

WHY DO WE NEED STRATEGY IN PUBLIC MANAGEMENT? INSTITUTIONAL LOGICS AS STRATEGIC RESOURCES IN PUBLIC MANAGEMENT

Christian Tang Lystbaek, Jens Holmgren, Ole Friis

ABSTRACT

Strategy has become an essential of public management. Research shows that there are many different approaches to this; however, research has not explored the strategic resources that different approaches provide. This paper contributes to this field of research by applying neo-institutional theory and paradox theory to strategy in public management.

Institutional logics form socially constructed patterns of cultural and material practices by which managers define interests and asks and provide meaning to their daily activity. Institutional logics thus accommodate strategic behaviour when managers – and other strategic actors – respond to institutional pressures and expectations.

We show that Public administration, Professional Leadership, New Public Management and New Public Governance offer different configurations of strategy in the public sector, i.e. different reasons and resources for doing strategy, which provide public management with different strategic foci, goals and practices. To explore strategy in public management, the institutional logics should be analysed together with an emphasis on the dynamic interaction between them in order to understand how the strategic resources of a particular institutional logic are applied and legitimized as responses to the flaws of other institutional logics.

Keywords – *institutional logics, public management, resources, strategy.*

INTRODUCTION

Introduction Strategy has become an essential part of public management (Lystbæk et al., 2017; Walker, 2013). In the last decades, strategy has spread from its origin in military, through corporate business in the private sector to all organizations, including NGOs and public sector organizations (Bracker, 1980; Stevens, 1984). Some scholars argue that strategy has become part of public management through a wave of New Public Management reforms, which have introduced market mechanisms and terminology based on the idea that public management has a great deal to learn from business management (Hood,

Copyright: © 2021 Lystbaek, Holmgren and Friis. Copyright for this article is retained by the authors, with first publication rights granted to the International Public Management Review (IPMR). All journal content, except where otherwise noted, is licensed under a Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Unported License. By virtue of their appearance in this open-access journal, articles are free to use, with proper attribution, in educational and other non-commercial settings.

Corresponding Author: Jens Holmgren, jens@business.aau.dk

1991; Levy, 2010). From this perspective, public management face a problem that is very similar to the problem that private sector businesses face: Like business management, public management – responsible for leading governmental agencies – is entrusted with a bundle of assets, and the job is to create value of these assets in dynamic environments (Bryson & Roering, 1987; Hansen, 2010; Ring & Perry, 1985). Strategy in public management, then, is a simple adaptation of the basic idea of a business strategy from the private sector, where it is related to competition mechanisms and market incentives (Bryson, 2004; Hood & Dixon, 2015; Walker, 2013). Other scholars have argued that whereas the main goal of private sector managers has been conceived to create private value in terms of economic profit, the goal of public sector management is to create public value in terms of public services (Agostino & Arnaboldi, 2015; Dunleavy, Margetts, Bastow, & Tinkler, 2006; Stoker, 2006). From this perspective, the public sector has its own conditions and is facing very different circumstances than private corporations: Firstly, public services and authorities are not market-driven but exist to retain the welfare society, and secondly, the goals and tasks are determined from political or public defined responsibilities and obligations rather than profit-oriented, and are thus governed by political priorities and dependent on yearly assigned resources from collectively supplied taxes rather than private consumer choices (Christensen & Lægreid, 2011; Moore, 1995, 2013). Strategy in public management, then, is not similar to strategy in private sector corporations, but is related to the conditions of public sector organizations (Ferlie, 2003; Hansen, 2010).

Taken together, these two perspectives on strategy in public management research indicates that there are different kinds of reasons for doing strategy in public management (Ferlie & Edoardo, 2015; Lystbæk et al., 2017). Even traditional strategy literature offers many different perspectives on strategy, which have been categorised in different, often opposing ways, such as deliberate versus emergent perspectives, content versus process perspectives, macro versus micro perspectives etc. (Mintzberg & Waters, 1985; Whittington, 1996). Such typologies contribute to the scholarly understanding of strategy but the traditional strategy literature – and the simplifying oppositions – does not adequately describe the conditions of public management. Public management scholars have described a series of public sector reforms that have changed the context of conditions of public management (Dunleavy et al., 2006; Osborne, 2006). For instance, Christensen & Lægreid (2011, p. 408) argue that the “NPM reform wave, seen as a reaction to the challenges and problems of the ‘old public administration,’ and the post-NPM reform wave, seen partly as a reaction to the negative effects of NPM, are together resulting in a complex sedimentation or layering of structural and cultural features.” They go on to argue that public organizations are hybrid in the sense that different concerns and conditions co-exist (Christensen & Lægreid, 2011). What is lacking in this literature, however, is explicit attention to the strategic resources that these “waves” or trends in public management provide. Research has studied organizational homogeneity and isomorphism, but the conditions under which public sector managers need strategy has been left unexplored. Research is needed to unfold the strategic resources of public management in response to the institutional processes that affect them.

