

Organization Studies

<http://oss.sagepub.com>

Performance Measures and the Rationalization of Organizations

Barbara Townley, David J. Cooper and Leslie Oakes

Organization Studies 2003; 24; 1045

DOI: 10.1177/01708406030247003

The online version of this article can be found at:

<http://oss.sagepub.com/cgi/content/abstract/24/7/1045>

Published by:

 SAGE Publications

<http://www.sagepublications.com>

On behalf of:



[European Group for Organizational Studies](#)

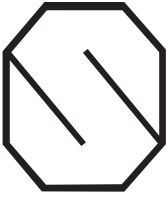
Additional services and information for *Organization Studies* can be found at:

Email Alerts: <http://oss.sagepub.com/cgi/alerts>

Subscriptions: <http://oss.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.com/journalsPermissions.nav>



Performance Measures and the Rationalization of Organizations

Barbara Townley, David J. Cooper and Leslie Oakes

Abstract

Barbara Townley
Edinburgh
University,
Scotland

David J. Cooper
University of
Alberta, Canada

Leslie Oakes
University of New
Mexico, USA

This article focuses on rationalization, its dimensions, the possibilities of reasoned justification in the public sphere, and the technologies that would operationalize this. It does so through an analysis of the introduction of performance measurement in the Provincial Government of Alberta, Canada. We argue that performance measurement represents twin dimensions of rationalization: the pursuit of reason in human affairs, that is, the process of bringing to light the justifications by which actions and policies are pursued; and rationalization as the increasing dominance of a means–end instrumental rationality. The article illustrates how an initial enthusiasm by managers for the performance management initiatives was replaced with scepticism and cynicism. We show how the potential for reasoned justification was frustrated in practice, through a growing disparity between a discourse of reasoned justification and the practical operationalization of mechanisms of business planning and performance measurement. The search for reasoned justification and instrumental mastery are part of the same rationalization process, and these two contradictory, but inherently connected forces are an important explanation of the dynamics of managers' responses to organizational change.

Keywords: performance measurement, rationalization, reasoned justification, communicative action, instrumental rationality, New Public Management

Introduction

Performance measurement is an increasingly pervasive aspect of organizational life, especially in the public sector. Explanations for its growing promotion and use vary, but two broad strands may be identified. Carter et al. (1992) argue that the introduction of performance measurement in the public sector reflects a dissatisfaction with pluralistic or interest group politics, and that its use is an attempt to replace the 'rationality of politics' with the 'rationality of planning'. Performance measures are thus an example of the various reforms and techniques introduced in government (for example, programme budgeting, strategic planning, TQM and zero-based budgeting) to rationalize, through planning, government policy. They are an attempt to shift decision-making beyond political bargaining and the latest balance of forces between competing interest groups (Wildavsky 1975), a rationality of politics that often silences disenfranchised voices.

Organization
Studies
24(7): 1045–1071
Copyright © 2003
SAGE Publications
(London,
Thousand Oaks,
CA & New Delhi)

The justification for these reforms is that of a better, more reasonable, better planned and more rational social order. It is a discourse that harkens back to the Enlightenment discourse of rationalization as the pursuit of reason in human affairs, and Kant's dictum that 'All actions affecting the rights of other human beings are wrong if their maxim is not compatible with their being made public' (cited in Chambers 1996: 235). As MacIntyre (1988: 6) notes, 'a central aspiration of the Enlightenment ... [was] to provide for debate in the public realm standards and methods of rational justification by which alternative courses of action in every sphere of life should be adjudicated just or unjust, rational or irrational'.

Whereas the preceding emphasizes the role of performance measures as one element of achieving a reasoned justification for action, a second explanation emphasizes their use as the extension of a market economy and managerialism into the public sphere (Osborne and Gaebler 1993; Efficiency Unit 1988; Gore 1993). Principles of a market economy and managerialism have accompanied state restructuring in late 20th-century capitalism, in the face of growing welfare demands, globalization and the requirements of unfettered financial capital. Performance measures are one means of achieving a managerialist rationality that includes reducing the size of the public sector, cutting government expenditures, bringing free-market principles and disciplines into government, developing a more customer-oriented focus, and allowing public-sector managers to be more autonomous and entrepreneurial. Different versions of public-sector reforms emphasize some or all of these means, in varying mixes (Pollitt and Bouckaert 2000).

