

The emergence of accountability entrepreneurship in an arm's length public organization: An exemplary case

Walter Castelnovo
University of Insubria

Maddalena Sorrentino
University of Milan

1. Introduction

The New Public Management (NPM) approach, which has been highly influential in the public administration theory and practice during the past three decades, placed special emphasis on principles such as agencification, economization, and marketization. NPM thus introduced a new dominant logic to the highly professionalized policy domains - such as healthcare, education and justice. These new managerialist principles challenged the professional identity of all field-level actors because professionalism and managerialism represent “alternative social frames providing meaning to activity, conditioning sensemaking, action, and identity” (McGivern, Currie, Ferlie, Fitzgerald, & Waring, 2015). This created a tension that resulted in the emergence of ‘hybrid identities’ within organizations (McGivern et al., 2015; Meyer & Hammerschmid, 2006; Numerato, Salvatore, & Fattore, 2012). In this sense, NPM can be considered as an ‘identity project’ (Meyer & Hammerschmid, 2006; Thomas & Davies, 2005).

The redefinition of the public managers’ role and professional identity is a well-known consequence of the infusion of managerialist principles within public organizations. However, in this paper we will consider a different and yet underexplored effect of NPM-inspired reforms: the emergence of a new and blurred public manager’s identity in administrative systems where the management pillar tends to prevail over the policy pillar (Rosenbloom, 2002), and how this impacts public accountability. In such contexts, the tension between the ‘business’ logic and the logic of publicness reinforces the need to develop a “coherent account of accountability” (Ferlie, Ashburner, Pettigrew, & Fitzgerald, 1996, p. 234). Here we show how this can be done through accountability entrepreneurship, i.e., top public managers who blend political accountability responsibilities (usually attributed to elected officials) and managerial ones.

Methodologically, we adopt a research strategy based on inductive reasoning applied to the exemplary case of the out-of-hospital emergency medical service (EMS) of the Lombardy region (Italy) as an ‘extreme case’ to maximise the insights derived from its study (Denzin & Lincoln, 2000). Drawing on the distinction between *political* and *managerial* accountability of Bovens (2005), our research indicates the conditions that can lead top executives to take hybrid roles in order to counterbalance accountability deficits.

The next section briefly reviews the literature on the impact of NPM on public accountability, and on the role of the public managers in accountability relationships. Section 3 presents an overview of the case, focusing solely on the aspects of relevance to this study,

i.e., the implications for public accountability, which are then discussed separately in Section 4. The final section sums up the overall conclusions derived from our research.

2. Public Accountability under NPM

The introduction of market principles promoted by NPM has transformed public service delivery into a hybrid system (Thomann, Hupe, & Sager, 2017). As well as affecting the manner in which public services are managed, the move to hybrid configurations poses the challenge of finding the right balance between accountability and autonomy, openness and performance management.

Accountability is a term whose meaning can change considerably across polities, policy areas, groups and times. However, regardless of the administrative arrangement, the fundamental objective of accountability “is to ensure that services are provided in ways that are consistent with values of equity, responsiveness, transparency, and probity” (Romzek, 2014, p. 317).

Numerous analytical classifications and dimensions have been added to the core meaning of public accountability. For the aims of this paper (and due to space limitations), the primary focus is on the concepts of political and managerial accountability that can be distinguished based on the type of *forum* to which the actor is required to render account (Bovens, 2005):

- *political accountability*, when the account is given in political fora, to voters, members of Parliament and other political representatives, ministers, or political parties;
- *managerial accountability*, when the forum is part of the chain of command within a bureaucratic organization.

Political accountability concerns primarily the relationship between elected officials and public fora. Managerial accountability, however, is much more confined and bounded in nature than political forms of accountability (Ferlie et al., 1996, p. 198). In a balanced public administration system based on a clear separation of roles, “public managers are not politically accountable; (...) they are accountable only to their direct superiors in the chain of command” (Bovens, 2005, p. 196).

There is an ongoing scholarly debate as to the effects of NPM on democratic governance and responsibility. The assumption of the so-called accountability deficit (Schillemans, 2011) within public organizations is that NPM leads to the erosion of public service norms. As a result “legal constitutional and democratic norms would be marginalized, if not entirely replaced, by managerial and performance-oriented norms” (Benish & Levi-Faur, 2012). A tension thus arises between the logic of publicness typical of the public sector and the logic of managerialism. As observed by Behn (1998, p. 131), the advocates of NPM “must not only demonstrate that their strategy is more effective or more efficient. They must also demonstrate that it is politically responsible”.