The purpose of this conceptual paper is to make a contribution to this field of research by applying neo-institutional theory to strategic public management research. Whereas public management research has used broad metaphors of “reform waves” (e.g. Christensen & Lægheid, 2011) or “paradigms” (e.g. Anderson, 2015), we argue that neo-institutional theory provides a more nuanced analytical framework that can be used to identify the strategic resources in public management as well as their interaction, which allow for a better understanding of the strategic aspects of hybrid public management. More specifically, then, the aim of the paper is to identify the strategic resources that public management can employ in response to different institutional pressures.

The paper is structured as follows: First, we describe the theoretical source of inspiration for the paper, which is neo-institutional theory. Second, we apply this analytical framework to nuance our understanding of the well-established conceptions of public management as these are characterised in public management research. We identify four institutional logics of public management: Public administration, Professional Leadership, New Public Management and New Public governance. Thirdly, we go on to use the analytical framework to identify the strategic resources in these institutional logics. We conclude that public management has a rich repertoire of complementary and competing strategic resources, the apprehension and application of which public managers can explore and exploit.

NEO-INSTITUTIONAL THEORY THROUGH A PARADOXICAL LENS

The development and distribution of management ideas and practices have drawn considerable attention in recent years. The scholarly literature offers different conceptual and analytical approaches to the development and distribution of management ideas and practices. Some have conceptualized management ideas as a product on a marketplace that is diffused and consumed like other products within a market (Alvarez, 1998) whereas others have drawn analogies with fads in the fashion industry that changes with each new season as people are looking for “the latest and greatest” (Jackson, 2001). Such conceptualizations are interesting and fit well into a business context that is said to be more consumer-oriented and entrepreneurial, but they do not allow for an understanding of the conditions of the public sector shape the configuration of strategy and the identification of strategic concerns and practices in public management.

Neo-institutional theory has been drawing attention to the ways on which ideas, and more specifically normative ideologies about organizational quality, accountability, efficiency, etc., move across space and time. The main focus has been on how ideas are translated into expectations and regulations in different contexts (Czarniawska, 2009). Friedland & Alford (1991) are usually credited with the idea and concept of institutional logics. They argue that society is characterized by a range of institutions, which each has an inherent logic. They define institutional logics as “supra-organizational patterns of human activity by which individuals and organizations produce and reproduce their material subsistence and organize time and space. They are also symbolic systems, ways of ordering reality, and thereby rendering experience of time and space meaningful.” (Friedland & Alford,

1991, p. 243) An institutional logic, then, is a set of material practices and symbolic constructions which is available to organizations and individuals. As such, it represents a normative model of the way in which an organization should work. Such a model, however, is not simply an abstract idea, but is enacted in ways of thinking and responding in particular contexts (Durand et al., 2013). Early version of institutional theory stressed the taken-for-granted character of institutional norms and beliefs in particular domains, such as state, market, family and religion that are each guided by a distinct institutional logic, whereas more recent developments have stressed the variety of institutional pressures, such as government regulations, professional standards and social expectations, within a particular institutional environment (Czarniawska, 2008).

Neo-institutional theory has offered a strong analytical lens to explore and understand how ideas gain social acceptance and legitimacy because of their conformity with prevailing institutionalized thought and ideology (Friedland & Alford, 1991; Thornton, Ocasio, & Lounsbury, 2012). Neo-institutional theory has, however, left questions regarding the managerial mobilization of strategic resources unanswered and even unasked. Institutions are conventionally understood as supra-organizational patterns organizing social life with its emphasis on exterior normative order (Friedland & Alford, 1991). Research into institutional logic hence has tended to focus on passivity rather than activeness, preconscious acceptance rather than strategic action in response to institutional pressures and expectations. This is inadequate to analyse strategy in public sector organizations. A few studies have explored how managers react to institutional pressures in different ways (e.g. Durand et al., 2013; Oliver, 1991), however, the neo-institutional perspective has lacked an explicit attention to the role of strategic responses to institutional pressures in different organizational contexts. The focus has been on the social legitimacy and recognition of organizational structures, activities and routines with an emphasis on isomorphisms rather than the management idea itself, and hence it has given insufficient consideration to the configuration of strategic management across institutional logics.

We combine institutional theory with paradox theory in order to describe the strategic tensions between institutional logics in public management. Paradox theory refers to a particular analytical approach that can be used to analyze how resources and risks are contradictory yet co-existing and interrelated strategic concerns (Cunha & Putnam, 2019). As documented by Schad and colleagues (2016) the study of paradox and related concepts (e.g. tensions, contradictions, etc.) in organization studies has grown rapidly over the last 25 years. Generally speaking, paradox analysis is an approach that emphasizes the tensions of meanings and messages (Huxham & Beech, 2003; Smith et al., 2017). Consequently, paradox analysis is not a method in terms of a set of mechanical operations or procedures, but an analytical lens which guiding principle is to look for tensions and dynamic equilibria in the way in which empirical phenomena are conceptualized and interpreted (Fairhurst et al., 2016; Smith & Lewis, 2011).