These two themes reflect broader debates in philosophical enquiry and social theory. In philosophy, they reflect early Enlightenment debates from Kant's ideal of a community of individuals who develop a politics that relies on reasoned argumentation rather than coercion; to Hobbes, where reasons of utility reduce to a calculus of power (Hindess 1996). In social theory, debate has focused on the nature of rationalization (Ray and Reed 1994; Hasselbladh and Kallinikos 2000), particularly as exemplified by the work of Weber and Habermas. Weber's (1978) thesis that modern society is characterized by increasing rationalization represents one strand of this debate. Although Weber identified rationalization as a universal, historical process involving emancipation from tradition, he saw this potential as being undermined by an institutionalization of an instrumental or purposive, means-end rationality. The dominance of technique and calculation, organization and administration are identified as the institutionalized and dominant form of rationality in modern western society (Horkheimer 1994; Horkheimer and Adorno 1995; Bauman 1989; Ritzer 1996). While there are important insights from such analyses and associated criticisms of modern society, they have led to a one-sided critique of bureaucracy, and ignore the potential benefits of public management (Du Gay 2000).

Habermas (1984, 1987, 1996) questions whether rationalization is solely the diffusion of an instrumental rationality or purposive-rational action (Alvesson and Deetz 2000). He argues that there has been a failure to develop and institutionalize different dimensions of reason (Burrell 1994). In the attempt

to rescue the claims of reason from the pessimism of Weber, Horkheimer and Adorno (Rehg 1996), Habermas puts forward his theory of communicative action: the process by which agents are coordinated through acts of reaching understanding, where ‘coming to an understanding is a process of mutually convincing one another ... on the basis of motivation by reasons aimed at achieving valid agreement’ (Habermas 1984: 392). Underlying this is communicative rationality, a rationality based on Kant’s dictum of relations of mutual recognition between rational beings — that the other should be treated as an end and not a means. ‘A communicatively achieved agreement has a rational basis ... an agreement rests on common convictions ... both [parties] ... base their decisions on potential grounds or reasons’ (Habermas 1984: 287). Habermas locates the potential for rationality in the implicit validity claims that are inherent in communication, namely, that something is comprehensible, true, right and sincere. (These claims prompt the following questions. What do you mean? Is what you say true? Are you entitled to say that? Do you really mean it?) Assent on these validity claims is not given once and for all, but is redeemed through continually renegotiated practical discourse.

Rationalization (the pursuit of reason in public life) thus comprises two strands: reasoned justification or communicative action and a strategic, instrumental action. For socially justified and coordinated action, there is a need for both reasoned justification for action and the realization of that action, that is, methods to implement rational justifications. Such action requires the interplay between both reasoned justification and an instrumental rationality oriented to a practical mastery of the world and knowledge of the empirical conditions of action. Without this interplay, communicative rationality engages in continuous dialogue that fails to achieve practical engagement (Chambers 1995). Where instrumental rationalization dominates, an unreflective and uninformed action comes to dominate organization and public life. Purposive-rational economic and administrative action may be complementary to reasoned justification, but it may also act as a counteracting tendency against it. The temporary resolution of this interaction is an empirical question.

Performance measures have the potential to achieve agreement on action. Porter (1986) shows more generally that statistics offer an integrative role in organizations, a mechanism for coordinating action. For example, in government, the executive can allocate resources among competing ministries on the basis of numbers and statistical measures. The political technologies designed to operationalize performance measures, however, also involve a degree of purposive-rational action. Conversely, they also have the potential to dominate and corrupt any reasoned justification for action. As Rose (1991: 673–674) notes, ‘Numbers have an unmistakable power in modern culture ... [they] achieve a privileged status in political decisions, [yet] they simultaneously promise a “de-politicization” of politics ... by purporting to act as automatic technical mechanisms for making judgements, prioritizing problems and allocating scarce resources.’

