that (inadvertently) provides a quite unique case of user involvement in regulatory innovation and my studies of it are on-going. This thesis represents a punctuation in these processes and serves as an occasion to draw together the past and future of them. This section has been an effort to historicize and contextualize that process, hopefully creating a sense of 'what really happened' (with the benefits of hindsight, of course) to enable a better discussion about the remaining 'scientific' account.

Reading reflexively: Notes on method in conceptual work

In paper-based dissertations, the constraints of the article form makes it difficult to describe methodological approaches in very great detail, especially when those approaches are loose inspirations of conceptual work rather than explicit procedures of empirical work. As mentioned, however, in the narrative section of this prologue, my starting point for doing this doctoral work was largely inspired by reflexive methodology (Alvesson & Sköldberg, 2009). And yet I realize that this is perhaps not that obvious in reading the individual papers. The intention of this section, then, is to describe how this approach informed my work.

Reflexive methodology is an approach to qualitative empirical research. Its aim is to inspire empirical research that breaks away from established frames of reference and thus can be more interesting than research that merely extends established frameworks and ways of understanding. It is, also, an effort to reclaim a space for empirical research in response to social constructionist approaches that problematize empirical observation to the point where it becomes almost meaningless. On the other hand, it is also an effort to highlight how empirical research is not as unproblematic as suggested by empiricist approach. Empirical material, the authors hold, can be used to make arguments and advance our understandings, but not without recognizing its inherent limitations. This is done so by underscoring that qualitative empirical research is, fundamentally, an intellectual (as opposed to a technical) endeavor that needs both empirical observation and interpretation, but crucially needs them to be tied together by the reflexive movement across interpretive levels. This movement allows the researcher to view the same empirical material in multiple theoretical framings

that (if all goes well) uncover new dimensions of interest and provide a basis for creative thinking. It also allows researchers to reflect on the act of doing research along those same dimensions, thus highlighting the role played by their own constructions, theories and embeddedness in relations of power and in language.

As should be obvious, this is not something that easily fits into an 8,000 word argument. It easily becomes a quite complex analytics and one in which empirical material is meant to play a central role. As such, it inspired more than directed especially the conceptual parts of my work, while, for the empirical part, was perhaps more aspirational than achieved. These caveats aside, I was particularly inspired by Alvesson & Sköldberg's ideas of *interplay of interpretive* levels and, to a lesser extent, *deliberate inconsistency*.

Alvesson & Sköldberg illustrate their idea of pursuing an interplay between interpretive levels through a model of quadri-hermeneutics, i.e. interpretation at four levels. These are 1) observation and the construction of data, 2) interpretation of data, 3) critical interpretation of data and of interpretations made and 4) interpretation on the role of language and authority. Working across these levels – either by analyzing the same material in different perspectives or exploring intersections – is the key mechanism bringing about breaks in established frames.

In my empirical engagement with styringslaboratorier (paper I), there are some pretty novice attempts at integrating these. Prior to the empirical encounter, I was already expecting it to behave as a form of user innovation. To be sure, this guided

my empirical observation – I was essentially looking for things that contributed to innovative outcomes and when I did not find those outcomes to emerge as expected, then, user innovation provided the backdrop for explaining it. However, in my interviews a very different horizon insistently came up as the respondents kept talking about issues of power, control and dominance and how these things were present, but implicit in the process. This was something that lay operated at a slightly different level, but provided a lot of explanation. It was also something I felt precarious about including. For one, it was apparent that the respondents were trying to appear reflexive as they engaged with me in interviews. I often had the impression that they did not at all want me to think I was smarter than them or understood anything that they did not. Perhaps focusing on this issue rather than more mundane things was a way for them to demonstrate their intellectual and academic capacity. After all, they made frequent references to academic authors and theoretical concepts from the likes of Luhmann and Foucault and implied that of course I would know about this. Second, it seemed that I could easily become a mouthpiece for them. Any frustration that they might have had about the object of the laboratory and the way it constrained them could be communicated to others through me. Thirdly, I felt that it was something that could easily dictate my interpretation and turn my planned study of innovation into, for instance, a study of inter-organizational power relations and communication. Of course, innovation was something that I ascribed to the process, but it was also something that was mobilized in the empirical setting by the participants and particularly the facilitators of the process to give meaning to what they were doing together, as was the idea of 'user involvement', even if the latter was mobilized without substantively informing what was going on.

While reflexive methodology thus served to inform my empirical work, it was actually in the conceptual parts that that I have found it most interesting. In the conceptual (chapters II, III and to a lesser degree IV), it is the idea of oscillating between levels of interpretation that allows for drawing things together, although I think that what happens in my work is more of a 'downwards' or 'lateral' movement than that proposed by Alvesson & Sköldberg, which seems to somehow move upwards in reflection. Where their effort to control theories is one of mastering still more abstract problematizations, mine is more about trying to work in different theoretical registers or fields. In paper II, for instance, I am essentially following Bourdieu's work on cultural consumption, where he 'flattens' culture out and views it as simply another form of consumption that differs across social fields, rather than as something with inherent qualities or aesthetic merit. As I engage with the question of what critical scholarship is, I similarly try to *change* the level at which we understand it from a philosophical one to a practical one of what gets published under the label of critical scholarship, thus creating a canon of acceptable perspectives. This change of level exposes how theoretical references become a tool for exclusion and devaluation of other forms of scholarship.

In hindsight, I also think that I am actually implying an interplay between interpretive levels as a (if not the) key idea of subversive functionalism. In essence, the idea of trying to draw out the critical potential of a functionalist theorization is about creating an interplay between non-critical interpretations made possible by theories that are non-canonical in CMS and critical interpretations that are canonical. CMS, I would argue, is strongest at the level of critical and self-critical interpretation, because this is the kind of analysis

supported by canonical CMS theory, but not very strong in less critical interpretations because it lacks the theoretical resources to support this. What I am calling for is an openness to working at those less critical levels of interpretation, but doing so in interaction with critical understandings, thus opening up an interplay that is not very much there today.

Paper III, similarly aim for shifting the level at which we understand a phenomenon. While it is a critique of New Public Management as doctrine, it also tries to view the doctrine as less monolithic and less like a total discourse. Rather, in order to be able to engage with a set of emergent, alternative practices and understand their potential, we move from the doctrinal whole to a particular aspect of the doctrine (the assumptions about the development of regulatory innovations). This movement, perhaps more lateral than vertical, views a reform doctrine in terms of innovation paradigms. This is arguably a very different metaphor that allows us to achieve a break away from the way NPM is conventionally understood. It is also a break with how critical scholarship usually appears, which means that it will most likely sit uneasily with critical readers, but such experiments in breaking form are very much part of what paper II and paper IV suggests. Paper IV works less through a change in level, but rather suggests the merits of this approach to public management scholarship.

Doing conceptual work (especially that which tries to draw together things previously separate) necessitates a measure of what Alvesson & Sköldberg describe as 'deliberate inconsistency' (p. 279). It is easy to get bogged down or caught in the problem of defining things with great accuracy. This is not to say

that definitions and consistency in what one refers to is trivial, that there need be no relationship between language and the world. However, aspiring for very solid definitions can also make it impossible to put things together and may in any case fall into a somewhat unreflected assumption that language is precise enough for us to actually know exactly what we think we are talking about, which of course it is not. My effort to talk about Critical Management Studies is good example of this. On the one hand, it is quite obvious that there is something out there that Critical Management Studies refers to. There is, for instance, both conferences, books and papers that deal with it. Real physical people show up at the conferences and the textual material has references to work that it calls exemplary of Critical Management Studies. On the other hand, many people seem to be very quick in running away from the term and dissociating themselves from it, both when they talk about CMS and in their writing. Academics in general and CMS scholar perhaps in particular are a bit like cats in this way: they resist herding. This makes it very difficult to define in solid terms both CMS and critique and critical management theories. Inevitably, one feels that one plays and must play a little 'loose and fast' with the terms in order to say anything meaningful.

One response to this is to abandon the effort, of course, but if we follow Alvesson & Sköldberg this would perhaps be to take the tenets of social constructionism a little bit too literally. To be sure, they need to be taken seriously, but taken literally they would be counter-productive. My response in trying to grapple with the term in spite of its ambiguity has been to accept some of that ambiguity in concepts and attempting not so much to define CMS as to take seriously the way the term is used in its particular field. We can, to dramatize this somewhat, talk about 'enduring the frustration of ambiguity' as a necessary part of doing conceptual

work. Once one accepts that ambiguity and goes along with the field's use of its terms, new strategies gestalt themselves. In the case of CMS, this meant looking at the published record of handbooks and edited collections to see the kind of theories that get included here. It is a perfect image of what CMS is? Hardly. Does it give a reasonable basis for reflexive interpretation? Yes.

The same goes for pretty much any work that tries to work with 'innovation'. Almost everyone agrees that innovation is connected to novelty of some sort, but this also makes it so difficult to capture: when exactly has something novel emerged? Against what yardstick do we assess this novelty? Novel for whom, for instance. Because innovation currently has an air of 'fashion' about it, it is also easy to dismiss the term and not engage with the concept. When one looks at the topics that get discussed in CMS, my impression is that innovation rarely makes the agenda, probably for some of these reasons. Yet neither of these reasons should preclude us from trying to grapple with the term and, as was the case with CMS as a concept, working with it on its field's own conditions while remaining skeptical of definitional closure. This makes it possible to engage with it, albeit in a way where we cannot take for granted that two arguments about 'innovation' actually refer to comparable things. As conceptual arguments are strung together, then, it is a matter of 'controlling theories' (Alvesson & Sköldberg, 2009) and controlling concepts and, while retaining fidelity to their intentions without letting them control one too much. My experience is that all fields have numerous debates about how to delimit their key concepts and being sensitive to the definitional weaknesses within the field is a good starting point for reading *with* that stream of research. Here, it is worth noting that definitions by necessity often change between research contexts – innovation as it happens in open source

development projects cannot be captured with the same definition as in sporting equipment communities as in pharmaceutical R&D, just as the nature of an argument will define the definition. If we want, for instance, to empirically demonstrate the prevalence of an phenomenon that runs counter to commonly held assumptions, it is timely to apply a stricter and more narrow definition in order to present a conservative estimate of that prevalence, even if this intentionally cuts out examples that we might (personally) see as illuminating. This should make it clear that it is about respect for, rather than subordination to, definitions.

Reading *with* is a good precursor to reading *against*, as one often does from outside the field. Both, however, are necessary for having a balanced view of how one area of scholarship can inform another and build conceptual bridges. I would also follow Alvesson & Sköldberg's recommendations in another way here: to be sure, this requires both a deep engagement with the individual area of research and engagement in different areas to become sensitive to differences within and between fields.

Generalizing to (and politicizing) user innovation

I have mentioned at several instances that this thesis represents my effort to open up an agenda, to provide a stepping stone for studying critically the phenomenon of user innovation inside government. What the thesis has sought to do here is to provide a first empirical glimpse of the phenomenon, to think about how to be critical (in general and in relation to our phenomenon) and why this might be useful, and to experiment with the phenomenon conceptually. Given this intention,

it may be worth describing the process of generalizing from my very particular starting point ('styringslaboratorier') to the phenomenon of user innovation inside government and, from there, onto the larger questions and concerns that give rise to both. It is at around the concept of user innovation inside government that the thesis' ambition of creating an interplay between levels of interpretation and critical interpretation, following Alvesson & Sköldberg (2009), is most visible. For the sake of clarity, the movements of this section are illustrated in figure 1.
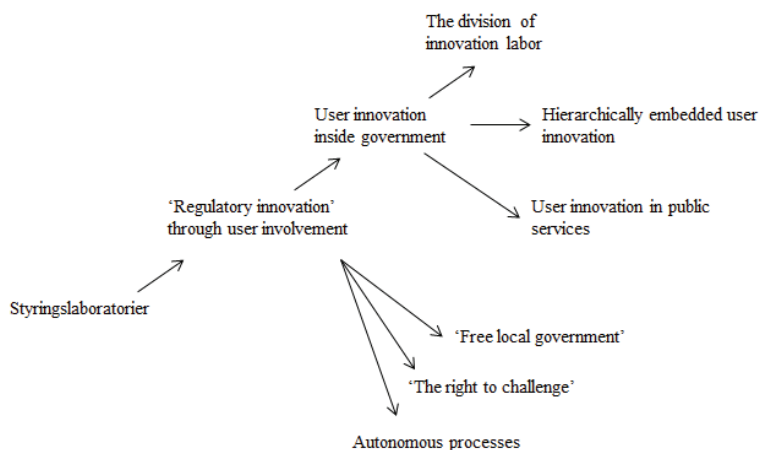

Figure 1. Generalizing to an agenda.

My initial problem in working with laboratories was that they could be many things in many literatures. I felt compelled to theorize them, in order to be able to relate them to specific things and specific literatures. From my reading of conceptual descriptions of the laboratory, I knew that a laboratory could (viably)

be related to many things: participation, power, communication, innovation, governance, etc. I settled on theorizing it as a form of user innovation, related to administrative processes inside government. The primary part of this theorization was inspired by the work of von Hippel and others. Seminal texts dealt with 'the sources of innovation' and 'democratizing innovation' (von Hippel, 1988, 2005). The sense was that there were innovation paradigms and that we could move from closed to open ones, both in practice and in theoretical understandings. But laboratories were also different from the conventional thinking on user innovation: they dealt with different types of innovation (administrative rather than products) in different context (public rather than private). Here, Birkinshaw et al (2008) with their concept of 'management innovation' and Hood et al (2000) with their work on 'regulation inside government' became my primary stepping stones, affording the concept of 'regulatory innovation'.

In itself, this was comforting. I could explain what I was doing and start thinking about how user innovation in the particular form I studied it would be different from the user innovation otherwise observed. It also proved to have a valuable offshoot: when my first empirical experience turned out to be frustrated, I had other places to turn. As can be seen in the figure, the phenomenon of regulatory innovation through user involvement is not only manifested in laboratories. On the contrary, Danish government has been conducting several 'similar' experiments, as have those of other countries[1]. In Denmark, these include the programs known

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[1] Generally, it is difficult (at least with my language competence) to identify programs of this type in non-Anglophone countries. Administrative processes are, to be frank, not the juiciest and most headline-grapping topic. For this reason, they tend to be described mainly in national languages and hence hard to access through popular media accounts. For other reasons, some of

as 'The right to challenge' (Udfordringsretten) and 'Free Local Government' (Frikommuneforsøget). These experiments are 'similar' in the sense that they try in different ways to 'transfer' certain tasks or allowances related to regulatory innovation from central government to the local level, although (like laboratories) they are not directly informed by user innovation research.

Moreover, the idea of user innovation in administrative processes together with Mia Hartmann's work on 'tacit', or silent, innovation (2010), gave new meaning to work that I had previously been part of (Christiansen et al, 2012) on administrative work-arounds. Where the governmental experiments were all managed processes, Mia Hartmann's work suggested that users might also innovate on their own initiative and without a license to do so. Taken together, this gestalted the figure that is central to paper III, showing the at least four ways that users can be involved in regulatory innovation.

This made salient a particularly important aspect of regulatory innovation that also comes up in the first paper of the thesis. What differentiated this from user innovation more generally was the embeddedness within hierarchic relationships and, hence, a different configuration of power underlying the transfer of innovation work. This actualizes the need to think about the phenomenon across multiple levels of interpretation, encompassing also a critical level. But it also raises the question of whether this phenomenon is all that different from user innovation (of other types) inside government. Arguably, there is a dimension of

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which I think we get at a little bit in paper IV, these programs are not subjected to much academic research either, which means that they do not make it into English language journals.

difference around the way a regulatory innovation is used by several parties within the public sector. A regulatory innovation spans intra-sectoral organizational boundaries, if you will. As such, the particular argument that we make in paper III is constrained to this particular type of innovation. However, the underlying dynamics of what happens when innovation rights are transferred from a non-user 'center' might equally well apply in some form in other context, for instance that of user innovation in public services, e.g. a situation where a teacher develops a new practice for use in her own teaching. Even more generally, we could be dealing with the more general case of *hierarchically embedded user innovation* and not an issue limited to the intra-governmental context.

When it occurs within the context of hierarchy, one of the central concerns of user innovation research takes on a new dimension. This concern is with the division of innovation labor. Conventionally, innovation is considered to be something that firms do for the purpose of ultimately selling and profiting. This is the Schumpterian, manufacturer-active view of innovation (Baldwin & von Hippel, 2010). What user innovation research highlights is that the work of developing innovations is actually much more distributed. While manufacturer-firms do play a role, so do users (the discussion is then who plays the most significant role and under what conditions). In this context, in which users are not hierarchically subordinate to manufacturers, they are generally free to innovate and have certain rights to do so (Torrance & von Hippel, 2013). This means that users can freely choose to *challenge* the division of labor around innovation and indeed do so when they innovate for themselves. They stop being passive recipients. We could think of this as a kind of implicit 'anarchist impulse' in user innovation research, even if imputing this opinion to those doing research on the phenomenon would

probably be untimely. In the user innovation research focusing on user communities and open source, there is also a semblance of a 'theory of spontaneous order' (Ward, 1973), even if this is largely implicit[2]. I describe some aspects of this in paper II.

To return to our starting point, it is also at this level – of questioning how innovation labor is divided within organizations and, in the case of regulatory innovation, between regulatory and frontline organizations – that it becomes apparent why laboratories, other forms of user-involving regulatory innovation and indeed hierarchically embedded user innovation are something to relate to critically. In themselves, they represent a potential for users to gain access to innovation processes, either through the extension of a license to innovate or through participation in innovative processes. This de-concentrates innovation work and, possibly, allows for valorizing the innovative capacities of people who are not otherwise allowed to innovate. Recognizing and supporting innovative capacity thus relates to re-skilling at work, creating an interesting countervision to, for instance, Braverman's ideas. Moreover, it de-concentrates the definitional authority over work. Ideally, reorganizing the division of labor around innovation allows for a form of democratization of work. However, in the more dystopian version, the involvement of users in these processes is not substantive, but subverted by established forms of power. Then laboratories and related processes become a tool for perpetuating de-skilling, while sustaining the dysfunctional organizational outcomes that concentrated innovation rights might produce. So, while on the one hand there is ample space for progressive things to happen

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[2] I am gratetul to Linda Smircich for recognizing and suggesting to me this connection.

around this phenomenon, there is also considerable ambiguity about how it might play out. There is, therefore, much to study here of interest both to innovation scholars and critical scholars.

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Contracts in the lab:

Selective inclusion, managed processes and the shadow of hierarchy

The present version is an edited and lightly updated version of the Danish original.

Abstract

From both practice and theoretical work, recent years have seen a strong critique directed at New Public Management (NPM) as a reform doctrine and at the individual management technologies associated with it. *Contracts* are one such management technology. This paper examines when contracts are made the subject of a 'laboratory', a form of collaborative work that has been argued to address some of the shortcomings of NPM by opening up the process of developing management technologies. Through a case study of a laboratory conducted at a Danish university college, it is shown how the laboratory becomes a place for mostly discursive talk about the meaningfulness of management technologies in general and lead to *more*, rather than less, complex contracts. Drawing on user innovation research, I argue that this can be understood as a consequence of the selection of participants, the management of the laboratory process and the unstated, but highly salient, hierarchic relationships between participants. Depending on what one accepts as the goal of running laboratories, this has implications for how we go about organizing them.

A. Introduction

Since the first'free agencies' were established in 1992, *contracts* have become an increasingly common method for controlling organizations in the Danish public sector. Today, we see many forms of contracts being used and many types of organizations being controlled through the use of contracts. Contracts are used much more widely than was the case (and probably also the intention) when selected agencies under central government ministries willingly became 'free' in the 1990's and accepted higher productivity goals in exchange for increased autonomy and multi-year, guaranteed budgets. Why this expansion? One explanation is that contracts have theoretical and (arguably) practical advantages. Several early evaluations were very positive as to their effects (e.g. Danish Ministry of Finance, 1995; Danish National Audit Office, 1998). Another explanation relates to the general wave of new control mechanisms that were brought into the public sector together with the New Public Management (NPM) reform agenda. This agenda for 'modernization' and administrative reform is characterized by an increased focus on performance management, resource use and management techniques generally imported from the private sector (e.g. Hood, 1991; Ferlie et al, 1996; Pollitt & Bouckaert, 2011).

Particularly in recent years, we have seen an increase in the critique of NPM both from practitioners and academics. It has been claimed that NPM has made no substantial contribution to the creation of 'public value' (O'Flynn, 2007), but has expanded to the point where control has now become 'too much' and draws too

many resources away from professional services. A parallel critique has been directed at contracts as a means of controlling public organizations. It has been argued that the benefits of contracts are overrated (Binderkrantz & Christensen, 2011; Nielsen, 1999) and that their scope has increased (Binderkrantz & Christensen, 2009a). Even advocates acknowledge that the establishment of contracts is "extremely resource-intensive" (Pedersen et al, 1997, p. 110) and it is commonly recognized that contracts are likely to lead to undesirable and lopsided outcomes if not counter-balanced by other, non-contractual concerns (Greve, 2000). It is also widely recognized that public services are complex services (e.g. Bouckaert & Peters, 2004; Noordegraaf & Abma, 2003). This means that they do not lend themselves easily to contractual codification. Contracts, by definition, will be incomplete.

It is as a response to the general critique of NPM that Melander (2008) suggests the possibility and relevance of what he terms 'laboratories' (Danish: Styringslaboratorier). In these laboratories, he suggests that frontline personnel be involved in the development of 'better' management technologies. Following Melander, I have (2010) suggested that such laboratories might be seen as a form of, and hence learn from, *user-driven innovation*: seeing frontline personnel as users of management technologies means that they are also potential innovators and co-developers of those technologies. This is a marked contrast to the closed model of management innovation associated with NPM. In a related paper (Hartmann & Hienerth, 2012), it has been argued that such user involvement may contribute to more meaningful and more efficient management technologies, *provided that theories of user innovation apply in the context of public sector*

management innovation. In this way, laboratories might be a solution to some of the critical problems of NPM in general and contracts in particular.

To begin to understand the process of user involvement as it happens in laboratories, this paper draws on a case study of one particular laboratory. The laboratory focused on a university college, specifically the contract between the college and the Ministry of Education. Being explorative, the paper seeks to further our understanding of what happens when users become part of the process of developing management technologies and what factors affect the process. Interestingly, it finds that the laboratory leads to an *expansion* of contracts and that the primary concern in the process is related to *meaning*, not solutions. What gets discussed is *discourse*, not alternative practices. Observation of the planning and execution of the laboratory process and interviews with laboratory participants are analyzed in light of user innovation theory, suggesting several explanations for this. First, the organizers of the process assume that they must manage the process and that creative solutions must arise in the laboratory. Second, the participants are all managers with a particular *functional relationship* to the management technology. Third, the participants from the university college carefully anticipate the type of solutions that they believe will be acceptable to the ministry, rather than suggesting those that they would themselves find most useful. If generally applicable, this has considerable implications for how laboratories are conducted and how they become useful tools for remedying the problems of management through contracts and of NPM most generally.

Following this introduction, I will outline the history of contracts in public management with a particular focus on the Danish context. Then, I present the background and theorization of laboratories before accounting for the case and the methods applied. This is followed by the main analysis, which proceeds in five parts, and a discussion of what we can learn from the laboratory studied and the practical implications of the patterns identified. A summary conclusion closes the paper.

B. Management by contract – a Danish perspective

Management by contract was first introduced into the Danish public sector in 1992. This was done on an experimental basis, inspired by New Zealand and the UK. This happened with the establishment of 'free agencies' (Binderkrantz & Christensen, 2009a; Greve, 2000). Three years later and spurred on by positive evaluations from the thirteen experimental agencies, contracts went from experiment to standard practice in government ministries (Nielsen, 1999). Today, twenty years after the first experiments, contracts are used widely and in many forms throughout the public sector. They are no longer only used in central government, but also at the municipal and regional level.

There are a range of seemingly good reasons to employ contracts as a means of control. Before contracts, ministries could in principle only manage through rules and direct orders or through budget allocation (Danish Ministry of Finance, 2000; Pedersen et al, 1997). The problem of managing through budgets is that control is related only to inputs and decoupled from outputs and performance. "Therefore, in

the extreme situation, it is possible to imagine an agency that meets the requirements of its budgetary framework, but that is low on productivity and that does not provide services perceived as relevant by its users« (Pedersen et al, 1997, p. 105). Management by rules and orders can also be a very inflexible form of control. Agencies managed through rules and orders have very limited discretion to solve tasks in adaptive ways. Management by contract seems to solve these problems as it represents an extension of the management by objectives that is implicit in the private use of contracts: the contract's parties negotiate and agree on which services are to be delivered under what conditions, after which the supplying party is responsible for the delivery. There are at least two caveats here, however. One is that contracts must be able to specify what is to be delivered. Arguably, this is a hard criterion to satisfy. The other is that control only in theoretical principle was limited to rules, orders and budgets. In practice, a range of 'soft' controls (e.g. encouragements, persuasion, indirect threats) and incentives (e.g. promotions, praise, attractive tasks) could also be applied. Indeed, as both Greve (2000) and Pedersen et al (1997) suggest, such non-contractual means have been used as necessary complements to contracts.

Caveats aside, contracts would appear to be a good solution to the problem of delegating without agency loss and inefficiencies (Binderkrantz & Christensen, 2009b). By making a contract with specified targets, a ministry can ensure that agencies focus their resources on the tasks the ministry deems important. This of course requires that clear goals can be formulated and prioritized. It also requires that all tasks can be described in terms of goals. This is a difficult thing to do in practice. It is worth quoting Pedersen et al at length here. "The crucial factor in contract formulation is to establish operationalised result-related requirements that

at the same time cover the full range of agency functions. Already from this it is clear that contract management should primarily be applied to agencies for which targets can be established for all major tasks." (1997, p. 110). It is well-established that this condition is hard to meet in public services (e.g. Lipsky, 1969; Bouckart & Peters, 2004; Noordegraaf & Abma, 2003) and obvious that contracts are used even in cases where this condition is unmet. Pedersen et al continue, "An agency will focus on the targets stated in the contract, and if there are components in an agency's functions that cannot be measured and that therefore are not included within one of the performance criteria in the contract, the function concerned will probably be assigned reduced priority by the agency". This is clearly a practical problem, but one that Pedersen et al state is offset in the context of Danish agencies by a "very strong specialist profile in which specialist competence and identity prevent reduced priority from being given to areas difficult to manage" (p. 110). Paradoxically, it seems that contracts depend for their efficacy on being taken only seriously, not literally. To be sure, they depend heavily on non-contractual complements.