In the remainder of the paper, we will explore the strategic dimension of dominant institutional logics in public management and subsequently explore the strategic resources in these institutional logics.

INSTITUTIONAL LOGICS IN PUBLIC MANAGEMENT

Neo-institutional theory has been used to explore the emergence of a dominating institutional logic or the conflict between two institutional logics in public management, for instance Public Administration and New Public Management (Agostino & Arnaboldi, 2015; Byrkjeflot & Kragh Jespersen, 2014), Professional Leadership and New Public Management (Noordegraaf, 2016; Scott et al., 2000) or New Public Management and New Public Governance (Brandsen et al. 2017; Osborne, 2006).

We argue that the strategic resources in distinct institutional logics in public management are best explored together, as co-existing and competing perspectives and pressures. In the scholarly literature on different waves or paradigms in the public management, we identify four approaches and label these “Public Administration”, “Professional Leadership”, “New Public Management” and “New Public Governance”. Analysed through the lens of institutional theory, the four institutional logics offer different perspectives on the prevailing rationality and organizing structure of public organizations as well as the role and focus of public management. These characteristics are summed up in Table 1.

Table 1. Key characteristics of institutional logics in public management

Institutional logic	Public Administration	Professional Leadership	New Public Management	New Public Governance
Prevailing rationality	<i>Bureaucratic rationality</i>	<i>Value-based rationality</i>	<i>Instrumental rationality</i>	<i>Deliberative rationality</i>
Organizing structure	<i>Bureaucratic, administrative</i>	<i>Professional, evidence-based</i>	<i>Market-driven, competitive</i>	<i>Deliberative, collaborative</i>
Managerial role	<i>Rowing</i>	<i>Inspiring</i>	<i>Steering</i>	<i>Involving</i>
Managerial focus	<i>Rules and regulations</i>	<i>Professional standards</i>	<i>Budgets and targets</i>	<i>Dialogue and participation</i>

Public administration refers to a cluster of ideas and practices that are founded in ideas of rational decision-making and bureaucratic control as the core of public sector management and organisation. As an institutional logic, Public Administration represents a bureaucratic rationality, where public organisations are responsible for the day-to-day administration and enforcement of government laws and legislation (du Gay, 2000). Public administration, then, values neutrality and loyalty and incorporates the idea of compliance (Agostino & Arnaboldi, 2015). Programs are decided through formal procedures and implemented through top-down control mechanisms. Public managers are thus expected to “row” in the sense of implementing and administering policies focused on politically defined objectives (Denhardt & Denhardt, 2000).

Professional Leadership refers to a cluster of ideas and practices that are founded in the traditional self-governance of professionals within professional organisations, incorporating collegial authority and trust in relation to clients and colleagues, including control with education and a work jurisdiction concentrated around evidence-based knowledge about the clients (Friedson, 2001; Noordegraaf, 2007). As an institutional logic, Professional Leadership represents a value-based form of rationality, where the service of clients is guided by professional norms based on a set of ultimate values, and evaluation-mechanisms with focus on professionalism especially. Public managers are thus expected to inspire professional practitioners in order to maintain and expand professionalism (Noordegraaf, 2016).

New Public Management refers to a cluster of ideas and practices that seek to use private-sector and business approaches in public management and organisation, i.e. to import management thinking and techniques from the private to the public sector (Hood, 1991; Hood & Dixon, 2015). The prevailing view has been that public management has a great deal to learn from business management. The distinction between private and public “is not worth much” (Rainey & Chun, 2005, p. 73). The intention is to make public organisations more efficient and customer oriented through market-driven arrangements, such as purchaser-provider split and price systems. Hence, result-oriented measures for control combined with measures of incentives should make the operational level perform better and cheaper. Public managers are thus expected to “steer” in the sense of finding innovative and efficient ways of providing services and increase the satisfaction of the users and consumers of the services (Denhardt & Denhardt, 2000).

New Public Governance as a term is not as established as the other, however it draws – like the other logics – on a normative model of public management with a strong intellectual heritage in theories of civil society and democratic citizenship in a pluralist state, where multiple inter-dependent actors contribute to the delivery of public services (Osborne, 2006; Pedersen et al., 2011). As an institutional logic it is characterized by a deliberative form of rationality, where engagement with the public is not simply a matter of “giving the public what they want” but a process of refining public preferences (Brandson et al., 2017). Creating and sustaining high quality provision, then, demands more than performance measurement and customer care. It demands a notion of co-creation of value, i.e. the idea that citizens are more than consumers and ought to be able to influence and participate in the design and delivery of services. Public managers are thus expected to involve citizens in the description and development of public services (Osborne & Strokosch, 2013).