We present these twin dimensions of rationalization as a means of analysing managers’ reactions to the demands placed on them in the provision and

delivery of public services. We do so because we believe that reason is the only morally justifiable basis for achieving socially justified and coordinated action. It is preferable to all other means, such as force, tradition and charisma. The extent and possibility of the socially justified and coordinated action of a public service can then be understood and assessed through an analysis of the interplay of these twin dimensions of rationalization.

The introduction of performance measures in the Province of Alberta was initially promoted and embraced by many government managers as an attempt to introduce greater transparency into government. That is, the reception and support for the reforms was informed by the belief that there could be a rational justification for the programmes and policies of the Albertan government, and that business planning and performance measures would support a process of rational justification to both politicians and the general public. Government managers initially embraced the introduction of these measures as a potential for what we will refer to as reasoned justification. There was a view that performance measures were a more rational attempt at addressing the 'public interest', and an improvement on public servants acknowledging the temporary outcomes of bargaining when groups engage in strategic action to try and get their own way. It was a process that was accepted or presupposed as valid by participants.

Our interest in exploring public-sector reforms was stimulated by a desire to explain the response of managers and civil servants interviewed in our study of the implementation of performance measurement in government. We were initially surprised at the degree of support the proposed changes received. Managers often worked extended hours struggling and debating the developments and how they should respond to them. We had expected strong resistance or opposition (Laughlin and Broadbent 1993), given that the reforms represented a radically new way of managing, challenging traditionally and professionally established methods. However, as we illustrate later, most interviewees were initially enthusiastic. We sought to answer the question of how we may explain this sense of hope and energy among the majority of managers we talked to.

The article proceeds by briefly introducing the methods used in our longitudinal field study, including why we give prominence to managers' reasons for their actions. The core of the article discusses the changing reactions of managers to the introduction and implementation of performance measurement systems, drawing out different dimensions of rationality immanent in these techniques. We analyse how the attributes of measurement systems privilege one dimension of rationality over another, leading to an imbalance in rationalization. The concluding section discusses some implications for a more balanced rationalization process.

Method

In making sense of managers' responses to performance measures, we adopted the principle of charity (Lukes 1994), that is, that one should be maximally

charitable in assigning truth conditions to the language which is held to be true by those being interpreted. From this, the interpreter should impute an immanent rationality to all utterances and assume that they represent a reasonable expression. We adopt this approach for three reasons: ethical, methodological and political.

To give reasons for belief and action is a function of moral autonomy and responsibility. Ethically, therefore, we should not dismiss an agent's reason or explanation. We should regard them as sincere. To set aside the reasons given by the actors themselves violates their integrity. Treating seriously what people say and how they explain their world does not mean that their utterances are necessarily true. Methodologically, however, taking utterances seriously allows the researcher to grasp the reasons why these appear rational, that is, that the subject felt entitled to put them forward as true.

'We can descriptively ascertain what the actor *takes* to be true in contradistinction to what *is* (in our opinion) true. The choice ... consists in either ignoring or taking seriously the truth claim that the actor connects with his opinions.... If we ignore them as validity claims, we treat opinions and aims as something subjective.... In this case we neutralize the claims to truth.' (Habermas 1984: 117)

A serious examination of reasons provides details of the cultural store of knowledge that legitimate and justify truth claims: treating managers' claims seriously allows us to understand their enthusiasm for the reforms.

