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Title: Shortcomings of New Public Management Ideology from the Power Perspective: Exploration of Power Relations in a Finnish Municipal Organization

Year: 2018

Version: Published version

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Please cite the original version:
SHORTCOMINGS OF NEW PUBLIC MANAGEMENT IDEOLOGY FROM THE POWER PERSPECTIVE: EXPLORATION OF POWER RELATIONS IN A FINNISH MUNICIPAL ORGANIZATION

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Abstract
New public management (NPM) is perceived as a method for restoring the effectiveness of municipal organizations. In Finland, it is the main motivator for the reconstruction of municipal and state-driven public sectors. Our article explores the power relations created through implementing the NPM ideology, and how those power relations are constructed and renegotiated between office-holders and politicians in a Finnish municipal organization. We contribute to the NPM literature through an empirical study by introducing forms of power, including previously neglected concealed power. Typically, the informal rules of NPM, the administrative codex, and municipal politics are considered to delineate official power and high-powered offices. However, we find the (re)negotiation of power relations also involves manipulative elements.

Keywords: Local government, municipal administration, new public management, power, tensions.

1. INTRODUCTION

Power and power-related issues are considered fundamental in much of the literature dealing with local government (e.g. Skinner 1978; Barber 2003), or management and organization more generally (Clegg & Haugaard 2013; Clegg, Courpasson, & Phillips 2006; Pfeffer 1994, 1982). In the rich public sector management (PSM) literature, New Public Management included, the issue of power has been addressed, for instance,
through sociological and political science perspectives (Ahonen & Palonen 2014; Christensen & Lægreid 2010; Denhardt & Denhardt 2007; Gruening 2001). In general, the literature dealing with power may be categorized into two main streams: (1) theoretical power discussions (cf. Christensen & Lægreid 2010; Dowding 2011; Lukes 2005; Palonen 2006; Wrong 2004); and (2) the empirical study of power and its manifestations in varying contexts (cf. Alvesson 1996; Foucault 1975; Courpasson 2000). In this article, we connect with the latter stream and deal with power within a municipal organization. We study the nature of power relations and the exercise of power in a municipal organization.

We argue that NPM has remained quite silent about the various power relations affecting PSM (Christensen & Lægreid 2010; Dowding 2011; Lapsley 2008). NPM thinking possesses an almost hegemonic position in theoretical discussions related to municipal management, but above all in its practice (Denhardt & Denhardt 2007; Dowding 2011, 438; Lapsley 2008; Lane 2000). Many public sector reforms – including municipal management – have been inspired by the teachings of NPM over recent decades, and, while there has been increasing criticism of it (cf. Denhardt & Denhardt 2007; Gruening 2001; Hughes 2012), NPM remains the dominant paradigm for reforming municipal management.

While NPM is relatively silent on power and its effects in PSM reform, the field is rife with power struggles between various actors in municipal management and decision-making. Even to the extent that Kankkunen and Matikainen (2013) claim decision-making having become crippled in Finnish civic organizations, pointing out that there are severe governance problems in these organizations. These governance problems create challenges in the relationships between politicians and office-holders, and the resulting tensions may lie behind their observations of Finnish local government (Kankkunen & Matikainen 2013, 101). They further argue the problems in decision-making appear to have their roots in the ongoing power struggle between office-holders and politicians in municipal management.

It has been acknowledged that recent attempts at reforming the municipal sector following the NPM ideology have changed the autonomy of political decision-making. Office-holders have drastically increased their influence on politicians, as they are perceived as the gatekeepers of information, knowledge, and scheduling in municipal organizations (e.g. Haveri 2012; Luomala 2003; Salminen 2004; Schmidt & Vanhala 2009). However, contradicting viewpoints on the issue also exist; Temmes (2014, 59-60) and Jacobsen (2006a, 186), for instance, have argued that politicians have increased their influence on office-holders.

In this qualitative article, we concentrate empirically on increasing our understanding of the influence relationships between important actors in municipal decision-making. We focus on the experiences of office-holders and politicians related to power and its perceived use by resorting to thematic analysis. As the public sector is a complex environment with multiple goals and interests, it is imperative to have theoretical instruments allowing us to understand and interpret its functioning. The theoretical backdrop to this article is provided by
power literature (e.g. Clegg et al. 2006; Göhler 2013) augmented with literature about power in organizations, to incorporate this important, yet too often neglected aspect of the discussions of NPM (e.g. Denhardt & Denhardt 2007; Dowding 2011; Gruening 2001).

Our research task in this article is to study the nature of power relations and the exercise of power in a municipal organization. We aim to uncover and analyze the forms of power and the tensions involved in everyday organizational activities as experienced by its members in the NPM context to enrich theory building on NPM ideology by infusing a largely neglected ingredient of power in the NPM mix.

2. NEW PUBLIC MANAGEMENT – THE ABSENCE OF POWER IN THEORIZING

New public management (NPM) shares much of its background assumptions with public sector management (PSM) as both NPM and PSM can be seen as managerialist approaches aimed at the rationalization of the public sector and its operations. While PSM has a long history in the form of public administration, it is argued, for instance by Hood (1995) and Lane (2000), that the NPM approach breaks away from the administrative tradition. They further claim the twenty-first-century approach to PSM has carried little with it from the past tradition of twentieth-century public sector administration to its current applications.

The theoretical background to NPM includes managerialist and rationalist perspectives (Christensen and Lægreid 2010, 17–20). NPM shares its principles with the public choice school, as well as the Chicago School of Economics both challenging prevailing notions of public sector governance (Denhardt and Denhardt 2007; Gruening 2001). For instance, Christensen and Lægreid (2011), Denhardt and Denhardt (2007, 13–14) and Lapsley (2008, 77) suggest that decreasing public finance forces governments to reform the public sector to improve its efficiency in service provision, and therefore governments turn to NPM for solutions. In addition to external pressures, growing internal political conflicts further complicate PSM (see e.g. Barber 2003).