CONFIGURATIONS OF STRATEGY IN PUBLIC MANAGEMENT

The fundamental assumption in conventional strategy literature is that strategy is an issue of management pursuing profit maximisation and fighting the competitors in order to win in the game of business (e.g. Chandler, 1962). According to this view, then, there is no need to for strategy in public management, where profit maximation and competition is not an issue. Within the last decades, however, this macro-level, economic conception of strategy has been criticized for being overly simple and ignoring the complex nature of

organizations (Johnson et al., 2005). The assumption that there is no need for strategy in public management assumes an institution-free conception of strategic concerns and goals. Some researchers have promoted a micro-level, pragmatic conception of strategy that focuses on what the people do when they do strategic management (Jarzabkowski et al., 2007; Whittington, 1996). Taking this view, any consideration of strengths and weaknesses, opportunities and threats, mission and vision, capabilities and competences, etc. is strategy work (Whittington, 2000), and an important part of public management (Mulgan, 2009).

We argue that neo-institutional theory provides a nuanced analytical framework that can be used to identify the strategic resources in the multiple, competing logics of public management. Institutional logics form socially constructed patterns of cultural and material practices by which managers define interests and asks and provide meaning to their daily activity. Institutional logics thus accommodate strategic behaviour when managers – and other strategic actors – respond to institutional pressures and expectations. In other words, strategic concerns and considerations of public sector managers cannot be assumed to be non-existing. Rather, managers in public sector organizations respond strategically to institutional pressures, depending upon the context and conditions.

We argue that Public administration, Professional Leadership, New Public Management and New Public Governance offer different configurations of strategy in the public sector, i.e. different reasons and resources for doing strategy, which provide public management with different strategic foci, goals and practices. The four configurations and their strategic resources are summed up in Table 2.

Table 2. Institutional logics and configurations of strategy

Institutional logic	Public Administration	Professional Leadership	New Public Management	New Public Governance
Strategy configuration	<i>Compliant strategy</i>	<i>Competence strategy</i>	<i>Competitive strategy</i>	<i>Collaborative strategy</i>
Strategic focus	<i>Rule of law</i>	<i>Evidence-based practice</i>	<i>Competitive performance</i>	<i>Citizen co-creation</i>
Strategic goals	<i>Accountability, transparency</i>	<i>Professionalism, autonomy</i>	<i>User satisfaction, efficiency</i>	<i>Participation, citizenship</i>
Strategic tools	<i>Rules and regulations</i>	<i>Standards and procedures</i>	<i>Performance measures and targets</i>	<i>Citizen voices and influence</i>

The strategy configuration of Public Administration is unique to public management, however it can be argued that it shares element with the growing interest in corporate responsibilities as a key strategic concern (Chandler & Werther, 2017; Kocollari, 2018), however in public organizations the responsibilities are formal and legal. Public Administration is based upon the idea of formal responsibility and bureaucratic control as the core of public sector management and organisation in the day-to-day enforcement of government laws and legislation (du Gay, 2000). Public administration as an institutional logic thus provides strategic goals and practices directed at accountability and transparency. Strategic public management is a matter of establishing procedures that honours values neutrality and loyalty in the day-to-day administration of government laws and legislation (Moore, 2013). In this sense, public managers should be “rowing”, i.e. enforcing rules and regulations compliant with politically defined objectives (du Gay, 2000; Moore, 1995).

The strategy configurations of Professional Leadership shares elements with the so-called resource-based approach to strategy according to which the internal resources, competencies and technologies are key strategic concerns (Barney, 1991). Professional Leadership is based upon the idea that public services require professional, knowledge-intensive work and high-tech equipment, which continuously change and, as a consequence, require public management to make a strategic effort (Lystbæk et al., 2017). Professional Leadership as an institutional logic provides strategic goals and practices directed at the continuous development of the competencies and capabilities in the organization required to meet the professional standards of an evidence-based practice. Strategic public management is a matter of developing public services and the competencies and technologies needed to provide such services (Mulgan, 2009). Public managers should be serving rather than steering the professionals in the organization, i.e. facilitate professional autonomy, competence development and technology implementation (Fairtlough, 2017; Kearns, 2013).

The strategy configuration of New Public Management is very similar to the conception of strategy in conventional strategy literature, which is only to be expected, since New Public Management is based upon the basic idea that private-sector and business approaches can be used in public management and organisation, in particular a strategic focus on competitive performance in terms of user satisfaction and efficiency. Although public sector organizations typically do not exist in competitive markets, public managers must nonetheless consider the economic structures in their environment. As such, public sector organizations have become subject to marketization, for instance through performance measures, benchmarking and ranking in league tables, which have similar effects as a market (Lystbæk et al., 2017). New Public Management as an institutional logic, then, provides resources for strategic management in order to deliver services efficiently with the least inconvenience and highest levels of satisfaction for the clients. New Public Management thus both provides strategic goals as well as initiatives to realize them: Strategic public management is a matter of seeking operational excellence in the core process of effective service delivery and transaction processing through performance targets and measures. Public managers are urged to “steer, not row” their organizations, i.e. to find

new, efficient ways to increase productivity and achieve results based upon public-choice assumptions and perspectives (Denhardt & Denhardt, 2000).