Lastly, politically, we wish to give voice to actors in a social and organizational process. One significant feature of the standard explanations offered for management and administrative reforms, whether they emphasize greater rationality or managerialism, is that they neglect the reasons of 'everyday' civil servants (Tomkins and Groves 1983) for adopting or resisting such reforms. Such neglect results in an emphasis on the aspirations and motivations of senior managers, politicians or experts, leaving other actors mute. Either reasoned justification and the technologies to operationalize this are treated as self-evident, or changes are assumed to be a direct consequence of an instrumental manipulation. The latter renders 'everyday' managers and civil servants as mere bearers of structure, while also relying on the problematic model of power as control — A's (the Alberta government) getting B (a particular unit of government) to do something B would not otherwise do (adopt business planning and performance indicators). Both interpretations deny agency and fail to account for both the attraction and success of these initiatives. In presenting the responses of those at various levels of government charged with the responsibility for introducing these changes, we examine the reasons why people may be actively involved in sustaining them. In addition, we stress the nuances in the process to appreciate the opportunities for dissent and resistance that such attention to particularities highlights.

In adopting the principle of charity, we also argue that the actions of those introducing these measures cannot be dismissed merely as an overt legitimating justification that liberal democracies are obliged to engage in as part of democratic politics (Brunsson and Olsen 1993). Democracy depends on a

moral validity, that is, legitimacy must be rationally constructed through democratic debate, and citizens should be convinced by reasons, both of which contribute to citizens learning about the nature of democracy (March and Olsen 1983). It is inadequate to maintain that the introduction of institutional change can be maintained through instrumental or strategic manipulation, and that actors relate to each other only in strategic terms. Although we are not denying the force of threats of sanction and the possibilities of reward, reasons for obedience need to be legitimately justified in the eyes of those concerned, that is, they need to be achieved through reasoned justification.

We present material drawn from an ongoing, longitudinal case study begun in 1994, on the introduction of business planning and performance measures as part of an exercise in 'reinventing government' by the Provincial Government of Alberta, Canada. This initiative was similar to experiences in other jurisdictions (Pollitt and Bouckaert 2000). Our case focuses on one division within the provincial government, the Cultural Facilities and Historical Resources (CFHR) Division, which is part of the Department of Community Development. At the time of the research, the department had responsibility for a number of policy areas, including individual rights protection, parks and recreation, the arts, seniors, and cultural facilities. The CFHR Division is responsible for the preservation, presentation and protection of Alberta's natural, historical and cultural resources. This involves it in both cultural resources management (the preservation and protection of artefacts and archival records) and facility management (the presentation of educational programmes and exhibits at 18 provincially operated sites).

Our study is based on 143 extended semi-structured interviews conducted between 1994 and 2000 with representatives of the Treasury and central agencies of government, the Department of Community Development, the Division of Cultural Facilities and Historical Resources, and the individual historical sites themselves (Oakes et al. 1998; Townley 2002a). At all levels two of us interviewed managers having responsibility for implementing business planning and performance measures and managing their development, implementation and monitoring. At division and site level we also interviewed curators, educators, researchers and representatives of the sites' Friends organizations. Each interviewee was asked about the rationale, espoused and understood, for the introduction of business plans and performance measures. Interviewees were asked how they developed plans and measures, their responses to their introduction, any difficulties that had been encountered, and how work operations had changed as a result. These interviews were supplemented by examination of policy documents (including memos, business plans, planning documents and letters) and observation of meetings on performance measures and business plans. In addition, we participated in a Government Interchange Programme, a forum for senior civil servants to discuss the management of government.

We recognize that analysing materials involves a complex interplay between theorizing and observing perceived patterns. This is necessarily a reflexive process (Oakes et al. 1998). We searched the interviews for references

to performance measures in order to identify how they were made sense of by the managers. We examined how managers understood the role of performance measures, how they were to be integrated into their everyday activities, and how they saw and understood these measures as helping them or not. A variety of specific references to performance measures coalesced around positive and critical references. Through an iterative process we identified two repeated themes: that of their providing a vehicle for communicating and debating about the nature and purpose of work and interacting with others ('we have to do something about this'); and that of their distorting the understood role and purpose of the CFHR Division for 'the sake of meeting the measures'. We then located these themes within the broader theoretical framework outlined above.

