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REGULATING PUBLIC SERVICES: HOW PUBLIC MANAGERS RESPOND TO EXTERNAL PERFORMANCE ASSESSMENT

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Abstract

Performance management systems have become a key component of contemporary public administration. There has, however, been only limited analysis of the social construction of performance by public managers who are subject to them. This paper examines the ways in which public managers create, maintain and disrupt performance management practices. We find that they make external performance assessments perform for themselves by constantly negotiating boundaries in ways which combine both bureaucratic and managerial rationales. We argue that the ways in which organizational boundaries are constructed is fundamental to understanding the success or failure of implementing performance management, and the transformation of managerial ways of thinking about performance into a logic of improvement through which contemporary public sector reforms become embedded.

Recent years have witnessed a proliferation of performance management systems (PMS) in the public sector. The increasing reliance on PMS is inextricably bound up with the managerially inspired post-bureaucratic institutional logic (Reed, 2010) and has created ‘new set(s) of relationships between the external reviewer, the reviewed body, customers/citizens, and policy makers’ (Grace 2005: 578). In spite of calls for a shift of focus (Power 2003), central policy initiatives and regulatory institutions have continued to attract attention (Dull 2006; Moynihan 2013). Existing research is concerned mainly with processes of assessment (Hood and Scott 1996; James 2000; Boyne *et al.* 2002) and their repeated failure to deliver top-down administrative reforms (Ashworth *et al.* 2002; Andrews *et al.* 2005; Davis 2011; Moynihan and Hawes 2012). By contrast, there has been only limited analysis of the social construction of performance by public managers who are subjected to external performance assessment (Dias and Maynard-Moody, 2006; Moynihan, 2008; Soss *et al.* 2011). Using data from English local government, this article addresses that gap. It examines two key questions: How do public managers construct their work in the context of externally imposed PMS? How does their engagement with PMS both reflect and further the emergence of a new hybrid, institutional logic in the provision of local public services?

Focusing on public managers’ construction of their work in relation to their environment provides important insights into the factors which determine the successful implementation of PMS (Ammons and Rivenbark 2008, Moynihan and Hawes 2012). The recognition that public managers operate within a complex web of vertical and horizontal relations (cf. Kuhlmann 2010, Walker *et al.* 2010) casts doubt on assumptions about the seemingly fixed nature of boundaries between and within organizations (du Gay 2005; Meyer and Hammerschmid 2006). By analyzing managers’ efforts to enact organizational and institutional change, this article responds to calls for more attention to be given to agency in institutional theory (Lawrence *et al.* 2009) and to the role of actors’ ‘mental models’ in bringing

about administrative reform (Dull 2006). Drawing on sociological institutionalism, and, in particular, concepts of institutional work, boundary work and institutional logic, it sheds particular light on the use of external performance assessment to bring about institutional change.

The contribution of this analysis is threefold. First, we show that the ways in which organizational boundaries are constructed is fundamental to our understanding of success or failure in implementing PMS, and thus to understanding the transformation of the logic of managerialism into a hybrid logic of improvement. These emerging beliefs about practices of performance measurement and management help embed contemporary public sector reforms. Second, whereas previous studies have focused on inter-organizational processes (cf. Reay and Hinings 2009), this article shows the importance of examining the operation of PMS at both an inter-organizational and an *intra-organizational* level which has repercussions for public administration in general. Third, it demonstrates the value of examining conflict and power struggles *between* levels of government. In the US, discussion has been predominantly focused on regulatory problems within the same level of government, though there are exceptions (Frederickson and Frederickson 2007, Radin 2006). This article highlights the importance of analyzing PMS within the context of inter-governmental relations. It argues that rather than being seen exclusively as an instrument of external control, PMS need to be theorized as a negotiated practice where conflict both between and within organizations is inevitable and improvement cannot be achieved simply through more effective policing of PMS.

The next section presents our theoretical framework drawing on the sociological institutionalism literature on the interplay of logics, practices and boundaries in understanding institutional change. We then explore the implementation of external performance assessments in the context of a managerialist reform agenda in English local government. Next, we describe our research methods. Then we analyze the evidence from a program of in-depth interviews

with national policy makers and public managers. The final section explores the implications of our analysis for understanding emergent hybrid logics of performance improvement in public services.

