

The Impact of Isomorphic Pressures on the Development of Organisational Service Orientation in Public Services

Barbara Caemmerer, University of Strathclyde, ba.caemmerer@strath.ac.uk

Michael Marck, University of Strathclyde, m.marck@strath.ac.uk

Abstract

This study investigates how isomorphic pressures impact on the service orientation of public sector organisations. In order to address this question we focused on the exploration of the factors impacting on organisational service orientation in two distinctively different public sector settings. The qualitative findings suggest that across different public sector settings organisations strive for an externally-driven, enthusiastic service orientation, but that interrelated isomorphic pressures and paradoxes impact on the achievement of this goal.

Keywords: Service Orientation; Public Sector; Institutional Theory; Isomorphism

Introduction

While traditionally public sector organisations have been characterised as having a bureaucratic orientation, with a focus on rule enforcement and structured hierarchies, the New Public Management agenda has corroborated an organisational service re-orientation. In particular, public services are to become more externally oriented, with a stronger focus on the provision of flexible and tailored responses to citizens' needs (van Ryzin, Muzzio and Immerwahr 2004). This is reinforced by an increased use of management- and market-related terms and practices to facilitate the implementation of private sector practices in public service contexts (Doolin, 2002; Sanger 2008; Yang and Holzer 2006). While some authors suggest that such a change is difficult to achieve due to the complexities of the public sector environment (Golembiewski, 1985), others have observed that the management of private and public sector organisations assimilates (Perry, 1996; Robertson and Seneviratne, 1995). Overall, there is growing evidence that, just like their private counterparts, public sector organisations strive for an enthusiastic, customer-driven service orientation (Caemmerer and Banerjee, 2009).

Isomorphic Pressures impacting on Organisational Service Orientation

Organisational isomorphism refers to the assimilation of organisations that co-exist in similar environmental conditions (Dacin, 1997; Deephouse, 1996). One of the most influential articles in this field of the literature is that of Di Maggio and Powell (1983) (Mizruchi and Fein, 1999). They identified three isomorphic processes which inspired a lot of subsequent research. *Coercive isomorphism* is a response to pressures from other organisations the organisation is dependent on, as well as the pressure to conform to expectations of society. *Normative isomorphism* refers to organisational change as a response to exchange with peer organisations and professional associations. Therefore, isomorphism occurring on the basis of such pressures is associated with professionalism. *Mimetic isomorphism* occurs if the organisation is aspiring to mimic the performance, structures and practices of other organisations. This is a response to situations of uncertainty in which management is under pressure to improve performance, but does not know how to reach this objective.

While DiMaggio and Powell (1983) have highlighted that the three types of isomorphism are not necessarily distinct, Mizruchi and Fein (1999) found that the majority of studies have focused on the exploration of one of these processes. However, they concluded that in these publications most factors associated with only one type of isomorphism could in fact be attributed to either of the other two. This suggests that more attention should be paid to studying the three isomorphic processes in conjunction. Moreover, Frumkin and Galaskiewicz (2004) argue that the vulnerability of public sector organisations to isomorphic pressures is significant for the New Public Management debate. This may be particularly important as public organisations appear to face counter-pressures from external and internal forces which potentially inhibit organisational efforts (Hannan and Freeman, 1984). However, little research has been carried out to investigate the impact of the environment on the transformation of public organisations. We contribute to the extant literature by addressing the following research objective:

Explore how Isomorphic Pressures impact on the Development of Organisational Service Orientation in Public Services.

Research Methodology

To address this research objective we chose the case study approach as it “allows investigators to retain the holistic and meaningful characteristic of real-life events (...) such as organizational and managerial processes” (Yin, 2003, p. 2). In particular, Jensen and Rodgers (2001) suggest that the field of public administration is well suited to case studies as they satisfy the recognised need for an in-depth understanding of cause and effect relationships that other methodologies cannot achieve.

We decided to carry out research in two distinctively different public sector settings (Lan and Rainey, 1992), according to Yin’s (2003) replication logic. The first organisation was a national government agency which mainly provides consultancy services to private sector businesses. The constant interface with the private sector put a lot of pressure on the organisation to streamline its service delivery according to private sector practices. In order to see whether our findings would hold across a very different public sector setting, we decided to carry out additional research in a local authority. This organisation is primarily involved in community development and has therefore only little professional contact with the private sector. Comparing the two cases was important to investigate whether intra-sectoral isomorphic processes have occurred across different public sector settings.

In order to address our research objective, we conducted 18 interviews with senior managers across all business units in organisation 1, which we recorded and transcribed. We explored in depth what type of service orientation the organisation was aspiring to and which management practices had been implemented in support of this transformation. Moreover, we gained a rich insight into the various pressures to and motivations for change. To establish whether our findings could be replicated in organisation 2, we arranged two meetings with 12 senior managers each to discuss the same topics. To approach the data analysis in a structured manner, we used content analysis (Krippendorff, 1980).

Findings

The analysis of the interview findings revealed that all three processes – coercive, mimetic and normative isomorphism – impact on the development of an enthusiastic service orientation in the public sector. They are interlinked and can be an antecedent as well as a consequence for the respective others, which will be discussed in turn.