Provincial Developments as Reasoned Justification?

The rationale for the Albertan exercise was in response to a perceived lack of accountability in government activities. Several unsuccessful Albertan government investments in private-sector initiatives had proved costly to taxpayers (Radcliffe 1997), and had prompted a crisis in the perceived legitimacy of government operations (Lisac 1995). The new leader of the provincial ruling party successfully contested a 1993 election on the premise of a 'New approach to Government' (Dinning 1993). Driven by the promise to cut the provincial deficit and 'reinvent government', the provincial government cut funds for all programmes by about 20 percent over three years, and announced that all government departments were to develop three-year business plans and develop key performance measures.

The changes introduced in Alberta were quite dramatic. In 1993–94, all government departments were required to produce three-year business plans outlining their objectives and goals, accompanied by a series of performance indicators and measures to allow an evaluation of their success. Accountability Reports were required of each ministry (and organizations within them) to include business plans, budgets, annual reports and financial statements. The underlying question prompting these initiatives was, 'put very simply, did the programmes and services and dollars we spent achieve the results we wanted and make a positive difference to Albertans?' (Government of Alberta 1995).

As a preliminary to this process, the government initiated a number of consultation exercises held throughout the province. Through regional roundtables and forums, questionnaires, and individual and organizational submissions Albertans were invited to engage in a review of the goals and direction of government:

'The people of Alberta are dissatisfied with the old ways of conducting public business, especially traditional decision-making processes that take a "closed door" approach — where leaders acting on their own make a decision with minimal consultation. Information is not shared with the public. When this happens, trust and credibility are lost, and once lost, are difficult to regain.' (Government of Alberta 1993: 10)

Debate had to be 'representative (with all interested and affected groups); open; transparent; and accountable' (Government of Alberta 1993: 10).

Table 1, modified from a government document that circulated at the beginning of the reforms, poses a series of questions that were designed to encourage debate. The questions are relatively open and offer the promise of dialogue. Questions such as 'What approaches should we use to ensure our goals are met?' and 'What support do employees require to achieve these results?' specify neither the content nor outcome of debate. Of course, using the vocabulary of 'business', 'customer', 'mission' and so on structures debates to some extent, and it is evident that the government was oriented to a particular set of categories that would operationalize these questions, an operationalization that would raise questions later on. However, we want to suggest that the rationale which accompanied the introduction of these initiatives, and the way they were framed as a set of questions, resonates with the belief that government activity should be based on reasoned justification.

We are not arguing that these initiatives met the principles of full dialogue. It was not a process in which everyone was allowed to take part, question any assertion, and allowed to express attitudes, desires and needs. However, the initiatives can be seen as an attempt to address Albertan concerns about the legitimacy underlying the government's use of public resources, and to examine and make explicit the grounds on which policies and programmes were based. There is an implicit assumption that activities are not to be guided by unreflective, normatively ascribed agreement, that there can be a degree of rationally motivated agreement among participants. The initiatives are an attempt to move to an effectively functioning public sphere, to achieve communicatively achieved agreement as to the purposes and goals of government.

Table 1.
Performance
Measurement as
the Potential for
Reasoned
Justification

Category	Description
Core government business	What business are we in as a government?
Mission	What is our Ministry's overall purpose? Who are our customers?
Goals	What must we achieve to carry out our mission?
Outcomes	What are our expected results?
Strategies	What are the approaches we should use to ensure our goals are met?
Performance measures	How well are we achieving our intended outcomes?
Performance management	What are our employees' expected results? What support do they require to achieve those results? How well are they achieving their intended results?

Meaningful Numbers

As part of their initiatives, the Albertan government was heavily influenced by reinventing government initiatives from other jurisdictions (Osborne and Gaebler 1993; Douglas 1993). They had in mind an administrative system that they saw as necessary to operationalize these reforms. There is a tension between communicatively achieved understanding, with its burden to engage in discussion, and coordination by other means, such as hierarchical administration. Business plans with their subsets of, for example, objectives, goals and performance indicators and measures, can act as a linguistic shorthand, a useful instrumental mechanism for coordinating action that frees people from the burden of continuous engagement in communication.