Even though PSM literature for instance has a rich history of power-related study from both empirical (see Mouritzen and Svara 2002; Rutgers 1997; Peters 2001; Simon 1976) and theoretical perspectives (see Caroll 1990; Page 2003; Putnam 1977; Svara 1989, 1990, 1999), NPM literature, while clearly dealing with phenomena that have an inherent power aspect (see e.g. Christensen & Lægreid 2010; Denhardt & Denhardt 2007; Dowding 2011; Van Kersbergen & Van Waarden 2004) have tended to overlook this aspect. Empirical NPM studies explicitly recognizing power-related issues are scarce (see e.g. Bezes et al. 2012, Jacobsen 2006a; Jacobsen 2006b).

However, NPM context is laden with power related aspects. For instance, in NPM context the lack of transparency connected with asymmetrical power relations is argued to be deleterious to confidence in the administration and the political parliamentary system (see Denhardt & Denhardt 2007, 23; Dowding 2011, 430; Haveri 2012; Anttiroiko & Haveri 2009, 196; Lapsley 2008), due to the influence of the private sector’s
investments on power relations in the public sector (Dowding 2011, 430; Lapsley 1999). Furthermore, pressures for change create tension between citizens and politicians as both attempt to secure their interests (Denhardt & Denhardt 2007, 23; Dowding 2011, 430; Anttiroiko & Haveri 2009; Hood 1995; Jessop 1982; Lapsley 1999; Luomala 2003).

While there are power-related discussions connected to NPM, these are mainly theoretically oriented (see e.g. Denhardt & Denhardt 2007; Dowding 2011; Anttiroiko & Haveri 2009), giving too little attention to power and power-related phenomena. This is especially true of empirical research, although it must be noted that there is a long-standing Anglo-Saxon and European tradition of bureaucratic administration with a rich variety of conceptions and discussions of power (see Bezes et al. 2012, 2–11, 11–18, 38–44; Jacobsen 2006a; Jacobsen 2006b). Below, we participate in a theoretical discussion of the manifestations and exercise of power.

3. DIMENSIONS OF POWER

The exercise of power has been called the lifeblood of administration; without it, a lack of realism and failure are the consequences (cf. Long 1949, 257). In what follows, we explicate the dimensions of power that appear in the power literature to frame our analysis in an attempt to enrich the NPM literature.

First dimension: Power over

According to Max Weber, power is a force that enables A’s command or will, despite the resistance of B. According to modern power studies, power over is coercive in nature by binding its subjects under the rule of authority with strict objectives in a (heavily) controlled environment (see Clegg et al. 2006; Göhler 2013; Weber 1978).

From this perspective, Göhler (2013, 30) considers power over as exercised through coexisting agency and structure, and power relations are mainly oriented towards individual or collective actors. From a system perspective, power relations are mainly impersonal, created mechanisms, and essential parts of the structure. All social contexts involve power relations in which the actors exercising power draw on the structure (Clegg et al. 2006). Structures make resources available to actors with which they can then constitute rules. These rules create relations of autonomy and dependence, which actors reproduce as relations of domination (Göhler 2013).

Second dimension: Power to

While power over discussed above is a visible and direct use of power, power to is indirect. Göhler (2013) suggests power to as someone’s property or ability to accomplish something. Therefore, power to either precedes power over and defines the preconditions for power relations, or is a form of power in itself; a fundamental aspect of social relations. Consequently, power to is a capacity, as opposed to exercised power – it
is latent and invisible, undefined and therefore non-existent until it is realized and becomes visible in social relations.

From this perspective, power to is generally analysed in terms of the resources needed to make power relations effective. In relationships of reciprocal interaction, power engages with counter-power in such a way that the hierarchical power of A is strengthened by the power of B and vice versa. The increase in power on both sides of the relationship is mutually dependent. So power is the generalized medium of mobilizing resources for effective collective action, and in this context power is a symbolically generalized medium of communication (see Arendt 1958; Edelman 1985; Lukes 2005; Göhler 2013, 31–32).

Third dimension: Power with

The power literature recognizes power with as a coactive phenomenon (see Follet 1924, 111). Follet (1924) argues that coactive power is achievable through democratic governance and joint search processes allowing for the experience of positive power, and allowing people to accept the legitimacy of power where it is coactively constituted.

In turn, the negative aspect of power reinforces the desire in different interest groups for power and prestige in society. Bourdieu (1991, 37) suggests communication generates symbolic power relations, which are actualized between speakers and their audience. Symbolic power is a hybrid of various power forms connected to social life, making its subjects unconsciously accept the actualized, hidden power, and, at the same time, legitimating the rule and hierarchy of those in power. From this perspective, the subjects are not only passive, but also participate in the construction of the prevailing power reality working against them (Bourdieu 1991, 22–23, 167, 170; Courpassson 2000, 142–145; see also Edelman 1985; Foucault 1980; Lukes 2005.)

Foucault posits that power is not solely negative in nature (1980, 119), nor are power relations only prohibitive or restrictive, but invariably also productive; new knowledge, positions and power relations are produced through conflict and resistance. Foucault (1980, 217–225) furthermore denies the existence of power as an autonomous phenomenon; it only comes into existence when individuals or groups form relationships with others. Therefore, power has many faces and occurs in the nexus of social relations. It has both a negative, oppressive character, and a positive, empowering function.