BOUNDARY WORK, INSTITUTIONAL LOGICS AND PERFORMANCE ASSESSMENT

Sociological institutionalism has increasingly been deployed in analyses of public service reforms (Kuhlmann *et al.* 2008; Ashworth and Entwistle 2010). It complements approaches to public administration such as Foucauldian inspired analyses (e.g. Ferlie *et al.* 2012; Soss *et al.* 2011; Waring 2007), theories of identity in organization (e.g. Meyer and Hammerschmid 2006; Thomas and Davies 2005) and policy feedback studies (e.g. Soss and Moynihan 2014) which shed light on the interaction of policy, politics and managers' agency in public management reform, predominantly at an organizational or individual level. Sociological institutionalism allows us to link the different scales of field, by which we mean the totality of relevant actors (DiMaggio and Powell 1983), organization and individual in the complex organizational environment in which public services operate where 'government, regulators, professionals and service users coincide' (Ashworth *et al.* 2013: S7). In our case the field is the local government 'sector' in England which comprises heterogeneous groups of actors including managers, service professionals and politicians working in more than 400 separate local councils. An institutional approach helps to elucidate forces other than coercion which shape the varied ways in which policies become administratively embedded and provides a parallel reading of the recursive relationship between policy and politics in policy feedback studies (Soss and Moynihan 2014).

While sociological institutionalism offers the potential for multi-level analyses of public sector reforms, the transformation of the organization, management and delivery of public services provides valuable opportunities to examine current approaches to changing organizational fields, actors and practices (Ashworth *et al.* 2013; Reay and Hinings 2005, 2009). Recent studies have marked a shift towards a recognition that dispersed agents, such as the constituent groups above, are continually ‘working’ to bring about field-level change (Smets *et al.* 2012; Lawrence *et al.* 2011; Van Gestel and Hillebrand 2011), especially in contexts characterized by an uneven and temporary distribution of the capacity to act. In these circumstances, actors operating alone are unable to sustain field-level (i.e. sector-wide) change. They require the institutional work of others and this gives rise to conflict and contestation which is mirrored in the increasing interest in agency and practices in organizational fields.

Recent studies have also highlighted the importance of everyday, mundane activities and their potential to bring about organizational change at the wider field level (Smets *et al.* 2012; Lounsbury and Crumley 2007; Lounsbury 2008). This connection is constructed through the concept of ‘practice’ which has been defined as ‘patterns of activities that are given thematic coherence by shared meanings and understandings’ (Smets *et al.* 2012: 879) and builds upon Bourdieu’s ideas of habitus and practice (Bourdieu 1977, 1996). The aim has been to link micro-level activities to meso-level organizational change and to macro-level, i.e. field-wide, transformation. This is presented as a bottom-up process, which, it is argued, has been neglected compared to top-down change (Smets *et al.* 2012).

Lawrence and Suddaby (2006) suggest a conceptual framework to unite disparate strands of institutional research which Zietsma and Lawrence (2010) develop to take account of the relationship between practices (within the field) and boundaries (of the field). They argue that institutional work involves creating, maintaining and disrupting practices as well as boundaries and therefore needs to be analyzed in relation to both. Understanding boundaries

and practices and the relationship between them is important for actors looking to use events outside of their organization and even their sector to change behaviors and practices within.

The notion of institutional logics has also been used to understand the link between practice and structures and to examine public service reform (cf. Townley 1997). Institutional logics are the sets of beliefs and practices which unite the field and guide participants (Scott 2001, Thornton and Ocasio 2008). Dominant logics are associated with moments of stability in an organizational field while at the same time being subject to continuous contestation. Importantly, institutional logics provide discursive resources, in the form of shared vocabularies, ‘to account for typical motivations, decisions and actions’ (Meyer *et al.* 2013:3). Dull (2006: 208), for instance, uses the concept of mental models which guide action to discuss the development of the ‘Program Assessment Rating Tool’ (PART). Reay and Hinings (2009) propose that a structural change of the field causes the (at least temporary) coexistence of institutional logics, which can be maintained, provided separate organizational identities are preserved. Actors’ boundary work is therefore instrumental in this process.

Boundaries are seen as distinctions that define different categories of objects, practices or people (Zietsma and Lawrence 2010). Boundary work refers to ways in which individuals engage in processes of negotiation to create, maintain and redefine organizational, practice and field boundaries. The meaning and configuration of boundaries offer much to analyses of administrative reform which entail changing boundaries for legitimate practices or actors within the sector. While the policy literature frequently promotes a discourse of change from a ‘traditional bureaucratic’ to a ‘new managerial’ logic of public service provision, the academic literature (cf. du Gay 2005; Reed 2010) suggests the co-existence of these logics, as well as the emergence of hybrid logics. Public organizations have become ‘settings in which definitions of boundaries are central to the authority and legitimation of claims’ (Skelcher 2012: 20). This

is particularly important in contexts where PMS are imposed externally and characterized as an instrument of uniformity (or isomorphism).