Coercive isomorphism

According to DiMaggio and Powell (1983), coercive isomorphism occurs due to external pressures from other organisations and society at large. Interviewees affirmed that their organisations, as public services, were directly dependent on government funding and thus had to react to changing policies and pressures to improve public services. They were also indirectly dependent on wider public opinion to establish favourable government attitudes towards their organisations. To remain in political power, government also is dependent on positive public opinion towards their policy making. As a consequence, there was an overall view that the formal and informal coercive pressures government had been facing by various publics led to an overpromising of what public services can achieve. This resulted in ambiguous remits and

strategies for the organisations studied, as well as to uncertainty as to how to tackle the rising expectations and contradicting demands of their stakeholders. For example, interviewees from organisation 1 highlighted that government had come under increasing public pressure to enhance the performance of and accessibility to the services the organisation provides. At the same time, there had been formal pressures, such as increasing household deficits, which meant the cutting of resources available to the organisation. Interviewees described that, in an attempt to address these dilemmas, the organisation used the services of a private management consultancy firm in order to improve the efficiency and effectiveness of their services. The outcome of this was an organisational transformation project which was mainly based on the implementation of private sector practices, such as the introduction of performance management in the form of balanced scorecards and Customer Relationship Management systems. Such a behaviour has been described as mimetic isomorphism.

Mimetic isomorphism

DiMaggio and Powell (1983) suggest that mimetic behaviour occurs as a reaction to uncertainty. The interview results reflect that – in the case of the public sector organisations studied – coercive pressures had led to goal ambiguity and an uncertain political environment, which in turn created mimetic behavior. In order to favourably influence public opinions, political decision-makers attempted to streamline the public sector organisations with a more externally focused service orientation model, inspired by the private sector. This development resulted in two major isomorphic pressures for the organisations: the assimilation of its service delivery processes with private sector practices, and the homogenisation of their service effectiveness and efficiency with other public sector organisations. In both organisations, this had been particularly expressed by the search of best practice examples within the public as well as the private sector, to inform the transformation of their services. This is in line with the observation that the barriers to the assimilation across organisational fields and sectors are breaking down (Frumkin and Galaskiewicz, 2004).

Normative Isomorphism

This inter-sectoral isomorphic phenomenon also gained impetus through normative pressures and, at the same time, resulted in normative isomorphism which “stems primarily from professionalization – the collective struggle of members of an occupation to define the conditions and methods of their work (...) as professions are subject to the same coercive and mimetic pressures as organizations” (DiMaggio and Powell, 1983, p. 152). The interviews revealed that, particularly in the case of organisation 1, specific managerial education programmes directed at organisations across sectors, as well as management consultancies which promoted similar management models across organisations and sectors, contributed to normative isomorphism.

Although the majority of interviewees thought that, overall, the above outlined processes led to the development of a more enthusiastic service orientation, there was also concern that isomorphic pressures created paradoxes which impacted negatively on the transformation of the organisations. We identified the following four intertwined paradoxes which may affect the development of service orientation in a public sector setting.

Remit Paradox

Campaigns initiated by government to make the public feel more involved in political decision-making have given citizens more opportunities to voice their opinion about public services. This increased involvement in conjunction with the strong scrutiny faced through the media led to stronger public pressure on politicians to improve public service performance. This in turn led, in some instances, to an overpromising by politicians of what public services can deliver. Simultaneously, though, while the remit of the organisations was officially extended, budget deficits led to a cutting of resources which put pressure on public services to narrow their focus of activities.

Resource Paradox

To respond to governmental cost-cutting, the organizations had to become more efficient. In order to reach this aim, service standards were introduced, reinforced through new guidelines about the frequency and level of service provision for each customer. In some instances, this development led to a less responsive and tailored approach to service delivery. Thus, the emphasis placed on efficiency reinforced a stronger bureaucratic orientation, with a focus on meeting predefined targets, as opposed to an enthusiastic service orientation.

Accountability Paradox

As outlined above, due to diminishing resources, the organisations had been facing pressure to become more efficient. At the same time they had been subject to increased public scrutiny. The desire to make public services more transparent led to stricter reporting structures and decision-making processes. These additional internal and external auditing procedures posed a barrier to the creation of an externally focused organisational service orientation, as they increased internal bureaucracy and distracted employees from dealing with customers. They also created inflexibility and risk aversion as they give employees the feeling of being controlled. Therefore, overall, decision-making processes became slower and thus less efficient and effective.

Professionalisation Paradox

In order to create a more externally driven organisational service orientation, new performance evaluation systems and training programmes were put in place to reinforce the transformation amongst staff. Particularly in organisation 1, interviewees believed that while these mechanisms did have the desired effect on many employees, especially those that had joined the organisation recently, they also thought that some staff who had been in the organisation for a long time seemed to be irritated about the change efforts. This divide created some internal frictions within the organisation. Moreover, there were some instances in which newly hired employees from the private sector had quickly become frustrated with some of the internal bureaucratic processes that still had to be in place in the organisation.

Conclusion

Our findings make two important contributions to the extant literature. First of all, we showed that in both public services we studied, organisations strive for an enthusiastic organisational service orientation which suggests an assimilation of service aspirations with the private sector. Second, we identified various coercive, normative and mimetic pressures that impact on the development of such an organisational service orientation in public sector settings. In particular, we provided support for the notion that these pressures are interlinked and, in combination, support as well as hinder the development of service orientation. On the one hand, they support the development of an enthusiastic service orientation, whereas on the other they are creating barriers to such a transformation. We term this phenomenon *isomorphic paradox*. Specifically, we identified four isomorphic paradoxes which concern the remit, resources, accountability and professionalisation of public services.

The main limitation of this study lies in its methodological approach, as the small sample size of case studies may pose a threat to the generalisability of the findings (Yin, 2003). While we took great care to enhance the validity and reliability of this study through data and source triangulation, as well as the use of established guidelines for qualitative data analysis, future research should investigate whether the findings presented here can be replicated in a wider variety of public sector settings. There is also a need to understand how the isomorphic paradoxes that we observed can be overcome by public management.

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