The diffusion of contracts might also be explained by the positive evaluations of initial experiments that seemed to suggest that the problems above really were not that problematic. Such evaluations were produced by both the Danish Ministry of Finance and the Danish National Audit Office. Especially the 1995 analysis from the Ministry of Finance highlighted the performance improvements resulting from management by contracts. The agencies that had accepted higher performance goals in exchange for increased autonomy and longer budget cycles largely achieved them, it was argued. However, Pedersen et al (1997) noted that there was a considerable selection bias in favor of success here: only suitable agencies were

ever involved in the first experiments. Nielsen (1999) is more pointed in his critique of the methodological problems of the evaluation: the calculations of impact are based on unweighted improvement means, meaning that they do not account for the actual activities of the agencies as having only relative, and not equal, shares. If more rigorous comparisons are made, no improvement is actually found. Moreover, Binderkrantz & Christensen (2009a) show how the negotiation aspect of contracts disappears over time, as the Ministry of Finance ceases to accept multi-year budgets. Contracts, as Nielsen argued ten years earlier, then become much more like regular management and much less like contracts.

A contributing factor in this development is that contracts are never seen as legally binding documents and that 'defaulting' on targets is never severely sanctioned. There is too much recognition of their imperfections for that to happen (Greve, 2000). Instead, they come to be seen as a 'dialogical tool' between the managing and the managed where soft controls are just as important as hard measures. The *quid pro quo* and negotitation of the early experiments become an occasion for setting and formalizing targets. In describing this Danish experience, Drumaux (1997) notes how Danish agencies have attempted to set targets even for very complex administrative processes. It is therefore hardly surprising when Binderkrantz & Christensen (2009a, 2009b) show that contracts increase considerably in scope over time, just as they become linked to an increasing number of other management technologies. It is, however, troubling from an efficiency perspective. Even when they described the early experiments (with the pro-success selection bias), Pedersen et al highlighted that the »the process of contract establishment is extremely resource-intensive« (1997, p. 110).

The review above focuses largely on the use of contracts in central government. The public debate, however, has also raised the problems of contracts in other contexts. Together with the head of a university college, Christensen (of Bindercrantz & Christensen), for instance, wrote in a feature (in a major newspaper) on the use of contracts in higher education that "The professionals' ability to make professional judgments is marginalized and the institutions where they work are subjected to bureaucracies and hierarchies the size and sheerness of which now and again challenge the worst of nightmares… Management by contract, then, does not fit self-ownership and self-management. In the world of institutions, it has created new bureaucracies and does not work for the management of complex services. This is what research tells us. Research also problematizes the ability of contracts to motivate employees… Contractual obligations are established in a Babylonian system of indicators, milestones and performance targets that point in all directions and do not speak to professionals whose work is driven by professional pride and the opportunity to thrive in work that one can largely shape oneself. The classic thinking about professional calling does not fit with control-fixated management" (Christensen & Hermann, 2008). Specifically addressing the university colleges, they write that these institutions "must, like the universities, submit themselves to a true bombardment of demands for documentation, contract management procedures, accreditations, etc.".

In many ways, the rather specific critique of contract management reviewed above is parallel to that directed at NPM in general, both in the Danish context and internationally. It is widely recognized that NPM as a doctrine has failed to deliver

the kind of dramatic improvements that proponents anticipated (Hood, 1991; Osborne, 2006), just as the program's contribution to the creation of public value has been limited (O'Flynn, 2007). Rather than create less bureaucracy, it easily leads to more expansive and less transparent bureaucratic arrangements (Germov, 2005; Benish, 2010), just as many of the tools that the doctrine prescribes are severely limited in their efficacy. Binderkrantz & Christensen's (2011) analysis of performance contracts and performance-related pay is instructive of this. Melander (2008) ascribes this to management technologies having an inherent 'simplification paradox' that makes managing public services at a distance so problematic and so administratively burdensome – management technologies constantly fall short of doing what managers need them to do and instead of accepting this, managerial bureaucracies and public sector regulators constantly demand more and more elaborate controls to be put in place. This diverts attention away from the professionals' meaningful and value-creating engagement with citizens.

C. Laboratories and user involvement in management innovation

What, then, is to be done? How do we move beyond the shortcomings of contracts and NPM more generally? Melander (2008) proposes 'laboratories' (Da: *Styringslaboratorier*) as one possible solution. For him, the simplification paradox can only be resolved by management technologies being developed as close as possible to the practices of frontline employees and adapted to the specific, singular context. Management technologies should not, as they often do, follow general, centrally defined dogma. Instead, control should be 'evaluated, translated, modified and tested' (p. 104) in the local context, not merely implemented as a

standardized concept. For Melander, the involvement of professionals and adaptation of management technologies to their needs is the essential condition for better and less alienating control.

Elaborating Melander's argument, other work has drawn on user innovation research to expand the conception of laboratories' potential in a series of papers. This work (Rasmussen, 2010; Hartmann & Hienerth, 2012) characterizes NPM as a relying heavily on regulatory innovation (or administrative) and that the underlying innovation processes are characteristically 'closed'. Hartley (2005) has argued that the primary innovation focus of NPM has been on managerial innovations, i.e. the development and implementation, or importation from the private sector, of new ways to manage public sector organizations. Hood (1991) in an early characterization of NPM similarly pointed to the central intent in the doctrine of developing new ways of managing in order to create increased output focus and resource discipline. Hood et al (2000) analyze the extent of regulation inside government. They find that regulation has increased dramatically in scale and scope under NPM, lending weight to the argument that regulatory innovation has been a characteristic and expansive phenomenon.

Seeing regulatory innovation as a closed process draws on work done in innovation research, notably by Chesbrough (2003) and Baldwin & von Hippel (2011). Closed innovation has a dual meaning here. It means both that innovation is done *within* the focal firm *and* that it is done *without the involvement* of external parties. The focal firm innovates alone, so to speak. Under an open approach to innovation, by contrast, innovation can be done *outside* the boundaries of the firm

or in collaboration with *external parties*. External sources of or collaborators for innovation can be many things: users, suppliers, competing firms, universities, etc. In Rasmussen's argument (2010), laboratories are interpreted as a form of open innovation that is done by a regulatory body in collaboration primarily with users of the regulatory innovation, i.e. personnel from frontline organization. This makes it a (potentially special) case of user-driven innovation, the phenomenon characteristically associated with von Hippel. As such, we find in all of the mentioned accounts on the potential value of laboratories (Melander, 2008; Rasmussen, 2010; Hartmann & Hienerth, 2012) a characteristic optimism that involvement of frontline employees can contribute to better regulatory innovation outcomes.

The reasonable question to ask, however, is what 'better' would mean here? To be sure, we can imagine a range of ways that administrative innovations could become 'better'. One way would be for innovations to become more *meaningful* or, to use Melander's terms, less alienating. It is widely recognized in critical analyses of management technologies in public organizations that professionals often lack meaning in these innovations, in the sense that they are often seen as disjointed from practice and from the nature of the professional work being done (e.g. Andersson &Tengblad, 2006; Butterfield et al, 2004). Innovations that better reflected professional norms and practices might be considered 'better' in this perspective. Improvement would be about making innovations more sociologically appropriate. Another way might be for innovations to be less resource-intensive to employ. Many regulatory innovations associated with NPM have been described as leading to high levels of compliance costs in frontline organizations and high levels of monitoring costs in central government (Benish, 2010; Hood et al, 2000;

Halachmi, 2002, 2006). These are resources that are diverted away from citizen-directed services. In this light, innovations that were less costly to use might be considered 'better'. Improvement would be about making more (economically) efficient technologies. A third way would be for innovations to be more strongly integrated with other management technologies. A side-effect of the wave of administrative innovation is that many management technologies are used in parallel. Binderkrantz & Christensen (2011) describe this in the context of contracts that increasingly link to other technologies, while Christensen & Hermann describe it as the 'bombardment' of management. 'Better', in this perspective, might mean that innovations integrate other technologies. Innovations would here be infrastructurally oriented and integrative in nature.

As is apparent, 'better' could mean many things. What laboratories actually do when they try to develop better administrative innovations is, therefore, a largely empirical issue.

D. Methods

This paper is based on a laboratory conducted at Via University College in the second half of 2011. The laboratory was initiated by the management of the university college in collaboration with the Ministry for Higher Education and several other external parties. It focused on the 'development contract' between Via and the ministry. The laboratory was conducted as three workshops, each lasting half a day separated by about two weeks. The first session was dedicated to problem definition, the second to idea generation and the third to concluding. All

sessions took place at Via campuses and all sessions were facilitated by two external consultants. Participants in the workshops were managers at different hierarchical levels, from university president to managers of specific sub-schools as well as representatives from central government (the Ministry of Higher Education and an agency under the Ministry of Finance), from another university college and from a local municipality to represent employers of the university college's alumni.

I participated in all three workshops, as well as in most of the preliminary meetings between the facilitators and the top management of the university college and in the meetings (both in-person and conference calls) between the facilitators. I also received the e-mail correspondence between the facilitators before and between the three sessions and the drafts of the final report on the laboratory. Following the last workshop, I conducted interviews with the four representatives from Via (all of which were tape-recorded) and the representative from the Government ministry. This is arguably not a very expansive empirical material. However, it reflects the limited extent of the workshops and the explorative intent of the study. In a sense, it is a *revelatory* case study (Flyvbjerg, 2001; Yin, 2009) providing interim insights into a laboratory process and what 'gets done' in it. The insights that can be gleaned from this particular case are interesting for several reasons.

For one, Via's 'old' development contract is typical of the general critique of contracts in public sector management: it is expansive, does not necessarily contain covering and meaningful goals and overlaps extensively with other

management technologies. The contract runs over 21 pages. Performance in the contract is measured along 31 unique scales and contains demands for doing employer surveys (i.e. employers of the college's alumni), sub-strategies and more measurements with appropriate baselines and benchmarks. It is also difficult to say whether the measurements reflect the overall goals they are meant to support. The overall goal of high quality, for instance, is operationalized in sub-goals relating to alumni employment levels, number of international student exchanges, use of IT in teaching and to the share of student theses that are linked to local research and development projects. Quantitative measurements are complemented by qualitative analyses of employability and alumni skills. The development contract is also connected to various accounting devices, individual performance contracts and accreditation processes, as well as Via's statement of mission, vision and values. These other management technologies operate asynchronously with the development contract. Via is also a relatively complex organization, offering different education programs that are themselves controlled through different means. Aside from accreditation of the individual program, some of the programs are also governed by different specific laws.

E. Analysis

1. Laboratory outcomes: Contract 2.0 as a prototype

Following the laboratory, a report was written to describe the outcome of the process. Its purpose, as stated in the report, was to serve as "a prototype of a new model of control – *Contract 2.0* – which can be tested for the purpose of further development and learning" (p. 1). The facilitators of the workshops authored the

report. It suggests a model describing five areas that control should focus on. Under each area, a range of measures are listed as sub-goals. These are listed in the paper's appendix.

Compared to the previous contract, it is interesting to note how Contract 2.0 covers more and wider areas. The previous contract contained goals under four headings: 'High quality education', 'Education for more [people]' (relating to drop-out rates and geographical presence), 'Development-oriented institutions' (relating to research and development) and 'Effective management' (relating to the distribution of full-time equivalents). Contract 2.0 includes five areas and also involve financial and employee-related measurements that might otherwise be considered internal. Such new areas are included to give a more holistic and covering image of the organization. All the while, measures relating to internationalization, IT in teaching, drop-out-rates, external financing and geographical coverage are removed. Also, the nature of measures under 'High quality education' is changed. Where before the measures of quality related to quantifiable aspects of the individual alumni, in the new contract this is evaluated by qualitatively assessing the opinions of alumni, employers and the organizational members. The quantitative measures that remain relate to the behavior of teachers. Finally, the report suggests a shift in level of accreditation. In Danish higher education, accreditation generally happens at the program level. The report suggests that Via instead be accredited as an institution and given discretion to offer programs (that need not be nationally accredited) within certain areas.

How does this make for 'better' control? How does it make the development contract a 'better' technology for managing the organization? According to the report, the basic intent of the laboratory was to find ways of managing that "better support VIA's work" and particularly "support the work of strategy and leadership". It continues, stating "The Laboratory identified two needs to guide the work of creating a new model of control: Firstly, a new model has to create meaningful coherence between management tools on one side and local strategy and management on the other… Secondly, the new model has to create meaningful coherence between general, ministry-level control and the local, value-creating process. The legitimate ministry-level control is at times experienced as disjointed from what is locally experienced as value-creating… The challenge is to create dialogue and documentation about effects in society". This focus, where meaningfulness is primarily related to strategy and management and not for instance to employees' perceptions of reporting relevant data, was articulated prior to the laboratory. Via's top management, who initiated the laboratory process, was concerned that a new contract should not obstruct Via's strategy or a recent 'visioning process', referred to as *Imagine Via 2020*.

It appears, then, that prior to the process the central concern is one of *integration* between management tools. During the workshops and in the final report, however, *meaningfulness* is raised as the key concern (as is reflected in the report) and integration becomes implicit. The five focal areas of Contract 2.0 relate to neither the strategy nor the visioning process in a direct way. Rather, the three documents seem compatible and indeed this is what managers at Via say in interviews that they need them to be. Good and meaningful contracts interfere less in with strategic processes. A contract interferes less if it is integrated.

The measures that are included in Contract 2.0 are more 'abstract' and reflect strategic goals and Via's vision. This is particularly the case under the category of 'Long-term effect on society'. As such, the sub-goals need to be translated into finer-grained measures. Such measures, relating to integration, are in some cases drawn from other management information tools (e.g. accounting systems and employee time-registration). The goal of 'Organizational sustainability', for instance, is measured through workplace evaluation, evaluation of managers and employee satisfaction surveys already being done. Making the contract more meaningful, here, becomes an issue of including more of the parameters that managers are themselves exposed to and feel that *they need* themselves, of displaying to the ministry more of the information that managers engage with in their work. During the laboratory, this issue was described as including in the contract measures that were *meaningful from the level of the employee to the level of the ministry*. Some such measures were already available in the organization (e.g. from internal surveys), whereas others that *would be* interesting needed to be developed. Thus, the overall goal being organizationally sustainable would essentially be demonstrated by showing to the ministry data that managers already use. The goal of being financially sustainable, on the contrary, would need to involve the development of new metrics. In the report, it is therefore suggested that that the organization develops a measure of 'long-range financial sustainability' and two metrics for the relationship between production and expenses. How this is to be done, however, is not explicated.

The focus on meaning and coherence 'from employee to ministry' was especially salient in relation to Contract 2.0's focus on 'Quality of output'. It was clearly stated throughout the workshops that measuring quality as it was currently done did not *resonate* with managers and teachers at Via. Current measures focused on how students wrote their theses, whether they went on exchange, how quickly they found work and on how much IT was used in teaching. This, to managers, did not reflect quality as something that happens in the classroom and in the confrontations (meant positively) between teachers and students. The 'alumni inquiry' that Via was doing for itself was, according to the managers, much more interesting. This inquiry was qualitative and based on interviews with alumni and their employers and created much better opportunities for local improvement.

The idea that a management technology could become 'better' by being more 'lightweight', or less administratively demanding, was conspicuously limited in the workshops, the report and the interviews. Compare the absence of this focus to the general critique of NPM and management by contract as *overly* demanding for frontline organizations. Or recall the critique of contract management put forth by Christensen & Hermann, describing the 'bombardment' of control in Danish university colleges. The report does mention that a new contract ought to be both 'simple and covering', i.e. meaningfully expressive of what Via does without being excessively resource demanding. It is one aspect, albeit implicit, of simplicity that many contractual measures are drawn from data that is otherwise available. Another is the way that the report in several places mentions that reporting to the ministry should be done with longer intervals. Both, however, are of limited import relative to the focus that is given to integration and meaningfulness.

In a sense, this is one of the puzzling outcomes of the laboratory process: how come there is so little interest in making the use of management technologies more efficient so that more resources can be freed up for doing work that is directed towards value creation for citizens (students and future employers are the main target groups, according to the managers). Another puzzling outcome, relative to what user innovation would have us expect, is that there is so much *talk* happening about *meaning* and so few concrete suggestions about what would be meaningful. After all, we would expect users to be able to develop solutions or, possibly, already have developed them. And finally, how come so few original ideas actually get developed? Most of what gets done is either managers talking about new things that would be needed or managers arguing how it would be beneficial if *more* metrics and evaluations were put into the contract, i.e. if the contract could specify the 'entire' world of managers (not the world of professionals) to the ministry. I propose that there are three reasons for this: the selection of the participants, the process management of the laboratory and hierarchical relationship between the participants.

2. Selection of participants and the 'userness' of users

A key proposition in user innovation research is that users are able to innovate for themselves because of their *functional relationship* to the innovation: they use it. Using existing solutions gives a user a kind of knowledge of their shortcomings and of the context-of-use that is not available to non-users (von Hippel, 1976, 1988) or requires extensive effort to transfer (von Hippel, 1994). Users also differ in the extent to which they possess this knowledge. Some users, referred to as

'lead users' because their experience is more extensive than the norm and they are 'leading' trends, are therefore systematically more likely to innovate and to be effective at doing so (von Hippel, 1986). To be sure, it is this kind of 'sticky' or tacit knowledge that Melander (2008) would consider important to involve in laboratory: someone working in a government ministry cannot know the details of the work that gets done in service-providing organizations, nor can they directly understand the values that underlie that work. This makes the selection of participants a non-trivial issue for laboratories, and perhaps a strictly representative selection is not the most relevant. The functional relationship between the participant and the object of the innovation process centrally determines what participants will know about and want from the object and, hence, how they will be able to contribute.

The users that were involved in the laboratory studied here were all managers at a relatively high level. Previously, most of them had worked as teachers, but now they were using management technologies to *exercise management* of their own. People using the management technologies in other ways, e.g. administrative employees working with management technologies for reporting or data analysis, were not involved, just as the frontline employees (i.e. teachers) were only talked about. Given that user innovations are often targeted at being able to execute the innovator's intended activities more efficiently (Lettl, 2007), it makes sense that these participants focus so strongly on integration and meaningfulness: these things, rather than routine administration, are what managerial work is about and indeed also what managers often prefer to talk about (Czarniawska & Mouritsen, 2009). It is in relation to the work of making contracts and goals intelligible and meaningful to employees that managers encounter the shortcomings of existing

development contracts. This is also where they have knowledge about what they need and possibly ideas for how those needs could be met. By comparison, their experience of administrative burdens is likely to be more limited and, at the very least, indirect.

The particular functional relationship that managers have with management technologies also explains the difficulties they have in being *concrete* in their suggestions for solutions – they talk about what is needed in and relate discursively to problems, but have difficulties developing operational measures for the contract or specify alternative procedures that would work for them. Rather, their focus in discussions is how their particular tasks can become easier, for instance through implicitly subordinating the contract to strategic needs. The key issue to consider, in other words, is *how* the participants in a laboratory are actually users. In what sense do they use administrative innovations: directly or distantly, actively or retrospectively, practically or discursively?

3. Process management and the locus of innovation

In the context of new product development, it is often the case that intermediate or end users develop the first working prototypes of a given solution for their own use, independent of commercial firms. This is one of the most systematic findings of user innovation research: that users often develop solutions before firms. There is, therefore, a distinction between user innovation (referring to the situation where users innovate for *themselves*) and user-driven innovation (where a firm innovates *together* with users). Laboratories, by focusing on collaboration between frontline

employees and regulators, primarily represent the latter, i.e. user-driven innovation. However, focusing on the collaborative aspect of innovation may also explain the very discursive way that conversations in the laboratory relate to problems and solutions.

Both the planning and execution of the laboratory reflect the intention to create an occasion for the development of new ideas. The facilitators thus focus on how to keep problems and solutions open in order for new ideas to emerge. For them, it is a matter of managing the process in a way that lets this happen. Participants are selected to represent the formal organization, but particularly those from outside the organization are chosen on the basis that facilitators consider them to have creative contributions to make. Participants also describe the opportunity to be part of a creative process as a key motivating factor for their participation. For them, it is interesting to work with people from outside the organization to think differently about the development contract. But all of this assumes that innovation is something that should happen *in the laboratory* and, by implication, not outside it. On the contrary, bringing 'finished' ideas in from the outside is actually a violation of the process, because this is not a way to be open to new ideas and dialogue.

The problem with this assumption is that it places the locus of innovation firmly in the managed process of the laboratory instead of focusing on those ideas that might have been developed outside it. User innovation research would suggest that it was exactly those ideas developed outside of formally managed processes – the ones developed by users for themselves – that were interesting. Hartmann (2011)

in her work on 'silent innovation' suggests that organizational processes, including administrative ones, may be subject to modification and development by frontline employees, who may also be developing solutions that they themselves use in their work. The challenge for the formal organization, then, is find ways to grasp those ideas that are silently developed. Such ideas might, as is sometimes the case for user innovations generally (von Hippel & Tyre, 1995; Hyysalo, 2009), evolve *in* the context of use.

Consider, for instance, the alumni inquiry that is presented as a better model of evaluating the quality of teaching. When this evaluation method is suggested in the laboratory, it is not treated as a user-developed innovation, but merely as something that is being done by the organization already and might somehow be incorporated into the contract as a formal demand. Instead, it might have been treated as a working prototype that was worth understanding better as a model of how evaluation of complex issues gets done locally. Such a shift would be consistent with the recommendation of user innovation research (e.g. von Hippel, 2005) to *not* ask the general user what they need others to develop, but rather to look to leading edge users for what they have already developed, as well as why and how. Christiansen et al (2012) have made a similar argument: that the simple evaluation techniques used at the local level of organizations might serve as models for performance evaluation also at more aggregate levels.

4. Anticipating the acceptable and the 'shadow of hierarchy'

The hierarchical context that the laboratory is embedded in is another explanation for why focus comes to be on meaningfulness and why discussions operate at such a discursive level. For both issues, it makes the process focused on *acceptable* incremental variation rather than in concrete terms challenging the form of contracts. Perhaps, this is related to the participants not only being focused on developing what might for them be the optimal solution, but also on them continually gauging what is likely to be approved by their superior organizations. In this way, the laboratory happens in the 'shadow of hierarchy', as do contract negotiations in the public sector context (Binderkrantz & Christensen, 2009a): it is not a negotiation in which either party can walk away if conditions are not satisfactory, but one in which the agent is dependent on funding from the principal and the principal has only few alternatives (most of which are quite bad) to accepting the agent as a supplier.

In this way, the laboratory makes for a more constrained space than both the situation where users innovate for themselves and that in which they innovate with a firm. In the first case, users are generally free to develop and use solutions that they themselves find appropriate. In the latter case, firms have an interest in learning from users in order to develop marketable products. In the laboratory, innovation is political in the sense that users can suggest ideas but do not know if their ideas and arguments will be accepted and what is beneficial for the regulator. This is akin to the dynamic described by Lindsay in analyzing the differences between users within and outside organizational contexts in relation to his case study of innovating air force pilots: »[user innovators] are generally not members

of *all-encompassing bureaucracies* like the military [...] would-be innovators live in a *controlled world* of classified information and austere configuration policy ... *Interaction amongst various actors are often contentious*« (p. 621-622; italics added). As such, while users can push for innovative solutions by suggesting them, they are likely to be better off 'playing it safe' and suggesting things that are only somewhat better for them, but likely to be accepted, rather than much better and unlikely to be accepted. Moreover, suggestions in the laboratory may be used as signals to regulators more than as actual, desired solutions. Rather than develop actual innovations, participants may see it as an occasion to subtly influence regulators.

5. Unobservable outcomes

The analysis above has focused on Contract 2.0, i.e. the final report from the laboratory, as the laboratory's primary output. This does not need to be the only type of result or outcome that is worth paying attention to. A deeper exploration of possible other outcomes lies beyond the scope of this particular paper, but three deserve mention. These are *learning outcomes*, *relational outcomes* and *dialogical outcomes* and all are medium-term (possibly also long-term) social effects of bringing together local managers and ministry representatives with other external stakeholders.

In interviews conducted after the laboratory, several respondents point to the learning that also results from the laboratory: collaboration across hierarchical levels (even within Via) about how the development contract is used and

developed creates a better understanding of the conditions experienced by other actors and of the management technology. This increased insight can change how lower-level managers deal with goals set forth in contracts and can open up to user involvement also at the local level. One person interviewed suggested that alternative forms of data collected from teaching situations for other purposes will henceforth be included in formal reporting and evaluation. Moreover, the laboratory may be an occasion for considering other experimental and temporary forms of measurement and evalution. Collaborations also produce relational outcomes, in that they create networks between actors that otherwise would not have been brought together. Also, discussions around the problems of contracts might expand mutual understanding of positions, motives and needs. This can contribute to reducing mistrust and social distance that might exist between individuals at different hierarchical levels (e.g. Hood et al, 2000). Finally, laboratories can be seen as a way to develop the quality of dialogue across organizational levels (Majgaard, 2008), in that participants in the laboratories can develop more complex and rich understandings of each other's experience, giving more attention to professional evaluation and the conditions for working.

F. Discussion

While this case study may be illustrative of what can happen in the laboratory setting, it is perhaps too much to say that what happened here will also happen elsewhere. This case study is more suitable for prompting reflections about how laboratories can be organized, what they are meant to achieve and the kind of concerns that might need to be taken into account. It is also important to remember that Via's laboratory represents an experiment, and thus only one of many possible

ways to organize a regulatory innovation process and user involvement. What we can hope for it that this case can move some of that reflection to occur prior to laboratory, rather than have it happen in hindsight.