Existing accounts of administrative reforms centered on PMS in government agencies have highlighted the political nature of the process (Lavertu *et al.* 2013, Moynihan 2013). They make visible its conflict-laden character and are concerned principally with the efficacy of bureaucratic control mechanisms (Dickinson and Rudalevige 2004; Boyne *et al.* 2002; Gilmour and Lewis 2006; White 2012). Increasingly, the organization is seen as a site of politics (Dias and Maynard-Moody 2007; Soss and Moynihan 2014); conflicts are typically seen as located at the level of the organization and often conceptualized as regulatory problems. This, however, presumes the existence of stable entities with fixed boundaries whose interaction is presented as unidirectional and linear (though in contrast, Soss and Moynihan (2014) emphasize a recursive relationship between policy makers and the administration). Whilst this perspective is consistent with institutional theory's traditional focus on the effect of institutions on organizational and individual action, recent discussions of administrative reforms in UK suggest that its explanatory power is limited (Entwistle 2011). We follow Moynihan's (2008) acceptance of the importance of studying government agencies in their institutional context and focus on the relationships between actors and the dialogues that they construct. We advocate an approach where external performance assessment is understood as operating within a context in which organizational boundaries are constructed and contested, and are more permeable and malleable than the existing literature acknowledges. Boundaries are, we argue, resources that are deployed by public managers to negotiate questions of institutional and organizational attachment. External performance assessment both calls into question, and helps to shed light on, the nature of inter- and intra-organizational boundaries that are constantly negotiated and reconstructed in the pursuit of institutional, organizational as well as professional change (cf. Suddaby and Viale 2011). This chimes with new institutional

complexities and accepts the associated conflicts and uncertainties as ordinary occurrences rather than exceptional phenomena.

MODERNIZING ENGLISH LOCAL GOVERNMENT

Our analysis takes up the focus on intra-organizational change but also links it to sector-wide change. It investigates the UK Government's attempt to 'modernize' local government as a case where established bureaucratic logics and new managerial practices collided. The 1999 Local Government Act imposed on all local governments in England (hereafter referred to as 'councils') a statutory duty to secure continuous improvement (DETR 1998). The defining characteristic of this modernization logic was mandatory external assessment of organizational performance. From 2000, the 'Best Value' performance management framework required each council to review all of its functions over a five year period. The Audit Commission (a statutory corporation initially established in the 1980s to oversee the appointment of local government auditors) was charged by central government with assessing the performance and prospects for improvement of councils' functions, rating their services on a four point scale (Martin, 2000). From 2002, councils were also subject to Comprehensive Performance Assessments (CPAs). These were also conducted by the Audit Commission and combined judgments about the performance of local services with assessments of a council's 'corporate capacity' (its leadership, performance management, partnership working and use of resources) to provide an overall score which was reviewed annually and published in national league tables. Councils rated as 'poor' or 'weak' received additional oversight and support from government departments and/or a national improvement agency (Downe and Martin 2007).

External assessment of corporate performance signaled the displacement by managerial practices of professional standards in defining, measuring and seeking to improve local

government performance. Similar to developments in US public administration, notably PART, local government participation in CPA was mandated but the embedding of (external and internal) performance assessment was dependent on local cooperation (cf. Lavertu and Moynihan 2012). Existing literature on external assessment regimes in the UK has revealed a mixed picture. While some authors credit CPA with helping councils to improve (Downe and Martin 2007; Murphy *et al.* 2011), others have cast doubt on assessment methods (Andrews 2004; McLean *et al.* 2007) and criticized the use of aggregate scores (Jacobs and Goddard 2007). Analyses of compulsory benchmarking in local government (Bowerman *et al.* 2001; Bowerman *et al.* 2002) predict resistance from local actors. We present a more nuanced understanding which shows how some public managers use external performance assessment strategically to enhance their own and their organization's perceived legitimacy.

In 2009, CPAs were replaced by Comprehensive Area Assessments (CAAs), which rated the performance of police, health service, local government and fire and rescue services in a locality and judged their collective effectiveness in addressing 'cross-cutting issues'. CAAs were abolished following a change of central government in 2010. This was presented as evidence of a desire to 'free councils from the central and regional bureaucracy (and) the requirements of distant government officials' (Conservative Party, 2009: 2). But it owed much to the compliance costs of CAA, which the Conservative party estimated at £2 billion (Localis 2010), which could not be justified at a time when local government was required to accept significant budget cuts.

A program of voluntary external peer reviews, known as 'Corporate Peer Challenge' (CPC), which is orchestrated by the Local Government Association (the national representative body of English councils) is now in place. By the end of 2014, more than fifty percent of councils had participated (Downe *et al.* 2014), highlighting the organizational embedding and continuing importance of external performance assessment practices.