4. CASE ORGANIZATION AND EMPIRICAL DATA

Our case organization is a Finnish municipality with approximately 140,000 inhabitants. The organization has two different sections forming the local government: political decision-making apparatus and administration. The political organization is divided into city council, town board and committees. The city council is the supreme policymaker and the town board works under it. The mayor directs the city administration, but works under the
mandate of the city council and town board. Although the mayor’s actions are directed by the political apparatus, nevertheless Finnish legislation authorizes autonomy for the mayor to guard the city assets and the legality of political decisions, and possess the power to veto a depraved democratic decision of the city council (see Local Government Act 2015).

Data collection and research method

The empirical data for this study consists of 13 semi-structured thematic interviews focused on the perceived power relations and experiences of our informants exercising power: office-holders (9) and politicians (4) in a Finnish municipal organization. The chosen informants embodied different hierarchical levels from both the city administration and the city council. The informants were both men (7) and women (6), their ages varying from 35 to 65. The data was collected in March–December 2014. The informants were directly invited to participate to an interview via email and telephone. The interviews took place in either the interviewee’s office or other premises at the organization.

To protect the anonymity of the informants, their identities were concealed. The informants are identified in the text by utilizing a capital letter O for office-holders and P for politicians, and a number to separate the informants from one another. Each interview had three themes: the first theme covered the background information of the participant, the second theme dealt with decision-making, leadership and management tensions, and challenges that emerge among office-holders and politicians. The third theme dealt with ethics and values. The digitally recorded interviews lasted between 29 and 147 minutes and totalled approximately 17 hours. They were transcribed immediately after each interview, resulting in roughly 300 pages of transcription.

Our approach is qualitative and data driven. We used a thematic analysis of the data, as it allows us to focus on identifiable themes and patterns of living and/or behaviour (Aronson 1994). Thematic analysis moves beyond counting explicit words or phrases to identifying and describing both the implicit and explicit ideas within the data, that is, themes (Guest, MacQueen & Namey 2012). Thematic analysis is concerned with content, what is said, written, or visually shown, making content the exclusive focus (Riessman 2008, 53).

Our choice of thematic analysis is justified by its capacity to reveal various forms of the usage of power, and structures related to the power users and their subjects. Moreover, our interest lies in discovering tensions related to the use of power in the municipal sector. People’s experiences of tensions within organizations are a fundamental part of everyday life, which are mediated and reflected by their personal stories (Syrjälä, Takala & Sintonen 2009, 264; Guest et al. 2012). We performed our analysis in two phases. In the first phase, we explored and exposed power related content from our data. In the second phase, we analysed power related content by utilizing the theory of power as our analytical lens, and then categorized the cases revealed under the three
different orientations: conventional power, contested power and concealed power. Next, we proceed to the results section.

5. RESULTS

Conventional power – Business as usual

Briefly, from the business as usual perspective, power presents itself as an everyday phenomenon that is evident all around us. This kind of unitary view ignores the role of power in organizational life. Concepts such as authority, leadership, and control tend to be preferred means of describing the managerial prerogative of guiding the organization towards the achievement of common interests (see Burrell & Morgan 1979, 204). One office-holder described the unitary nature of power:

I feel that political decision-making and the municipal bureaucratic machinery have drawn closer together in recent years. Both sides are starting to understand the value of working together towards common goals. Cooperation is now present in everyday practices. (O1)

As office-holder 1 (O1) states, the municipal organization, by exercising power over, unifies its members in respecting its authority to accomplish common goals. However, despite the unitary nature of actors in the organization, their common goal may lie somewhere between cooperative and opportunistic views of success. There is potential that the actors are still competing over the resources and power in the organization, which uncovers the hidden potential of power to (see Clegg et al. 2006; Göhler 2013; Lukes 2005; Luomala 2003). In terms of NPM, this is a manifestation of rationalization.

From the business as usual perspective, the use of power appears to be an everyday phenomenon that guides the municipal organization, as Politician 2 (P2) describes:

There’s a common understanding regarding actual work. A constant dilemma faced, though, is how issues get prepared by office-holders [for decision-making] as openly as possible. How to involve the politicians early enough to ensure the preparation has been conducted taking equality, equitability, impartiality, and various viewpoints into account so that politicians and office-holders trust each other to act in the best interest of the organization when decision-making is at hand. (P2)

However, O1 also recognizes the pluralistic view of power when describing how different interest groups are involved in decision-making:

It’s a given; when dealing with the municipal bureaucratic machinery, there are different interest groups involved and confrontation cannot be avoided. Some prepared proposition pleases certain political factions, while others cannot accept it under any circumstances. (O1)
O1 sees power as the medium through which conflicts of interest are resolved. The organization is viewed as a plurality of power holders drawing their power from various sources. The variety of sources of power allows the organization’s subjects to accept or resist the existing authorities and interact with them (see Barber 2005; Edelman 1985; Jessop 1982). This means that, in many cases, the existence of power over generates an opportunity for the existence of power to (see Lukes 2005; Clegg et al. 2006). Nevertheless, it seems that power over and power to cannot be easily separated, as the potential of power to may emerge through the act or influence of power over. In this particular case, an autonomous power to act must be actualized in order to exist: through either the renewed integration of citizens (see Smend 1928) or the continuous communication of everyone concerned (see Arendt 1958, 1970; Göhler 2013, 34–35).