The strategy configuration of New Public Governance shares elements with recent contributions to the conventional strategy literature according to which the relationship between a corporation and its customers is a key strategic concern (Kumar & Reinartz, 2018; Lusch & Vargo, 2014). New Public Governance is based upon idea of social society, where multiple inter-dependent actors contribute to the delivery of public services, and public managers should have a strategic focus and have an interest in collaboration and co-creation of public value (Osborne, 2006). New Public Governance as an institutional logic thus provides strategic goals and practices directed at engaging citizens in the description and development of public services. Strategic public management is a matter of involving citizens in general and users in particular in the core process of effective service production and delivery through participation and meetings, where citizens can hear and involved. Public managers are urged to be “serving rather than steering” their organizations, i.e. to engage citizens and involve them in the production and delivery of public services (Denhardt & Denhardt, 2000).

The four institutional logics presented here thus provide four different configurations of strategy with distinct strategic foci, goals and practices. To explore strategy in public management we argue that the institutional logics should be analysed together, with an emphasis on the dynamic interplay, competition and contradictions between them, in order to understand how the strategic resources of a particular institutional logic are applied and legitimized as responses to the flaws of other institutional logics. The strategic response may vary from promotion to resistance towards particular institutional pressures, however, the variance, we suggest, should be analysed as active strategic behaviour rather than passive conformity.

STRATEGY RESOURCES AND RISKS

It is a well-established point in the scholarly literature on public management that New Public Management as an institutional logic spread as a response to a widespread critique of Public Administration and Professional Leadership. On the one hand, Public Administration as an institutional logic emphasises the strategic importance of accountability, transparency and loyalty to the extent in which it has become synonymous with bureaucratic rigidity and formalism, plagued with excessive rules, bound by rigid budgeting systems and preoccupied with control, and it has been increasingly criticized for ignoring citizens and shunning innovation. On the other hand, Professional Leadership as an institutional logic emphasises the strategic importance of professional competencies and evidence-based practices to the extent in which it has become synonymous with expert arrogance and elitism, and it has been increasingly criticized for serving the interest of the professionals and established personnel systems rather than citizens (Denhardt & Denhardt, 2000; Hood, 1991). To counter these flaws and pitfalls of Public Administration and Professional Leadership, New Public Management has legitimized the use of market mechanisms to re-configure the relationship between public organizations and citizens as involving transactions similar to those occurring in the marketplace. Government

agencies have thus sought to privatize previously public functions, holding top executive accountable for performance goals, and reorganizing departmental systems to reflect a commitment to productivity and efficiency. As a consequence, public managers have been challenged to find new and innovative ways to increase productivity and user satisfaction.

Today, it has become equally established in the scholarly literature on public management that New Public Management has its own strategic flaws and pitfalls (Hood & Dixon, 2015). For instance, the emphasis on productivity and efficiency promoted in the market model tends to neglect the need for coordination in the public sector, and privatization of public functions threatens to undermine public interests and democratic values such as justice and fairness (Moore, 2013). Thus, today, New Public Governance is being promoted as an alternative to New Public Management that emphasizes citizen involvement and participation, however, we also witness a critique of New Public Management and New Public Governance from the traditional public management logics of Public Administration and Professional Leadership. Thus, some critiques of the “new” paradigms pinpoint the continued importance of accountability and rule of law while others pinpoint the continued importance of professional competence and evidence-based practices.

Recently, the scholars have tried to identify the next wave or perspective on public management, however, the quest for “latest and greatest” of perspectives might be misleading. The analytical framework developed in this article suggests that strategy in the public sector is not (only) about identifying the next wave, but about responding to institutional diverse pressures, new and old ones. Further, the framework suggests that there can be many reasons why public sector organizations might need strategic change, but using simple and misleading approaches and perspectives can lead to lack of focus on important issues. The analytical framework developed here thus contributes to the growing amount of management literature and organisational studies that emphasise complexity of institutional logics and hybridity in public management (Noordegraaf, 2007; Nyland & Pettersen, 2015) by showing how strategic concerns and practices are reconfigured in accordance with different institutional logics. Strategic initiatives in public management draws on the strategic resources based upon distinct institutional logics, and can therefore be understood as opposites that constitute a complex and contradictory whole.