One question to consider is what is (and should be) meant by the idea of 'user involvement' in the laboratory context. Melander (2008) proposes that a management technology's *stakeholders* ought to be the ones included in the laboratory. For him, as for Majgaard (2008), the intention of the laboratory is to create better conversations and deeper reflection around the management technology. Rasmussen (2010), because his focus is on making the laboratory an efficient innovation process, proposes a more narrow inclusion, where what matters most is the ability to innovate. This contrasts, again, with the position of proponents of New Public Governance who advocate a model of 'collaborative innovation' (Sørensen & Torfing, 2011). From this position, what matters is that the innovation process becomes a democratic and *representative* one, where it is not just the stakeholders in a given technology, but the stakeholders in the particular public service being managed that should be involved. As is obvious, these three positions suggest very different approaches to involvement, but they do so based on different ideas about what the laboratory should achieve. Sørensen & Torfing are interested in bringing citizens and the public sector closer together, Melander is concerned with unsettling established relations of power within the public sector through dialogue, and Rasmussen is focused on creating less 'problematic' management technologies. Even if laboratories are inevitably conducted in the shadow of hierarchy and this hierarchy will have effects on the process, it might be beneficial to consider what laboratories are expected to do before we do them and what will actually be politically possible to pursue.

The answering to this question will depend on the answer to another related one: what are we to learn from Via's laboratory? Is the interesting result the specific prototype, Contract 2.0? Or is it that laboratories as a process are interesting? If we focus on the process as the productive aspect of laboratories, we should ideally be doing them often, possibly even having a discussion about how management technologies should be used in every specific instance and modifying them to local needs. This would be Melander's argument and, in this perspective, we can take a very broad view on the kind of outcomes we should be interested in – it is less of a problem that no specific innovations emerge from a laboratory, if a lot of learning happens and it gets to occur often. Alternatively, if we want to focus on the specific prototype and intend to develop something that is generally more useful across contexts, we should not necessarily be doing them often, but making the individual one 'better'. The question for the latter focus is if a laboratory that involves users can 'compete' with the innovation processes that only involve regulators. Research done in the context of private firms suggest that user involvement will make for more commercially attractive innovation (e.g. Lilien et al, 2002), but there are obviously many things that make this analogy hard to apply directly in the context of regulatory innovations in the public sector. Nonetheless, it is a fact that laboratories easily demand substantial resources invested in the form of time, which speaks to the viability of few laboratories over many.

G. Conclusion

As is the case with several of the management technologies associated with NPM, contracts and management by contract have been subject to considerable critique. The basic assumptions of how contracts work are not satisfied in the 'quasi-market' (or non-market) relationship between public sector organizations and as a result many unintended effects seem to emerge, especially related to the costs of developing and maintaining contracts. This makes the development of contracts an interesting application of the laboratories suggested by Melander (2008), in that the involvement of users in the development process might yield a better model of contracts. Based on a single-case study of a specific laboratory, it becomes clear that the laboratory *can* become an occasion of a highly discursive discussion of the meaningfulness of control generally and that this focus can perpetuate the problems of contracts, rather than resolve them (e.g. expand their scope, require more documentation, etc.). This paper has argued that this particular focus might be a result of three interrelated factors. These are 1) that the participants in the laboratory are exclusively managers and thus have a particular relationship to the contract that biases them away concrete solutions towards discursive talk, 2) that facilitators and participants assume that creative work and innovation is something that happens *within the laboratory* and cannot be something that already happens or has happened outside the laboratory, and 3) that the laboratory unavoidably occurs in the shadow of hierarchy, leading participants to be more political and less explorative about their suggestions.

While it is hard to avoid hierarchy in the context of public sector management innovation, the first two factors (selection of participants and view of the locus of

innovation) can be manipulated in order to change what might result from a specific laboratory. Such change, however, should be considered in the context of what we actually intend laboratories to achieve. Are they occasions for developing better solutions, for learning together or for collaboration between otherwise unconnected individuals and organizations? Arguably, laboratories have relevance for all three functions, but cannot likely do everything at once. As we discuss them and their relevance to public management reform, then, we might need to be more sensitive to what they should achieve and why this is important.

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Appendix

Area	Method	Quantitative	Qualitative	Frequency[1]	Notes
Quality of output	Alumni inquiry		X	12	Based on current alumni inquiry
	Teacher contribution to research and development activities	X		12	
	Teacher participation in research and development activities	X		12	
	Evaluation of professional internships – evaluated by employers	X		12	
Financial sustainability	Deviation from budget and revised budget	X		6	Assessed through management accounting systems
	'Long range' finances	X		6 and 12	
	Relationship between expenses and quality/quantity in production (2 indicators)	X		6 and 12	

Organiza-tional sustainability	Employee evaluation of Via's ability to 'balance'[2]	X		24	
	Employee evaluation of immediate superior and top management	X		24	
	Employee evaluation of Via's reputation in external environment (own unit and whole of organization)	X		24	
	Absenteeism	X		12	
	Satisfaction with meetings	X		At all meetings	Evaluated as 'red', 'yellow' or 'green'
Long-range effect on society	Institutional accreditation[3]			72	
Production and diffusion of knowledge	In-process and finished papers	x		12	
	In-process and finished development projects	X		12	
	In-process and finished publications	X		12	
	Research projects with universities	X		12	
	Collaboration with regions and municipalities about production and diffusion of knowledge	X		12	

| | Knowledge production's share of working time | X | | 12 | |
| | Number and level of specialist positions related to production and diffusion of knowledge | X | | 12 | |

1: Frequency is described as the number of months between assessment.

2: The ability to 'balance' refers to employees' experience of the organization being "able to balance correctly between short-term and long-term goals, financial and professional goals, internal and external goals".

3: Accreditation of the institution is an alternative to accreditation of the individual program offered by the institution. In Denmark, the Danish Evaluation Institute (EVA) is responsible for accreditation of all higher education programs. In several other European countries, it is the individual institution that is accredited, thus receiving a mandate to offer education programs within a given field.

Subversive Functionalism: For a less canonical critique in CMS

Abstract

Critical Management Studies (CMS) is increasingly recognized as a distinct and institutionalized field of research within organization and management scholarship. That institutionalization, however, has been a cause for both optimism and concern about what hold the project together and how it might develop in the future. In an effort to provide a constructive direction for further development, Spicer et al (2009) suggest the orienting concept of '*critical performativity'* and several tactics for realizing it. I contend that realizing a critically performative agenda is likely to be impeded by the increasingly institutionalized canon of acceptably critical perspectives in CMS and suggest how it might alternatively be realized by expanding existing canons to include subversive readings of mainstream theory. To this end, I present a set of tactics for this sort of 'subversive functionalism' focused on deeper theoretical engagement and exploration of implications, alternatives and integration.

Introduction

It is widely recognized that Critical Management Studies (CMS) has become something of an institution within business school academia. Troubled by this development, an increasing many within CMS have begun to voice concerns about how the field can maintain its critical edge on management as it is taught, studied and practiced. Some speak of complacency, normalization and closedness (Adler, 2008), others of 'the schlerosis of criticism' (Parker, 2010) and lack of public engagement (Bridgman & Stephens, 2008).

While the general thrust of this critique is towards being *more critical*, Spicer et al (2009) have suggested a quite different direction. Instead of becoming *more radical*, CMS should aim for greater impact through *tempered* radicalism. This direction, which they refer to as *critically performative*, involves CMS becoming more *caring*, *pragmatic*, *affirmative*, engaged with *potentialities* and explicitly *normative*. Like others who have engaged with the notion (Wickert & Schaefer, 2011; Tadajewski, 2010; Alvesson & Spicer, 2012a), my point of departure is that this direction offers something important to CMS, an important supplement to how we think about engagement and impact. However, I contend that the CMS cannot become truly critically performative without *also* considering how the *canons* of CMS constrain such a change.

In making this argument, I partially follow Voronov's analysis (2008) as he draws on Bourdieusian concepts to suggest that the *habitus* of the CMS scholar leads to the field's potential for substantive change remaining 'virtually untapped'. Overcoming this situation, he suggests, calls for the CMS scholar to

overcome the symbolic violence exerted by mainstream academia and change how we engage. His analysis focuses on how CMS replicates a mainstream habitus through perpetuating the theory-practice split while also privileging academic publication and researcher identity over 'non-academic' alternatives.

Taking further Bourdieu's analytics as presented in *Distinction* (1984), however, would lead us to also question the patterns of consumption that are bound to the enactment of a field-prescribed habitus. In an academic field, such 'consumption' is largely theoretical in nature and concern the theoretical *canons* that structure how one 'does' CMS research. Indeed, an awareness of how appropriate CMS practice is constrained by canonical texts and theories expressing what can be considered CMS only becomes more necessary as CMS becomes more institutionalized: a wealth of authoritative texts now exist to express what can be considered 'fit to print' (Ashcraft, forthcoming) under the rubric of CMS and these texts will invariably influence how CMS can legitimately be practiced in the future.

This paper proceeds in two parts. In the first part, after describing in generic terms the institutionalization of CMS and the call for Critical Performativity, I argue that 'CMS critique' is becoming canonical in the sense that research, in order to be considered 'CMS research' and be consecrated as a model of practice, must work within a repertoire of theories that are homogenous in being 1) appropriated from outside the business school, 2) overtly critical and 3) ascribed superior sophistication. This is a pattern that might fundamentally hinder the pursuit of critical performativity. In the second part of the paper, I develop an alternative, non-canonical approach to critique under the headline of 'subversive functionalism'. CMS research need not, I argue, be constrained by its canons but can draw on other theoretical resources to articulate a critically performative

critique. Developing that notion, I propose a set of tactics for doing subversive functionalism and exemplify the potential through a reading of theories of user innovation. Such a subversive engagement with functionalist theories can provide an important supplementary approach to how CMS gets done and how the field seeks to change management as it is practiced, studied and taught.

Institutionalized Critical Management Studies and Critical Performativity

Critical studies of management and organization have a long history that considerably predates Critical Management Studies, famously exemplified by Smith, Marx or Weber. However, it is only in the past ca. thirty years that radically critical research has found a place in the business schools of North America and Europe through the influential work of scholars like Wood & Kelly (1978), Frost (1980), Clegg & Dunkerley (1971), Clegg (1981), Deetz (1982), Alvesson (1985), Calas & Smircich (1991) and Willmott (1987). In its capitalized form of Critical Management Studies, or CMS, the term did not come into common usage before Alvesson & Willmott (1992a) published a collection of original papers exploring the relevance of the Frankfurt School of Critical Theory bearing that title.

Since then, CMS has assumed the status of an institution within business school academia (Adler et al, 2007), as evidenced by the academic infrastructure that now surrounds it: there is a bi-annual CMS conference and a research division at the American Academy of Management; there are recognized CMS scholars in full professorships and influential positions in the academic community; there are dedicated clusters of critical researchers in Europe as well as

some in the US, even decidedly critical management departments at several UK universities like those at Queen Mary or Leicester. Today, one can choose to 'do CMS research' and new doctoral students might look forward to entire careers 'in CMS'. Such careers might start with a reading of one of the edited volumes (e.g. Alvesson & Willmott, 2003), an Oxford handbook (Alvesson et al, 2009b) or one of a collection of classic papers (Grey & Willmott, 2005; Alvesson, 2011; Alvesson & Willmott, 2012), or examining the pages of several journals receptive to CMS scholarship. CMS has become, as Thompson (2004) writes, a label and, indeed, it is an attractive one (Parker, 2002; Reedy, 2008).

But what is this thing called Critical Management Studies, then? After all, CMS is "a diverse group. [CMS scholars] work from a range of disciplines (including strategy, accounting, organization theory, etc); are interested in a range of topics (such as power, identity, gender, epistemology, etc.); work from a variety of perspectives (Marxist, poststructuralist, social constructionist, etc.) and embrace a variety of research methods." (Cunliffe, 2008: 936).

In their seminal history of CMS, Fournier & Grey (2000) described CMS research as having three characteristics. It is, firstly, *reflexive* in the sense that it is committed to questioning the philosophical and methodological basis for research. Second, it *de-naturalizes* by challenging taken-for-granted assumptions about social and organizational orders, exposing the historically contingent nature of the self-evident 'truths' that dominate management theory and practice. Thirdly, CMS research is not committed to the instrumental aims of most management research, but is non- or anti-performative in orientation. So, while 'mainstream' management research can generally be said to be research *for* management and organizational efficiency, CMS is research *on* management and not committed to aims of that might further a managerialist agenda. To distance themselves from a

'mainstream' position, Fournier & Grey suggest that "maybe what unites the very disparate contributions within CMS is the attempt to expose and reverse the work of mainstream management theory" (2000: 18).

Less oppositionally defined, CMS is concerned with *critique* and the introduction of critique to the context of the business school. In her paper on 'Making the Business School more critical', Antonacopoulou (2010: S9) states that "being critical implies scepticism towards arguments, assumptions, practices, recognizing the impact of social and political dynamics and the implications of the inequalities of power and control". While critique in this very broad sense – equivalent to what Reynolds (1999) describes as *reflection* – might encompass most decent academic endeavours, it is towards the end of the definition that we find the specific type of critical orientation that most characterizes CMS: the critique of inequalities of power and control. It is marked by *critical* reflection (Reynolds, 1999). Even if the boundaries might well be blurred between CMS, interpretive work employing theories in less critical interpretations and even with the mainstream that Fournier & Grey describe with some confidence, CMS is marked by being "radically critical and intrinsically suspicious" (Alvesson, 2008: 13) and encompasses research drawing on "the Frankfurt School and related authors and lines of thought such as Foucault, critical poststructuralism, neo-Marxism, certain versions of feminism, etc." (ibid). It is, then, in regards to questions of power, ideology and domination that Fournier & Grey must be thinking when they write that "to be engaged in critical management studies means, at the most basic level, to say that there is something wrong with management, as a practice and as a body of knowledge, and that it should be changed" (2000: 16).

Despite what might appear as a form of agreement over what is means to be critical and to do CMS, the question of *performativity* continues to be the subject of debate amongst CMS scholars: should CMS aim to instigate change and, if yes, how?

One axis in the debate often unfolds across what Ashcraft (forthcoming) describes as CMS' 'classic cleavage', namely between proponents of forms of (neo-)Marxist theory and of varieties of postmodernism/poststructuralism. At stake here is a concern about the normative basis for practicing critique (Adler et al, 2007). Another axis relates to the dilemma of institutionalization being at once both a possible strength and a possible liability as regards the project's political dimensions (Rowlinson & Hassard, 2011). Those sceptical of institutionalization might argue that it draws CMS scholars away from both practical engagement and truly radical critique (e.g. Adler, 2008; Bridgman & Stephens, 2008; Parker, 2010), while the more optimistic interpretation might talk about developing a 'mature politics' (Grey, 2005) and drawing on the legitimacy afforded by a solid foothold within the business school (Grey, 2007) to make critical reflection a more integral part of management education. Getting into the classroom, one might say, is a pre-condition for making business students 'critically informed' practitioners (Learmonth, 2007) but this requires, or at least disciplines, the researcher to be much less 'dangerous' and less in opposition.

These dilemmas and the tensions between different forms of CMS research only seem to grow as the institutionalization of CMS increases to the extent that many may be asking "what holds the project together, what it is trying to achieve and whether it is actually achieving these aims" (Spicer et al, 2009: 538). Precisely to answer these questions and bridge some of the controversy in

intra-field debates that Spicer et al (2009) suggested a reconceptualization, namely *Critical Performativity*. They insist that CMS should be seen as 'a project' and one that is thoroughly political and then draw on Butler and Austen to reframe the meaning of performativity to make this explicit. In their reading, performativity does not necessarily only refer to a commitment to instrumentally rational means-ends considerations. "Performativity is not bad in itself. The problem is to carefully decide what kind of performativity we want" (Spicer et al, 2009: 554). Critical Performativity, then, is about an "active and subversive intervention into managerial discourses and practices. This is achieved through affirmation, care, pragmatism, engagement with potentialities, and a normative orientation" (2009: 538). Such an orientation, they posit, represents a "more 'constructive' direction for CMS" (2009: 538) than the oppositional, distanced and sometimes over-determined positions taken in some CMS research. As such, it represents a reformist, rather than continued radical, line and an approximation to management as it practiced and studied. This is a line that has subsequently been suggested as relevant also in the specific contexts of research on leadership (Alvesson & Spicer, 2012a), marketing (Tadajewski, 2010) and corporate sustainability (Wickert & Schaefer, 2011) and while it is not a position of being 'for management' (Clegg et al, 2006), it is much less categorically oppositional than CMS' more habitual stances.

Canonical critique and a habitus of CMS

The concern of this paper is not so much institutionalization of CMS as it is the conditions that the institutionalization create for the pursuit of critical performativity: Can CMS, as an increasingly institutionalized field, become

critically performative by changing tactics, by engaging differently and by studying "the organizations to come, rather than focusing on rejecting the organization we currently have" (Spicer et al, 2009: 551)?

One answer to this question might draw on Voronov's Bourdieusian analysis of the habitus of the CMS scholar (2008). To summarize this inspiration, Bourdieu uses the term *habitus* to describe the shared dispositions of agents within a given *field* of practice. It "provides the cognitive and somatic structures necessary to make sense of and enact positions in the field" (Voronov, 2008: 940), i.e. the habitus structures how one understands others in a given field do and how, in turn, one acts in ways that are appropriate to demonstrate that one legitimately belongs in the field. Thus, the enactment of the field-prescribed habitus reproduces the field.

Through these concepts, we can see the institutionalized form of CMS as an autonomous field in that it constitutes a distinct form of social practice within the wider field of business school academia, with its own rules and legitimate positions. As such, it also structures the habitus of the agents in it, i.e. those who do and aspire to do CMS research, as they seek to learn the 'rules of the game' and become acceptable to other CMS researchers. The habitus then gets enacted by CMS scholars as they go about doing and publishing 'CMS research', which contributes back to the on-going structuring of field as composed of texts and practices – what gets done demarcates what can legitimately be done in the future.

The field-prescribed habitus of the CMS scholar, for Voronov, is *not* markedly different from what is found in other academic fields. He proposes that the habitus of the CMS scholar, like that of the 'mainstream' business school

academic, is one of doing research for research's own sake and not for real-world impact, just as it privileges the knowledge contributions of purely academic research over that of engaged scholars and practitioners. For him, the answer to increasing the practical relevance of CMS lies in challenging established modes of research and engaging differently. In a sense, the intent of this argument is similar to that of Spicer et al (2009). Yet it is important to note that in making this assertion Voronov is concerned with the specific issue of practical relevance and not with the actual 'crafting' of research: how theory is mobilized, how methods are applied or how research is written up.

If we follow Bourdieu's analysis in *Distinction* (1984), we are alerted to an aspect of the CMS habitus that is more fundamental than how CMS scholars actually *engage*. Bourdieu argues that the habitus is forcefully enacted in the making of aesthetic judgments, i.e. in the evaluative criteria that guide our consumption of particular cultural products. What we valorize as 'good culture' worthy of consumption serves to differentiate us from certain social groups and affiliate us to others. The products of good culture become consecrated and can attain a *canonical* status within the field to the extent that being part of a social group requires one to consume that particular canon.

While the notion of canon might connote stability more than change, for Bourdieu it should been seen neither as static nor pre-determined. Rather, it is a dynamic means of developing a group identity. Social groups create identities by appropriating the consumption patterns of other groups to which they aspire and, perhaps more importantly, rejecting those of groups they want to distance themselves from. In this respect, an understanding of canons and appropriation patterns that shape them become essential to understanding the field and its agents.

This prompts two important questions: has CMS' institutionalization lead to a solidified canon of critical research perspectives or is it indeed the purported 'big tent'? And, if a canon has emerged, what characterizes it and its origins?

In answering these questions, it is a helpful feature of academia that canons are more readily identifiable in academic fields than in most others given that academic production is primarily textual – the legitimate canon, as reflective of a common habitus underlying research practice, can be discerned from the 'paper trail' that is the fields' publication. More importantly, there is a stratified hierarchy in publications, in which some texts become more authoritative by virtue of how they are published. In this way the canon is expressed not just in what type of research gets published but also in what gets included in handbooks, in edited volumes depicting the state of the field and in collections of classic papers. Such books are not only "fairly useful scholarly devices" (Prasad, 2008: 280; Nicholson, 2013), but also models of a research practice and a reflection of the habitus that one must enact to legitimately gain access to a field. As CMS has institutionalized, a number of such books have been published and can serve to display the nature of a CMS canon. What is the model of research that they consecrate?

The Oxford Handbook of Critical Management Studies (Alvesson et al, 2009b) represents a seminal collection in the field of CMS, as noted by several authors (Costas, 2010; Parker, 2010; Prasad & Prasad, 2012). This volume, containing twenty-eight chapters written by notable scholars in the field, is edited by Todd Bridgman and CMS 'icons' Mats Alvesson and Hugh Willmott. The handbook contains four parts, one of which is about "theoretical approaches" and another "key topics and issues". Together, they broadly stake out CMS's 'tent' of

theoretical perspectives. The part devoted to theory contains four chapters representing approaches that are "widely adopted and influential" (Alvesson et al, 2009: 2) on Critical Theory, Poststructuralism, Critical Realism and Labour Process Theory, thus representing a range of inheritance from the Frankfurt School, Foucault and Marx. The chapters on "key topics and issues" reveal the ways that authors draw on these traditions, either directly or through intermediaries. The key concepts are often drawn from sociology and unsurprisingly include power, discourse, subjectivity, gender, domination, oppression and emancipation.

As such, the handbook retraces a pattern seen in earlier volumes such as the ones edited by Grey & Willmott (2005) and Alvesson & Willmott (2003). Weber's concepts of the iron cage and leadership (Barker, 2005; Hopfl, 2005) make entries in those volumes, as does Lefebvre's notion of representational spaces (Burrell & Dale, 2003), but for the most part, familiar theories and theorists are mobilized, with a predominance of deconstructive perspectives informed by postmodernism and poststructuralism and neo-Marxist works following Critical Theory. The same is also the case in two recent edited volumes of 'classics' of CMS scholarship (Alvesson, 2011; Alvesson & Willmott, 2012) that have sought to draw together the work that has been most instrumental in defining and informing CMS. Both reinforce the emerging image of institutionalized CMS as radiating from an acknowledged set of 'guru theorists' (Alvesson, 2008), accompanied by consecrated work on CMS by the authors themselves and other notable figures.

We find a slightly different pattern in Kelemen & Rumens' book (2008), where they seek to provide an introduction not only to a set of perspectives that are currently associated with CMS, but also to some that have unrealized

potential. This book's first chapter rehearses the genealogy of critical management scholarship as drawing initially on the Frankfurt School and later incorporating insights from postmodernism/poststructuralism. Then, in the section on "Theoretical perspectives on management", they present perspectives that are already familiar to CMS (postmodernism and deconstruction), one that is in some use (poststructuralist feminism) and some that have yet to gain substantial traction (queer theory and American pragmatism). The authors argue, as does Ashcraft (forthcoming) of feminist perspectives in general, that Poststructuralist feminism following Foucault represents a natural extension of critical management scholarship through its focus on oppression as rooted in gender and gendered assumptions. The same is the case with queer theory, as also suggested by Parker (2001). This perspective, which covers a considerable diversity, is presented as drawing on many of the other theoretical lenses presented in the book in seeking to question taken-for-granted aspects of organizational life. Similarly to queer theory, American Pragmatism as associated with Dewey is described as a largely untapped resource, but one that is deemed to have great potential in light of its 'in the making' view of reality, social model of knowledge, pluralist methodology, embodied rationality and, importantly, its emancipatory ethics.

Taken together, these published works give an impression that while CMS may well be a big tent, only a relatively small palette of work is actually deemed 'fit to print' in its name (Ashcraft, forthcoming) and, indeed, worthy of consecration. But what characterizes the canon of institutionalized CMS? And how do they shape, possibly even determine, critical practices, particularly as regards a critically performative orientation?

The tension: Critical Performativity and canonical critique

If we examine the theories that are consecrated 'as CMS', three characteristics are apparent. Firstly, the theories draw on non-business school *sources*. Rather, they are, like many early CMS scholars themselves (Fournier & Grey, 2000; Rowlinson & Hassard, 2011), drawn from university disciplines like sociology and philosophy, in some cases communication studies, where critical analysis has a stronger and longer tradition than in the business school (Ashcraft, forthcoming). This appropriation pattern, perhaps, contributes to showcasing the uneasy relationship that many CMS scholars seem to have with the business school that houses them and the state of its knowledge (Reedy, 2008). Secondly, theories of CMS are based on a *radical* and *overt* critique of social conditions, oppression and power that, at least originally, served the purpose of analysis at the societal level. As a consequence, theories seem to get dismissed if they are not sufficiently radical in their interpretations (e.g. Alvesson, 2008) or critical in the wrong way (e.g. Whittle & Spicer, 2008), while radicalism and 'dangerous' critique gets valorized and perhaps even romanticized (Bridgman & Stephens, 2008; Parker, 2002). Finally, the theories in use by CMS are ascribed, albeit primarily by CMS scholars, a higher level of *sophistication* than 'mainstream' theories. While mainstream theory sometimes does not even get viewed as actual theory, CMS' theories lend themselves to work that often turns out less accessible and more steeped in philosophically grounded reflections (Grey & Sinclair, 2006; Thomas & Anthony, 1996). There seems to be, in other words, a particular aesthetic underlying the selection of CMS theory that must be enacted as part of a CMS habitus. This is evident both in the texts that are actually presented as models of current practice and those that are presented as having potential: the perspectives

suggested by Kelemen & Rumens (2008) as relevant, but unused, share these very characteristics rather than challenging them.

Recall the intent of critical performativity: to suggest for CMS a "more 'constructive' direction" (Spicer et al, 2009: 538) of closer and more caring engagement with practitioners. If CMS is to be a political project directed at contributing to a change in how management is practiced, Spicer et al posited that CMS should not become more radical, but more pragmatic and more focused on dialogue with practitioners, even if that means recognizing as legitimate the contexts and constraints they might experience. In this sense, their perspective is exemplary of an incremental approach to critique (Alvesson & Willmott, 1992c; Wickert & Schaefer, 2011). Their position is one of 'loving struggle' with less critical researchers and practitioners; of pursuing "dialogue aimed at both inquiry and advocacy" and "working with managers who are trying to find a better way" (Adler, 2008: 926). As a part of this, they propose increased study of 'heterotopian' and 'close alernatives', i.e. that CMS expand the kind of empirical material it engages with. However, they stop short of questioning whether critical performativity should be pursued within the bounds of CMS' canonical theories, seeming to assume that this should be the case. There are several reasons why this assumption is problematic.