METHODS

Our analysis uses a multiple case study approach to examine the responses of managers to mandated involvement in external performance assessment. Multiple case studies have previously been used to examine aspects of local government reform such as the implementation of PMS (Ammons and Rivenbark 2008), networks and governance (Musso *et al.* 2011) and ethical behavior (Lawton and Macauley 2014). The advantages of a multiple case study research design compared to the more frequently used multi-authority questionnaire or single case study are its relative depth and breadth (Ammons and Rivenbark 2008). Our analysis also employed a multiple informant approach which has been shown to be important in order to gain insight into attitudes towards and perceptions of public management reforms (Enticott *et al.* 2009). It drew on data from 87 semi-structured interviews with senior corporate managers, including chief executives, in 11 councils. Our data set, therefore, focuses on the construction of the meaning of external performance assessment by corporate managers rather than service professionals. It is these managers who were most closely involved in corporate assessment regimes and are best placed to assess its use in changing their organization. Our cases spanned councils under the control of different political parties, different regions, urban and rural areas and both affluent and deprived communities (table 1).

[Table 1 here]

Interviews with public managers were conducted in 2004 and 2006. Interviews with nine national policy makers, all of whom were key institutional actors operating at sector level (including the government minister responsible for local government policy and senior executives from the Audit Commission and Local Government Association), were conducted in 2007 and 2008.

All interviews were recorded, transcribed and then coded and analyzed using NVivo. The analysis explored key themes derived from the literature on institutional logics and public service reform (e.g. Meyer *et al.* 2013, Suddaby and Greenwood 2005) and the role of the environment in PMS implementation (e.g. Lavertu and Moynihan 2012; Ammons and Rivenbark 2008) whilst also remaining open to emerging phenomena. Coding was an iterative process which continually referred back and forth between existing and emerging concepts, theories and data. The coding framework was developed through several stages which allowed for the separation of responses related to the local government sector, the organization and professional-managerial dynamics within organizations. At the first stage, we selected segments of interviews about the construction of the organization and then categorized them following an understanding of external performance assessment as interaction or ‘dialogue’ (e.g. Moynihan 2005; 2008) which focused on vertical (inter-governmental, organization – external assessor, managerial-professional) and horizontal (between councils) relations. These codes were employed to separate institutionalized vocabularies comprising a collection of phrases, expressions, and words which are applied to invoke a particular social identity, by constructing a reference point (‘Other’) (see table 2 which provides definitions for the codes used and examples, c.f. Meyer *et al.* 2013, Suddaby and Greenwood 2005).

At the second stage, we analyzed these segments following the recurring emphasis on relational distance or proximity to the respective ‘Other’ as an indicator of a particular institutional logic. In this we followed the literature which has demonstrated a distinct leaning

towards dichotomous interpretations of actors' relations and responses during periods of public sector reform and found previously identified factors around which boundary work was being done. Thus, boundary work with reference to inter-governmental relations occurred around issues of ideological alignment (Lavertu et al. 2013). Expertise was the dominant subject in the discussions of boundaries between organizations and their external assessors (Boyne *et al.* 2002). Organizational structure provided referents for intra-organizational boundaries (Dias and Maynard-Moody 2006; Soss *et al.* 2011; Taylor 2011) and the subject of competitiveness or willingness to compare shaped boundary work between local government organizations (Ammons and Rivenbark 2008; Soss *et al.* 2011). Table 2 illustrates this link between segments of talk and codes. In the third step, we then linked interviewees' accounts of their relations with respective 'others' in the context of external performance assessment to different dimensions of the traditional bureaucratic or new managerial institutional logic and increasingly detected a hybridized institutional logic- the logic of improvement. The next section details our findings by discussing these analytical steps in turn.

[Table 2 here]

FINDINGS

The Ideological Alignment Boundary

The interview data confirmed the findings of previous research which emphasizes the adversarial nature of inter-governmental relations and portray external performance assessment as an instrument of bureaucratic control. For example, national policy makers suggested:

The 2000 Act was absolutely ‘do it to them’, wasn’t it? It was top-down, it was centralist...It displayed, I think, a lack of trust in local government going forward, irritation with performance, [and] past political embarrassment around some individual councils (National Stakeholder #1).

The government was pushing the Audit Commission to do more, because the center started, I think, in the first five years of the Labour government with a complete mistrust of local authorities (National Stakeholder #2).

These and similar accounts presented local and central government as clearly defined, monolithic institutions following coherent but opposing agendas. Central government was portrayed as the dominant institutional actor which used PMS to instigate organizational and institutional change in local government. Councils meanwhile were seen as resisting top-down reforms where these conflicted with local priorities. This reflects the distribution of power across levels of government in the UK. The imposition of external assessment, therefore, requires public managers to do boundary work. Discussions of ideological alignment expressed primarily through a lack of trust, thus function as bolstering boundaries between institutional actors and defending institutionalized practices (Zietsma and Lawrence 2010).