The point that public managers must balance seemingly opposing strategic concerns has become increasingly acknowledged in the scholarly literature, however the implications of this does not seem to have registered fully. Strategic concerns are not generally presented and discussed in an individual or pairwise fashion, which tend to miss the point that strategic issues can also spring from taken a given strategic concern to an extreme. It is well established that inadequate management can result from underdoing the requisites, but the problematic aspects of overdoing it has received far less attention. This might be because the problems of lopsidedness are not immediately obvious. First, it is sometimes difficult to draw the line between having a strategic concern and going too far, i.e. being too concerned, and second, when presented with opposing concerns, it is sometimes easy to polarize, i.e. place a high value on a particular concern while overlooking or demeaning the value of opposing concerns. A paradox lens allows for the possibility that strategic

concerns are not simply “goods”, but can be too much. A paradox lens can thus be used to pinpoint the core competing pressures in public management.

Public organizations aim at competing strategic goals, and public managers have to guard against imbalance and lopsidedness. When considering opposing strategic concerns, managers risk choosing one over the other. In general, managers tend to overdo what we are good at and place a high value on that, without recognizing that we can do too much of it, and at the same time underdo what we do not value so much, without seeing the problem with neglecting this (Kaplan & Kaiser, 2003). A paradox lens thus leads to the notion of strategy in public management as constituted by opposing concerns, unencumbered by a bias for either. Taking one concern to the extreme leads to imbalance and lopsidedness. Public management is facing a range of challenges that must be addressed in ways that secure the organisation’s ability to realize complex, sometimes contradictory, strategic goals. Acknowledging different institutional logics is a powerful way for public managers to avoid becoming strategic “purist”, who are preoccupied with one particular logic and one set of strategic concerns, and to explore multiple strategic possibilities and their related, sometimes paradoxical, problems. In other words, public management with an awareness of multiple available logics have a larger stock and repertoire strategic resources and their related risks.

CONCLUSIONS

This paper has shed light on the strategic resources in public management. We have argued that neo-institutional theory can be used to explore the strategic resources in public management, and when combined with paradox theory we get a strong analytical lens that can help to identify both strategic pressures, possibilities and their related problems. This analytical lens describes strategic resources and risks in public management as complex, sometimes contradictory. Strategy hence cannot be assumed to be non-existing in public management, since public managers must respond strategically to institutional pressures and expectations. However, power cannot be attributed to the institutional environment rather than the organizational members. Management responses institutional pressures and processes are not invariably passive and conforming across all institutional conditions but may be active and confronting in response to institutional demands and expectations, depending on the context and condition of these pressures. Recognition of multiple institutional logics moves public management research away from the notion of public organizations as static systems, coping with environmental fluctuations, to a notion of public organisations as dynamic systems that are subject to opposing institutional pressures. The institutional logics of Public administration, Professional Leadership, New Public Management and New Public Governance co-exist in most public organizations, and since there is no strict hierarchy between them, but many hybrid forms and dynamics, there is considerable latitude for public managers to manoeuvre strategically in such a complex institutional environment. Public management then cannot completely satisfy all logics and all stakeholders, but managerial initiatives can satisfy them sufficiently, at least for a moment, and make substantial difference to stakeholders within a given context. The an-

alytical framework presented here thus allows for analyses of strategy in public management that includes not only stability, homogeneity and isomorphism but also change, heterogeneity and polyphonism.

This study opens up vistas for future research. First, the resources identified in this study is based upon the literature and need to be studied empirically among a broad sample in order to gain more in-depth understanding of how the strategy resources are used as well as how their inherent risks are acknowledged and handled, for instance in case studies of particular strategic initiatives such as increasing digitalization or the spread of co-production. Which strategic concerns are such initiatives responses to, and why and how are such initiatives suggested as responses?

Second, it has become clear from this study that hybrid management is a necessity when it comes to strategic public management, despite being difficult and controversial. More research is needed on the strategy making practices and practitioners, e.g. public managers and other strategy makers in public organizations who must accommodate conflicting institutional demands. What are public strategy makers doing when they “do” strategy?

Third, the organizational contexts and conditions in public management are very diverse, because of the different areas in which public organizations operate. Future research should provide us with a better understanding of the relationship between institutional pressures and organizational contexts and conditions.

Christian Lystbaek is Associate Professor at Aarhus University. E-mail: christianl@btech.au.dk

Jens Holmgren is Associate Professor at Aalborg University Business School. E-mail: jens@business.aau.dk

Ole Friis is Associate Professor at Aalborg University Business School. E-mail: ole@business.aau.dk