For one, the canonical perspectives of CMS hardly enable a potential-focused engagement with progressive mainstream practices. Such a potential-focused engagement would require theoretical positions capable of valorising such practices, yet the radically critical nature of CMS' canonical theories would typically *insist* on the presence of some form of oppression or domination and the failure to identify such practices would easily be interpreted either as a form of cooptation or naïveté on the part of the researcher. We lack, within the canon,

theoretical repertoires to "show that many alternatives to current systems of managerial domination and exploitation currently exist and do indeed work" (Spicer et al, 2009: 554). What canonical CMS analysis does succeed at doing is denaturalization in the sense that it highlights that there *are* alternatives to the managerial organization (e.g. Parker, 2011a; 2011b) and that organizations studies should encompass a broader range of issues (e.g. Alvesson & Spicer, 2012b; Cunha et al, 2008; Grey & Costas, 2010; Costas & Kärreman, 2011). However, when it comes to articulating the relative value of novel or heterotopian practices, the inherently critical position provides all too few resources. This is not to say that CMS is overdetermined. Rather, it is to say that the oppositional politics inscribed within the canonical perspectives do not support practices that might be *both* performative and progressive. Properly enacting a CMS habitus would, judging by the canonical perspectives, entail not engaging with the very question of the ends of managerial and organisational efficiency.

In this way, canonical theories pay little heed to the conditions faced by practitioners or students, who either are or will be based in an organisation where they need to manoeuvre, a setting where what might seem like normative arguments are unlikely be accepted in isolation from instrumental concerns (Rowlinson & Hassard, 2011; Walsh & Weber, 2002). In such contexts, the problem with references to Marxism and Critical Theory is not that they are 'off-putting' (Reedy, 2008), but that they refuse to accept management and the corporation as legitimate starting points. Of course, they can *and should* be subjected to critical reflection but there is a 'heavy' institutional embeddedness that makes them hard to change in anything but incremental ways, requiring us to find a way to be critical and progressive *within* the context they establish. The problem with the severely critical position is that it leaves even those audiences

who might be responsive to CMS to 'struggle alone' (Adler, 2008). Rather than taking a first step toward acknowledging the conditions faced by most practitioners and accepted (perhaps too uncritically) by most business school academics, which dictate that organisations attempt to generate profit, CMS scholarship instead seem to claim that the critical position is on a higher and more reflexive plane, intent on understanding, rather than 'improving', organizations.

The problem is compounded by the model of research created by the canons of CMS, which aspires to a particular form of sophistication. This sophistication is not only ascribed on the basis of the source of theories, but also in the valorization of rhetorical complexity and, in dire cases, inaccessibility (Grey & Sinclair, 2006). Of course, a certain element of *verfremdung* can be a part of the theoretical message, just as accessibility need not be a virtue in itself. However, assuming that greater sophistication follows from a certain style of argument or a certain mobilization of theoretical sources, easily contributes to the elitist or insular air that closes CMS off from discussion with outsiders (e.g. Adler, 2008; Stookey, 2008; Tatli, 2012). Indeed, what appears as elitism to CMS insiders might simply appear to outsiders as lack of openness to alternative perspectives and not as a particular intellectual superiority that is sometimes claimed invoked (Rowlinson & Hassard, 2011). At the very least, it hardly makes for a respectful space as regards the views of organisational actors, even if it may exoticise the familiar and de-naturalize in important ways.

Now these problems do not imply that critical performativity cannot be pursued at all within the framings of CMS' canonical theories, but they do reveal that the task is hardly as straightforward as implied by Spicer et al, particularly as regards pragmatically making CMS open (and interesting) to outsiders. Obviously, achieving openness *need* not be the primary concern of a research field. But for a

research field aspiring to push practice in a progressive direction, becoming closed and limited to internal debates seems somewhat atrophic – CMS scholarship might be very radical and critical, but this is hardly of great interest if it is only discussed by CMS scholars.

It would seem, then, that actually embracing critical performativity calls for more than the reconsideration of how CMS engages. The theoretical canons, formed by and forming the habitus of CMS researchers, also play an important role. To this end, our reconsideration might beneficially start with the question that Czarniawska (2010) raised in response to Parker's lament on the 'schlerosis of criticism' (2010): 'How critical does the management research need to be'? Or, by extension, might critique not also be practiced with non-critical and non-canonical theory?

Subversive functionalism: An alternative to canonical critique

If the canon of CMS is an obstacle to the pursuit of critical performativity, what kind of alternative theory might one consider to expand it? Part of CMS' critical stance relative to the business school is of course related to mainstream theory and the sometimes explicit, but mostly implicit claim that the university remains a superior source of theoretical perspectives for critical analyses. Using non-business school perspectives might simply be part of maintaining a critical distance, of creating a reflective distance between the theory-infused practices that we study and the theory we use to study it. Moreover, appropriating theory from alternative sources has been instrumental in articulating a distinctly critical

position for CMS and establishing a different type of debate. Yet at the same time, it is also contributes to the insular and disengaged tendencies of CMS.

Might CMS, then, if we recognize the problems of the canonical theoretical repertoire, expand it by looking not beyond, but within the business school, to theories that are not, by conventional standards, critical or sophisticated? Could we, instead of waiting for the mainstream to co-opt and subvert critical analyses for functionalist aims (Boltanski & Chiapello, 2005), employ what appears functionalist for critical aims?

At first glance, this would seem improbable: one of CMS' key critiques is that mainstream business school theory not only lacks intellectual rigour and reflection, but also is heavily managerialist and instrumentalist in its orientation. Taking a less essentialist and more potential-focused perspective, the question is if existing, mainstream perspectives could be leveraged and re-read to promote a more radical reflection about the nature of management and encourage progressive practices, both of which are touted as aspirations of CMS and, particularly, of critically performative CMS. We have seen this thinking in the effort of some scholars to introduce a non-canonical theory like Actor-Network Theory to CMS (e.g. Alcadipani & Hassard, 2010), but is the same true of those theories that CMS construe as 'mainstream'? The answer is probably 'yes', and although working subversively with mainstream perspectives would not be a straightforward task, it might have great potential.

This kind of engagement with mainstream theory would require both re-reading and some element of critical re-application, or subversion. However, such *subversive functionalism* might be possible if understood as a potential-focused appropriation of mainstream theories for critically performative purposes.

Before proceeding, it is worth underscoring that this should not be read as a call to reject the canons of CMS. It is, after all, through what now seems a set of canonical perspectives that CMS has established and solidified itself to a degree that we can actually question it in a systematic way. Were it not for the established canons, there would not be a 'framework' or theoretical means readily available for challenging the implicit normativity inherent in most business school research. Also, the established canons provide a valuable reflexive background for the articulation of critique. Rather than discarding the canon, subversive functionalism is about an expansion of CMS' repertoire beyond the habitual and bringing other theoretical approaches to the foreground for critical analysis. It should be seen as an invitation for CMS to re-think critique and take it out of the box in which institutionalisation has increasingly put it.

A subversively functionalist expansion of the CMS canon would seek to build on the institutionalisation of CMS and go beyond Spicer et al in thinking about the political agendas that are foundational to CMS by applying critically performative tactics to CMS' own canons. Rather than dismissing mainstream business research on essentialist grounds, a subversively functionalist approach would open CMS up to mainstream perspectives that might facilitate a critique of managerialism and the modern organisation and use these perspectives to engage in a closer dialogue with practitioners, students and other researchers. Such an expansion would articulate critique by combining political awareness, explicit normativity and a rhetoric that engages, rather than discounts. It might set aside radicalism for more incremental and piecemeal work, or framing radicalism in a different way that stops striving for theoretical or intellectual purity (Grice & Humphies, 1997; Grey, 2006; Reedy, 2008) to engage in a more pragmatic fashion and to 'make room' for critical work (Zald, 2002). It might mean working with

agendas of concern to both mainstream research and practice with a performative intention (in the sense of actually being about means-ends optimization). Subversive functionalism should, then, be seen as a supplementary tactic for CMS, an attempt to work pragmatically with existing discourses to voice a critique that pursues the same political ends without being pigeon-holed by its own habitual practices.

In part, this is about an expansion of the legitimate vernacular in CMS. Spicer et al (2009) note that CMS as it is currently practiced is dominated by 'dark metaphors' of organization, which seems to follow quite naturally from the fundamentally suspicious stance that many CMS scholars take. However, as Spicer et al also point out, as helpful as these metaphors might be, they also make CMS research somewhat 'overdetermined' and 'ungainly' (2000: 549) or, depending on your perspective, predictably dismal. As such, they suggest that we engage with more 'mixed metaphors' to open up a more open-ended inquiry. Such an expansion, however, still seems to exclude terms that are thought to be *too* performative or functionalist in nature, such as viability, incentives, competitive advantage and efficiency. Even if it can be explained by CMS researchers not considering those terms interesting or even relevant to the study of organization and management, it also excludes CMS research from a wealth of academic debates on alternative organization and social issues in management. Perhaps more importantly, it is a relatively privileged dismissal to make – a privilege that is rarely shared by the students and practitioners, even some business school academics (Zald, 2002), that might otherwise be receptive to critical work.

How might such subversive functionalist work be attempted, then? How do we move beyond a canonical repertoire and recognized vernaculars, while still remaining critical?

Tactics for subversive functionalism

I propose that we can think about doing subversively functionalist research in at least three ways, all of which have the potential to be both theoretically and practically relevant. These three tactics involve exploring implications, exploring alternatives comparatively and exploring integration.

As it is canonically practiced, CMS scholarship rarely engages very deeply with bodies of theory that are considered mainstream, functionalist or uncritical. Some bodies of work, e.g. actor-network-theory, may not be canonical, but at least get explicitly critiqued and debated (Alcadipani & Hassard, 2010; Durepos & Mills, 2012; Whittle & Spicer, 2008). There is, however, a wealth of other theory the potentials of which are not even discussed, and are only mobilized to serve as the targets of critique. Organizational economics provide a really clear case in point of this – their purposes dismissed as managerial, their assumptions erroneous and their philosophical grounding inadequate. The question is, however, if they might not also provide an entry point for a different form of critical questioning. We might *explore implications* of that type research much more closely.

Consider, for instance, Foss' (2003) explanation of the failure of an 'internal hybrid', a hierarchical organization infused with elements of market coordination. His explanation, based on incentive structures and decision rights, draws attention to managers' tendency to meddle in devolved activities and decision rights. The organizational model he examines must ultimately be abandoned, he posits, because top management failed to give adequate

consideration to how projects would ultimately be managed in an internal market and he suggests increased reflection on the design of incentive structures and invites managers to commit more strongly to non-intervention when working in hybrid organizations. But, from a more fundamentally sceptical perspective, there are of course numerous deeper implications. On the analysis' own premises, it suggests that the incentives for the exercise of managerial authority might in themselves be problematic – that management in the hierarchical context is somehow by design lead to over-intervene and, hence, contributes not to increased efficiency, but the inverse (see also Luthans, 1988), prompting us to ask, with Foss, about the nature of managerial work (Mintzberg, 1973; Hales, 1986) and its social necessity. After all, if management does not contribute to ensuring optimal efficiency, wherein lies the contribution and explanation for the privileges enjoyed by those higher up the organizational ladder (Alvesson & Willmott, 1992b; Grey, 2009)? Or how might coordination be achieved by other means than management and internal markets (Adler, 2001; Adler et al, 2008; Chen & O'Mahony, 2009; O'Mahony & Ferraro, 2007; Rennstam, 2012). Building on and challenging implications in this way might, instead of critiquing the mainstream for lack of reflexivity, allow us to make reflective contributions through more specific excavations and radical questioning. In this way, mainstream theory might be developed to also allow for more radically critical analysis.

Aside from introducing such reflections, there is also a possibility in *exploring integration* which would similarly seek to intervene in the theoretical debates of mainstream fields. The intention of such an approach would not be the subversive reading of mainstream theory, but rather to use conventionally critical perspectives to contribute into that theory. Part of the CMS critique of mainstream theory is its reductionist rendering of social phenomena – the dominantly

managerial perspectives and economic explanations of the mainstream might be said to treat many of the topics studied by CMS as "either irrelevant to the analysis of organizations or as a set of resources and constraints for the pursuit of performativity" (Fournier & Grey, 2000: 27).

The question, however, is whether CMS might actually, by engaging more directly with mainstream theory, seek to demonstrate how critical perspectives actually complement or enlighten them. Alvesson & Spicer's work on a stupidity-based theory of organization (2012b) might be instructive in this regard. Their argument engages with questions of decision-making and the lack of reflexivity and substantive reasoning and proposes that organizations are in many regards *functionally stupid*. This is simultaneously hugely problematic for organizations and society, but also functionally beneficial for the individual organization and manager. What their analysis does, in other words, is to establish a bridge between critical perspectives and a very substantial body of work on suboptimal decision making in organizations that is widely recognized within business academia. It shows how a critical perspective on communicative distortion can actually provide important complementary explanations to organizational phenomena. This kind of reading might allow for the re-introduction of elements of mystery (Alvesson & Kärreman, 2007) or more fundamental problematizations (Sandberg & Alvesson, 2011) in mainstream inquiry, because it opens up a space for extending mainstream theories beyond the readily available concepts. The work of Hjorth and Steyaert on the nature of entrepreneurship is also exemplary for bringing mainstream and critical theoretical orientations into dialogue around the argument that entrepreneurship "belongs to society and not simply to economy" (Hjorth, 2012: 2).

Finally, *exploring alternatives comparatively* refers to the subversive application of functionalist theory. As part of an effort to denaturalize what management and organization is, CMS has done considerable work in exploring alternative organization (e.g. Parker, 2011a, 2011b; Parker et al. 2007). As Reedy & Learmonth (2009) suggest, alternative organizations can provide insights for management research and particularly management education. As this is canonically done, the examination of alternative organizations can serve a revelatory purpose, proving the existence of an alternative and showing its workings. Such work can disconfirm the famous saying that 'there is no alternative' (Fournier & Grey, 2000) to the large manufacturer corporations that have historically been the focus of management research and can in that way push at the boundaries of what can conceivably be studied in a business school context – after all pirates, angels, clowns and mobsters are undoubtedly organized, despite not being the subject of many business school classes (Parker, 2011a)

In the same vein, utopian images of organization can inspire how we think about more mundane organization of human activity. The trouble with utopian studies, however, is that utopias are just that, namely *utopian* and therefore often distant from the presently experienced conditions. In response to this problem, Spicer et al to suggest the study of *closer* alternatives, or heterotopias, as sites where micro-emancipation might occur, thus nurturing "a sense of hope and possibility" (p. 551). In this sense, heterotopias might be thought of as piecemeal developments towards progressive goals or what Schofield referred to as 'cases of *what could be'* (2002): empirical practices that seem to represent a progressive development, but are marginally used.

In contrast to the theoretical canons of CMS, functionalist perspectives have an important contribution to make to the study of such 'close alternatives'

and that is in assessing their viability and advantages over more conventional practices. While we know that there are alternatives to the large, vertically integrated manufacturer-firm in which managers are in charge, CMS research generally refrains from studying when those alternatives might be a better and more efficient choice, or even able to compete with them. Cooperatives, to give one example, might represent an alternative form of organization based on community, rather than hierarchy. But while some fields have done considerable research on the efficiency of such arrangements (e.g. Sexton & Iskow, 1993), we do not see CMS examining whether or how it might be a *viable* alternative for e.g. entrepreneurial firms to pursue this form of organization. Similarly, Wolff's analysis of worker-self-directed enterprises suggests that this type of organization might give distinct competitive advantages (2012). Seeking to make alternative organizations available and practicable for CMS' manager audience might entail doing exactly this kind of research to dispel some of the myths of managerial necessity and effectiveness and demonstrate that alternative organization is not just relevant for dreamers and philanthropists.

Illustrating subversive functionalism: The case of *user innovation*

To illustrate how subversive functionalism might be applied, I will offer a reading and critically inspired re-reading of user innovation research. I will argue that its focus on the innovative and, by implication, value-creating contribution of communities, of non-authoritative coordination, and of outlaw innovators enables a non-canonical approach to critique and might provide a platform for studying progressive practices in affirmative ways. Indeed, user innovation research is exemplary of functionalist research that has drawn numerous critical conclusions

and examined a range of social phenomena that have largely been ignored by CMS scholars. The purpose of this illustration, selective and brief as it is, is to introduce the field and the kind of questions it might allow CMS to explore in the future.

User innovation research has taken its point of departure from the empirical phenomenon that it is often users, and not manufacturer firms, that are driving innovation in certain sectors of the economy. As user innovation research has primarily been conducted in a business school context, it has drawn primarily on explanations grounded in economics, while employing a combination of quantitative and qualitative research methods to explore how users innovate (Von Hippel, 2005), how new markets and industries develop (Baldwin et al, 2006), how users become entrepreneurs (Shah & Tripsas, 2007) and how national policy can be adapted to facilitate user innovation (Henkel & Von Hippel, 2005; Von Hippel, 2005). In doing so, it has revealed how a range of seemingly alternative organizing and organizational practices contribute to innovation.

User innovation, it turns out, often takes place in the context of collaborating communities. This is true of the very instructive example of open source software (Von Krogh & Von Hippel, 2006) and the more general development of products by both firms and individuals (Hienerth, 2006; Nuvolari, 2004). User innovation research has found that rather than competing in a way similar to manufacturers, users tend to voluntarily contribute unpaid work to the production of public goods and freely reveal their innovations to others (Harhoff et al, 2003). As a result, users can develop very large-scale innovations (e.g. software packages, sports equipment, medical treatments or automobiles) and share ideas, thus benefiting from other users' elaboration and feedback. It has also been shown that users willingly undertake not only the 'interesting' work of

developing new solutions, but also engage in mutual aid, teaching one another and doing the often mundane work of testing and de-bugging (Lakhani & Von Hippel, 2003; Jeppesen, 2005). In many ways, user innovation is an exploration of the role and value of communities as a socialized alternative to the dominant vision that production and innovation only take place within formal and managed organisations in the pursuit of profit. Unlike the way CMS engages with communities as an alternative (e.g. Adler, 2001; Adler et al, 2008; Parker et al, 2007), framing collaborative communities in innovation terms is not an overtly political gesture, nor is it anti-corporate or against management in its rhetoric. By CMS standards, it hardly even qualifies as sceptical. But, what it highlights is the value and viability of alternative forms of production that can complement, but also outcompete, that of manufacturers and in doing so contribute to social welfare (Henkel & Von Hippel, 2005; Raasch & Von Hippel, 2012)

What is particularly interesting in that analysis, however, is that user innovation research on open source software has examined non-authoritative co-ordination as an alternative to managerial control and supervision (Lakhani & Wolf, 2003; O'Mahony & Ferraro, 2007; O'Mahony & Lakhani, 2011). The development of open source software is an inherently complex process involving the participation and co-ordination of (potentially) thousands of individual actors around the development, selection and testing of solutions (Baldwin & Von Hippel, 2011; Von Krogh & Von Hippel, 2006). Following a managerial logic, such work would require substantial and systematic intervention by managers aimed at setting direction, co-ordinating tasks and controlling performance, yet in open source we see that decisions can be distributed laterally based on merit or negotiated between participants (Dahlander & O'Mahony, 2011; Fleming & Waguespack, 2007; Lakhani & Von Hippel, 2003). Control, rather than being a

task for specific individuals, is undertaken collectively. Management, as we conventionally understand it, has much less leverage over workers, who are free to leave projects in which they perceive authority as illegitimately exercised. On such democratic foundations, management comes to play a minor role and is replaced by practices that might almost resemble communicative action (Heng & Moor, 2003; Shirky, 2005). This has obvious organizational implications that we have yet to explore in detail, particularly as regards alternative bases for the division of labor.

Beyond providing alternatives to the organization of production and coordination, user innovation research also examines different activities and actors than those associated with the managerial organisation. Two examples of alternative sources of innovation that can be valuable and 'close' to the goals of mainstream organisations are hackers, sometimes conceptualized as 'outlaw users', and user entrepreneurs – and yet these sources of innovation also pose a challenge to that mainstream (e.g. Massa, 2011). Outlaw users, according to Flowers, are users who "actively oppose or ignore the limitations imposed on them by proposed or established technical standards, products, systems or legal frameworks" (2008: 180) and, on account of such activity, they can actually be viewed as "significant agent[s] of technological change" (2008:187). The resistance on the part of outlaw users targets the hegemony of large organisations and corporate control over citizens (Coleman & Hill, 2003; Hill, 2012) and attacks the way they restrict information and regulate standards and behaviour. Importantly, though, outlaw users have considerable innovation potential. In a very real sense, there are theoretical bridges to be established between innovation, organization and social movements around this phenomenon. Albeit to a lesser degree, the same can also be the case with user entrepreneurs (Shah & Tripsas,

2007). Some user entrepreneurs pursue alternative lifestyles and are considered too non-conformist for traditional organizations (Shah, 2000); they represent a different kind of resistance that challenges the conventional notion of the purposes and instrumental goals of organisations (Hartmann & Mejlvang, 2013). Their activity could well be taken to represent a form of resistance or possibly emancipation at the micro-level, in offering us a different vision and realized ideal of work. This gains legitimacy through the research focus on their innovative contributions rather than on their overt political opposition.

Relative to the standards of CMS, user innovation research offers a form of critique that is obviously subdued and falls short of complying with the institutionalized model of CMS research practice. Indeed, innovation researchers rarely use the term critique, nor do they apply the usual perspectives of CMS (see Iivari, 2010, for an exception). What is instructive about user innovation theory is that despite its 'non-critical' and (for CMS) non-canonical form, it provides an affirmative basis for articulating critique and studying progressive alternatives to mainstream organisations and management. While remaining recognisable to an audience in management practice and the business school mainstream, it de-naturalises the necessity of management and appeals to the heterotopian, or even utopian, imagination. While user innovation should not conjure up images of a proximate workers' society, large-scale emancipation or imminently realized social justice, it does provide a vocabulary to think about progressive alternatives without setting itself against the goals of organisations (i.e. it is not directly opposed to performative ends), and thus it takes a small step toward realising the alternative.

Conclusion

While many within CMS seem to agree that CMS has become institutionalized, and have been very keen to debate what to make of it, there seems to have been an unfortunate tendency to not also discuss the role played by critical theories in that institutionalization. While surprising for a field "noted for its thoroughgoing critique of anything that moves" (Mills & Mills, 2012: 117), this is also unfortunate: while a canon of CMS perspectives might in some senses contribute to its academic uniqueness and label attractiveness, provide an established space for critical research, and possibly (but debatably) advance the depth of theoretical debate, it also provides a model of research from which it is hard to deviate. And if we follow Spicer et al's assertion that Critical Performativity is a constructive direction for CMS, there may be good reasons to consider some deviation from that model.

What this paper has proposed is an approach to expanding the canon of critical perspectives in CMS in order to realize more of a politically progressive agenda. To enable CMS to become more critically performative by asking different questions and working with different types of theory, I have proposed the concept of subversive functionalism as three interrelated tactics for how CMS can engage subversively with functionalist theory, re-reading it for critical ends, applying it to the study of alternative organization and integrating critical insights to it.

Compared to the canonical theories of CMS, subversive functionalist work might, firstly, enable us to highlight the critical potential of existing functionalist theory. This would allow us to broaden the scope of critical work beyond our own conversations and make it possible for wider groups to engage

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with critical positions. Second, applying functionalist theory to the study of alternative organizations or alternative practices might make such alternatives seem less antagonistic to current practices and indeed construct them as 'viable alternatives' instead of merely 'close alternatives'. It might also invite a greater research interest in alternative organizations in 'mainstream' academia.

Thirdly, subversive engagement might allow us to incorporate critical insights in functionalist theorizations, highlighting the instrumental effects of the issues addressed by more conventional critical research. Although this is by no means straightforward, unproblematic or immune to cooptation and loss of 'critical edge', it may nonetheless prove 'constructive'. There is an almost moral necessity for CMS to remain critically reflexive also about the consequences of the theoretical exclusions that get consecrated in the field. The same applies to the idea that CMS is indeed a big tent. Ideally, this should not only be an experience for those within CMS, but also for those currently outside it who might be interested in doing critical organizational research and doing it in diverse ways.

The question that we should debate going forward is not only how to move beyond the theoretical canons of CMS critique, but also what is most important to CMS scholarship, and what should hold the CMS project together: to do a particular form of research to understand the world, or to do research to contribute to a particular kind of change in the world?

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Opening Innovation in Regulation inside Government:

The Contribution of Innovative Users

Co-authored with Christoph Hienerth and Christopher Lettl.

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Abstract

Over the past thirty years, a marked increase in *regulation inside government* has been a defining feature of public management reform throughout the Western world, making *regulatory innovation* one of the most important forms of innovation in the public sector. However, the process of regulatory innovation has been criticized for increasing compliance costs throughout public-sector organizations. This form of innovation has generally been dominated by a closed and regulator-centered model of innovative development.

In this paper, the literature on user innovation, which has so far been predominantly based in the private sector, provides a rich body of insights which are conceptually transferred to the public sector. We argue that users can contribute to developing regulations under specific conditions.

First, we develop a concept of users of regulation and a typology of four forms of user involvement by integrating the relevant public management and user innovation literature. Second, we model the costs of regulation as the sum of monitoring and compliance costs, after which we analyze how each form of user involvement can contribute to reducing regulation costs.

We find that user involvement can contribute to both lowering and raising regulation costs, and that costs only decrease when innovations are selected by regulators instead of users. We then discuss the conceptual and practical implications of this argument as well as directions for further empirical research.