P1 recognizes that a variety of interests lie at the heart of politics, and that in decision-making situations open to dispute a variety of interests will test the local government’s leadership capabilities. He also considers that conflicts of interest show how power is formed and exercised through the political process in the municipal organization:

*The real conflicts emerge in situations where [proposals] go against a political faction’s interests ... especially the largest factions form clear division lines with regard to their interests. Whenever resource cuts are proposed, a real political leadership test is at hand.* (P1)

P1 continues to explain how the organizational hierarchy is constructed and how power flows through its administrative and political parts:

*In the dual leadership doctrine, politicians make the decisions based on what the office-holders prepare. Office-holders have been afforded quite a bit of power based on the administrative regulations – some think too much. In a city of this size, close consideration would be required regarding which issues are brought to city council, which should be decided in the town board or in committees, and which issues should be decided by an individual office-holder. For the good functioning of the administration, a clear division of power between the actors is needed – otherwise a vessel of this size won’t sail.* (P1)

P1’s comment reveals that every office or position is attached to the internal functions of the organization, which produces expectations of the position. These expectations constitute the role of an office, and this constituted role is variously supported. Working against the constituted role is not accepted (Lukka 1988, 115; see Pfeffer 1982, 98).

While there is a tendency in organizations to downplay power-related conflicts, individuals are inherently aware of their existence, as the following office-holder’s excerpt demonstrates:
There have been all kinds of tensions [due to the consolidation of the two municipalities], it’s commonplace ... basically the question is how we see eye to eye on issues with the heads of the administrative units ... their units’ interest and how I see the interest of the whole, and ultimately how are we able to balance those interests. (O2)

O2 regards conflict as a rare and transient phenomenon removable through appropriate managerial action. He considers conflict as arising from individual nonconformity to organizational rules and routines, rather than structural influences. In addition, even though he is recognized as one of the authorities, he confronts situations where power over is not enough to gain sole control. In such cases, the actor manifests their influence on others by the use of power to in order to achieve an organizational goal (see Clegg et al. 2006; Göhler 2013; Lukes 2005).

Interestingly there are only rare explicit mentions of ‘power’ in the data. However, O2 takes up the issue of the exercise of power:

_Sometimes it’s wiser to save one’s breath instead of voicing issues out. That’s a kind of exercise of power too ... it cannot result in withholding essential information, though, or being harmful for the inhabitants, services, or the city itself ... this job is basically rhetorical persuasion – exercise of power in that way ... but if you don’t withhold essentials or do harm, I don’t see that being an ethical problem. Not in the least._ (O2)

From the perspective of O2, the organization’s goal is to serve the inhabitants of the municipality as well as possible, but sometimes this requires extreme actions such as silence. This, however, should not cause any damage to the organization. As a result, he admits the use of power is constructive. It is evident he prefers to use both power over and power to mechanisms to benefit the organization (see Göhler 2013; Lukes 2005; Pfeffer 1994).

Municipal organizations are created to benefit their inhabitants and to ensure the organizations can achieve their main goals and their operations are not violated by any actor. From this point of view, the unifying nature of power is the common goal of the municipal organization, as P3 states:

_If there’s a clear enough political signal, the top management typically gets on-board. For instance, recently the Mayor didn’t want to bang his head against a brick wall. Instead, he changed his proposal to the town board even at the last minute. For the most part, we have had functional cooperation between the politicians and office-holders – in most issues, cohesion of views and unanimity predominate._ (P3)

From the business as usual perspective, the influence of the NPM ideology on power relations is discernible in the actors’ use of vocabulary such as ‘rationalization’, ‘accountability’, ‘processes’, ‘routines’, ‘common goals’,
‘bureaucracy’, and ‘pluralism’, portraying the exercise of power as an unproblematic, natural feature of municipal organizations backing up formal authority based on hierarchical position (see e.g. Denhardt & Denhardt 2007; Gruening 2001; Anttiroiko & Haveri 2009; Van Kersbergen & Van Waarden 2004).

Contested power – Debates and conflicts

From the contested power perspective, power presents itself as an integral, unequally distributed phenomenon associated with a general process of social control. Society in general and organizations in particular are under the control of ruling interest groups that exercise their power through various forms of authority. This radical view of power perceives conflict as a ubiquitous force driving change in society and in organizations. Conflict is a suppressed feature of a social system, not necessarily evident at the level of empirical ‘reality’ (see Burrell & Morgan 1979, 388).

O2 describes how the radical nature of power influences the position of authority:

There has been disagreement and fuss ... it takes enormous amounts of time and energy to make my intentions and the goals of the city open and known ... I carefully avoid the image of being a central administration pencil pusher, I’d rather be taken as a substance-guy. If I have something on my mind, I’m open about it [towards subordinates]. Then we take the time to openly discuss and debate, so there would not be a feeling that I just appear from somewhere at the top and make half-baked comments and leave them brewing with the folks. (O2)

This comment by O2 indicates that conflicts are a normal power-related phenomenon in municipal organizations that occur from time to time. From this perspective, it is vital to have good communication skills to keep staff in line. Furthermore, he states there is still a chance that things do not work as intended when tensions or conflicts become the new norm. So power over, power to, and even power with are used to achieve a symbolic state of dominance to control a social reality. This also cements the authority’s hegemony even where there is resistance against the power methods used (see Barber 2003; Clegg et al. 2006; Edelman 1985; Göhler 2013; Lukes 2005).