REFERENCES

- Agostino, D., & Arnaboldi, M. (2015). The New Public Management in hybrid settings: New challenges for performance measures. *International Review of Public Administration*, 20(4), 353-369. doi:<http://dx.doi.org.ez.statsbiblioteket.dk/2048/10.1080/12294659.2015.1088686>
- Alvarez, J. L. e. (1998). *The Diffusion of and Consumption of Business Knowledge*. London: Macmillan.
- Anderson, L. (2015). Constitutionalist Public Administration Paradigm: The Predominant Paradigm in OMB Circular. *Administration & Society*, 47(1), 44-74.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.
- Bracker, J. (1980). The historical development of the strategic management concept. *Academy of Management Review*, 5(2), 219-224.
- Brandsen, T., Trommel, W., & Verschuere, B. (2017). The state and the reconstruction of civil society. *International Review of Administrative Sciences*, 83(4), 676-693. doi:10.1177/0020852315592467
- Bryson, J. M. (2004). *Strategic planning for public and nonprofit organizations: A guide to strengthening and sustaining organizational achievement*. San Francisco, CA: Jossey-Bass.
- Bryson, J. M., & Roering, W. D. (1987). Applying private-sector strategic planning in the public sector. *Journal of the American Planning Association*, 53, 9-22.
- Byrkjeflot, H., & Kragh Jespersen, P. (2014). Three conceptualizations of hybrid management in hospitals. *International Journal of Public Sector Management*, 27(5), 441-458.
- Chandler, A. D. (1962). *Strategy and structure. Chapters in the history of the American Industrial Enterprise*. Cambridge, MA: MIT Press.
- Chandler, D., & Werther, W. B. (2017). *Strategic corporate social responsibility. Sustainable value creation*. Los Angeles: Sage.
- Christensen, T., & Lægreid, P. (2011). Complexity and hybrid public administration. Theoretical and empirical challenges. *Public Organization Review*, 11(4), 407-423.
- Covaleski, M. A., & Dirsmith, M. Q. (1988). An institutional perspective on the rise, social transformation and fall of a university budget category. *Administrative Science Quarterly*, 33, 562-587.
- Cunha, M., & Putnam, L. L. (2019). Paradox theory and the paradox of success. *Strategic Organization*, 17(1), 95-106.
- Czarniawska, B. (2008). How to misuse institutions and get away with it. Some reflections in institutional theory(ies). In R. Greenwstitutionalismood, C. Oliver, R. Suddaby, & K. Sahlin-Andersson (Eds.), *The Sage Handboom of Organizational In* (pp. 769-782).

- Czarniawska, B. (2009). Emergin institutions. Pyramids or anthills? *Organization Studies*, 30, 423-441.
- Denhardt, R. B., & Denhardt, J. V. (2000). The New Public Service. Serving rather than Steering. *Public Administration Review*, 60(6), 549-559.
- du Gay, P. (2000). *In Praise of Bureaucracy*. London: Sage Publ.
- Dunleavy, P., Margetts, H., Bastow, S., & Tinkler, J. (2006). New Public Management Is Dead. Long Live Digital-Era Governance. *Journal of Public Administration Research and Theory*, 16(3), 467-494.
- Durand, R., Szostak, B., Jourdan, J., & Thornton, P. H. (2013). Institutional logics as strategic resources. In M. Lounsbury & E. Boxenbaum (Eds.), *Institutionl logics in action*. Bingley: Emerald Group Publishing.
- Fairhurst, G. T., Smith, W. K., & Banghart, S. G. (2016). Diverging and converging: Integrative insights on a paradox meta-perspective. *Academy of Management Annals*, 10(1), 173–182.
- Fairtlough, A. (2017). *Professional leadership for social work practitioners and educators*. New York: Routledge.
- Ferlie, E. (2003). Quasi strategy: Strategic management in contemporary public sector. In A. M. Pettigrew, H. Thomas, & R. Whittington (Eds.), *Handbook of strategy and management* (p. 279-298). London: Sage.
- Ferlie, E., & Edoardo, O. (2015). *Strategic management in public services organizations. Concepts, schools and contemporary issues*. London: Routledge.
- Friedland, R., & Alford, R. R. (1991). Bringing Society Back In. In Powell & DiMaggio (Eds.), *The new institutionalism in organizational analysis*. Chicago.
- Friedson, E. (2001). *Professionalism. The Third Logic*. Cambridge: Polity Press.
- Hansen, M. B. (2010). Marketization and economic performance. *Public Management Review*, 12(2), 255-274.
- Hood, C. (1991). A Public Management for all seasons? *Public Administration Review*, 69, 3-19.
- Hood, C., & Dixon, R. (2015). *A Government that Works Better and Costs Less??"*. Oxford: Oxford University Press.
- Huxham, C., & Beech, N. (2003). Contrary prescriptions: Recognizing good practice tensions in management. *Organization Studies*, 24(1), 69–93.
- Jackson, B. (2001). *Management Gurus and Management Fashions*. London: Routledge.
- Jarzabkowski, P., Balogun, J., & Seidl, D. (2007). Strategizing: The challenges of a practice perspective. *Human Relations*, 60(1), 5–27.
- Johnson, G., Scholes, K., & Whittington, R. (2005). *Exploring Corporate Strategy*. Essex: Pearson Education.