Introduction

There is increasing consensus among scholars and practitioners alike that innovation is becoming increasingly open, user-centric and thus democratized (Baldwin and von Hippel, 2011; Chesbrough, 2003; von Hippel, 2005). Empirical evidence of this phenomenon can be found across various industries and forms of organizations (e.g. sports industries: Baldwin et al., 2006; Hienerth, 2006; Shah, 2000; healthcare: Lettl et al., 2008; software: von Hippel and von Krogh, 2006; von Krogh and von Hippel, 2003). However, this stream of research focuses largely on the private sector. So far, little is known about the applicability and the effects of user innovation in the public sector.

To examine this issue, we first look at the history and development of innovation processes in the public sector and then investigate whether and how central concepts and insights from the field of user innovation can be applied to that setting. For this purpose, we use the example of regulation inside government as a prominent field of development which has seen increasing attention lately in the context of control and government spending.

In the late 1970s and early 1980s, a new program for governmental reforms took shape in the Western world. This program, typically referred to as New Public Management, sought to improve control over government spending by strengthening accountability through improved and pervasive output controls, replacing the allegedly opaque workings of government bureaucracies with transparency as well as explicit standards and performance measurement (Hood, 1991; Osborne, 2006; Pollitt and Bouckaert, 2011). This shift led to a dramatic

increase in *regulation inside government* through the 1980s and 1990s, which is understood as "standard setting and monitoring by bodies constituted at arm's-length from those they observe" (Hood et al., 1998). However, this development was also accompanied by the recognition that the surge of administrative innovation associated with regulation inside government is not cost-free; in fact, it is a major new driver of government expenditure at both the national and local levels (Halachmi, 2002; Hood et al., 1999; Mayston, 1993).

As is generally the case in *administrative innovation,* or *management innovation*, innovations in regulation inside government often originate from very specific sources, both in empirical practice and theoretical conceptualizations. Daft (1978) argued that administrative innovations originate with top administrators and are implemented top-down, just as Birkinshaw et al. (2008) conceptualize top management as the primary source of management innovation. Alternatively, academia or consultants external to organizations have been shown to influence the diffusion of innovations as "suppliers" of innovative solutions (e.g. Abrahamson, 1991; Ax and Bjørnenak, 2007). Increasing regulation inside government is also described as a process driven by regulators in the form of central government agencies and regulatory bodies developing new ways of managing and regulating (Hood et al., 1999). However, case studies on the uses of management innovations also show that street-level organizations often have to operate around centrally defined solutions to make them work together with existing practices (e.g. Butterfield et al., 2004; Christiansen et al., 2012). As such, the costs of control through regulation are driven up in two ways. At the local level, organizations must expend resources to comply with regulations and adapt them to local practices, while central government resources are spent on monitoring performance and ensuring that adaptations are avoided.

Given this situation and the spate of research on the deficiencies of regulation inside government, it seems surprising that there has not yet been a systematic discussion of how regulatory innovations might alternatively be developed and how the current sources of such innovations might be part of the explanation for the observed costs of controlling public organizations. This is particularly surprising given the rich body of research on the increasing relevance and magnitude of users as a source of innovation. Following the work of von Hippel and several others, researchers have now recognized that the notion of producer firms as the predominant drivers of innovation is flawed and that users are increasingly able to innovate for themselves and others (Baldwin and von Hippel, 2011; von Hippel, 2005). Given the fact that users also exist in the public sector, there may be good reason to challenge prevalent notions of the dominant sources of innovation and change in regulation. *Users of regulation* (e.g. street-level organizations like schools, hospitals or social service organizations) can be seen as a source of innovation with unique knowledge of daily practices and local needs that allows them to develop alternative standardization and monitoring practices to those developed by regulators.

Following from the above, we address two main research questions in this paper. The first one is how user innovation can be leveraged in the public sector, particularly as regards regulation inside government. The second addresses the main challenge governments face when developing and applying regulatory innovations: costs. Thus, we investigate the effects of different types of user involvement on the relevant costs. We model the costs of control, or *regulation costs*, as the sum of compliance costs and monitoring costs. Our analysis reveals that user involvement in regulation can contribute to *both* increasing and

decreasing the costs of control in public organizations, depending on the specific organization of user involvement.

This paper is organized as follows. In the next section (Section 2), we provide the background by describing public management reform and regulatory innovation. We then review the literature on user innovation through the lens of roles assumed by users and focal actors throughout the innovation process (Section 3). The following section provides a typology of user involvement for the purpose of regulatory innovation (Section 4). We then proceed to model regulation costs (Section 5) and analyze the cost effects associated with different forms of user involvement (Section 6). We then discuss the particular challenges associated with each form of openness as well as the applicability of a user-innovation perspective to the development of regulation inside government. Here, we highlight the particular ways in which the public sector context can both inhibit and enable users' innovative activities in relation to administrative innovation. Finally, we also discuss directions for further research (Section 7) as well as the conclusions and implications we draw from our research (Section 8).

Background: Public management reform and regulatory innovation

In a seminal series of works, Hood et al. (1998, 1999, 2000) defined and examined the phenomenon of *regulation inside government*. Regulation inside government refers to a form of secondary regulation where public organizations are subjected to "standard setting and monitoring by bodies constituted at arm's-length from those they observe" (Hood et al., 1998). In other words, it is the process by which government controls itself through the use of rules, performance evaluation and oversight organizations. As a result, it is different from three seemingly related

phenomena: the direct control exercised within a chain of command; the direct regulation of public organizations as performed by legislative bodies and courts; and the government regulation of businesses. Most precisely defined, regulation inside government is a form of control requiring three simultaneously occurring elements, namely (1) one public bureaucracy (a "regulator") aiming to shape the activities of another (a "regulatee"), (2) organizational separation between the regulating bureaucracy and the regulatee, and (3) some official mandate for the regulator organization to scrutinize the behavior of the regulatee and some authoritative basis for changing that behavior.

Thus defined, regulation inside government played a key role in the reform program generally referred to as New Public Management (NPM). NPM emerged as a program for reform in the UK and US in the mid-1970s with the aim of increasing accountability and efficiency in government, and it then spread throughout most of the OECD, albeit in varied forms. To this end of replacing "old public bureaucracy", NPM employed a range of tools based on the assumption that exposing public service delivery to increased accountability for performance while giving managers more freedom to manage would lead to better and more efficient public services (Hood,1991). Regulation inside government was a central tool in this reform agenda: In their studies in the UK, Hood et al. demonstrated how regulation inside government grew from the mid-1970s to the mid-1990s. This concerned both the extent and formality of regulation inside government, but it also entailed almost a doubling of staff sizes in regulatory bodies and an even greater spending increase during a period of strong head-count reductions in the public sector as a whole (Hood et al., 2000, p. 286). Power (1997) famously called this rise of regulation an "audit explosion".

In this paper, we are interested in what we term *regulatory innovation*, or the specific managerial and administrative innovations supporting the process of regulation inside government. As James (2000) writes, regulation inside government "places particular emphasis on the role of standards or 'rule-like' structures" (p. 328) as well as imposed methods of performance management (Downe and Martin, 2007) that are used to manage organizations indirectly. It includes both standardized working and reporting processes. Such innovations targeting organizational and management processes have been a dominant form of innovation under NPM (Hartley, 2005), with examples including research assessment exercises at universities, annual plans to track student progress in schools, standardized case handling in social work, uniform quality reporting in kindergartens, and many others.

Our interest in this particular innovative aspect of regulation follows a recent trend in research that examines *management innovation*, or *managerial innovation,* as a unique form of innovation (Birkinshaw and Mol, 2006; Birkinshaw et al., 2008; Damanpour and Aravind, 2011; Foss et al., 2012; Hamel, 2006; Mol and Birkinshaw, 2009), also subsuming earlier work on administrative innovation. In contrast to prior research, which generally focuses on the diffusion or adoption of such innovations (e.g. Daft, 1978; Damanpour, 1987; Jaskyte, 2011), recent work has highlighted the need to examine in greater detail both their actual generation (Birkinshaw et al., 2008) and the generating sources (Mol and Birkinshaw, 2009). This specific interest in the innovations supporting regulation stems from one especially striking feature of research on the topic, namely the apparent connection between the sources of innovation in regulation and the criticism leveled at NPM in general and at innovation in regulation in particular, as will be described below.

Birkinshaw et al. (2008) describe management innovation as originating from either within the organization or outside it. If the source is internal, it is most likely top management and, if external, either universities, consultancies or other organizations. The external sources are extensively described from a diffusion perspective rather than one based on innovation development. The idea that top management should be the main source of management innovation essentially follows the proposition of Daft's dual-core model (1978), in which innovations relating to the management of organizations (i.e. not products, processes or services) are developed at the top of organizations and diffused downward.

A very similar pattern is described with regard to regulatory innovation. Hood et al. (1999), Downe and Martin (2007) and Boyne et al. (2005) describe how regulatory mechanisms are developed by regulators and mandated to regulatee organizations, as does the wider research on standardized performance management concepts associated with NPM (e.g. Butterfield et al., 2004; Cavaluzzo and Ittner, 2004; Lapsley and Wright, 2003). In part, this can be explained by the purpose of regulation, namely that a regulator seeks to influence the activities of the regulatee and hence develops innovations to support that work, i.e. for the purpose of control-related activities. Although regulators are not in a position to exercise direct managerial influence over the regulatee, they do have a mandate to seek to change behavior through oversight and through the use of standardized regulatory procedures. Thus, regulators are generally free to develop regulatory innovations according to their own needs and to exclude others from that development process. The process of regulatory innovation can then be conducted as a form of *closed innovation* (Baldwin and von Hippel, 2011; Hartmann and Hienerth, 2012) in which regulators are the dominant and seemingly natural source of innovation – to the exclusion of alternative sources.

The public management literature, however, also describes numerous unintended side-effects of regulatory innovations and has done so for a long time (e.g. Hood and Peters, 2004; Smith, 1993). While a substantial part of these are social in nature and relate broadly to public servants' perceived meanings and experiences (e.g. Adcroft and Willis, 2005; Andersson and Tengblad, 2009; Chandler et al., 2002; Hoogenboezem and Hoogenboezem, 2005; van Bockel and Noordegraaf, 2006), the direct and indirect costs associated with regulation have been addressed by a highly critical stream of research. Representative of this, Hood et al. (1998; 1999) and James (2002) found sizeable increases in the direct costs of operating regulatory bodies and argued that the indirect and often unmeasured costs may be similarly high, as also argued by e.g. Boyne (2000) Halachmi (2002), and Mayston (1993).

Across the literature, however, regulatory innovation is commonly criticized for its unsuitability, or lack of *fit* to the practices of the regulatee organizations (e.g. Andersson and Tengblad, 2009; Christiansen et al., 2012; Kickert, 1997). This begs the question whether the dominant sources of innovation might contribute to this lack of fitness and thus influence the costs of using them. After all, research in the field of new product development has shown that there is good reason to consider the innovative contributions of *users*, for example.

Reviewing the roles of users and focal actors along the innovation process

One of the main objectives of this paper is to provide insights into how user innovation can be organized in the public-sector context of regulation inside government. For this purpose, we review the user innovation literature through a

specific lens in this section: the different roles of users and the roles of focal actors (e.g. producer firms or governmental bodies) benefiting from user innovation. This will provide the basis for developing a typology of different forms of user involvement in regulatory innovation (see next section). The review will be structured along important steps in the development of this stream of literature: First, we examine the general conditions for user innovation to take place; second, how user-generated ideas are selected and further developed among users; and third, how co-creation processes between users and focal actors can take place.

There is a long tradition of research describing the phenomenon of user innovation (e.g. von Hippel 1988, 2005). User innovations have been found in various industries and settings (e.g. Herstatt and von Hippel, 1992; Lüthje et al., 2005; Riggs and von Hippel, 1994; Urban and von Hippel, 1988). Users innovate for several key reasons that have been investigated in many empirical studies: The main reason why users innovate at all is that manufacturer products often do not meet the users' needs. Users then start innovating under the condition that their costs or investments in innovative activities are offset by the rewards gained from the innovations (i.e. covering their specific needs; von Hippel 1998, 2005). Achieving a similar fit to user needs is difficult for producers, as need-related knowledge is "sticky" and difficult to transfer (Polyani, 1966; von Hippel, 1994). Furthermore, producers can probably not produce all variations for individual users economically. This also holds for the huge amount of small-scale experimentation and "learning by doing" that users constantly undertake in order to satisfy their specific needs. They acquire use-related knowledge, which is also difficult and costly to transfer, similar to need-related insights (Thomke and von Hippel 2002; von Hippel 2005). Users thereby generate knowledge and experience

in many domains in which producers do not engage. Users thus explore the design space of given needs and opportunities (Baldwin et al., 2006; Lüthje et al., 2005).

The above-mentioned insights into user activities and motives to innovate imply that many users actively try to satisfy their needs by developing novel ideas. Based on these insights, researchers have investigated how user ideas are developed further. One stream of literature has addressed how and why specific ideas are selected and developed among individual users and communities of users. For instance, some empirical studies have investigated how individual users' ideas are taken up by user communities, and how they are shared, further developed and in some cases commercialized. This has, for example, been documented in sports industries and medical industries (e.g. Franke and Shah, 2003; Hienerth, 2006; Hienerth and Lettl, 2011; Lettl et al., 2008; Shah, 2000). It has also been extensively reported in the area of software development (e.g. Lakhani and von Hippel, 2003; Lakhani and Wolf, 2005; Lerner and Tirole, 2002; Raymond, 1999). One important observation from this stream of research is that users evaluate, select and further develop specific ideas, either individually or in a collective effort. These activities range from basic selection and development steps to commercialization, including startup activities documented under the label of user entrepreneurship (e.g. Shah and Tripsas, 2007).

Lately, the literature has focused on mechanisms and instruments for producer firms to leverage users as external sources of innovation. Areas of research in this stream include the lead user method (Herstatt and von Hippel, 1992; Lüthje and Herstatt, 2004; Olson and Bakke, 2001; Urban and von Hippel, 1988; von Hippel et al., 1999), observation and cooperation with online user communities (Antorini et al., 2012; Harhoff and Mayrhofer, 2010; Jeppesen and Frederiksen, 2006), user innovation idea contests (Jawecki et al., 2011), toolkits for user-generated content

and mass customization (Franke and Piller, 2004; Jeppesen and Molin, 2003; Thomke and von Hippel, 2002; von Hippel and Katz, 2002), and user-centered business ecosystems (Hienerth et al., 2014). This stream of research investigates how focal actors (e.g. producer firms) select and develop user innovations. This can be done indirectly by observing user-innovators and extracting ideas for new product development within the company. Alternatively, this can be achieved by actively selecting and further co-developing innovations in cooperation with users.

Table 1 (next page) summarizes the role of users and focal actors in different development stages of user innovation. It also shows which actor evaluates and selects ideas for further development.

The most basic or general form of user activity is listed in cell 1 of the table. Usually termed *user innovation* in the literature, this is a stage of development when independent users first generate innovative ideas for their needs without developing them into commercial products or services. Current studies (von Hippel et al., 2011, 2012) show that these kinds of activities are widespread in different countries and tend to be systematically underestimated by national statistical bureaus. Furthermore, users often do not seem to be aware of such activities. While this cell represents a huge pool of available user ideas, they often remain underdeveloped for different reasons: Sometimes individual users do not self-select to further engage in their ideas, or focal producer firms fail to note the existence of potentially valuable ideas.

Table 1

Role of users and focal actors in different development stages of user innovation.

	Focal actor (producer) involvement	
	No	Yes
Stage of Development:		
Idea generation	(1) - General/independent user innovation activities	(2) - Observation of individual users and online user communities by focal producer firm Evaluation and selection by focal actor
Development of solution/innovation	(3) - Individual lead users developing solutions - Interaction within and support from user communities - User entrepreneurs Evaluation and selection by users	(4) - Lead user method - Toolkit/mass customization - Idea contests - Crowdsourcing - User-centered business ecosystem Several evaluation and selection formats, co-development

This is different in the case of cell 2, in which focal producer firms actively search for user ideas by observing individual users or online user communities. For

example, producer firms might systematically screen self-organized online user forums for novel ideas, trends and evaluations of novel products, technologies and services (Kozinets, 2002). The evaluation and selection of user ideas is done by the focal producer firm without the user knowing or being informed about the further course of development. This setting is efficient for the focal producer firm, as it only selects those ideas which fit the company's product or service portfolio. However, it also involves the risk of overlooking user ideas with high potential.

In cell 3 of the table, ideas are actively developed further by individual users or with the help of peers from user communities. Thus, users need to select promising ideas and also develop their own roles, from idea generators to solution or product developers. This might happen in the case of lead users whose needs are so urgent that they develop solutions themselves (von Hippel, 1986). It might also be the case for user entrepreneurs who discover that their ideas have commercial potential (e.g. Shah and Tripsas, 2007). Another scenario of idea development is that user communities select ideas from individuals and develop them jointly. This has, for instance, been documented in open source software communities (e.g. Raymond, 1999; von Hippel and von Krogh, 2003) and extreme sports communities (e.g. Hienerth, 2006). The evaluation and selection of ideas in the case of cell 3 is handled solely by users. An important implication of such settings is that users are generally not concerned about the magnitude of commercialization or aspects of mass markets. Thus, the ideas developed in such settings might fit very specific needs of certain user groups, while their applicability for larger populations might be limited.

Cell 4 of the table represents situations in which ideas are jointly selected and developed by users and focal producer firms. This is done with the help of various instruments and using different formats of evaluation. For instance, producer firms

can apply lead user methods, developing and evaluating radically new ideas together with individual users. Producer firms can then decide on the roles of users to further develop and commercialize the initial concepts generated at workshops. Or, in the case of toolkits, the focal producer firm can decide on the degree of innovativeness and openness of the solution space in order to attract various types of user-innovators and varying characteristics of artifacts. While cell 4 offers the most complex forms of user and focal producer interaction and development, it might overcome some of the barriers or challenges in cells 2 and 3: By co-selecting ideas, focal producer firms can attract a wide range of alternatives and reduce the risk of overlooking promising ones. By co-developing innovations, focal producer firms can benefit from the specific knowledge and expertise of users while contributing their own strengths in commercialization (e.g. distribution networks, brands, resources, etc.). As for the challenges, this scenario means that focal producer firms have to use rather novel and unknown instruments and processes. Moreover, they need to be flexible enough to combine external sources of ideas with their internal new product development processes. They also need to manage the outcomes of user innovation, which can lead to critical situations when user preferences differ from the producer's perspectives (Hienerth et al., 2011).

This review has revealed some basic patterns which are deemed important for understanding how user involvement can be leveraged for regulatory innovation. It appears that one important dimension along the different stages of user innovation is that of *who selects the user-innovator*. Two patterns become apparent from the review: Either the user self-selects himself/herself as an innovator or a focal actor selects a particular user-innovator.

Another dimension is *who evaluates and selects user-generated solutions*. Here, the review shows that this filtering task can be performed by users themselves, by a focal actor, or in a more collaborative manner.

In the next section, we link these general insights to the field of regulatory innovation.

User involvement in regulatory innovation

In describing users in the regulatory context, we refer to what Hood et al. (1999) call "regulatees," i.e. those groups whose activities are regulated by a given regulatory innovation and who therefore use that innovation in order to comply with external demands. Regulators, whom we consider separately from users, are those who employ regulatory innovations to monitor and control the activities of regulatees. In this sense, users include employees or managers in schools, hospitals, police departments, nursing homes and similar "street-level bureaucracies" (Lipsky, 1969) where public servants interact directly with citizens. As such, our definition, which is based on the roles in a regulatory relationship, differs from the utility-based definition generally employed in user innovation literature (e.g. von Hippel 1988, 2005): Unlike products and services offered in a market, regulatory innovations are not freely chosen by users on the basis of their expected benefits. Rather, their use is – in most cases – mandated with the intent of producing compliance with common standards. Despite this contextual difference, our definition does match the intention of the definition commonly applied in that users are the ones who apply a given innovation as part of their daily activities.

As mentioned in the section on public management reform and regulatory innovation above, the process of regulatory innovation is generally dominated by regulators in the sense that they are the primary source of regulatory innovation, as would be expected by Daft (1987) and Birkinshaw et al. (2008), and that the process of regulatory innovation tends to underutilize users as a source of innovation, similar to innovation processes in firms (Baldwin and von Hippel, 2011; Chesbrough, 2003).

However, our review of the user innovation literature has shown that there is a broad variety of ways in which user innovation can be leveraged and that there are two important dimensions by which different forms of user involvement can be distinguished. Linking this insight from the user innovation literature to recent examples from the public sector literature yields the typology shown in table 2.

Table 2

Forms of user involvement in regulatory innovation.

	Users evaluate and select solutions	Regulators evaluate and select solutions
Regulators select users as innovators	Encouraged	Collaborative
Users self-select as innovators	Autonomous	Invitational

Autonomous user involvement

From the literature on the use of accounting and reporting practices in the public sector and beyond, we know that user innovation often occurs in the form of circumventing standardized procedures or developing locally relevant practices that are used in parallel with formal and mandated processes. Christiansen et al. (2012), for instance, show how middle managers in a military organization develop their own systems for keeping track of resource use and attempt to find non-codified ways of working with established systems. Thus, they develop their own solutions and techniques, modify previously available ones and find new functions in existing ones. All of these activities can be seen as forms of user innovation (Faulkner and Runde, 2009; Hienerth et al., 2012; von Hippel, 2005). Similarly, Hartmann (2011) finds that administrative staff in a hospital develop their own systems alongside formal rules for monitoring double-billing by suppliers.

In both cases, users face an administrative need that cannot be fulfilled within current regulatory processes and, on their own initiative, develop a solution to meet this need. As such, they self-select into innovation. Furthermore, their solutions are used only at the very local level and unbeknownst to both senior managers and regulators, who have no influence on the innovations and no say in their use. In other words, the users alone decide when and how their innovation should be used. This combination of users self-selecting into innovation and evaluating for themselves whether an innovation should be used is what we refer to as *autonomous user involvement*.

Encouraged user involvement

Addressing a novel form of government control developed by the Blair government in the UK, Hood et al. (2000) describe "enforced self-regulation" as an attempt to stunt the growth of regulation inside government. Enforced self-regulation refers to a situation in which a government, in an effort to "let managers manage," limits the strict enforcement of standardized regulation to poorly performing organizations and gives high-performing organizations the opportunity to develop their own regulatory processes or modify existing ones.

As such, the task of the regulator shifts to overseeing the regulatees' self-control instead of scrutinizing them directly, the aim of this shift being to "combine the iron fist of Draconian central intervention with the velvet glove of self-regulation" (Hood et al., 2000, p. 284). Similar practices can be found in several sectors and countries, such as secondary education in Germany and public schooling in the US, and involve exempting the regulatee organization from certain rules or allowing it to define its own standards and reporting processes, both of which may be mandatory for other regulatee organizations (see also Etherington, 1996). These processes see regulators selecting the users they regard as relevant innovators. Those users then have the opportunity to develop and use their own solutions, or continue to use existing processes. We refer to this combination of regulators selecting users and users selecting solutions as *encouraged user involvement*.

Collaborative user involvement

In a similar effort to describe an emergent practice, Melander (2008), Hjortdal et al. (2009) and Hartmann (2012) suggest the concept of "laboratories" in which regulators and regulatees jointly develop regulatory innovations. Melander's suggestion is to open up the process of developing and implementing regulation inside government to local negotiation and modification, while Hjortdal et al. (2009) show how such efforts have been applied in the context of e.g. public kindergartens. They describe how several Danish municipalities have attempted to involve kindergarten teachers in designing reporting standards in order to make them more relevant to local management and quality improvement.

Hartmann (2012) analyzes a similar process in a Danish vocational school, where a government ministry worked with the school to develop a different form of performance contracting that was more suited to the needs of schools than current standards. In all these cases, users are selected by regulators as suitable partners in the innovation process and solutions are developed through cooperation. That said, regulators have a far greater stake in the outcome than in the case of encouraged user involvement. Their direct participation makes salient their right to veto solutions that are seen as unsuitable. We refer to this combination of regulators selecting users and their solutions as *collaborative user involvement*.

Invitational user involvement

Finally, user involvement can take a fourth form, which often resembles a kind of crowdsourcing or broadcast search (Afuah and Tucci, 2012; Lakhani and Jeppesen,

2007). Like encouraged involvement, it has a number of international manifestations that are often linked to efforts to de-bureaucratize or "cut red tape." In the UK, the government program "Tell us how" sought to identify improved working processes in public organizations by inviting the contributions of street-level bureaucrats. In that program, users submit ideas that are ranked through the votes of other users and implemented on the basis of a review by regulators. The Danish government conducted a similar process called "The right to challenge," in which local users were invited to challenge certain regulatory processes, either seeking exemption from the prevailing regulation or developing alternative ways to meet regulatory demands.

Based on an assessment of the legality and viability of the proposed solutions, regulators in relevant government ministries would then approve or reject them. For approved solutions, the submitting organization was given a trial period (typically two years) in which to experiment with their solution. This form of user involvement is characterized by users self-selecting into developing and submitting ideas with considerable uncertainty about whether their solutions will be accepted or not, as the solutions are selected by regulators. This form of user involvement is what we refer to as *invitational*.

A model of regulation costs

In the literature on management innovation, it is generally assumed that increased management innovation will contribute to a firm's competitive advantage by improving operations and efficiency (e.g. Birkinshaw et al., 2008; Foss et al., 2012; Hamel, 2006). A similar assumption underlies much of NPM's focus on

regulation as a means of incentivizing better performance in public organizations that would otherwise be overly bureaucratic and prone to stability instead of improvement (Hood, 1991; Osborne and Gaebler, 1992). As Mayston (1993) argues, however, this overlooks a central aspect of agency theory that increased control is associated with additional costs, such as a loss of organizational efficiency. He argues that there may be "some optimal degree" (p. 68) of control beyond which losses are larger than benefits. Halachmi (2005) expounds on this observation in arguing that any productivity improvement brought about by increased control must be weighed against the increased demand for administrative resources it requires, and Hood et al. (1999) highlight the extent of direct and indirect costs associated with the growth of regulation inside government.