Before examining how the technologies introduced could reinforce an instrumental rationalization, we show how performance measures were viewed as facilitating reasoned justification and contributing to the communicative aspect of rationalization.

Performance measures were an essential part of what the government saw as its obligation to communicate more effectively with Albertans: 'What we need the performance management system to do is to tell everybody how the decisions made affect the outcomes of the ministry as we are being held accountable in the public domain' (Treasury official 1994). *Measuring Up*, the annual report of performance measures, was described as the province's annual accountability report to Albertans:

'The report is a collection of core government measures indicating how well the province is doing in terms of achieving certain global goals such as increased life expectancy, sustained economic growth and keeping Albertans safe from the effects of crime. The measures convey to the public and stakeholders in a simple, clear and honest way, the impact government programmes are having and if we are delivering them in the most efficient and effective ways possible.' (Alberta Treasury 1995: 5)

A repeated theme was performance measures as an essential element in the provision of information for meaningful debate: 'The performance measures business itself is just one [part] of a multi-pronged approach to accountability and transparency. To govern better. That is why we are doing this' (Treasury official 1994).

Performance measures were seen as providing more useful information than in the past, when the emphasis was on inputs and spending:

'When we went to assess the performance of that organization, we would ask them questions like "Did you spend your money? ... What percentage of the money was expended? ... Were you over or were you under? If you had an authorized FTE [full-time-equivalent staff] count of 75 at the beginning of the year, did you still have 75 FTEs working for you?" But no questions related to, at least at the macro-level of, "How many people came through the door? How much money did they spend? Were they happy about what they saw? Were we meeting their needs?"' (Departmental manager 1995)

The communicative potential of performance measures can be identified in the following rationale for their importance in improving the CFHR Division:

'My approach is, if you can't measure it, it is not worth doing. Right? So in other words, if you can't drive some measure of your result, or why you are doing it, or why you have been effective ... Somewhere along the line, whether it is because we did not clean the exhibits properly, or maintain the exhibits properly, or we didn't have enough staff on the ground when the buses went through, we dropped 3% points in satisfaction. And let's recognize that and make our management decisions based on that. Maybe we can afford to drop 3% points because we saved enough money, made a significant expenditure saving that allowed us to do another project, and it was worthwhile.' (Treasury official 1995)

Although performance measures had the potential for reasoned justification and communicative action, it was also recognized that they could operate counter to this potential:

'To be blunt you can go two ways. You can produce these measures and go through the exercise of putting them on paper and reporting them publicly and then you can hire a budget officer to come in and say, "OK how are we going to report these on an annual basis, and this is the number." Or you can make them real and say, "Here, do them and use them in the management of your facility. Make them real for your staff — and try to find some connections to the work that you do within those measures. And if this measure isn't any good throw it out and find another one. Ah, if you need more measures let's find a way for you to communicate their results to the community, public that needs to know — the stakeholders and clients.'" (Treasury official 1995)

This tension between measures acting as the potential for justification and communicative action or reinforcing an instrumental rationalization was never really addressed in the formulation of these initiatives, as is demonstrated in the following interchange in an interview as to what constitutes a 'meaningful number':

Q: So, a 'three' for example would allow people to say, 'This is a three. Please can we have an explanation of what has gone on and why it is a three?'

A: Right. So there is accountability in the performance measure.

This interaction demonstrates the potential for performance measures aiding reasoned justification. However, the interaction continued and showed how this potential did not materialize.

Q: That is your understanding of how this should work?

A: That is my understanding of how these things may work.

Q: Should work?

A: Well, hopefully should work. I am not saying that is everyone's interpretation.

Q: That was my next question. How widespread is that view, from your knowledge? ... Is that a general interpretation?