O2 continues that organizational changes may have some impact on the emergence of conflict as well:

The management cultures [of the two consolidated municipalities] were, if you will, the exact opposites. A dialogic culture collided with an authoritarian dos-and-don’ts culture especially badly in one service unit. We are still sorting out the effects of that head-on collision. (O2)

O3 admits there is a ruling authority in the organization, but claims they cannot control everything, as power struggles and conflicts hinder projected actions:

The middle management is where all the reforms stop. We have all these layers in the organization, such as [top] management team, group management team, civilian management group, which
complicate things ... the story told for those lower down is that some management team decided this and that, while in reality it did not, as it has no authority to decide anything. (O3)

O3 continues that rules and norms may influence this situation, pointing, again, toward the middle management’s perceived role in the organization as the source of resistance and conflict:

Things really don’t progress by creating a rule and sending out a memo about it ... essential info doesn’t travel but often times stops with middle management. We have awfully many rules and norms as it is, and more get created constantly. (O3)

He further considers that resisting rules and norms can be seen as opposing the ruling authority, which has its own impacts:

In some instances, someone has been ‘silenced’ for some reason ... they will not be called for hearings or such due to being labelled troublemakers. A guy I knew left a management group due to constant tensions. Likewise, a vice-mayor left the position due to the overly taxing nature of the constant tensions of the job. (O3)

Politicians as decision-makers act as a sovereign authority within the municipal organization when allocating resources. The state, however, sets boundaries for resource allocation through legislation and sanctions for non-conformity (see Haveri 2012; Mänttäri 2012). Therefore, the state uses power over towards the municipalities. This may cause tension between office-holders and politicians, because politicians have more freedom to act while office-holders must follow the rules:

Politicians say: ‘get it sorted out, improve efficiency and boost productivity’. It’s more rhetoric than anything else. In these kinds of issues, the political playing field presents itself most clearly. (O4)

This excerpt reflects how the political field gives rise to organizational power games. These power games spring from the relationships between the office-holders, politicians, and the state. P4 further claims a major organizational change shook the power balance between the politicians and office-holders perceived as causing power struggles:

There’s a contest going on regarding who’s calling the shots – the politicians or the office-holders ... this has changed in recent years. Politicians are craving more power, but office-holders are not used to having politicians being involved and wanting decisions to be made earlier in the process. (P4)

As can be seen, politicians have more opportunities to achieve different solutions than office-holders, and therefore conflicts and power games are the main source of sovereign positions in municipal organizations:
The leadership and management climate has become complicated a lot … the tendency is to raise issues in an attempt to score easy extra points from the electorate … That's clearly observable in the media. (P1)

P3 notes that political players prefer to achieve their interests through conflict or tension, and political populism is seen to have great value. Even the media, as an 'executioner', has a very important position in these power games:

The yellow-press mentality has increased: decision-makers getting regularly bashed in the media has resulted in a panic mentality where future-oriented, calm decision-making is pushed aside … and cooperation suffers … at the fear of facing the firing squad in the media. (P3)

We have found several interesting elements in our material, for example, the political action field, political game playing, and role of the media as a mediating actor. Findings from the data indicate populist acts are increasing among politicians, as seen in the everyday media. The lack of political cooperation indicates jockeying for power in the organization, or that the actors are alienated from political reality. Power struggles are a natural part of politics, and municipal organizations are political bodies that feed themselves with pluralism, allowing democracy to prosper. This also shows how power over, power to, and power with coexist in the political decision-making process (Barber 2003; Clegg et al. 2006; Edelman 1985; Lukes 2005).

From the contested power perspective, several tensions brought on by the NPM ideology occur in terms of a radical view of power. First, power struggles among office-holders and politicians decrease transparency in political decision-making (e.g. Denhardt & Denhardt 2007; Haveri 2012; Lapsley 1999; Van Kersbergen & Van Waarden 2004). Second, a hierarchical structure and rule-based domination bring about power games (e.g. Clegg et al. 2006; Courpasson 2000; Göhler 2013; Lukes 2005). Third, state government interventions reduce the sovereignty of municipal organizations (Mänttäri 2012; Ryynänen & Uoti 2009, 225, 227). Fourth, the rise of populism is diminishing both political decision-making and the effectiveness of the administration (e.g. Barber 2003; Bourdieu 1991; Lukes 2005).

Concealed power – Cooperation and manipulation

From the concealed power perspective, power presents itself from two vantage points: either as a positive, empowering phenomenon, or as a more negatively laden manipulation. The former perspective, power to combined with power with, emphasizes cooperation, rationality, and the empowerment of the individual. In the latter, the power holders conceal their intent from the subjects; such an exercise of power is less likely to provoke resistance (Courpasson 2000, 145; Wrong 2004, 28). Manipulation is most effective when combined with other forms of power (Wrong 2004; Lukes 2005). However, not all manipulative intentions pursue evil outcomes (e.g. Lukes 2005; Auvinen et al. 2013). Manipulation can be manifested, for instance, in encouragement or seduction,
and milder forms of manipulation, whereas indoctrination, straightforward lying, and brainwashing represent stronger forms of manipulation (Bok 1978; Wrong 2004; Lauerma 2006).

O2 describes how well-constructed public accounts, bordering on manipulation, may induce the support of the audience:

Those with strong rhetoric skills have always fared well as both politicians and office-holders. Some are just able to construct their message so it contains all the right ingredients. Then again, some who might have an important point or even better solution from the inhabitants’ perspective, but lack adequate rhetorical skills, may get stepped over just for that reason. This happens on a regular basis. (O2)

O6 takes up the cooperation of different actors, the need to consolidate different perspectives, and the use of personal judgement, even resorting to manipulation with good intentions in decision-making:

[In effective service provision] certain issues drive my personal thinking, leading me to propose them in certain ways [not always openly declaring the intention] … there are numerous interests at play; politicians, inhabitants in their differing roles have an interest to affect political decisions and administration’s actions … all wish to make their worries known … this really is a team game – you cannot do it solo. (O6)

O5 points out that experts have specific knowledge allowing them to influence others, and therefore have a chance to manipulate by acting as information gatekeepers and resource-holders. O5 continues that sometimes preparation documents written by office-holders with context-specific professional terminology cause reservations about their purpose. The lack of clarity of intention invoked by unnecessarily complicated language manifests the use of concealed power:

For instance, the preparation texts by committees may come across as so bureaucratic that if you’re not familiar with the jargon, getting the point may be next to impossible. That’s where we office-holders could do better. To help alleviate possible tensions due to difficult expressions, we should learn to use a more comprehensible parlance. (O5)

O3 perceives that some actors are using hidden power over others by intentionally concealing information. He admits that influencing others and even manipulations are allowed so as to gain restricted information from different sources, which has generated ‘a shadow culture’ of power:

A rudimentary problem of withholding information exists. Information that, to start with, should be public based on the principles of open public administration. The culture is that a decision has to be
made first, and only after it’s been made, it’s OK to talk about it. You could say there is a shadow culture. If you’re able to tap into it, then you have access to information. (O3)

O3 continues to describe how the ‘shadow culture’ functions, actors influence others, and opportunities for manipulation emerge:

There are individuals [part of the shadow culture], members in various groups that deal with information that is not exactly secret, but treated as if it were. The defining feature of the shadow culture is that all kinds of issues get dealt with in all kinds of unofficial circumstances by very unofficial groups [outside actual decision-making]. (O3)

The use of manipulation is also dominant among the interests of politicians, as they exploit sophisticated methods to achieve and conceal their true goals:

Issues raising political, ideological passions, such as outsourcing are not an altogether open field of decision-making. Obviously, no one can spread outright lies, but what happens is leaving certain things out of the discussion. For instance, in service outsourcing, the details of how the supervision of them is to be handled are conveniently dismissed. (O4)

O4’s comment reveals exercised power similar to power to and power with which allows the manipulation of other actors. Manipulation exists, for example, in budgeting, and the dubiously represented costs of external procedures and obligations are the embodiment of this. In this context, Lukka (1988, 148) states that if an administrative unit has achieved an authoritative position, then it has an improved opportunity to generate budgetary bias. Even a minor administrative unit can be influential if it possesses special skills in managing uncertainty. Therefore, budgeting bias is an effective instrument of manipulation.

P4 claims that where money and interests clash, there is a chance that actors prefer to conceal their intentions so they may defend their position. Furthermore, their intentions may lie between influencing and dominating others:

In several instances, I have been asking for reliable, objective, and comparable calculations, for instance, for service outsourcing pushed by some office-holders … I have been asking for these, yet, not getting any. You should know exactly the right questions to ask to get the information. In a way, not enough information is provided. (P4)

This comment illustrates how power to and power with present themselves in the reality of municipal organizations. The exercise of power is aimed at achieving and preserving power positions through manipulation. Power manifests itself in dubious costs and obligations in the case of budgeting. Creating a budgetary bias depends on how subjects and authority are acting in concert (Lukka 1988, 148). The authority can choose
between restrictions or creating budgetary bias. The behavior of actors in the case of asymmetrical power may indicate how they are influencing other budgeting parties by using restricted information.

From the concealed power perspective, power with is problematic for NPM, as it barely recognizes the asymmetrical forms of power that power with provides, such as cooperation and coaction. For the most part, power with is a blind spot for NPM because its managerialist nature cannot cover hidden, irrational, unpredictable, or manipulative actions that the various factions in communities generate (e.g. Denhardt & Denhardt 2007; Anttiroiko & Haveri 2009, 200–201).

6. DISCUSSIONS AND CONCLUSIONS

While in principle and by law municipal organizations are sovereign entities (Local Government Act 410/2015), in practice they are not: their activities are influenced by the state, the provincial administration/government, the EU, supranational organizations (OECD etc.), and the globalized financial sector. These bodies impose regulations, directives, and other restrictions, constraining municipal organizations’ scope of action. The relationship between the state and municipalities is particularly challenging, as the state is streamlining its own organization by transferring various public services to municipal organizations. The increased service liabilities of municipalities are administered by the strict exercise of national and supranational legislation. The ever-increasing number of commitments of municipal organizations gives rise to difficulties in executing and supervising them. The situation is worsened by cuts in government subsidies and new regulations, stretching the municipal economic resources to the extreme. All these influences on municipalities may also be seen as the backdrop to the various tensions recognized in this study.

Our aim in this article was to uncover both the forms of power and tensions involved in the exercise of power in everyday organizational activities as experienced by its members. The empirical findings help us better understand how tensions develop and influence leadership and decision-making processes in the municipal sector, and provide implications for how the actors involved may try to resolve them.

We identified three forms of power: (1) conventional power; (2) contested power; and (3) concealed power (see Figure 1). These three forms of power are not exclusive; there typically appears to exist one or two overlapping forms of power at the same time.
Figure 1: Discussion of the Results

Theory: Power over

Empirical Findings:

Conventional power, business as usual

- From the conventional power perspective, power appears as traditional, hierarchical and unproblematic. Thus, office-holders possess the power over as part of their official duty and organizational position (obey).

- Furthermore, office-holders are subject to power over in their role, governed by legislation and political decision-making (enact). For politicians, power over appears as a multilayered issue, on one hand they hold the highest decision-making authority, on the other hand they too are governed by binding legislation like office-holders.

- From the conventional power perspective, power is composed of the sum of those who are in a position to influence the behavior of others (influence).

- From the conventional power perspective, power is seen as a form of informal power, for politicians, civil activity offers opportunities to gain more power by generating tension between office-holders and politicians.

- From the conventional power perspective, power with appears either as positive empowerment or negative manipulative function. For office-holders, the exercise of concealed power takes on a form of a shadow culture, to ensure the flow of hidden information, and for politicians, as the use of rhetoric and manipulation to influence the municipal organization. From this perspective, the social reality consists of complicated networks of social relations in which the control and direct subjects to pursue toward greater objectives of an existing institution.