For the purposes of this paper's analysis, we use the term *regulation costs* to describe the direct and indirect costs associated with employing a specific regulatory innovation. As such, we do not factor in costs associated with the development or implementation of a particular regulatory innovation, but examine only the post-adoptive costs of working with it for regulators and users. In this context, regulators incur *monitoring costs* from employing a regulatory innovation, while users incur *compliance costs*. In the analysis, we consider regulation costs to be the sum of monitoring costs and compliance costs. We further posit that all three types of costs will be related to the degree to which a particular regulatory innovation fits the needs of regulators or users, which we refer to as *fit to needs*, as will be discussed below. Following the argument put forth by Behn (2003), we take into account that regulators and users have different needs and that a particular regulatory innovation cannot be fully suitable for both types of need. As such, there will be a trade-off between the needs of regulators and users, so that this can

be modeled as a continuum spanning from purely fitting the needs of regulators to purely fitting the needs of users.

We use the term "monitoring costs" to refer to those costs that are directly incurred by regulators by using a regulatory innovation for the purpose of scrutinizing the activities of users. This includes activities that are primary to regulators, such as examining reported data, assessing adherence to rules, compiling and analyzing data to compare the performance of users, controlling the validity of reported data, making data available for political decision makers, etc. Given the nature of regulation, these activities constitute the needs that regulators require a regulatory innovation to fulfill effectively. A regulatory innovation that is designed to fit these needs will lead to low monitoring costs for the regulator, as the innovation will take a form that might lend itself to easy comparisons between units of users or easy compilation of data for central decision-making purposes, for example. In contrast, a regulatory innovation that is designed primarily for the needs of users might lead to very high monitoring costs. User needs might include local improvement or learning, which would include a different form of regulatory innovation. If such needs were prioritized, they might lead to less standardizable forms of reporting, a different form of performance data, and a greater diversity of rules to incorporate local practices, which might render the work of regulators less effective. This relationship is illustrated in Figure 1.

Figure 1

Monitoring costs of regulatory innovations.
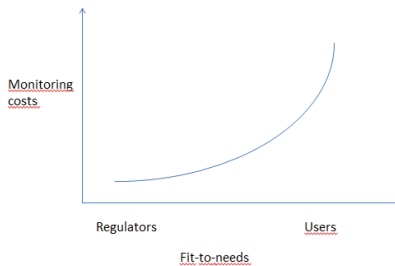
As Figure 1 shows, we posit that the relationship between *fit to needs* and *monitoring costs* is not linear, but follows a mirrored L-shape, with the increase in costs marginally increasing as a regulatory innovation fits the needs of users more purely and marginally decreasing as the innovation fits the needs of regulators more purely. To illustrate this effect, we can assume a regulatory innovation that is designed primarily to fit the needs of a regulator. If that innovation was to made considerably more fit to the regulator's needs, it would only lead to a small reduction in monitoring costs – if a solution is already fit for a particular need and becomes more so, the effective improvement it provides would be limited. Conversely, were that same solution to be made equally more fit to the needs of users (see Figure 2), it might considerably disrupt the ability of regulators to scrutinize activities effectively and lead to a similar rise in monitoring costs. In the situation where a regulatory innovation purely fits the needs of users, a complete

lack of suitability to the regulator's needs would be so disruptive as to bring about steeply increasing monitoring costs.

In this analysis, compliance costs refer to those costs that are indirectly incurred by users through their use of a regulatory innovation, which involves following set rules and reporting in order to make themselves scrutinizable for regulators. At the same time, however, there may also be costs associated with using a regulatory innovation for local purposes, such as monitoring the organization's own activities, improving local processes etc (Behn, 2003). These costs are indirect in the sense that they influence the effectiveness of user activities *in general* and cannot be separated from the regulated practice, which is adapted in order to ensure compliance. They are likely to be high when a regulatory innovation fails to fit the needs of users, prioritizing the needs of regulators, and they are likely to be low when their fit to user needs is high, with the relationship following an L-shaped path mirroring that of monitoring costs (see Figure 2).

For illustration purposes, assume that a particular regulatory innovation is designed purely with the needs of regulators in mind. Such an innovation is likely to be highly obstructive and demanding for users to comply with, given that it takes little or no account of the context in which it is be employed, and will thus bring about high compliance costs. Indeed, this is richly described in the public management literature, as discussed in Section 2.

Figure 2

Compliance costs of regulatory innovations.
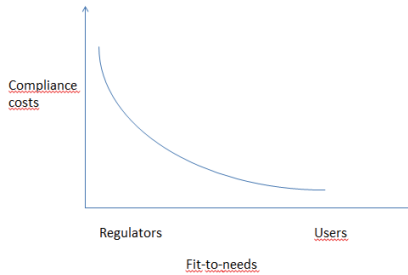
Given that regulation costs comprise the sum of compliance and monitoring costs, regulation costs would follow a U-shaped curve which reaches a minimum between purely fitting the needs of regulators and purely fitting those of users (see Figure 3).

This implies that regulation costs would rise sharply as the poles of fit to needs are approached, driven up by monitoring costs or compliance costs. There would, in other words, be a zone of low regulation costs which balances the needs of users and of regulators, and two zones of high regulation costs toward the extremes (Figure 4).

Figure 3

Regulation costs of regulatory innovations.
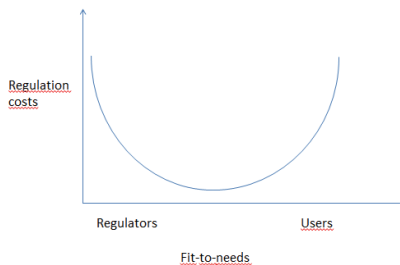
Figure 4

"High-cost zones" of regulatory innovations.
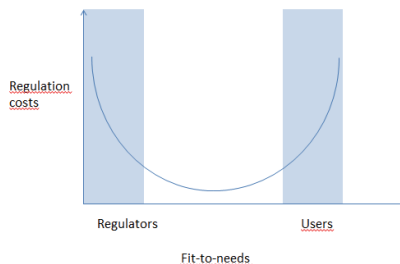
The effects of user involvement in regulatory innovation – Four scenarios

In this section, we discuss how each form of user involvement can influence the regulation costs of a particular regulatory innovation. At the outset, we analyze each form relative to the *closed* development process, in which only regulators take part. Such development processes will most likely result in regulatory innovations that fit the needs of regulators themselves, as these are the needs that are most salient in the development process (with all other things held equal). In addition, the knowledge resources available in a development process are related to the practice of employing regulatory innovations for this purpose. As such, they may well lead to low monitoring costs for regulators, but this would be offset by high compliance costs at the user level due to the lack of fit to the users' own needs for local improvement and learning as well as the lack of fit to the working practices into which the regulatory innovation is incorporated. The result of such closed development would then be high regulation costs, and the solution would fall in the left-hand "high-cost" zone, where compliance costs are the main cost driver (Figure 5).

Figure 5

Effect of closed innovation processes on regulation costs.

Fit-to-needs
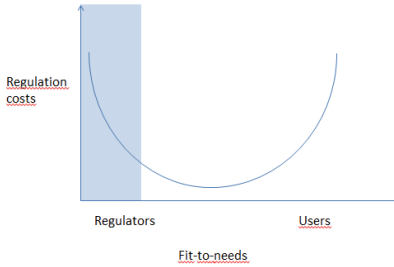
Autonomous user involvement

When users develop regulatory innovations autonomously, they will generally do so in order to fulfill their own, highly local needs and not take account of the regulators' needs. This is analogous to product users innovating with the intention of benefiting from the use rather than the commercialization of products, and it is likely to happen without the knowledge of regulators. At the same time, regulators could choose to pursue a strategy of attempting to identify users' regulatory innovations and then apply them more widely, just as producers can "harvest" the solutions developed by users for commercial purposes. However, this might not be desirable. When users develop their own solutions to accommodate their own needs, their primary intention is probably to execute their own activities better or more effectively by reducing their own compliance costs.

Given that users will self-select into such work, they would be doing so for private benefit and therefore be particularly motivated to do so by a large, local reduction in compliance costs. Their solutions would then most likely be unfit for the needs of regulators if the latter were to employ the same solutions for the purposes of scrutiny. For one, solutions would most likely be highly diverse and idiosyncratic,

being developed to fit the routines and practices of a particular organizational context. Second, users would most likely require different forms of information and create standards using different mechanisms than would regulators. In summary, autonomous regulatory innovation by users would lead to low compliance costs at the local level, but high monitoring costs for regulators, pushing toward the "high-cost" zone at the far right (Figure 6). In this way, it would be unlikely to contribute to lowering regulation costs considerably.

Figure 6

Effect of autonomous user innovation on regulation costs.
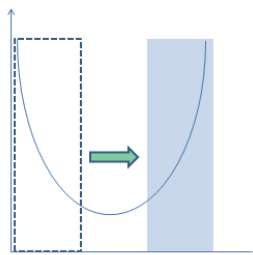
Encouraged user involvement

In this case, users will generally be selected on the basis of their overall performance and not necessarily their innovation-related resources or abilities. As such, regulator-selected users are encouraged to develop regulatory innovations; the users are given the opportunity, but not the obligation, to innovate, meaning

that some can develop entirely new processes, others can modify solutions slightly, and still others can choose not to innovate. One would then expect great diversity in the solutions developed and employed by users, with solutions appearing across the spectrum of fit.

Some users would see dramatically lower compliance costs from using solutions that closely fit their practices, while others would see no or only slight reductions in their costs by using regulator-developed solutions or minor modifications of them. For regulators, however, the heightened diversity means that the task of scrutinizing performance would become non-standardized and subject to great variation – and thus also to high monitoring costs (Figure 7). Recall that the condition for users to be encouraged to develop their own solutions is generally high performance, which implies that the scrutiny of users by regulators does not stop when users are encouraged to innovate. On the contrary, the scrutiny persists, but in a form that relies more on users' self-developed solutions. This form of openness is therefore unlikely to reduce regulation costs substantially.

Figure 7

Effect of encouraged user innovation on regulation costs.
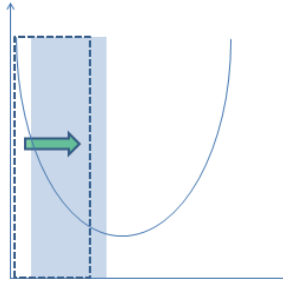
Collaborative user involvement

In the scenario where regulatory innovation is handled through collaborative user involvement, regulators choose users and involve them in a joint development process. As such, rather than focusing on overall performance as the criteria, regulators can select users on the basis of their innovation-related resources. In addition, the collaborative aspect of this form of involvement enables negotiation between regulators and users on the design of a regulatory innovation. This means that suggestions can be modified by both parties in a more iterative process and solutions of common value can be developed. Furthermore, regulators have the option of rejecting the outcome of the process, thus placing a limit on how self-interested users can be in their proposed solutions: In order to derive benefits from the regulatory innovation through reduced compliance costs, users have to balance their own needs with those of regulators, who may accept an increase in monitoring costs, but not one that is excessive. In this scenario, the combination of users selected on the basis of their innovative resources and the incentive to find

mutually satisfactory solutions in a negotiation process would push toward more balanced need fulfillment and consequently lower regulation costs (Figure 8).

Figure 8

Effect of collaborative user involvement on regulation costs.
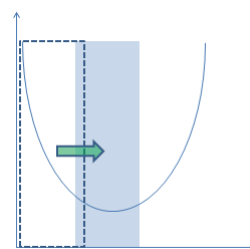
Invitational user involvement

Finally, users can be involved on an invitational basis where they themselves choose to participate by developing solutions that are then submitted for assessment and selection by the regulator. In this form of involvement, regulators have the opportunity to define the scope of acceptable solutions, or a *solution space*, and to set demands for what will be considered. Users can choose to contribute if they can develop a solution that falls within that space *and* provides them with a sufficient increase in their own effectiveness to merit the time invested

in developing and submitting the solution. Users who see no benefit within the solution space will self-select out of contributing, as will those who are unable to develop solutions. This means that solutions with lower compliance costs can be identified and weighed against the monitoring costs of regulators, thus pushing down regulation costs (see Figure 9).

As is apparent from these four scenarios, user involvement exhibits very different levels of potential. Most notably, the ability of regulators to select *solutions* seems more important than selecting *users*, because it introduces a mechanism limiting how much the users' own needs can be prioritized. This limiting mechanism, be it through the negotiation process of *collaborative* involvement or the solution space of *invitational* involvement, constrains users' opportunistic behavior. However, this also presupposes that prior to involving users, regulators will similarly accept that their processes may become less effective and their monitoring costs higher in order to open up the possibility of benefiting from the innovative contribution of users.

Figure 9

Effect of invitational user involvement on regulation costs.
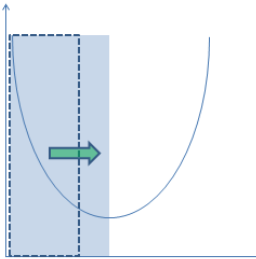
Discussion

Summary

The main goal of the paper was to investigate the applicability of user innovation in the public sector with a specific focus on regulatory innovation. Regulatory innovation, although not always described in innovation terms but under the heading of *regulation inside government*, has been a major feature of public management reforms and practice as well as public management scholarship. In light of the current debates surrounding government spending, however, the practical relevance of discussing regulatory innovation and the costs associated with it may continue to increase.

To be sure, the public management literature has consistently discussed the question of the costs associated with regulation inside government (e.g. Hood et al., 2000). However, the central roles that users might play as potential (co-)developers of regulation has not been comprehensively considered thus far. The literature on user innovation, which has been predominantly based in the private sector, provides a rich body of insights which we conceptually transfer to the public sector in this paper. We argue that users can contribute to developing regulations under specific conditions. However, when users co-develop regulations, this might also give rise to additional costs. We specifically look at how different forms of user involvement affect relevant costs such as those of monitoring and compliance.

What we find in our analysis of existing empirical studies is that there are different forms of task partitioning between users and focal actors. We translate these forms into a framework of user involvement, first independent of the public-sector setting. Linking this analysis and framework to recent work and examples from the public sector, we further develop a typology of user involvement for regulatory innovation. This enables us to model cost effects with respect to each individual type of user involvement in terms of compliance and monitoring costs. The analysis reveals that complete openness to user innovation (where users innovate, evaluate and select solutions) is likely to bring about high monitoring costs. Conversely, compliance costs are high when only regulators innovate, evaluate and select. Overall regulation costs, modeled as the sum of compliance and monitoring costs, can be optimized in settings where users are given a certain degree of freedom to innovate while regulators evaluate and select.

The modeling of different scenarios also shows that regulators can interact with users in a wide variety of ways for the development of new regulations. In most

situations, the specific variety chosen will be highly influenced by monetary constraints. However, our analysis also reveals situations in which regulators might bear higher costs in order to generate regulations which address specific user needs. For instance, regulators might allow schools to develop idiosyncratic solutions for handling curriculum development and exam formats, which may lead to an increase in efficiency and performance across all schools.

Conceptual discussion points

Our analysis provides a novel framework of opportunities for innovation in regulation by integrating users into the innovation process. While this paper focuses on efficiency issues in regulation, this opens up a wider discussion on specific purposes and the wider potential of user integration in the public domain. Relating to the more general literature on innovation management (e.g. Crawford and Di Benedetto, 2006), such a discussion might evolve around the typical dimensions or trade-offs between quality, time and costs in innovation development. User involvement has been shown to positively affect each of these dimensions (von Hippel, 2005). For instance, empirical work has shown that users can help to speed up innovation processes (e.g. Lettl et al., 2008) or to improve the quality of outcomes and rate of acceptance (e.g. Lilien et al., 2002).

A further point of discussion is the possible roles of users as well as the different types of innovations and radicalness of solutions. In this paper, we have considered users as a rather homogeneous group and not differentiated innovation

types and degrees of innovativeness for the sake of building a framework. However, the literature does distinguish different types of users. Meaningful dimensions to distinguish various user types are trend leadership and expected benefits from novel solutions (von Hippel, 1986). Lead users score high on both dimensions and have been repeatedly shown to develop radically novel solutions with high commercial attractiveness. Different types of users also exist in the public sector and should probably be involved differently in the development of regulatory innovation. Lead users in the public sector will probably be found in areas subject to extreme conditions such as exceptionally high time pressure, budget constraints, high security and safety needs, or extreme confidentiality requirements. These types of users can provide advanced solutions for the more general cases of regulation.

Involving users in the public sector also raises questions of transparency and fairness, comparable to studies on user-based crowdsourcing and idea contest settings (e.g. Franke et al., 2013). The development of regulations is a matter of public interest and has to comply with restrictive legal requirements; this increases the importance of openly revealing the reasons for integrating specific users and ideas as well as openly showing and documenting the process of development. This concerns the entire process of user involvement, starting with calling for user contributions, selecting and integrating specific ideas and developing solutions that fit within the overall legal framework. As examples from the private sector have shown, lack of planning and poor anticipation of user reactions can have devastating effects on the producer firm (e.g. extreme negative public reactions to idea contests). Public actors also need to consider and anticipate such negative user reactions or outcomes. Motivational issues and incentives are also important elements to consider when integrating users in the development of novel solutions.

Here the literature shows that user firms should not only target monetary incentives, but also provide intrinsic and non-monetary rewards such as recognition, learning effects and active, positive feedback (e.g. Harhoff et al., 2003). This also holds for the public sector.

Involving users in innovation development is part of an organizational change process that requires stepwise learning and adaptation (Hienerth et al., 2012). Initial steps toward integration can be taken in small experiments in which individual projects are conducted for a limited period of time. This can lead to initial insights and experiences as well as acceptance of further steps within the organization. Such initial experiments mainly lead to adaptations in the human components of an organization, such as people, processes and incentives. Longer-term user involvement will very likely also lead to a change in structural components in organization design, such as goals, strategy and structure (Keinz et al., 2012). In the public sector and more specifically in regulation, the gradual approach of small-scale experimentation can be used when users are empowered to innovate within restricted geographical regions or areas of expertise. For example, this approach has long been a common occurrence in education systems (allowing specific regulations for individual schools or regions). However, so far it has been the central governing body that decides on the specific regulations and exceptions, whereas this could be extended to user suggestions and selections.

The insights generated in this paper may have implications for broader organizational designs issues such as the tension between centralization and decentralization. Organizational outcomes associated with centralization are predictability, reliability, standardization and efficiency, while the outcomes associated with decentralization are flexibility, responsiveness and adaptability (Farjoun, 2010). Organizations thus strive for an optimal balance between

centralization and decentralization (e.g. Zannetos, 1965; Myong-Hun Chang and Harrington Jr., 2000). Our paper shows that the involvement of users and proper task partitioning between users and the focal actor (e.g. government, regulator, producer firm) in the innovation process may be a fundamental mechanism for striking an optimal balance. The broader applicability of the insights in this paper for producer firms is based on the understanding that employees in those firms are inherently users of the firm's processes and as such are often the source of process innovation (Lhuillery and Bogers, 2006).

Practical discussion points: The applicability of user involvement

As is the case with user involvement in the new product development process, there are challenges associated with involving users in regulatory innovation, and these challenges vary across the different forms of involvement. First of all, encouraged, invitational and collaborative user involvement all rely on motivating users to innovate, with the main motivation being that they themselves will benefit from the increased effectiveness of using a regulatory innovation more closely suited to their needs. Yet that benefit should be balanced against the needs of regulators in order to avoid merely replacing high compliance costs with high monitoring costs and maintaining the same basic problem of high regulation costs, which in practice might result in truly radical solutions not being relevant to regulatory innovation.

When users innovate autonomously, on the other hand, they already have sufficient motivation to bypass the formal demands of regulators, which effectively

makes them a form of "outlaw innovators" as described by Flowers (2008), i.e. users who innovate without official license to do so, as was the case in the paper by Christiansen et al. (2012). Here, the far more important problem is how to make it attractive for users to reveal their innovations to regulators – both to reduce the resources spent at the local level to work around established systems and to allow regulators to better understand how regulatory innovations impact user practices. In all four cases, the motivation problem lies in the degree to which regulatory innovations continue to be designed primarily according to the needs of regulators. When that is the case, the motivation for autonomous activities increases and the motivation for overt ones declines.

Furthermore, user innovation research can inform some of the key challenges associated with the invitational and collaborative forms of user involvement. Given the similarity between collaborative user involvement and the lead user workshops employed in new product development, the former is likely to face a similar challenge of selecting the relevant users; after all, not all users are equally innovative, and the groups of users able to develop truly novel solutions are typically very limited in size (Hienerth, 2006; Lettl, 2007). However, various techniques have been described with regard to selecting particularly innovative users, such as "pyramiding" (von Hippel et al., 2009), as well as putting together complementary users, including those from analogous fields (Hienerth et al., 2007). In a similar fashion, the research on crowdsourcing might inform the process of invitational user involvement and particularly its central challenge, namely idea selection: Crowdsourcing approaches can generate large numbers of suggestions from users, and separating the good ideas from the bad can be very demanding. The "Tell us how" program launched by the UK government employs

a form of user appraisal to highlight submitted ideas that are particularly popular amongst users and might be instructive in this regard.

Beyond those challenges, regulatory innovation also has certain features that facilitate user involvement. Ownership and property rights issues, which are problematic in relation to capturing value from user innovation in new product development (Bogers and West, 2010), are not a problem in this context and, barring possible sanctions for innovating autonomously, there are few things to stop users from freely revealing their solutions for regulators and other users to benefit from.

Limitations and future research

This research is not without its limitations. While we try to provide an initial conceptual framework for integrating users into the development of regulation, the model and framework used is simple in terms of the variables and actors used. This parsimony creates advantages such as simplicity and abstraction, but it also brings about disadvantages as it is not able to capture the rich variety of the real setting and multitude of influencing factors. Moreover, the paper focuses on one specific setting. From the discussion, we can assume that user involvement in the public sector will have many alternative manifestations which are not captured in this simple model. Further research could look at various types of users, types of regulators and types of innovations as well as the more complex interactions that would arise between actors and outcomes. This can be done both conceptually and empirically. Empirical research could probably start with an analysis of specific

cases of user involvement in regulation development and follow up with field experiments.

Regarding costs, the paper looks exclusively at regulation costs, such as those of compliance and monitoring. However, we are aware that the public sector involves a much larger number of multifaceted costs. As demonstrated in the study by Hood et al. (1999), accurate empirical assessments of such costs can be highly challenging. However, longitudinal case studies examining working processes in organizations as they transition from working with regulator-developed to user-developed regulatory innovations would be highly valuable in this context. In addition, government programs might allow natural experiments similar to that conducted by Lilien et al. (2002) to enable direct comparisons of working processes in organizations which employ and do not employ user-developed solutions.

Aside from this direction, it might also be beneficial to pay attention to the management of such processes. This could involve examining how and why user innovations are developed autonomously, even if this serves to "outlaw" the user-innovator, and how such unofficial innovations can become official, possibly through the other forms of involvement presented here. For instance, might invitational user involvement actually be a way for users to publicize their autonomously developed solutions? This research could also involve a detailed examination of collaborative processes and how user and regulator needs are negotiated, as well how the selection of users and the ability to veto solutions influences the outcomes of such collaborations. In the absence of a market-based understanding of lead userness, how are lead users selected? And how can regulators select solutions without de-motivating users? Answers to such questions might be relevant not only to the management of regulatory innovation processes,

but also to the management of user innovation and organization design in a far more general sense.

Conclusion

Despite generally being a closed innovation process, the development of regulatory innovations can involve users in four generic ways. Based on a review of the available literature, we suggest that these four ways differ along two dimensions, namely the selection of users and the selection of solutions. In our analysis of these four scenarios, we find that all of them have the potential to reduce the compliance costs cited as a particular problem of regulation inside government, especially under the conditions of austerity currently faced by many governments. However, only those in which regulators select solutions are likely to reduce total regulation costs.

This argument makes several contributions spanning very diverse and rarely connected research fields. First, it represents a novel conceptual application of user innovation theory in examining the potential of users to innovate beyond the context of new product and service development. Second, it extends the agenda established by Birkinshaw et al. (2008) by starting to question more systematically the generative mechanisms and sources that lead to innovations in the management of organizations. Our focus on the costs of regulation also draw attention to the costs associated with such innovations, whereas previous research has focused on their positive contribution to the firm's competitive advantage. For both of these contributions, the conceptual work done in this paper can also serve to guide further empirical research. Finally, our analysis might contribute to the research on

regulation inside government and the wider public management literature by linking the unresolved problem of regulation costs with the potential of user contributions recognized in the innovation literature.

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Failed doctrine, frail critique:

Positions and tactics in the critique of NPM

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Abstract

Throughout Europe and the Anglophone world, New Public Management (NPM) has been a major doctrinal inspiration for governmental reform since the 1980's. As such, it has transcended both political party lines and national borders to become the de facto model of governmental reform. It has also proven remarkably resistant to the very substantial academic and popular critique that has accompanied it and, after more than twenty years of critique, it continues to inspire governmental reform. This apparent lack of impact of critical scholarship ought to provoke reflections amongst academics engaged in the critique.

In this paper, we propose to understand the scholarship critiquing NPM as based three different positions, namely those of Governance Idealism, Incremental Disproof and Radical Criticism. As we characterize these three positions, we describe their various approaches to and implicit tactics for engaging with NPM, as well as how each position comes to (not) influence a significant contemporary policy document (the UK Civil Service Reform Plan). On this basis, we propose the relevance of a 'Fourth Way' in critical scholarship informed by the notion of Critical Performativity and a more explicit focus on tactics for engaging with the doctrine of NPM.

Introduction

NPM, the programmatic abbreviation of *New Public Management,* emerged in the 1980's as a doctrine for reforming governments and public sectors so as to make them more efficient. Since then, what might have originated as the political project of a conservative UK government has become the de facto model of reform throughout the global North and an integral part of OECD's policy recommendations. It has attained this status with only minor variation across both the political spectrum and national traditions.

In many ways, this development is puzzling, not least in light of the serious doubts about its results. NPM has since the 1990's been the subject of an intense critique within public management scholarship (and in popular debates) highlighting both the many problems of the doctrine and the lack of counterweighing results: while NPM has had many undesirable effects on public services, there is very little to suggest that efficiency has improved or that the tools and theories associated with NPM are working in the ways politicians and NPM proponents hoped. To be sure, there is an increasing consensus in public management research that NPM was and is seriously flawed and that new doctrinal answers to the questions of reform are called for. And yet in light of this critique, reforms inspired by NPM show no real signs of abating. On the contrary, they seem to stay on as the only doctrine for responsible courses of action. We suggest considering as an example the UK government's Civil Service Reform Plan (CSRP), published in 2012. Here, there

are only few signs of change and the signs that are there, as we will show, are ambiguous at best.