At the same time though, our data revealed boundary work by public managers which went beyond ideological differences and actively breached boundaries between central and local government to facilitate the establishment of new practices. On an institutional level, local

government itself played a pivotal role in the design and implementation of Best Value and CPA. The assessment frameworks were designed, in part, by former local authority chief executives and senior managers who were recruited by the Audit Commission. Many of the staff who conducted Best Value inspections and CPA were recruited from local government. On an organizational level, public managers engaged with Best Value and CPA to bring about intra-organizational changes which they deemed necessary and which in turn had consequences for field-level practice. This is played out in interviewees' discursive boundary work, i.e. their depictions and constructions of shifting boundaries within the field and within their organizations. Some of these accounts point to a different kind of 'us vs. them' configuration which highlighted boundaries between the 'corporate center' and 'frontline services' within organizations. Here, public managers' accounts centered on questions of expertise, competence and organizational culture in terms of organizational structure and openness, rather than ideology. They also signaled a reordering of relationships within the local government sector, making visible the distinctions between 'excellent' and 'poor' performing organizations. The construction of centrally initiated external assessment mechanisms 'on local terms' is therefore indicative of a hybrid institutional logic merging bureaucratic and managerial beliefs and practices.

The Expertise Boundary

The internal/external boundary between councils and CPA inspectors emerged as another site for public managers' active boundary work. Here, it is the inspectors' expertise which was constructed as a result of managers' depiction of boundaries. On the one hand, it was the inspectors' status as *external* agents which legitimated their knowledge claims without which their work could not have been deployed by public managers to enact change or to differentiate their council from 'poor' performers. The following extract indicates the importance of clear organizational boundaries between councils and CPA inspectors:

I think what [our politicians] need is that external view because we can be making things better here, but we might not be doing it as quick as everywhere else. So they need that external perspective (Chief Executive, CS 1).

[CPA] raised a lot of good issues, the kind of issues that we were starting to get out in the open about things need developing, and it just helped turn the focus and spotlight onto those ... [there were a] couple of cases where perhaps members (politicians) and officers didn't quite agree in an area, but if it was highlighted there [CPA], it would add extra strength to it. Members very much see the strength of that (Service Director, CS 9).

The majority of managers' accounts and, to a more limited degree, those of national stakeholders valued external assessments as an instrument of validation (a 'health check' or 'litmus test'). Particular emphasis was placed on inspectors' ability to judge and evaluate corporate processes. Expertise in managing the services that they were assessing was seen as less important. As a corporate director explained:

To me the Labour government hasn't redefined local government but it has significantly improved process, it's improved slickness and it's improved focus (Corporate Director, CS3).

There was, however, some disquiet, particularly among the respondents from professional backgrounds, about the ability of inspectors to make judgments about performance given their lack of experience and/or specialist knowledge. In this sense, it was important for assessors' credibility to be external to the organization but experts in the services they assessed.

At the same time, in an attempt to work across boundaries, councils created 'corporate policy and performance' teams whose role was to internalize performance assessment. They

operated at the interface between inspectors and councils, drafting self-assessments and collating the performance data required to make their organizations 'auditable', and often acting as internal champions for assessment, as exemplified by the following quotations, whilst those running service departments remained skeptical and resistant:

My experience of CPA is it's always been dealt with in the upper echelons of the organization (Corporate Officer, CS 5).

I suppose at the moment, within my perspective, why knock it because it's an industry that I've benefited from personally (Corporate Director, CS 3).

On an organizational level, the hybrid logic of improvement manifested itself in the investment in and organizational embedding of generic managerial expertise (in the form of PMS and performance managers) aligned with both the specific local circumstances and (for the successful game players) central expectations of managerialism.

The Organizational Culture Boundary

Our data showed how the methods and outcomes of external assessment were appropriated by public managers as 'tools for improvement' within their organization. The disciplines imposed by Best Value and CPA had, we were told, been incorporated into authorities' own performance management routines as part of a manager's 'day job'. In this way, the boundary between externally imposed inspection practices and internal management processes becomes blurred:

I don't think you can separate the two. There's government drivers and there's good management. I mean Best Value I always thought was about good management and it's about challenging the way you do things. Is there a different way to do it?... So the two go hand in hand I think (Service Director, CS 6).

We adopt Best Value principles even if we don't necessarily call them Best Value reviews (Service Director, CS 4).

I was part of the initial team for Best Value and I think one of the things with it is that we tried at the council not to have services feel as if they'd been best valued It's a much broader thing and it's something that needs to be the ethos of the day to day working of an employee not just a review (Corporate Officer, CS 3).