The risks of weak democratic accountability are higher when the service delivery is delegated to quasi-autonomous agencies at arm’s length from government and turned into performance-based organizations, evaluated on the basis of targets, market-type mechanisms, and benchmarks which have been laid down in (quasi) contracts (Behn, 1998, p. 123). In such cases, elected officials have “only retained a formal responsibility for policy formulation and institutional arrangements, whereas the operational responsibilities have

moved to the heads of these agencies” (Bovens, 2005, p. 198). Hence, to reduce the risks of weakening democratic accountability, the need arises for “more direct and explicit accountability relations between public agencies on the one hand and clients, citizens and civil society, including the media, on the other hand” (ibidem, p. 199). This also means that top executives “should feel obliged to account for their performance to the public at large” (ibidem), and become ‘accountability entrepreneurs’. This requires them to redefine their professional identity, acquire new competencies compared to senior public officials and assume a new positive attitude toward public responsiveness. In other words, they should be directly accountable for their performance not only to the principal (e.g., the minister), but also to the other stakeholders (e.g., the citizens). In this respect, as shown by the Lombardy case, the ‘hybridization’ of the political and the managerial accountability role offers a solution to fill the democratic accountability gap.

3. Illustration: the EMS reform in Lombardy

The law that established the Italian EMS in 1992 provided for the regionalization of the system, based on local emergency networks coordinated by Command and Control Rooms (“COEU”) located in public hospitals. The aim was to ensure the uniform distribution of EMS across the country, accessible nationwide through a single medical emergency telephone number (118). Contrary to expectations, the regionalization of the service led to a fragmented and territorially heterogeneous configuration that negatively affected the quality of the service and created inequalities.

In Lombardy, which is one of Italy’s most populated and more economically relevant regions, the reorganization of the EMS had been on the regional government’s policy agenda since at least 2002. However, the two parties of the centre-right coalition that governed Lombardy at the time had different views on how to redesign the system. This inability of the regional government to reach agreement meant that nothing concrete was achieved until December 2007, when the decision was finally made to establish a new arms-length agency called the Regional Agency for Emergency-Urgency (“AREU”), based on the same NPM orientation that characterized the regional healthcare system.

The AREU governance system mirrors that of Lombardy’s other health agencies. It is based on a strategic management board chaired by a General Manager (GM) directly appointed by the Regional Government and assisted by a Clinical Director and an Administrative Director, both appointed by the GM.

Since the establishment of AREU, the GM was given full autonomy on how to re-organise and manage the EMS system. Based on this wide mandate, during the period 2008-2011, AREU systematically collected data on the emergency needs that arose in the different areas of Lombardy, on the use of emergency resources and on the performances of the EMS sub-systems operated by each COEU. To do this, it adopted a wide range of ICT-based performance measurement systems and sophisticated control tools to track and report the relevant service indicators. The data thus obtained gave the GM the basic information required to develop a plan for the re-organization of the EMS system. The plan called for reducing the number of the COEUs from 11 to 4 and for a more rational territorial distribution of the emergency resources.

The AREU plan was green-lighted for implementation by the regional government in 2011 but immediately ran into problems regarding the redistribution of the emergency resources at the local level, hitting a particularly sensitive political and social nerve. Indeed,

the reactions of the citizens to the plan's direct impact on their effective and perceived safety were often negative and, at times, even bitter.

The AREU GM therefore decided to establish an open and ongoing dialogue with the local communities and to use an evidence-based approach to provide the field data, indicators and results to support the choices made. Consequently, the plan was presented to the local communities by the GM in person, who, taking on a *de facto* political accountability role, put himself on the front line to explain the reasons for the decisions made and to respond to the concerns raised at the various public assemblies and citizen meetings. This approach to making and justifying decisions of vital importance to the citizens thus enabled AREU to win over public opinion and, finally, to achieve the goals set out by the 2007 law that gave it birth. The EMS re-organization plan was fully implemented in 2015, and the reform process was concluded without rising critical concerns and oppositions in the local communities.

4. The emergence of accountability entrepreneurship

A key success factor in the re-organization of the Lombardy EMS system was the AREU GM's decision to step into a role that, in democratic contexts, is typically the political responsibility of the elected officials, i.e., to give account for the proposed reform in public fora. So why was this role shifted in the EMS case? What pushed the management to take up the slack of political responsibility towards the citizens?