For critical scholars of public management, this apparent lack of effect from critiquing NPM should be a cause for reflection on the practice is of critique. In a field known for its commitment to policy relevance, it is certainly problematic that practical results of critique are so conspicuously absent. In order to understand the seemingly paradox of NPM being on the one hand overwhelmingly critiqued and on the other perpetuated in policy, we need to understand the way that critique of NPM currently gets practiced in public management research. Generally, we find three positions that scholars have taken up in engaging with NPM: Governance Idealism, Incremental Disproof and Radical Criticism.

When it was recognized by critical scholars that NPM needed replacing, being a *Governance Idealist* became one possible position. Governance Idealists assume that NPM was a transition state as governments move towards a less managerial, more participative paradigm for reform informed by a sociology of networks and decentralized views of power. Such a new paradigm could be called 'networked governance' (NG) or 'new public governance' (NPG), possibly even 'digital-era governance'. The central tactic of Governance Idealists is to describe what such an alternative paradigm might entail and how it will replace NPM. Being an *Incremental Disprover* became another position, focusing more on *why* NPM needs replacing. Incremental Disprovers are concerned with showing the failures of NPM incrementally, by focusing on the shortcomings of one technique, consequence or theoretical assumption at a time. We could say that the

Incremental Disprovers are in the business of producing and collecting anomalies that will eventually topple NPM from paradigmatic dominance and make way for an alternative. Finally, the third possible position is that of the *Radical Critics*, the position classically associated with critical social science scholarship. The central approach of Radical Criticism is a strong critique inspired by various social theorists using innately critical theoretical language, including terms like hegemony, alienation and oppression that might be seen as harsh descriptors by the two other positions. For the Radical Critics, NPM might be viewed as a manifestation of neo-liberal domination and the task of critical scholarship is exposing and revealing how, for instance, domination occurs in order to de-legitimize it.

As we attempt to explain why these positions and their associated tactics struggle to influence policy, we present a fourth model of NPM critique in public management research, drawing on the notion of *Critical Performativity* developed in the context of Critical Management Studies. We posit that Critical Performativity might afford critical public management scholarship not only a set of novel tactics for engaging with policy, but also that it might allow for a re-configuration of the critical scholarly dialogue. Such a reconfiguration could allow us to be both *more fundamentally critical of NPM* and *more practically relevant and influential* in contributing alternatives for policy, we posit.

To make this argument, we describe the dominant positions in the sizeable scholarship critiquing NPM, drawing forth illustrative texts as exemplars. As we analyze these positions relative to each other and assess their influence on recent

policy (as illustrated by the UK CSRP), we come to explore the reasons why our dominant critical approaches fail to markedly impact policy. These analyses point to the relevance of a Critically Performative orientation for public management research and of a more *tactical* approach to engagement which implicates both methodology and mode of practitioner engagement.

The emergence of NPM and the recognition of failure

In the 1980's, a new approach to governmental reform took shape, first in the UK under Thatcher's government. Hood (1991) seminally expressed the characteristics of this emergent approach, labelling it New Public Management (NPM). Seen by Hood as a 'doctrine', it drew together theories and tools with the aim of reversing the growth of government, introducing greater privatization, and increasing efficiency. In the process, the 'old' public administration of the 'neo-Weberian state' (Pollitt & Bouckaert, 2011) that NPM was to supercede went from the guarantor of due process and professional neutrality to a residual of times long past, desperately needing replacement by 'reinvented', 'entrepreneurial' and much more efficient alternative (e.g. Osborne & Gaebler, 1992).

This shift in view was theoretically underpinned by the economic turn in public management, chiefly exemplified by Niskanen's analysis of the budget-maximizing bureaucrat (1971) and broader work on public choice economics (e.g. Ostrom & Ostrom, 1971; Downs, 1967). Moreover, it drew on managerialist understandings about the centrality of 'leaders' and managers at the top of organizations effecting change and being accountable for their organizations'

performance. As this group came to be seen as more central to performance, it also became important to create strong (pecuniary) incentives to ensure that they perform optimally. This lead to both stronger rewards for success and closer scrutiny of their effort in the form of more extensive performance management. In time, incentive schemes and performance management techniques would diffuse to lower levels of the organization and encompass still more employees. This development was accompanied by the adoption of various private-sector management models and techniques, increased use of output controls, more competition and break-up of government monopolies. These tools were 'known' to have a 'proven' history of efficiency in the context of private sector companies that were seen as exhibiting the traits of dynamism, adaptability and customer-orientation that government needed.

As a combination of theories and tools, NPM has gained traction throughout most advanced economies, the OECD and increasingly in developing countries (Salskov-Iversen et al, 2000; Lapsley, 2009). At first glance, this is remarkable: the doctrine was initially strongly associated with the political right in the UK and the US and in New Zealand, where it was most directly implemented. However, it has since then proven to be remarkably resistant to changing governments, becoming acceptable policy also far into the political left, and to national differences in political culture with only minor variations.

This is all the more remarkable in light of the intense critique that NPM has been subjected to, both in popular and academic debates over the past decades. Pollitt (1995) made an early assertion that reforms were based more on faith than actual

results. Since then, much research has gone into substantiating this lack of 'justification by works'. As regards NPM's outcomes and the doctrine's claim to improving efficiency, several scholars have argued that the claim is at best dubious (e.g. Dawson & Dargie, 1999), that the contribution to public value is neglible (e.g. O'Flynn, 2007), that the effort to de-bureaucratize might have produced *more* bureaucracy (e.g. Benish, 2010; Kuhlmann et al, 2008), that the cost of monitoring performance may outweigh the benefits of performance improvement (James, 2000), etc. Much of this can be summed up by Hood & Peters' assertation that the list of unexpected and undesirable outcomes of NPM is long and intimidating (2004). There is also scholarship highlighting the error of NPM's theoretical assumptions, propositions, evidence base and conclusion (e.g. Andersen et al, 2014; Dunleavy, 1991; Meier & O'Toole, 2009) and scholarship pointing out the specific tools it recommends are inefficient (e.g. Bindercrantz & Christensen, 2011). Lapsley even went so far as to ask whether NPM was 'The cruelest invention of the Human Spirit' (2009). This may be a somewhat (too) strong proposition to make in light of the Human Spirit's other inventions, but increasingly it certainly seems that doing critical public management scholarship means being critical of NPM, because NPM *in spite of its critics* has become the de facto model of government reform. Remarkably, rather than a slowing down of NPM reforms in recent years, we seem to be seeing a situation where "there is apparently little loss of fervor about reform" (Peters, 2001, p. 41) and administrative NPM reforms perpetually follow administrative NPM reforms.

An illustration of post-critique policy

That NPM continues to be a strong doctrinal source of inspiration for policy is well-illustrated by the Civil Service Reform Plan (CSRP) put forward by the UK government. Launched in June 2012 in response to global financial crises, European calls for austerity and national budget deficits, the plan comes at a point in time where the shortcomings of NPM are thoroughly recognized. The plan is also described as radical in intent and aimed to boldly draw in new solutions. In the forewords, the problem diagnosis calls for dramatic changes in how the Civil Service is organized and operates. This includes a strong move towards decentralization and openness, "… pushing power away from Whitehall and putting service users and communities in charge" (p. 7). Taken together, this all suggests that there is much more at stake in the document in terms of novel government reform than the policy content itself, and it seems to be alluding to a new direction away from the NPM trajectory.

Alone, these expressions of intent make the document interesting regarding future developments in or beyond NPM. But there are other good reasons to consider the document illustrative of contemporary and future reform. For one, it sets forth a range of policy initiatives that will form the basis for further initiatives. Moreover, the fact that the plan comes from the UK makes it exemplary. We know from the history of NPM that the UK government has been an international 'first-mover' and trendsetter in adopting new doctrines for reform and that doctrine adopted in the UK can spread to most of the world. Therefore it seems a solid place to look for trends, change or continuity. The start of CSRP promises a new development, but what do we actually see, when we look at the plan's contents?

It is quantitatively apparent that NPM, in spite of its critics, plays a major role in informing the document – both as regards the problems defined in Part I of the plan and the actions defined in Part II. While Part I generally describes the Civil Service in appreciative terms, the problems it diagnoses are telling. The Civil Service, it is argued, lacks the skills of 'modern government' as regards commissioning and contracting and lacks managerial information (i.e. performance management data). Moreover, central emphasis is placed on efficiency and how contracting-out, innovation and open and evidence-based policy making will contribute to that efficiency. It is also clear that the private sector continues to provide a model of efficiency increases from which the Civil Service should learn. To be sure, this rhetoric still borrows heavily from the NPM doctrine Hood so classically described (1991).

The action points of part II are also telling and, again, largely draw from the NPM doctrine Hood described twenty years earlier. In the first chapter, private sector provision plays a major role, as does digitalization and shared intra-governmental service (i.e. centralization). In the second chapter, the aforementioned open policy is elaborated to mean both that policy should be 'crowdsourced' and that private actors should be allowed to compete with government in formulating policy. The third chapter states the need for increased accountability measures and evaluation of both operations and projects. The fourth focuses on capabilities, putting forth action points for increased training in contracting and commercial skills to enable private sector collaboration, strengthened career incentives for high-performers, and more mobility between the public and private sector. The fifth chapter

suggests the need for greater performance evaluation and stronger incentives. It closes with a call for developing a 'pacier' culture and more flexible organization. Taken together, we can see that most of the actions points are so heavily inspired by NPM that it could almost have been written for the original formulation of NPM thirty years ago.

In addition to the sheer volume of NPM rhetoric relative to alternatives, it appears that there is considerable selectivity in how the few 'non-NPM' initiatives are brought in. This selectivity is expressed through limiting novel ideas to only representing parts of larger arguments. Moreover, those novel ideas that are brought in are for the most part subverted, i.e. they are mobilized as tools but specifically addressed to the concerns underlying NPM and adjusted to advance an NPM agenda. Consider, for instance, the call for pushing responsibilities for service quality closer to the front-line. This is arguably not a novel concept, but it has been a central part of New Public Governance to orient the public sector closer to the citizen and enable more autonomy and innovation. What gets missed out in the CSRP is that such a move should be accompanied by easing of output standardization to make space for autonomy in service provision, were it to be different from the paradoxical modes of control already associated with NPM (Hoggett, 1996). For another example, consider open policymaking. While on the one hand this reflects ideas about collaboration, innovation and citizen-involvement that are not integral to NPM per se, in the CSRP openness is also taken to mean openness to market competition, i.e. competition as opposed to collaboration. In this way, ideas are 'cherry picked' and connected to other ideas to which they may actually be antagonistic. Another part of the characteristic of the deployment of openness is that it is only in areas that are deemed fit that

openness is implemented. The policy process regarding big governmental reform are not deemed fit to openness but designed in the same way centralized and top-down manner as earlier NPM reforms.

What we have presented here is a brief outline of the CSRP. Given its brevity, it does not and cannot fully account for the effect of critical research on policy and to be sure there are a plethora of factors beyond academic research that influence how and why policy gets done. But note that our goal is neither to account fully for the factors that influence policy or for post-NPM policy as a whole. Rather, our goal is to present an exemplary illustration and in the role the CSRP reveals a very clear picture of the way research has (or has not) contributed to policy. Based on that illustration, we will now try to draw out some key propositions about how and why critical research has had this level of impact on policy. Before doing so, however, we need to understand the different strands of critical scholarship. We will therefore try to map out the three dominant positions in the scholarship that engages critically with NPM

Three views to critique

By definition, one paints with a broad brush when characterizing any field of academic literature as coherent or organizable. However, just as there are differences and idiosyncrasies between works, there are also marked similarities and points of agreement in approach. Our interest here is creating a mapping of the territory of critical studies of NPM. To do so, we operate with a typology of

critical positions that discerns along two dimensions, namely the role of explicit alternatives and the level of focus. This yields the 'skeleton typology' in figure 1.

	No explicit alternative present or presented as realistic	Explicit alternative present and presented as realistic
Whole-of-paradigm focus		
Part-of-paradigm focus		

Figure 1

As is inevitably the case for any such classifications, the boundaries may in practice be more fluid than the model would suggest. What we aim for is to present ideal types and exemplars in lightly satirized form so as to draw out a general pattern that is helpful for understanding the challenges faced by the field. The three ideal types that we will consider are *Governance Idealism*, *Incremental Disproof* and *Radical Criticism.*

Governance Idealists

By Governance Idealists, we refer to the scholarship engaged with describing New Public Governance (NPG), or some variation thereof (Networked Governance, Collaborative Governance etc), as an emergent alternative to NPM. It is a key

attribute of this position to work towards an explicit alternative. As such, when they argue that the new Governance will involve a shift away from both management and government as the locus of control, they also emphasize what will come instead and use terms such as self-organization, trust, coordination through networks, inter-organizational collaboration, participation and a return to more citizen-centered democracy (e.g. Pollitt & Bouckaert, 2011; Huxham & Vangen, 2000). The new Governance will also end NPM's focus on administration and managerial process, turning instead towards innovation in services (Hartley, 2005; Sørensen & Torfing, 2011). It will move beyond efficiency narrowly defined towards more holistic conceptions of public value (Benington & Moore, 2010). In the CSRP, a Governance Idealist might be optimistic about the inclusion of ideas of (networked) collaboration across government and citizen engagement through crowdsourcing, most likely viewing them as a 'victory' for their approach.

A seminal and illustrative exemplar of this position is a paper by Osborne (2006). Here, he describes NPM as a transition stage between Public Administration (PA) and NPG. Both PA and NPM are described under the heading of "The shadow of the past" (p. 378) and especially PA is very much rendered as belonging to an old world. In that old world, for Osborne, the state was monolithic and hierarchical. NPG, on the contrary, is "The shadow of the future" and the vision of a model of government for a new world. In this new world, government is both plural and pluralistic, featuring interdependent actors and multiple, interwoven processes in government. What is important about NPG as a vision is that it must have "the capacity to be intellectually coherent and rigorous and has the capacity to capture the realities of PAM within the plural and pluralist complexities of [Public Administration and Management] in the twenty-first century" (p. 381). Osborne's

intention is to carve out a niche for NPG so that the vision can have that capacity. Moreover, it is important to note how Osborne understands progress: we *are* moving beyond NPM, towards NPG. This must imply that the task of the NPM critic is not to produce the movement, but to describe what we are moving towards.

In describing NPG, Osborne's relationship to NPM is typical of Governance Idealists, in that he describes NPM as something that behaves like a paradigm in the Kuhnian sense – some Governance Idealists implicitly assume this to be the case, but Osborne quite explicitly describes it in this way. NPM is not merely a professional paradigm, as Gow & Dufour otherwise argue to be the case (2000).

This implies that NPM will eventually be replaced, because paradigms eventually are and, like other trends, NPM's time will come. Knowing this, the Governance Idealist's task is to elaborate and develop the NPG paradigm, so that an alternative is available when NPM must be replaced. This work of elaborating and developing the paradigm involves grounding it in assumptions that reflect how the world 'really' is today. It also involves developing a paradigm that is rigorous: creating a solid conceptual framework, accurately building on theory, delimiting what is acceptable within it and uncovering the central challenges that it must deal with. Reading this effort positively, it is obvious that the Governance Idealist tries to describe the world as it *ought to be*. This effort does not have to be too encumbered by critics claiming that we are *not* witnessing much of a transition (e.g. Laffin et al, 2013), because it is essentially a matter of time and NPG is fit for

the future. What is important is having a clear vision ready when the transition eventually comes.

Incremental Disprovers

By Incremental Disprovers, we refer to scholarship that sees NPM as a collection of theories and tools and sees critique as the work of questioning (and thereby 'falsifying') these theories and tools. The approach is incremental because this position, which is often but not always more empirically focused than Governance Idealism, engages with one technique or tool at a time and might question what NPM advocates see a theory to imply (relative to its theoretical assumptions) or an NPM tool to actually do. Bindercrantz & Christensen (2011), for instance, analyze whether performance-related pay influences performance. To be sure, such high-powered incentives are an important part of NPM's doctrinal content and conventionally seen as a means to produce better results at lower costs. Bindercrantz & Christensen, however, find no such empirical relationship and thus incrementally seek to undermine an important tool in NPM's toolbox. Another approach used by Incremental Disprovers, taking a more explorative angle, is to describe the unintended consequences of particular techniques. Andersson & Tengblad (2009), for instance, describe the organizational consequences of NPM-inspired forms of control in Swedish police and argue that it leads officers to embrace more traditional roles and not the novel ones intended by reformers. Germov (2005), similarly, describes the way hospital employees game new management control methods and how bureaucratization increases with the introduction of new techniques (see also Benish, 2010). Incremental Falsification

might also operate at the level of theoretical implications, focusing on whether a particular proposition might actually be accurate relative to its assumptions.

Dunleavy's (1991) treatment of the assumption of the budget-maximizing bureaucrat can be read as illustrating this final approach. Public choice theories assume, he argues, that rational bureaucrats will tend to maximize their agency budgets, essentially acting like empire builders. For this reason, public choice theories would argue that there is never an impetus from within government to *not* grow, but only a constant demand for more funding and more growth driven by self-interest more than public needs. This becomes an important argument for NPM advocates: it calls for a constant skepticism towards growth, greater focus on competition and a break-up of agencies into smaller, more single-task ones. Dunleavy's response is to focus on the core assumption of self-interested bureaucrats and ask whether this would actually imply budget-maximization. He suggests that there are numerous collective action problems that make budget-maximization unattractive for self-interested bureaucrats, who have varying motives and utilities that make other strategies more attractive. He makes this argument solidly within the framework of public choice theory's assumptions. However, this changes the nature of the problem from one specific to public bureaucracies to one that is actually common to all organizations and which, therefore, cannot be solved by importation of allegedly superior private-sector management models.

If we return to the Kuhnian paradigm inspiration that guides Governance Idealists, we can see what it might be that the Incremental Disprovers are attempting. As a

collective effort, the Incremental Disprovers' strategy can be viewed as an attempt to refute the NPM paradigm by the accumulation of anomalies, i.e. it can be undermined by evidence that shows the paradigm's limitations. So while Governance Idealists are deterministic in assuming that NPM will be replaced, Incremental Disprovers might be working to bring about the replacement by actively generating the anomalies. From this perspective it would seem that Incremental Disprovers engage in emptying NPM's toolbox with the intent that NPM in its totality will have to be abandoned, because there are no viable interventions left. Alternatively, they aim for incremental improvements in NPM practices, but if this is the case there is often a tendency to accept the idea that there really is not much of an alternative.

As regards the CSRP, Incremental Disprovers might be concerned that there is no real questioning of the efficacy of things like accountability measures, performance reviews and high-powered incentives that are suggested. It appears, on the contrary, that these are techniques are applied in spite of falsifications. The weakness of Incremental Disproof as an approach, of course, is that counter-arguments will be advanced and that those counter-arguments may be more attractive to policy makers than those of Incremental Disprover. As an example, consider that while Bindercrantz & Christensen (2011) find that performance-related pay is not effective, others (e.g. Atkinson et al, 2009) find the alternative to be true.

Radical Critics

By Radical Critics, we refer to the scholarship that engages with NPM in more radically critical and skeptical ways. This is often done by intentionally using theoretical frameworks that lie beyond the mainstream of public management research and draw on critical sociological traditions, employing concepts that reflect a 'hard-core' critical approach. Terms like discourse, hegemony, emancipation, oppression and power are mobilized. Major inspirations to those working from this position might be Laclau & Mouffe, Boltanski & Chiapello, Bourdieu, Gramsci and other variations on Marxist thought, as well as critical postmodernists drawing on Foucault, Hardt and Nigri and others. Expressive of this position, we find accounts of the development and perpetuation of the managerialist techniques of NPM in the work of Teisman & Klijn (2002), a discourse-focused analysis of managerial concepts in Costea et al (2008) and the connection between NPM and neo-liberalism in Lorenz (2012) and Geddes (2006), for instance.

An implicit or explicit indignation is common and there is a willingness to describe NPM in political terms here. There is also often an international perspective and a clear sense of a social problem or oppressive tendency within NPM. Given this systemic skepticism, Radical Critics will propose a much more radical reflection on NPM than is seen in the other positions. This also yields a different approach regarding alternatives to NPM. While some Radical Critics do engage with the notion of alternatives, they tend to recognize that alternatives, where they to be acceptable, would require a larger re-organization of public

administration and maybe even society in general, thus making it largely utopian even to many Radical Critics themselves. Others disregard the discussion of alternatives entirely, relying instead on 'pure' critique and leaving the discussion of the consequences of this critique to others or place it beyond the concerns of critical scholarship altogether.

Davies' work on NPM and networked governance (2011) provides a good illustration of this position. Davies draws on a Gramscian inspiration and reads NPM and the 'roll-forward governmentalization' associated with it as a form of *administrative domination*, where both society and public sector organizations are subjected to the hegemony of a neo-liberal polity concerned primarily with self-sustainment. That polity, to Davies, is one guided by a particular set of class interests and economic imperatives very different from those of workers in public organizations and of the majority of citizens. Following on from this analysis, Davies posits that networked governance, although espousing ideals of inter-connectedness and collaboration that run counter to governmentalization, is actually a substantive continuation of NPM: there is little or no re-configuration of power and the way domination is exercised because hierarchy is always latently present. As such, there is little to challenge the hegemony of the polity. So while power may increasingly by mobilized through networks and therefore assume different forms, this does not entail the democratization that Governance Idealists would assume. Hegemony, for Davies, is too resistant to change and too self-sustaining for acceptable alternatives to be within reach.

The approach taken to critique from this position is markedly different from that of both Governance Idealists and Incremental Disprovers. Where Incremental Disprovers critique specific elements of NPM by working within the paradigm's conditions, Radical Critics will critique the paradigm in its totality and attempt to shift the theoretical focus for understanding it. And where Governance Idealists will focus on alternatives, Radical Critics are often concerned with de-legitimizing or problematizing both NPM and those alternatives that are not sufficient for changing the system's underlying dynamics. The key concern here is *exposing* the 'real workings' and 'dark sides' of the paradigm. As such, the key audience is often not policy-makers because, as a group, the Radical Critic would often assume them to be too invested in NPM to be able or willing to change it – The Radical Critic might even have given up on policy makers all together. Instead, the audience is other groups within the public sector citizens, scholars and possibly also students who will eventually become policy-makers. It is in such groups that change, that Radical Critics place what little hope they have.

The positions of the positions

Given these positions, we propose to understand critical scholarship in the public management field as mapped in the figure below (figure 2). As mentioned previously, we distinguish along two important dimensions. One is the position' analytical level regarding their scope of critique towards the system. The other is their engagement with alternatives. Regarding analytical level, we can distinguish between positions taking a 'whole-of-paradigm' approach to critique and those taking a 'part-of-paradigm' critique. Regarding engagement with alternatives, we

can distinguish between those that explicitly engage with proximate alternatives and those who do not. Placing our three positions within this yields the mapping in figure 2.

	No explicit alternative present or presented as realistic	Explicit alternative present and presented as realistic
Whole-of-paradigm focus	Radical Criticism	Governance Idealistm
Part-of-paradigm focus	Incremental Disproof	

Figure 2

In the first position, characterized by have "no explicit alternative" and a "whole-of-paradigm" approach, we find the Radical Critic. Theirs is a practice of offering strong critique, aimed at challenging the totality of NPM as a system. Compared to the importance of offering this critique and thereby provoking reflection, it is less important to have an explicit or realistic alternative available. In the second position, where there is "no explicit alternative" but a "part-of-paradigm" focus, we find the Incremental Disprovers. In the third position, where primacy is given to having a well-developed "explicit alternative" to taking a "whole-of-paradigm" focus, we find the Governance Idealist. They are the ones advocating for an acceleration of the already in-motion development of NPG (or some variation thereof) to replace NPM.

Looking at these positions, it is clear that both Incremental Disproof and Governance Idealism play much larger roles in the debates around NPM than does Radical Criticism. In part this is because Radical Critics often address debates beyond the specific scope of NPM (tending to see NPM as a part of larger complex of problems related to neo-liberalism and the social conditions of our time rather than as 'just' a matter for public management). Moreover, their position of strong critique places them in a marginal position that may well seem utopian and sometimes farfetched to more mainstream ways of doing critique. However, even if we take this partially self-imposed marginality into account, it is clear that Incremental Disproof and Governance Idealism are the common forms of critical scholarship in the area. With NPG and its variants, Governance Idealism has very much articulated a vision of a post-NPM future that is now largely taken for granted and viewed as positive. Incremental Disproof is also easily recognizable from its use of established methods and theories. This affords both positions a solid foothold.

Furthermore, there is a certain synergistic 'division of labor' between those two positions that combine to making them the primary 'axis' in the debate. To illustrate that synergy, we can view the field from the perspective of Kuhn's analysis of how paradigmatic change occurs (1962). Paradigms change not only when anomalies to the paradigm accumulate and make further normal science impossible. Rather, change requires another paradigm integrating those anomalies to be available. Paradigmatic change, in other words, requires both disproof of the existing and articulation of the alternative. And to be sure, this is the division of labor between Incremental Disproof and Governance Idealism: one toils away at undermining NPM, the other at articulating an alternative that is compatible with

the complexities of current and future administration. That division of labor leaves Radical Critics out in the cold with a relatively marginal and isolated position. However, as we will return to, this mapping also reveals the possibility of a new position engaging with alternatives on a part-of-paradigm level.