Service departments, led by professionals (e.g. education, social work, planning), might resent being 'best valued' but resistance was countered by constructing the process not as episodic external surveillance but as a 'normal' tool for continuous self-improvement. Because this internalization of assessment was corporately driven, it sharpened the intra-organizational boundaries between the chief executive's department (particularly the policy/performance team), which embraced managerialist practices, and 'frontline services', which remained professionally focused. The surprisingly positive reaction from interviewees can be attributed to the fact that they were all in managerial roles. Our data set did not comprise professionals working at the 'frontline' and opposition to the assault on professional values and norms (cf. Soss *et al.* 2011) was muted.

Whilst the managerial core of the modernization agenda was the imposition of targets by central government, public managers blurred the distinctions between central and local priorities in their accounts and external performance assessment was portrayed as a negotiated local practice which served the shared objective of delivering better services for citizens. Interviewees thus frequently drew on a managerial logic. Some spoke of CPA helping public managers to accelerate and deepen pre-existing attempts to enhance the organization's performance. Others described the adaptation of central performance frameworks to serve local needs and priorities.

I think we wouldn't have had the opportunities to develop the performance frameworks and so on and some of those more corporate approaches, without having a national agenda to deliver them (Corporate Director, CS 4).

I think we are an authority...that try and work within ... national agendas and not against them...But being the sort of authority we are, we're more able to respond to any new opportunities and make the best of them, unlike the ones that probably need them more (Corporate Director, CS 10).

We see the national drivers as tools and they're tools to bend, they're tools to play with, they're tools to manipulate to actually make sure that we meet [place's] needs, that's what they're there for (Service Director, CS7).

On the whole, the implementation of PMS supported the increased importance of managers as managers rather than professionals in the organization and strengthened their position in the organizational field.

The competitiveness boundary

Differences between localities in terms of their socio-economic and geographic characteristics loomed large for those who objected to the imposition of standardized methods of assessment (Bowerman *et al.* 2001; Andrews 2004; McLean *et al.* 2007). This echoes attitudes to comparison discussed by Ammons and Rivenbark (2008) who identified 'reluctant', 'willing but cautious' and 'enthusiastic comparers'. Best Value and particularly CPA inspections enabled a new form of differentiation within the field, regardless of place, history, politics or levels of deprivation, which was based on the use of a 'vocabulary of performance' and paved the way for differential treatment by central government according to performance. 'Excellent' councils were promised greater 'freedoms' and invited to help shape government policy, whilst 'weak' and 'poor' councils were placed under intense surveillance. Acceptance of these new

internal distinctions within the field was remarkably rapid and widespread even though the methods used to make these judgments were contested. The enthusiastic comparers among the public managers we interviewed used this new vocabulary in their boundary work. A typical view from a high performing organization was:

I think it's fair enough for weak and poor authorities that the government have more levers to pull around them. But...I think for the good performing authorities that have proved themselves time and time again, we ought to have more freedoms and flexibilities (Corporate Director, CS 10).

Like many interviewees, this senior manager identified different groups of councils using the CPA terminology. The external benchmark became an integral part of an organization's self-identification and internal narrative. The ratings provided by CPA offered a label and identity. A national stakeholder noted:

I was very struck by the degree to which, like it or love it, CPA had entered the vocabulary. And leaders and chief executives were talking about being excellent and what they needed to avoid this flaw and get over that indicator and so on (National Stakeholder # 1).

This new nomenclature enabled actors at both central and local levels to 'ring fence' performance problems. 'Excellent' councils sought to distance themselves from the 'weak' and 'poor', and by dividing councils in this way, central government averted the threat of a concerted challenge to its right to intervene in councils. Rather than seeking judicial review of the intervention powers as some of the poor performers hoped, the Local Government Association used CPA scores to demonstrate how the sector as a whole was improving over time. CPA thus provided a new vocabulary which highlighted the different attachments of respondents to individual organizations and to local government as a unified sector. In the emerging hybrid logic of improvement, competition between organizations became accepted.

While we have so far emphasized the more positive engagements with external performance assessment and public managers' efforts to shape their organizations in response to administrative reform, it was far from a consensual process. Boundary work in institutional change does not preclude conflict; it provides an alternative perspective which sees conflict as productive and constructive. Tensions between central and local agendas remained and were clear from interviewees' accounts. Several complained that changes in the CPA methodology created uncertainty:

There hasn't necessarily been continuity. If we had the same lead inspector carrying out this review who was saying right I know what you were like 18 months ago and I can see you've moved on and you're doing this now and things have changed, ... that would be easier to take (Corporate Director #2, CS 3).