The answer is a weakened political context exposed to the external pressures and internal conflict. Healthcare has always been a highly sensitive policy area in Italy but the eruption of the *tangentopoli* corruption scandal in the 1990s laid it wide open to continual external scrutiny, especially in Lombardy, where the public perception of corruption is high and where the opening up of the public healthcare sector to private actors is viewed with great suspicion. In fact, prior to the formation of the AREU, the President of Lombardy and the Minister of the Regional Health Service (members of two different parties in the dominant coalition) had already locked horns over the question of giving the private sector access to the EMS. This divergence led the latter to resign and turned the EMS reform into an even hotter political "hot potato". The two major coalition parties therefore took a step back in order to play down their role in the EMS reform as much as possible.

A service that directly impacts the health and safety of the citizens is a high-profile political and social issue under any circumstances, so the combination of the unpopular need to rationalize the system and a weakened political scenario led the elected officials to adopt a 'pass-the-buck' strategy – easily observable when they are "motivated primarily by the desire to avoid blame for unpopular actions rather than by seeking to claim credit for popular ones" (Weaver, 1986, p. 371).

Skelcher and Smith (2014) hypothesize that turbulent environments offer key actors a vision of entirely new organizations and make it likely the emergence of blended hybrids that evolve "into a novel and contextually specific form, in a way that enables them to 'forge durable identities of their own'" (p. 442). In the case of the Lombardy EMS reform, the intrinsic weakness of the political system opened a 'window of opportunity' that allowed the AREU GM to act as an 'institutional entrepreneur' (Garud, Hardy, & Maguire, 2007): on the one hand, by playing an active role in the policy making process and, on the other, by promoting new accountability practices.

The establishment of AREU as an arms' length public body is the result of "a strategy deliberately adopted by politicians to weaken the thread of accountability running from the

electorate to politicians” (Mattei, Mitra, Vrangbæk, Neby, & Byrkjeflot, 2013). The effects of that strategy were twofold: i) it gave the AREU management the possibility to operate as an autonomous entity detached from the principal (i.e., the regional administration) with far more discretion; and ii) it highlighted an accountability gap that the GM sought to bridge through the creation of new accountability relationships.

Establishing measures that foster political accountability is a wicked task for an arm’s length agency, but the exemplary case shows clearly that the cost of not doing so would have far outweighed the actual cost of doing so, given that the resistance of the local communities would have frustrated the entire reform effort. The accountability strategy adopted by the AREU GM thus seems to be based on a ‘rational calculus’ aimed at maximising policy outcomes (Reiss, 2011). Nevertheless, to explain what happened on the ground, we need to consider at least two other key elements. First, the fact that one of the first organizational units created by the AREU was the External Relations Office, showing that the GM had already deemed stakeholder communication a key strategic function, even before he realised that he would be required to play a *de facto* political accountability role. Second, and most importantly, the fact that the GM personally stepped in to account for the agency’s decisions and actions in public fora clearly indicates a direct involvement in policy-making and a strong commitment to the mission of the agency, which is another important driver of accountability entrepreneurship (Reiss, 2011).

5. Final remarks

The massive infusion of managerialist practices in the public sector is often blamed for the erosion of democratic accountability, especially when the policy pillar is weakening. The exemplary case of Lombardy illustrates how the emergence of new accountability entrepreneurs could be a viable solution. The EMS reform has clearly changed the positions of top executives, and also confirms Bovens’ observation that public managers “do not need to undergo the rise of public accountability pressures passively; they can (...) become accountability entrepreneurs instead of accountability victims” (2005, p. 203).

However, to act as accountability entrepreneurs executives need to blend different logics and play hybrid roles, which “may entail changes to and the formation of new work identities” (Denis, Ferlie, & Van Gestel, 2015). This creates both challenges and dilemmas. Challenges, because the formation of new work identities requires the assimilation of different types of competences, some of which are quite far from what the managerial work is thought to be. This, in turn, calls for the redesign of the traditional public management educational curricula.

Dilemmas, because the decision of whether to exercise agency to adapt their identity and role in order to better fit a complex institutional environment heavily depends on personal attitudes and motivations, but also on the managers’ commitment toward the policies. In fact, in the case of AREU, the strongest motivation for the GM to account in public fora for the reform of the EMS system was his primary responsibility for the redesign of the system.

To conclude, the emergence of public managers’ accountability entrepreneurship has substantial potential to reduce the risk of technocratic drift that typifies NPM-driven reforms, especially where the role of the elected officials tends to shrink under external pressure or internal conflict. More research is needed to substantiate this in various policy contexts.

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