- Kaplan, R. E., & Kaiser, R. B. (2003). Developing Versatile Leadership. *MIT Sloan Management Review*, 44(4), 19-26.
- Kearns, P. (2013). *Professional HR. Evidence-based people management and development*. New York: Routledge.
- Kocollari, U. (2018). *Strategic Corporate Responsibility. The Social Dimension of Firms*. London: Routledge.
- Kumar, V., & Reinartz, W. (2018). *Customer Relationship Management Concept, Strategy, and Tools*. Berlin: Springer.
- Levy, R. (2010). New Public Management: End of an Era? *Public Policy and Administration*, 25(2), 234-240.
- Lusch, R. F., & Vargo, S. L. (2014). *Service-dominant logic. Premises, perspectives, possibilities*. Cambridge: Cambridge University Press.
- Lystbæk, C. T., Holmgren, J., & Friis, O. U. (2017). Strategy discourses in public sector organizations. A qualitative focus group study. *International Public Management Review*, 18(1), 21-44.
- Mintzberg, H., & Waters, J. A. (1985). Strategies; Deliberate and Emergent. *Strategic Management Journal*, 6, 257-272.
- Moore, M. H. (1995). *Creating public value. Strategic management in government*. Cambridge, MA: Harvard University Press.
- Moore, M. H. (2013). *Recognizing Public Value*. Cambridge, MA: Harvard University Press.
- Mulgan, G. (2009). *The art of public strategy. Mobilizing power and knowledge for the common good*. Oxford: Oxford University Press.
- Noordegraaf, M. (2007). From pure to hybrid professionalism. Present-day professionalism in ambiguous public domains. *Administration & Society*, 39(6), 761-785.
- Noordegraaf, M. (2016). Reconfiguring Professional Work: Changing Forms of Professionalism in Public Services. *Administration & Society*, 48(7), 783-810.
- Nyland, K., & Pettersen, I. J. (2015). Hybrid controls and accountabilities in public sector management. *International Journal of Public Sector Management*, 28(2), 90-104.
- Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16(1), 145-179.
- Osborne, S. P. (2006). The New Public Governance. *Public Management Review*, 8(3), 377-387.
- Osborne, S. P., & Strokosch, K. (2013). It takes two to tango? Understanding the co-production of public services by integrating the service management and public management perspectives. *British Journal of Management*, 20(4), 31-47.

- Pedersen, A. R., Sehested, K., & Sørensen, E. (2011). Emerging theoretical understanding of pluricentric coordination in public governance. *The American Review of Public Administration*, 41(4), 375-394.
- Rainey, H. G., & Chun, Y. H. (2005). Public and private compared. In Ferlie (Ed.), *The Oxford Handbook of Public Management*. Oxford: Oxford University Press.
- Ring, P. S., & Perry, J. L. (1985). Strategic management in public and private organizations: Implications of distinctive contexts and constraints. *Academy of Management Review*, 10, 276-286.
- Rowan, B. (1982). Organizational structure and the institutional environment. The case of public schools. *Administrative Science Quarterly*, 27, .259-279.
- Scott, W. F., Ruef, M., Mendel, P. J., & Coranno, C. A. (2000). *Institutional Change and Healthcare Organizations. From Professional Dominance to Managed Care*. Chicago: University of Chicago Press.
- Smith, W. K., Erez, M., & Jarvenpaa, S. (2017). Adding complexity to theories of paradox, tensions, and dualities of innovation and change. *Organization Studies*, 38(3-4), 303–317.
- Smith, W. K., & Lewis, M. W. (2011). Toward a theory of paradox: A dynamic equilibrium model of organizing. *Academy of Management Review*, 36(2), 381–403.
- Stevens, J. M. (1984). Strategic public management and productivity improvement. *Public productivity review*, 4, 295-300.
- Stoker, G. (2006). Public Value Management. A New Narrative for Networked Governance. *American Review of Public Administration*, 36(1), 41-57.
- Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The institutional logics perspective. A new approach to culture, structure and process*. Oxford: Oxford University Press.
- Walker, R. (2013). Strategic Management and Performance in Public Organizations. *Public Administration Review*, 73(5), 675-685.
- Whittington, R. (1996). Strategy as practice. *Long Range Planning*, 29(5), 731-735.
- Whittington, R. (2000). *What is strategy - and does it matter?:* Cengage Learning.

About IPMR

IPMR The International Public Management Review (IPMR) is the electronic journal of the International Public Management Network (IPMN). All work published in IPMR is double blind reviewed according to standard academic journal procedures.

The purpose of the International Public Management Review is to publish manuscripts reporting original, creative research in the field of public management. Theoretical, empirical and applied work including case studies of individual nations and governments, and comparative studies are given equal weight for publication consideration.

IPMN The mission of the International Public Management Network is to provide a forum for sharing ideas, concepts and results of research and practice in the field of public management, and to stimulate critical thinking about alternative approaches to problem solving and decision making in the public sector.

IPMN includes over 1300 members representing about one hundred different countries, both practitioners and scholars, working in all aspects of public management. IPMN is a voluntary non-profit network and membership is free.

ISSN 1662-1387