The inspectors' lack of knowledge of local context and the disparity between central targets and local needs were also seen as undermining the credibility of the process, thus disrupting attempts by public managers to bring about organizational change. Some interviewees endorsed the need for improvement but believed that CPA impeded locally initiated attempts to improve and had decided to pursue their own agenda:

"we said (to the CPA inspectors) we're not playing that game anymore, we're going to do what we think is the right thing to do, and if you score us down, you score us down" (Corporate Director, CS 1).

This respondent was typical of those who used a 'us vs. them' rhetoric to create a dichotomy between local priorities and the 'game' which they claimed CPA required councils to play. As Clarke notes, public services 'have to 'put on a show'...the performance of performance is a central organizational objective. It is impossible to stand aloof from the evaluative/competitive nexus, since it has resource and reputational consequences' (2005: 220). Discussions of

gaming and ritual compliance therefore remain salient and it is clear from our data that traditional bureaucratic and ‘modernized’ practices and logics co-exist and intersect and are played out in the reconfiguration, transgression and reconstitution of central/local, bureaucratic/managerial, and professional/managerial dichotomies resulting in an emergent hybrid logic of public service improvement.

DISCUSSION

This article has employed an institutional theory framework to analyze change in English local government resulting from the imposition of external performance assessment. We have shown how the attempt to inculcate a new institutional practice led to changes in the relations among both organizational and field-level actors. Rather than being fixed entities, the boundaries between councils, inspectors and central government and among ‘competing’ councils are appropriated as discursive resources which enable individuals and organizations to negotiate the complex intersection of institutional and locally specific, organizational logics. External performance assessment, with its collection of managerially inspired practices, norms, and signs, becomes a resource in the configuration of a new, hybrid, institutional logic of improvement. This is based on locally specific forms of combining established ‘traditional’, bureaucratic ways of doing things and newly introduced practices resulting from the modernization of public services. Through their boundary work, public managers harness external performance assessment to enhance their own power vis-à-vis colleagues within the same organization.

We asked to what extent public managers’ boundary work is indicative of a new institutional logic. Our analysis has shown the pragmatic alignment of public managers with different ‘others’ in response to administrative reform and attempts to institutionalize a new

managerial logic. We interpret this as their institutional work in establishing an institutional logic which draws from both the traditional bureaucratic and the new managerial practices but awards a special role to local priorities. Table 3 summarizes the different logics and their characteristics. The characteristics of the traditional bureaucratic and managerial logics are drawn from the existing literature; the final column derives from our data in relation to the boundary categories discussed throughout. At the outset, we showed that the existing literature highlights the importance of stable organizational identity and boundaries in fields characterized by co-existing institutional logics (Reay and Hinings 2005; 2009). We argue that a continuous and strategic (re)construction of organizational boundaries and ongoing strategic boundary work, is indicative of the emergence of hybrid institutional logics in an organizational field.

[Table 3 here]

Second, our analysis has found changes in intra-organizational relations between corporate managers and those working in front-line services (cf. Reay and Hinings, 2005, 2009; Newman 2005). We recognize that our evidence comes primarily from corporate managers and that managers with responsibility for particular services (education, social services, planning etc.) might give alternative accounts of CPA. However, our data show how corporate managers make external performance assessments function for themselves by engaging in boundary work that combines existing and new institutional vocabularies. The way in which the vocabulary of CPA was adopted by public managers signifies the success of the institutional project of external assessment. Here, professional–managerial tensions as a result of the implementation of PMS highlight a changing distribution of power within organizations and

the emergence of public managers as powerful, professionalizing, stakeholder in the organization of local government in competition with other professional groups.

Third, our evidence suggests the value of examining power struggles *between* levels of government when examining external performance assessment. Central government and the agencies that deliver external performance assessment on its behalf take the lead in determining the processes and standards by which local government performance is judged. However, we find that corporate managers determine how PMS is implemented locally. As Newman (2005: 207) notes, ‘managerial actors adapt, appropriate and re-articulate policy discourse in the process of negotiating tensions between different levels of scalar governance’. This finding echoes Radin (2006) who found that relationships between federal officials and localities in the US needed to be collaborative; and it is not confined to the organizational level but also occurs at field level where a coalition of public managers across levels of government formed through the enactment of PMS. In this way, a central initiative to institutionalize a new set of (managerial) rules strengthened the professionalizing tendencies of public managers.

CONCLUSIONS

Our analysis contributes to theory by moving beyond the dominant realist accounts of PMS to a more interpretivist understanding. It questions the dominance of dichotomous relations between local and national actors and offers a more nuanced account of negotiated practices which produce different types of engagement with external performance assessment through boundary work as well as spaces for institutional entrepreneurs to adapt the method and program to fit their priorities. This builds on and extends notions of the auditee as an

‘intelligent actor in the assessment process, not merely as passive recipient of an externally imposed structure’ (Power 2003: 199) and of performance assessment as situated practice (Davis 2011). Ultimately, CPAs were co-produced between key actors in local government at a field level and representatives of central government, and could not have been implemented without the support of public managers who benefitted from it professionally.