Explaining the (lack of) effects on policy

If we take the CSRP as a valid indication of the kind of policy that can be developed 'post-NPM', i.e. in light of substantial critical scholarship of the NPM doctrine, what kind of effects are our critical positions having on that policy? Consider first with the critique of Radical Criticism that very little of the large-scale change imagined and intended is being realized. Taking a Gramscian view of this, it seems that the hegemony of NPM doctrine is not only solidly in place. We might even go so far as to say that the effort to sustain hegemony, assumed by Hall (quoted by Lipsitz, 1988) to be 'hard work', is actually quite casual: the critique of the Radical Critics is not even addressed in the explanation of policy. Disheartening for sure, but also a reminder to the Radical Critic to stick to the heavy guns of strong critique, because clearly the hegemony is strong here. As regards the Incremental Disprovers, it might also be disheartening to read the CSRP. In spite of consistent efforts to prove NPM wrong, it seems that the same theoretical assumptions and managerial tools continue to be mobilized and, in some cases, even accelerated. This is the case, for instance, of performance reviews and performance-linked monetary incentives, both of which are extended, rather than limited, in the plan. The evidence put forth as falsifications apparently does not persuade.

The only position that can make some claim to optimism is that of Governance Idealism. Compared to the two other positions, their position actually seems to have an element of influence. Yet, when one relates this to the quantitatively marginal role than governance-inspired ideas play relative to those furthering the doctrine of NPM, it becomes obvious that the influence is limited and their diagnosis of the ascendancy of NPG can be questioned. Moreover, what ideas Governance Idealism seems to have inspired often become subverted in the written policy and tied to arguments that are not, as Osborne insisted, intellectually coherent and solidly grounded. While rhetorically they matter, they are taken out of paradigmatic context and argument and inscribed in very different doctrinal aims.

This paints a picture of all three positions being less than successful in impacting policy. But why is this so?

The failure of Radical Criticism, although troubling, is perhaps not surprising even to the Critics themselves. A dominant attitude of this position, intent on articulating radical critique focused on fundamental problems, is that it is not and does not wish to be commensurable with NPM, as being commensurable would mean that one has accepted the basic tenets of the opposition. Surely, this is an intellectual compromise and irreconcilable with the theoretical basis. However, it also poses a dilemma: while the Radical Critic might wish to have practical impact, (s)he would not want that impact if the process of getting it involved compromising too much, i.e. letting oneself be coopted. Rather, when the Radical Critic works on having impact, they go about it in different ways. One such way

might be the mobilization of workers and citizens to rise up against the hegemonic polity. This creates a sort of aversion to dialogue with those in power. Consider Grey's personal reflection on trying to be critical when engaging with policy making (2003). As supporters of NPM focus on 'what works' and purport to be theory-neutral, they regard the intentionally theoretical arguments of the Radical Critics as illegitimate. Getting legitimately into the discussion with policy makers, in other words, would require Radical Critics to relinquish, or profoundly softening up, basic critical assumptions. This comes on top of a skeptical stance as regards the possibility of having impact in the first place, and so it seems that the Radical Critics might just have to bide their time and await the revolution.

The challenge for the Incremental Disprovers is a very different one. Here, the theories used are often *intentionally* so in line with conventional policy assumptions that they might not even seem theoretical. Moreover, the methods applied (including randomized experiments and quantitative evaluations) are comparable to those associated with evidence-based policy, although they are considerably more stringent in their demands (Meier & O'Toole, 2009). There is, in other words, a considerable alignment around approach that ought to make Incremental Disproof a viable strategy, as it operates very much on NPM's own terms. In practice, however, the strategy fails on a different account, namely that policy is immensely resistant both to evidence and apparent failure (e.g. Pollitt, 1995). Peters (2001) makes the point well in his analysis of continuing administrative reform in Europe. He posits that – paradoxically – *both* success and failure of NPM's doctrinal tools call for further application of those tools: if they succeed, they must be used more; if they fail, it is a failure of implementation and new implementations are called for. Gow & Dufour (2000), in discussing NPM's

paradigmatic status, makes a related point that explains the lack of impact of this position. Following Kuhn, they write that "[t]he closer a field of study is to a world of practice, the less the rules of science… will apply. It is the practitioners who decide what is useful, and even what is true… the rules of persuasion are not the same as they are among academics" (p. 589). The challenge for Incremental Disproof as a critical position, then, is that its method, although recognized, would seem to only be respected when it is convenient. We can assume it rarely is.

Superficially, it seems that Governance Idealism is the critical position that most strongly influences policy, even if that policy is otherwise largely unfazed by critique. Yet that influence is limited by both selectivity and subversion: it is not the coherent whole of the position that is accepted, but only parts, and what is accepted is also implicated in different arguments and uses than intended. One reason for this is, as with the Incremental Disprovers, that practice does not necessary subscribe to the academic necessity of coherence. So while New Public Governance might form a whole where the parts are mutually supportive and interdependent, practice might well cherry-pick amongst those parts. Also, while to the Governance Idealist the world might very well be changing, with the 21st century bringing entirely new challenges, to policy makers the challenges of cutting costs and upping efficiency might very well be substantively the same irrespective of passing times. If anything, the new technology that the future brings might be means for more cost cutting and efficiency improvement. Another reason for the inconsistent application of governance ideals is the abstract level at which Governance Idealism works. Its consequence is that Governance Idealism lacks the *specific* interventions that translate its abstract terms into practices. Where NPM suggests the use of contracts to mediate quasi-markets and enable

competition between state-owned organizations, for instance, it is still unclear how Governance Idealists' notion of something like 'coordination through networks' is to be implemented in formal tools. This may be a matter for future research, but there is perhaps already quite a lot left to the future in this position.

The question that all of this beckons is whether there are other ways to exercise critique that complement these three positions and stand a better chance of making an impact on policy. Returning to figure 2, we could ask if a position focusing on *incremental change* through *explicit alternatives* might be available and, if it is, whether it could provide a new set of tools for engagement with practice towards this end.

Towards novel tactics: The case for Critical Performativity

What might such a fourth position look like, then? How does one engage with practice in a way that valorizes incremental alternatives while still retaining a fundamentally critical perspective?

Focusing on the *tactics* and *political project* of critical scholarship rather the particular *form*, recent work in the field of Critical Management Studies (CMS) has developed the concept of *Critical Performativity* which can serve as a model of the fourth position suggested above. Critical Management Studies has traditionally been to mainstream management and organization studies what Radical Critics have been to mainstream public management scholarship: a sub-

field seeing itself as the more reflexive and critical conscience (Grey & Fournier, 2000; Delbridge, 2014) of the larger field, intent on questioning on more radical terms its subject matter (Alvesson, 2008). This may be too polemical, however, because there has since the emergence of the field been a discussion in CMS about how to practice critique effectively, with persistent calls for turning towards more practice-oriented and micro-level intervention (Alvesson & Willmott, 1992). Spicer et al (2009), who coined the term Critical Performativity, seek to capture this focus and suggest a set of tactics for realizing this form of impact. Like critical work on NPM, CMS operates in a politicized field where practitioners do not respect conventional academic argument (consider again Grey, 2003). This is what makes a discussion of tactics such an important complement to what otherwise gets discussed in the field. It is here that we think there is space for cross-pollination of ideas. The map of critical scholarship that we envisage is presented in figure 3.

	No explicit alternative present or presented as realistic	Explicit alternative present and presented as realistic
Whole-of-paradigm focus	Radical Criticism	Governance Idealism
Part-of-paradigm focus	Incremental Falsificationism	Critical Performativity

Figure 3

The essence of Critical Performativity is to do research that not only critiques and challenges the assumptions of mainstream research and practice, but actively stimulates dialogue and points towards alternative practices and policies. Like the Radical Critics, purist critics of management (including those in the field of CMS) tend to see such dialogue as potentially coopting, because it subordinates critical scholarship to a demand for performativity making it something to be avoided. This argument should be seen in the context of the normativity of much critical scholarship. Fournier & Grey, even if they address CMS specifically, put the tension between performativity and critical scholarship clearly:

"Non-critical management study is governed by the principle of performativity which serves to subordinate knowledge and truth to the production of efficiency… In other words, the aim [for non-critical studies] is to contribute to the effectiveness of managerial practice, or to build a better model or understanding thereof… Critical work is not performative in this meaning, even though it may well have some intention to achieve (e.g. to achieve a better world or to end exploitation, etc.). CMS questions the alignment between knowledge, truth and efficiency… and is concerned with performativity only in that it seeks to uncover what is being done in its name." (2000, p. 17).

This resistance to the production of efficiency can, however, have the consequence of legitimizing strong readings of postmodernism, making it all but impossible for the scholar to engage on a normative basis and at the same time to actively pursue and contribute to progressive alternatives. It is in this spirit that Spicer et al argue for reconsidering performativity as a category with critical potential and critical

scholarship as a thoroughly political and thoroughly performative project, but performative in the sense of contributing to progressive change, not efficiency per se. As such, they see a recognition of the contexts and constraints faced by management as essential to effective critique and emphasize "stretch[ing] the consciousness, vocabularies and practices that bear the imprints of social domination" (2009, p. 545) as the central means of bringing a critical ethos and the possibility of normatively based change into practice. We could take this to imply (as is also evident in Hartmann, 2014) that cooptation, in other words, may not just be a threat but at the very least a two-way process, that if handled well can be a gateway to dialogue between practice and critical perspectives.

Returning to the critics of NPM, this is where Spicer et al (2009) most clearly propose a different model of critique from that of Radical Critics: their proposition is that critique should actively strive for influence and practice-related alternatives as a means of bringing about social change, even if this means working on a more incremental basis. However, realizing such influence requires changing how critique is practiced. Critical scholarship must become potential-focused (exploring the potential of alternative practices), affirmative (being close to the object of analysis), caring (taking seriously the concerns of practitioners), pragmatic (focusing on incremental intervention and improvement) and normative (being explicit about what is considered 'good').

This notion has been developed into both more specialized contexts (leadership in Alvesson & Spicer, 2012; marketing in Tadajewski, 2010) and more elaborate tactics. Wickert & Schaefer (2014), focusing on the specific dialogical process,

suggest the dual tactics of *micro-level engagement* and *reflexive conscientization*. Micro-level engagement is about close dialogue with individual persons (e.g. managers or policy-makers) who may be "torn between their loyalties" (p. 11) and realize the shortcomings of current tools, but lack alternative courses of action and feel an organizational demand to contribute to policies that perpetuate NPM. Reflexive conscientization, then, builds on this engagement to talk into existence alternative, potential practices (p. 14). Hartmann (2014) similarly builds on Critical Performativity to suggest the notion of *subversive functionalism* as a way to expand the theoretical repertoires of critical scholars. This is in some ways similar to the work of Incremental Disprovers, who try to undermine the assumptions of mainstream theories and tools on their own terms, but he also suggests a wider exploration of theoretical sources and places a strong focus on the comparative exploration of alternatives. This latter idea essentially addresses the problem that incremental Disprovers encounter when they try to invalidate a theory or tool, but present nothing to take its place. Hartmann similarly proposes a tactics of integration between critical and non-critical research that might seek to open up *more* possibilities for practice, as opposed to Incremental Disprovers who implicitly aim to limit them.

The question is of course what this mode of engagement will contribute that the conventional positions of NPM critics cannot. Put most sharply, the issue may well be that we cannot trust practice alone to be so creative as to generate new ideas to replace the dysfunctional ones associated with NPM. Consider the CSRP here: even in dire times and with an opening to radical change, what gets suggested is hardly a demonstration of enormously creative thinking. There is, to

say the least, ample space for contributing progressive alternatives, rooted in critical thinking but not so opposed to mainstream practice that they are utopian.

We see two primary methodological ways of contributing these alternatives. In both, we suggest departing from questions that are pertinent both to practice (in the sense that they build on something that practice would want more off, i.e. they go along with prevalent discourse somewhat) and to critical inquiry (in the sense that the researcher has a sense that there might be more going on around a particular issue than we tend to assume and that this might be of critical interest, in order to also go against prevalent discourse). The first approach would be to identify existing alternatives in organizational practice. Various ethnographic approaches might be helpful here, as the intention would be to engage quite deeply with organizational practices in order to identify within them certain progressive openings and divergent ways of working that can challenge our understanding of how desirable goals are reached. This is probably the most difficult of the two approaches, but also one likely to provide the most interesting propositions. The other, and perhaps easier, approach would be to identify alternatives more at a conceptual level. This would involve identifying theoretical problems (preferably at a level that is not too general) in our own field and then re-reading them in light of different interpretive schemas. Such alternative schemas might be drawn from various sources, but we would be biased towards mainstream economics, psychology or sociology as theories here are likely to offer the kind 'truth claims' that make them attractive to policy makers and amenable to critical subversive readings (Hartmann, 2014). These propositions can be a lever for engaging with practitioners on terms that are close to their experienced conditions.

Relative to Governance Idealism, Critical Performativity proposes a stand that is modest and pragmatic in the scope of change, but this may also make the position more politically sensitive and thus facilitates direct engagement with specific individuals. Where Governance Idealism aims for a whole-of-system change, a Critically Performative position would consider singular large-scale change as politically hard to realize. Too many have too much invested in the solutions and policies associated with NPM to make a large-scale change likely. The better strategy would seem to be to contribute to changing towards a better alternative on a case-by-case basis, identifying progressive practices and bringing forth their potentials and implications, so as to make them viable alternatives. Hartmann & Hienerth's (2013) review of specific processes of opening up innovation processes in government might represent such an effort, taking seriously demands for efficient outcomes while also making a case for more democratic processes. This incremental approach also takes seriously that practice does not always follow the academic valorization of coherence, as Gow & Dufour (2000) have argued and several others demonstrated (e.g. Pollitt, 1995; Peters, 2001). Working with singular specific alternatives rather than multiple, inter-connected and abstract ones might provide a better way to ensure that arguments are not pulled apart and out of context in practice.

Moreover, the introduction of Critically Performative tactics into critical public management scholarship might enable another change, namely the reconfiguration of the dominant axis in the field away from the synergistic relationship between Incremental Disproof and Governance Idealism. In that relationship, Incremental

Disprovers worked to generate paradigmatic anomalies and Governance Idealism to flesh out a paradigmatic alternative. An alternative axis might be envisaged between Radical Criticism and Critical Performativity where. With a deep and continuous dialogue between Radical Criticism and Critical Performativity, the latter can keep the former directed at realistic, practice-oriented change with existing, but marginal alternatives while Radical Criticism can contribute the continuous theoretical and emancipatory deliberation about what needs to change, helping to reflect on between which kinds of change are desirable and the ambiguities of practical engagement. We could say that Radical Criticism might provide normative reference points and a persistent critical reflection for Critical Performativity, thus making cooptation less 'threatening'. Conversely, a dialogue with Critical Performativity might provide Radical Criticism with a better outlet for their critique and a greater space for optimism about progress. Together with our methodological recommendations, this shift in dialogue would move explicit critique to a higher level of abstraction (where it becomes less about picking on individual tools and theories and more about understanding whole-of-paradigm problematics) and the generation of alternatives to a lower and more practical level (where it becomes less about envisioning a new paradigm and more about generating small, micro-level alternatives that might actually be experimented with).

Discussion and conclusion

This paper provides a specific answer to the question of how critique of NPM can be more effective. Our argument has been that critical studies of NPM tend to converge on one of three dominant positions. Yet neither of these three manage to

influence policy (as illustrated by the CSRP), for good reasons. A particular striking reason is that the practice of critique implicitly draws on the assumption that NPM is a paradigm and can be undermined in the way scientific paradigms are. To remedy this, we propose that critical scholarship on NPM can learn from the notion of Critical Performativity developed in CMS and the tactics of that approach.

We recognize, of course, that there are a number of caveats to our argument. Our characterizations of critical positions may not do them all full justice, especially in the eyes of those being characterized and, hence, critiqued. Our intention, however, is also to be a little bit polemical and as such discontent is to be expected (perhaps even aimed for). After all, it stands to reason that despite considerable critical work on NPM there is little to suggest that the critique is having much effect. As such there may be greater need for polemics of this sort and so even if our categories are imperfect and focus only on the work that explicitly relates to NPM (and not to neo-liberalism more generally, such as the otherwise seminal contributions of authors like Jessop, Harvey and Fairclough), we stand quite stoically by our argument that there is at the very least a need for greater reflection on the practice of critique in public management scholarship. Relatedly, we also recognize that there are many factors that influence policy formation and that research may be a quite marginal one in the greater scheme of things. This is common in research fields that are close to practice, but for critical scholars it ought nonetheless to be a cause for concern. To be sure, there ought to be an interest in our research influencing policy, even if it is too much to ask of research to be accountable for changing practice. When little change is apparent, perhaps research needs to look for new ways to affect it.

This is the larger interest of the paper. We would, if anything, see the practices of critique become less fixated into traditions and positions and more open to changing in response to practical developments. When practice does not respond to critique, there is not only something wrong with practice but also with critique. This calls for introspection in public management research and the starting point that we propose, following Spicer et al (2009), is to adopt a much greater focus on tactics to complement the prevailing focus, provided that critical scholars are serious about their research contributing to change in practice. In this capacity, Critical Performativity could at least provide an important complementary position to those already in play.

Formulating our agenda more strongly, we would see a re-configuration of the critical dialogue about NPM. To our mind, the largely conceptual work of Governance Idealism plays far too large a role, given that NPG as an idea is developed far beyond how practice seems to be changing, while Incremental Disproof is all but ignored. A much more fruitful primary axis in the critical dialogue than the one between Governance Idealism and Incremental Disproof would be one between Radical Criticism and Critical Performativity: this would allow for an engagement with practice around the development of specific, workable alternatives (as opposed to the development of abstract alternatives or destruction of current possibilities), but grounded in the solid critical awareness afforded by radically critical reflection and questioning.

Critical Performativity might have much to contribute to critical public management scholarship, we think, by opening a debate about the tactics of critical engagement. Today, such tactics are not much discussed in this field, but rather implicitly guide different positions and streams of research. While there is a general sense that something must be done to help practice move beyond NPM, there is (too) little explicit discussion of how that movement is best supported and the way we as scholars should engage with the policy and organizations that we study. Opening up such a discussion and grounding it in the practical experiences of how policy remains resistant to critique seems important to us, as it ought to be for all critical scholars of public management.

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Epilogue

Conclusion I: The effects and management of user innovation in regulation

This thesis has identified regulatory innovation as a central process in government reforms informed by NPM doctrine. Analyzing this process in terms of innovation paradigms, we have argued that this process is characteristically closed in the dual sense that it done primarily by regulators and without the involvement of users or user organizations. Guided by prior research on user innovation, we have identified four generic ways in which regulatory innovation might alternatively be done in ways that actively seek to involve users in the development process. To answer the first research question, then, we propose that the involvement of users in regulatory innovation can be organized as collaborative, invitational, autonomous or encouraged processes. Such involvement might potentially contribute to the realization of more efficient administrative processes in government, which has historically been a consistent, but hard to achieve, aspiration of NPM reforms. Specifically, we suggest that such increased efficiency might take the form of lowered *regulatory costs* and that the four forms of involvement are likely to differ considerably in their ability to contribute to lowering these costs.

A small-scale, initial exploratory case study of user involvement in regulatory innovation, however, suggests that such processes may be complicated by the

hierarchical context in which regulatory innovation happens and impeded by a managerial bias. The latter is expressed in the selection of users to involve in innovation processes and in the active management of the innovation. The tendency in the observed case was to select managers as participants, which produces a tendency towards discursive and reflexive talk that is hard to transfer to innovative outcomes. Also, there is a tendency towards assuming that it is in the context of the innovation process that innovation actually occurs and, therefore, that this process must be managed to realize the creative potential of participants. An alternative proposition would be to instead seek to identify and amplify innovations already developed by users, who may not be managers.

In the thesis, I have also proposed that user innovation research has an implicit politics related to the division of innovation labor and perhaps even an implicit 'anarchist impulse'. The phenomenon of users innovating for themselves can be seen as a form of resistance to specialization and de-skilling of work. For this reason, in the hierarchical context of public management and possibly also beyond, empowering users to innovate is likely to be a highly political process that is not irreversibly driven by technological advancements – falling costs of communication and access to design tools is not in itself going to enable this phenomenon with in public services in the same way as in the economy as a whole. This should make us more alert to the role of organizational conflicts and how the access to innovating is both a privilege and a source of organizational power. To be sure, this calls for an increased openness towards organizational studies and particularly that branch of it that has developed nuanced analytics of power, control and domination. There is considerable room for working across analytical levels here and for seeking greater theoretical integration.

Conclusion II: Cooptation as a two-ways process

This thesis has argued and demonstrated that critical research on management (CMS research) need not rely on critical theories. This is seemingly a paradox because, in academic practice, it is usually theories that demarcate research as critical in canonical ways and therefore also theories that consecrate certain forms of scholarship as suitable models of future practice. However, non-critical, or functionalist, theories might also provide analytical lenses that, if read and applied subversively, can allow for critical analyses. I have proposed that subversive functionalism might be a viable approach here, allowing for the critiques of established power relations, implicit forms of domination and taken-for-granted modes of control without resorting to critical theory. I have proposed that there are at least three tactics that might prove helpful: exploring implications, exploring alternatives comparatively and exploring integration.

The central idea of the whole endeavor is that engagement with the mainstream need not *only* be seen as a risky one for critical scholarship, as it might bring about cooptation. It can also be an opportunity in which mainstream perspectives can be 'coopted'. This can mean both that mainstream perspectives can be used for critical analysis and that highlighting the implicit politics of a perspective can contribute to strengthening a critical ethos around it. Cooptation, then, should be thought of as at least a two-way process. For CMS, this expands on the arguments put forth by, most notably, Spicer et al (2009) to suggest a more dialogue-seeking

and less theoretically purist approach to engaging critically with management practice and management knowledge.

Related to the field of public management scholarship, the thesis has proposed that critical research might have more impact on practice by learning from work on critical performativity. In outlining how critical research on NPM gets done, we find three generic positions dominating in literature: governance idealism, incremental falsificationism and revolutionary romanticism. Research done from all three positions recognize the shortcomings of NPM, yet in spite of a quite general acceptance of these shortcomings, practice (in the form of new governmental reform initiatives) does not seem to abandon the doctrine. Our proposition is that there are fallacies in how all three positions relate to NPM that explain this apparent lack of impact. Pointedly put, they implicitly overestimate the paradigmatic qualities of NPM and the creative capacity of policy makers. This calls for reconsidering the research practices associated with critiquing NPM. Critical performativity, because it pragmatically focuses on the role of tactics as well as epistemics in critical research, might contribute here. It might, for instance, inspire a focus on incremental examination of alternatives and engagement at different organizational levels to promote and legitimize experimentation. At a meta-level, these propositions should also be seen as a call for taking up less fixed positions in engaging critically with the practice of public management. Our assumption here is that critique, in order to be effective should be dynamically on the move away from established positions and focus on adopting and adapting new tactics in response to practice.

Future research directions

If the development of critically performative basis for studying user innovation inside government has been the central effort of this thesis and the focus on subversive functionalism its primary output, which directions should further research proceed on this basis? For me, the central issue here should be the continued exploration of alternative divisions of innovative labor within government. What we have tried to show through the example of regulatory innovation is that the division of innovation labor, although rarely questioned, might have considerable consequences and play an overlooked role in the explaining the success and failures of quite large-level phenomena, in this case reform doctrines.

This idea of questioning the established division of labor can be taken in numerous directions. One set of these relate to the effects of the division of innovation labor in other areas of governmental operations. It has been argued that user innovation has social welfare implication in the economy as a whole, but how does this apply inside government and what are the effects of distributing innovation-related work for government and for citizen-directed services? We might beneficially explore what alternative divisions of labor *make possible*, as well as what actually makes such alternative divisions possible. Answering the latter might involve looking at the role of played by the delegated rights to innovate (allowing individuals certain rights or mandates to innovate), communication technologies (allowing for ideas to be shared, adopted and improved by others), intellectual technologies (allowing

for innovations to be 'managed' in different ways) and small-scale manufacturing technologies (allowing ideas for physical solutions to be turned into working prototypes). As should be obvious from the positions taken up in this thesis, we should not understand these licenses and technologies in naïve terms, as something that equivocally provides possibilities for improvement. Rather, we should try to understand how innovation might come to be a part of work and how work itself changes, and might come to change, as a result of such inputs. This should be about understanding in both functional and critical terms the ambiguous impacts that user innovation will have on the internal workings of organizations, whether public or private, while being keenly aware of the politics of the knowledge produced about the topic. Irrespective of whether such a politics is explicated or remains implicit, it is this politics in conjunction with a subversively oriented reading that makes an otherwise functionalist theory both interesting and relevant for critical inquiry.

And critique, then? Well, what I hope to have achieved is an analytics where critique can be implicit and integrated in a functionalist program. Applying it will be an on-going experiment of empirical observation, interpretation and reflection.

Postscript: The role of users in the development of scientific concepts

Von Hippel (1976) demonstrated that users, rather than manufacturers, often develop scientific instruments. Put more specifically, he showed that scientific instruments like advanced microscopes were more often developed by the natural scientists that needed them for conducting research than by manufacturers who needed to sell them for profit. The reason natural scientists do this work is that they encounter the limits of existing solutions before manufacturers know about them – it is the nature of scientific work to push at the boundaries of the possible and in natural science such pushing requires new instruments. Later research has elaborated our understanding of this with the concept of *lead users*. To use the scientist analogy, lead users are those users who, by virtue of the extreme way they use existing solutions, encounter the boundaries of what existing solutions make possible *before* the majority of other users. If you regulary sail a kayak over a waterfall, you will encounter buoyancy problems much faster than the casual paddler.

I find this to be an interesting analogy for the work that underlies this thesis. I am not a natural scientist by any stretch of the imagination and will probably never rely on instruments much more advanced than software that can be run on a consumer-level computer. But, as a social scientist (or, if the term scientist is too strong to really describe what goes on in management studies, 'researcher of social phenomena'), I operate through concepts and theoretical lenses, ways of integrating understandings of theories and empirical phenomena.

Read in this light, the experience of needing more conceptual tools to grapple with the empirical world is a function of me encountering the limitations of existing concepts by trying to do new things and bring together new perspectives. It was my own need for the tactics of subversive functionalism that prompted me to develop them. It was the incompatibility of user innovation research with CMS that prompted me to find a way to connect the two. Read this way, my experience of breakdowns do not necessarily reflect my incompetence as a researcher, but my coming to have (some kind of) experience of working with theories and methods. This is comforting, I think. Read this way, we can also see this thesis on user innovation as a form of innovation. This is quaint, I think. I invite the reader to take a second to chuckle over it.

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