- Interpretation of exercise of power in terms of organizational tensions

- Sources/construction of power

- Well respected legitimized dual system authority and hierarchy based on state's legislation bringing about predictability. Power is undervalued due to its boundaries in the administrative structure.

- Transnationalized administrative structure causes rigidity in preparation of decision-making. Power struggles agitate players to generate constant tensions to intentionally shake the power balance.

- Power in dynamic and constantly negotiated process always present. Cooperation to achieve a common action, which may have more than one outcome.

- Harms are breeding the game to achieve more power. Exploiting the many forms of manipulation as there is a limited amount of power available among the players.

- Motives of acquiring and expanding power

- Organization is above everything. It controls and observes consistency of action of both politicians and office-holders. The objective is to serve well and produce common good.

- Transnationalized control conflicts with different interest groups which causes contradictions.

- Player's primary objective is to achieve authority for influencing organizational actions.

- Index of dominance by both office-holders and politicians causes resistance against the "other interest group." The media is a source of public debate which aims at tipping the balance between organizational power layers in favor of "own" power.

- Power struggles present themselves as hidden mechanisms of control.

- Manipulation and intentionally generated hidden (distorted) guidance influences on the controlling activities of politicians and office-holders.

- Power usage perspective

- Pluralistic view, political reality: consensus and principles of NPM direct the municipal administration and political decision-making. Practiced by office-holders and politicians in collaboration which rests on legitimized consent.

- NPM dominates and constrains actors' field of actions by utilizing rationalization, efficiency, routines, standardization, privatizations and private sector active management.

- Radical actions are necessary to balance organizational hierarchical power layers. Practiced by office-holders and politicians; office-holders exploit potential of NPM in organizational power struggles and also when they attempt to influence on political decision-making.

- NPM occurs in the radical view as a decreased transparency in political decision-making, a state government's interventions reduce municipalities' freedom in budgeting and implementing services. The rise of populism diminishes political decision-making and the practical solution is from the perspective of politicians is all about rhetoric.

- Practiced by politicians to explore for concealed information from the rhetoric and decision-making proposals of office-holders. Practiced by office-holders to accomplish organizational goals and objectives. In light of NPM, power with is an activity that improves cooperation between municipal factions.

- Practiced by politicians for manipulative purposes by utilizing media. Office-holders exploit concealed power e.g. in budgeting biases where their knowledge and field of expertise may impact on proposals and political decision-making. Power with manages as an abyss for the NPM.

- Conclusion

- Utilizing NPM framework recognize concept of power only mildly, and for the most part they do not recognize it at all. This empirical study, however, finds three forms of exercise of power and their manifestations in a municipal organization. Our empirical findings suggest that NPM inspired style of management brings about asymmetrical multilayered power struggles in municipal organizations.
Each column represents one particular form of power. The rows include a description of the theory, an overview of empirical findings, and our interpretation of positive/neutral and negative/tensional aspects of the sources and motives of acquiring power by the informants (office-holders and politicians). The rows also cover the exercise-of-power perspective, which emphasizes how exercised power brings about either positive or negative effects in the context of NPM, and how NPM recognizes different power dimensions in municipal organizations. In the conclusion row, we summarize our discoveries.

Conventional power appears to be business as usual – power over is exercised almost without problems. Power over is based on (provided) authority, coercion, and control – the organization is above everything; it delivers predictability and the common good, but on the other hand bureaucratized arrangements inflict rigidity in preparation and decision-making as well as conflicts with different interest groups. From the positive/neutral exercise-of-power perspective, politicians and office-holders work in collaboration, resting on legitimated coercion inspired by the NPM principles, which direct municipal administration and political decision-making to maintain efficiency. However, from the negative/tensional perspective of the exercise of power, NPM may constrain the actors’ field of actions by ‘over utilizing’ rationalization, efficiency, routines, standardization, and private sector-like management.

From the contested power – debates and conflicts viewpoint, power to is based on asymmetrical power relations that emerge from social attempts to influence organizational hierarchy and trigger power struggles, which are the lifeblood of municipal organizations. Power struggles cause actors to generate constant tensions to intentionally shake up the power balance – the actors’ intentions are to achieve authority by influencing organizational actions. Therefore, power to is perceived to be an actual and potent method for tipping the balance of hegemony and resisting actual authority. From the positive/neutral exercise-of-power perspective, radical actions are a necessity to balance organizational hierarchical power layers; they are practiced by office-holders and politicians alike. Office-holders exploit the potential of NPM in organizational power struggles, especially when they attempt to influence political decision-making. From the negative/tensional exercise-of-power perspective, NPM occurs in the radical view as decreased transparency in political actions, as well as when state interventions reduce municipal freedom in budgeting and implementing services. The rise of populism also diminishes political decision-making, and the practical solution from the perspective of politicians is about rhetoric.

From the concealed power – cooperation and manipulation view, power with is founded on coaction, cooperation, and manipulation. Power with is a blind spot for NPM – it cannot handle uncertainty caused by manipulation, cooperation, or power struggles well. Exercised hidden power weakens the municipal administration, especially if it is run under NPM principles. However, NPM identifies some cooperative actions that power with contains. In this hidden power context, the positive/neutral exercise of power is perceived to improve cooperation between municipal factions. It is practised by politicians to search for ‘concealed’ information from the rhetoric and/or decision-making proposals of office-holders. It is practised by office-holders to accomplish organizational goals.
However, power with also has a negative/tensional form, acknowledged as the manipulative side of the exercise of power. This concealed power mechanism is deleterious for municipal organizations managed on the basis of NPM principles, as factions have no alternative methods to verify an interest group’s intentions. In our study, power with emerges as a void for NPM because its abstract and manipulative nature creates uncontrollable events, which generate many unpredictable outcomes. Negative/tensional power actions are practised by politicians for manipulative purposes to influence municipal inhabitants and the administration. Office-holders exploit concealed power by creating, for instance, a budgeting bias, where their knowledge and field of expertise are perceived as impacting on proposals and political decision-making.

