



Time for interactive control systems in the public sector? The case of the Every Child Matters policy change in England

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ABSTRACT

The present study employs the Simons's 'levers of control' framework (1990, 1995) to analyse a shift in the use of control systems by government in the policy area of children and young people in England. At a time when the public is becoming increasingly disillusioned with the government's control over the work of the agencies in this policy area, high-profile cases of crises involving children (e.g. DoH, 1991; Laming, 2003) have raised doubts about the effectiveness of the conventional systems of control in place to keep these organisations accountable. Indeed, there is a growing body of evidence suggesting that the traditional type of control systems in government, meant to strengthen public accountability, consistently fail to promote high standards of care.

This paper utilises a middle range thinking methodology (Broadbent and Laughlin, 1998) to describe and interpret changes in the policy area of children and young people in England highlighting implications for inter-organisational control. Through the lens of the Simons's levers of control (LOC) framework (1995), it advances the argument that the government is complementing their traditional diagnostic control systems with more interactive ones, principally in an attempt to manage more effectively the risk and uncertainty increasingly present in their environment. An in-depth study of a Local Safeguarding Children Board (LSCB) in 'Brempton', North West England, balanced with case evidence from policy documents, extends existing research in the area of control of inter-organisational relationships in the public sector.

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1. Introduction

Over the past half a century, the ways in which the public sector is managed has changed considerably, following rapid and complex societal transformations. If after World War 2 governments centralised services to speed the post-war recovery, the economic boom of the 1970s was followed by a time of struggle for governments to keep up with the spending levels agreed after the war.

Naturally, this brought about a change in paradigm, whereby the state was rolled out and the management principles of the private sector were introduced to foster economy, efficiency and effectiveness of government-led operations (Lawton and Rose, 1994). The shift was rather radical: from the Weberian, bureaucratic system of rational, centralised organisation of the government, structured around principles such as legality, due process, hierarchy, expertise, impartiality and equality, to a belief in the invisible hand of the market incorporated in the New Public Management (NPM) paradigm. The private sector started taking on board many of the previously government-led operations (for example, public transport, refuse collection, parking, but also some aspects of social work, education and health). While there appeared to be good reasons for

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doing so, the complexity of the mixture between public and private provision of social services, as well as the sheer number of stakeholders in the policy arena, soon became difficult for governments to manage and control and for the public to discern (Hudson, 2004).

This issue was addressed in the next paradigmatic shift where the organising principle of government operations went from 'markets' to 'networks' (Kickert et al., 1997; Hudson, 2004; Loffler, 2004). In response to calls for 'personalisation of services', previously fragmented services were brought together to satisfy public needs which by now had diversified considerably. For the latter to be attended appropriately, policy-making started to rely on the input of a variety of actors, amongst which the service users themselves (Bovaird, 2007) and the voluntary and community sector organisations (Osborne et al., 2002) through their unique expertise in the needs of the groups for whom they advocate (for example, children, veterans, elderly, disabled and so on). Policies are increasingly both designed and implemented collaboratively by public, private and voluntary sector agencies, which are encouraged to work together to find local solutions for localised problems, rather than just apply national legislation. This has led to the creation of dense and complicated communication networks amongst a plurality of actors whereas, at the same time, the delegation of authority has allowed unprecedented discretion in the decision making of public sector managers and workers, challenging traditional models of public accountability (Klijn, 2008).

Public accountability is seen in relation to the control of public sector operations exercised by the central government. This paper argues that, in recognition of the increasing level of uncertainty in today's policy environment, governments have started to actively seek to complement their diagnostic systems of control with more interactive ones. The case study of the Every Child Matters (ECM) policy change in England is used to illustrate this shift in emphasis. To this end, we contrast the management control systems (MCSs) used before and after the policy change (2006, when the 2004 legislation came into effect), to suggest that the redefinition of the policy environment as more uncertain has resulted in a change in the control philosophy of the government from 'constraining'

to 'empowering'. This is interpreted as a reaction to the raise of uncertainty in policy-making in the context of the contemporary 'risk society' (Beck, 1992).

Prior empirical literature on the impact of uncertainty on inter-organizational controls, either in private or in public settings, is admittedly scant (Caglio and Ditillo, 2008). Although a number of management control theorists have considered uncertainty, in its various forms and guises, as a contingent factor affecting the design and use of control systems (see, for example, Galbraith, 1973; Williamson, 1975; Ouchi, 1979; Chenhall, 2003), its impact on inter-firm control mechanisms has been only partially investigated. In their recent review of this literature, Caglio and Ditillo (2008) report that only Dekker (2004) included uncertainty in his model, yet the role of uncertainty was considered subordinate to other variables such as inter-dependence and asset specificity. This paper adds to this emerging literature by providing rich empirical descriptions of an area of public policy where uncertainty is – and has recently been recognised as – inherent (Munro, 2011). Its aim is to increase our conceptual understanding of the effect of uncertainty on the choice and use of control mechanisms in inter-organizational contexts, which is presently only partial (Das and Teng, 2001). Alongside this contribution to the inter-organisational relationships literature, we also aim to add to the recent stream of research emerging in the management control literature in public sector in general (e.g. Kloot, 1997; Kober et al., 2007; Batac and Carassus, 2009) and in public sector partnerships in particular (see Barretta and Busco's (2011) editorial in the special issue of *Management Accounting Research* on Management Control Innovations in Public Sector Networks, Vol. 22, No. 4).

2. Theoretical framework

The theoretical framework utilised here is Simons's 'levers of control' (LOC) framework (1990, 1995) (see Fig. 1), which focuses on the importance of balancing the inevitable tensions between, on the one hand, the need for control and the achievement of pre-established objectives (via 'diagnostic' and 'boundary' control systems) and, on the other hand, the organizational need for learning and innovation to enable constant adjustment to changes in

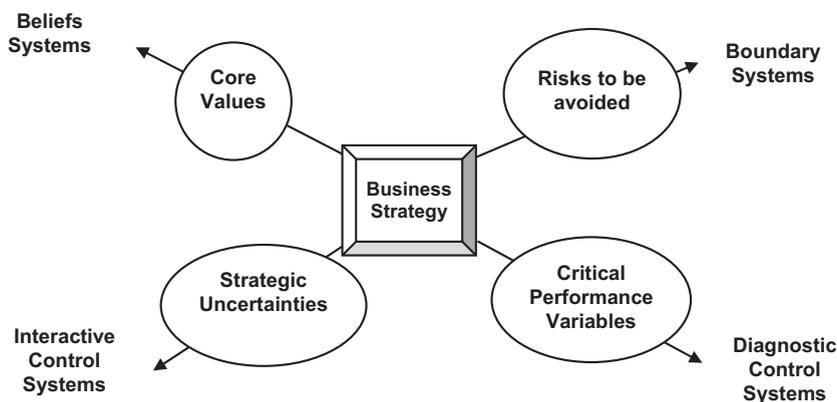


Fig. 1. Simons's 'levers of control' framework (Simons, 1995).

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