This article uses data collected when CPAs were in operation but we believe our analysis is equally applicable to the current policy environment. Corporate peer challenge provides external assessments of English councils’ capacity and performance based on similar principles as those used by CPAs. The fact that key actors from local government felt the need to create their own form of external assessment following the abolition of CAA, and that so many councils have participated in this voluntary program, is testament to the embedding of practices and a hybrid logic first developed in response to externally imposed assessment. CPA could not have been implemented without this active support from within the local government sector for external assessment as an instrument of validation and improvement and public managers’ use of boundaries (i.e. externality) as a resource in organizational and professional projects of improvement (Döring *et al.* 2013). Similarly, it seems likely that there are local government actors who are able to adopt and adapt to service-based inspections in ways which enhance their power and influence. We propose this as an area for future research. We also suggest that future studies might usefully focus on power and conflict as constructive and creative resources rather than manifestations of regulatory problems. And we believe that an analytical framework that places the meaning of boundaries at the center provides a new perspective for analyzing and understanding processes of external performance assessment. By acknowledging its role in the construction and legitimation of (hybrid) knowledge systems, the active blurring of boundaries provides public managers with a means of creating and shaping

a new institutional logic of improvement in which external performance assessment can play an important part.

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Table 1: Interviews and case study organizations

Case Study	Type of Authority	Location	No. of interviews
1	Unitary	North West	17
2	District	South East	7
3	Metropolitan Borough	North East	12
4	County	South East	3
5	Unitary	East Midlands	4
6	District	East	7
7	County	West Midlands	11
8	Metropolitan Borough	West Midlands	13
9	County	South West	5
10	London Borough	London	2
11	District	South East	6

Table 2: Coding framework

Code	Identification - “Other”	Indicative Quote	Boundary
Inter-governmental relations	This code comprises all instances of local government being constructed in relation to central government (e.g. ‘Whitehall’, ‘London’, ‘central government’).	“And I suppose it boils down to trust at the end of the day, doesn’t it? Is local government really trusted by central government to do the right things?” (Corporate Director, CS1).	Control, ideological alignment
Internal – external relations (vertical)	This code covers instances of talk constructing local government in relation to external assessment agencies (e.g. Audit Commission).	“[I]t does help focus the mind when people are saying, you know, this is what other authorities are doing, these are ideas you might want to pursue. People like yourselves coming round and saying how are you delivering that” (Corporate Officer, CS 5).	Expertise

		<p>“[T]hey come in and they try and help but actually all the actions we’ve put in place to improve the Planning Service have come from ourselves” (Corporate Officer, CS 7).</p>	
<p>Corporate – service relations</p>	<p>This code is applied to instances of talk constructing distinctions between actors within the organization (e.g. professional vs managerial, silos).</p>	<p>“We do have issues I believe where we’re not all singing from the hymn sheet and there’s a lot of lip service paid from some quarters I think in terms of what the corporate agenda is” (Corporate Director, CS 1).</p>	<p>Organizational culture</p>
<p>Internal – external relations (horizontal)</p>	<p>This code comprises instances of talk denoting differences between local authorities (e.g. excellent authority, using scores to denote a particular attribute).</p>	<p>“We’ve just had our CPA pathfinder back and we’ve moved from a 2 to a 3 on performance and that’s a much tougher methodology than the one in 2002 so we might be a 4 under the old one” (Corporate Officer, CS 8).</p>	<p>Competitiveness</p>

		<p>“I think people would be very upset if we lost that excellent badge, I mean we’d really like to be excellent and strongly improving again this year and I hope we will keep that” (Chief Executive, CS 7).</p>	
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Table 3: Characteristics of Institutional Logics

Boundary Category	Traditional bureaucratic logic	Managerial Logic (Modernization)	Hybrid Logic of Improvement
Ideological Alignment	Ideological alignment expressed through competition/ alignment between central and local priorities and needs: focus on outcomes	Emphasis on managerial rather than ideological alignment: focus on process over outcomes	Selective ideological alignment expressed in pragmatic managerial alignment: focus on process <i>suitable for</i> local priorities and needs
Expertise	Primacy of local expertise for designing performance objectives and practices	Primacy of generic managerial and policy expertise for designing performance objectives and practices	Co-existence of local knowledge and generic managerial and policy expertise , negotiated and applied according to locally specific circumstances
Organizational Culture	Professionally organized (Silos)	Corporately organized	Corporately organized
Competitiveness	Not a relevant category of practice	Between organizations and within organizations	Between organizations, within organizations and over time