In empirical NPM studies, the concept of power has been poorly recognized and discussed (see Bezes et al. 2012, 2–11, 11–18, 38–44; Jacobsen 2006a; Jacobsen 2006b). Our contribution to the NPM literature (see Denhardt & Denhardt 2007; Van Kersbergen & Van Waarden 2004) highlights the importance of power by presenting three identified forms of power, which also act as sources of tension in municipal decision-making. The roots of NPM stand in managerialism when administrative theories constrain its potential for governance (see Denhardt & Denhardt 2007; Anttiroiko & Haveri 2009; Van Kersbergen & Van Waarden 2004). Therefore, many scholars claim we should discuss new public governance rather than NPM (see e.g. Denhardt & Denhardt 2007; Anttiroiko & Haveri 2009, 200–201; Van Kersbergen & Van Waarden 2004). Our findings suggest that following NPM inspired management practices brings about asymmetrical, multi-layered power struggles in municipal organizations.

Exercising power is an ordinary phenomenon in municipal organizations. However, power and the exercise of power do not create a clear and coherent presence in municipal organizational routines. In this dual-leadership doctrine, politicians and office-holders are eager to mediate between individual behaviour and organizational processes through different political and administrative actions. The ultimate goal of these actors is to gain control over the organizational members that are forced to follow organizational rules. Through this practice, individuals conform to and identify with the manifested power structure, or they resist it. In other words, both office-holders and politicians aim to break the resistance to the establishment of hegemonic dominance, which is further reinforced by diverse structural actions, norms, routines and standards (see Bourdieu 1991; Clegg et al. 2006; Courpasson 2000; Göhler 2013; Lukes 2005).

The dynamics of power is an important consideration. Power is not a balanced or static phenomenon, as it exists in the ordinary political and administrative routines of municipal organizations. For example, power scholar Amitai Etzioni considers obedience a significant element of power (Natunen & Takala 2005, 4). Etzioni (1961, 3–4) claims obedience is a vertical relationship where the subject responds to given instructions with a specific practice. Moreover, instructions are reinforced by someone’s power position, which influences the subject. In this environment, the exercise of power is strengthened by the use of physical, material, and symbolic awards.
Organizations systematically use awards in congruence with organizational norms, as was also apparent in our findings.

Regardless of the vast number of studies conducted in the past, power relations in organizations remain an important topic to be further explored (e.g. Lukes 2005; Wrong 2004) as they remain ill-recognized in mainstream NPM studies. Empirical studies are particularly scarce, and work on the concealed exercise of power seems to be entirely missing. Moreover, NPM literature neglects the existence of internal conflicts and contradictions, which are the lifeblood of political systems. The conventional ‘business as usual’ approach dominates NPM literature, taking power relations as self-evident and unproblematic. We argue that by taking contested and concealed power approaches into account, we can shed light on the ‘organizational invisible hand’ assumed in NPM literature to reduce the conflicts encumbering organizational routines. Contested power may be considered a game or an opportunity to expand someone’s stage for exercising actions. We agree with Foucault’s (1975) claim that power is an organized sphere of operations internally constituting itself under the influence of various power relations. Power is a game where struggles, shadow cultures, and unending contradictions change, reinforce, and twist power balances.

While the concealed/manipulative exercise of power is traditionally seen in a negative light (e.g. Clegg et al. 2006; Wrong 2004), based on our findings it may also involve sound motives and positive outcomes. For instance, the exercise of concealed power may, combined with political rhetoric, build a basis for increased cooperation, as our results indicate. While this exercise of power is hidden, it appears to help relieve tensions between organizational actors. Our findings concur with the earlier notion of power having many faces, which in itself is nothing new. However, our results point towards the concealed exercise of power also having important positive aspects, unlike previous power studies. Hence, our findings coalesce with the Foucaultian idea of power creating mutual benefits among societal actors in a fruitful and progressive manner (cf. Foucault 1975.)

Further NPM research would benefit from a narrative power approach. The basic task of municipalities, according to Finnish legislation, is to ‘advance the well-being of their residents and the vitality of their respective areas, and arrange services for their residents in a way that is financially, socially and environmentally sustainable’ (Local Government Act 410/2015). As our power analysis reveals, tensions spring from the unshared approach to this basic task, setting up the office-holders and politicians involved in municipal decision-making as adversaries. The use of power could be dissected from a narrative perspective, which builds on discursive power theories (e.g. Foucault 1980; Denning 2005; Auvinen 2013) emphasizing the construction of power through discourse – such as storytelling among municipal actors. In terms of tension, the co-construction process of either a shared/unifying or dissociating/dissolving story of a municipality and its task among office-holders and politicians opens up interesting avenues for future research.
Storytelling holds potential for identifying the aims and interests of other parties (e.g. Lämsä and Sintonen 2006), and achieving a deeper understanding of the tensions related to the exercise of power among different actors in municipal organizations. So far the narrative approach has scarcely been applied in NPM studies, but would complement its managerialist, overly rational orientation by entailing empowering leadership, strategizing, and decision-making with shared values and ethical standards (Weick and Browning 1986; Sajasalo et al. 2016).

Even governance studies state that NPM principles remain too managerialistic and new perspectives are required (Denhardt and Denhardt 2007; Haveri and Anttiroiko 2009; Van Kersbergen and Van Waarden 2004). Therefore, empirical studies of the exercise of power in municipalities, enriched with a narrative approach, would benefit both NPM theory and practice.

REFERENCES