A: To be honest with you, this type of discussion, in my memory never took place. (Treasury official 1994)

In summary, managers were enthusiastic about the possibilities of developing meaningful numbers that could inform reasoned justification. They were not so naive as to assume this would inevitably occur, and seem not to have thought through the mechanisms by which this might be achieved.

Managers' Responses

Managers responded positively to the news that government would be managed differently. The value of closely examining the purpose of the organization and being accountable for outcomes was accepted. 'We need to justify what's done. We asked the basic question, what do we really do?' (Division manager 1994). Indeed, there was some belief that measures would not only clarify purpose, but would also provide guidance in making decisions: 'We need to move from efficiency and effectiveness numbers and measures. Do we affect knowledge bases, people's awareness of their own history? What indicators do we use? Cultural impact? Educational patterns? Heritage appreciation? We want to be in a position of knowing how to make decisions. How do we allocate resources based on impact?' (Division manager 1994).

The use of performance measures was seen as beneficial for the way the division itself could be managed: 'The setting of performance standards is a way of tracking. It's partly a government initiative but it's also a management initiative. Are we doing what we think we're doing?' (Division manager 1994). Managers identified the prospect of rationally motivated agreement among participants about the purposes of programmes: 'Are the products and services correct? Is the process correct?' (Division manager 1994).

Managers of sites even began to contemplate ways in which they could measure and discuss things that were meaningful to them:

'This is one area that I want to look at, so that we have more information in that area ... the knowledge change of a participant. I don't know how one would measure that, but it is important to think that if we are in a historical business and we want to share or interpret the history in a meaningful way to the visitor, that there is some either greater appreciation of a point of history, or that there is an increase in knowledge of fact of history is being accomplished. Beside the strictly entertainment factor, there is nothing wrong with measuring the entertainment factor, that they went away with a smile on their face and a fun time and telling six others that it is a great place to visit. It is part of our agenda in terms of increasing gate visitation.' (Site manager 1995)

Responses by members of the CFHR Division were thus informed by a view of justifying their function and purpose through reason. Mechanisms they were obliged to adopt were interpreted as supporting a better way of enabling the sites to work more effectively. For example, although most sites were obliged to develop and use business plans, this was interpreted as a 'logical' thing to do. Indeed, there was a denial that this represented anything fundamentally new. In this respect, the belief in reasoned justification and a communicative ethos functioned as a restraint on procedural rationality:

'Planning, gather the data and deciding where you are going to go. Tools of the jargon have changed but when I planned a vacation 20 years ago in a more casual way, that was basically the same process. You gathered data, you evaluated and you set some action steps. It hasn't changed, everything around it has changed — we have more tools. We have different ways of looking at things. There's certainly a much wider range of variables that we take into account.' (Site manager 1996)

There were also instrumental interests in welcoming the changes for managing the museums and sites. A vision of managing the facilities as decentralized, empowered units, where the emphasis would be on outcomes and finance, was enthusiastically received in comparison with the traditional stereotype of bureaucratic control:

'We now have a revenue generation focus ... we might have tracked these stats before and it was interesting information, but it didn't really tell you anything. So what if your attendance was up. But now you have the added dollars to these numbers. Its very interesting.' (Site manager 1995)

Even here, however, the responses were not wholly instrumental. The changes were also seen as a better way to conduct government, with longer-term decision-making leading to better decisions: 'This forces us to look beyond one year ... what we can do over a three year horizon' (Site manager 1995). Thus, for managers there was a legitimacy in the government's move to these initiatives, both in terms of reforming government practices and facilitating the effective operation of CFHR. These initiatives were accepted, even though they had their negative side because they represented a move from unthinking acceptance and custom. As one division manager explained:

'Every single position in every department was to be examined and justified; what does this person do, was it worthwhile, do they justify their salary? There was a sense of the removal of safeguards traditionally there, a sense that anything could be done. They were reorganizing and eliminating areas. A new set of rules undermined other traditions.... There was a feeling nothing was sacred.... I've worked 20 years in government and have not seen anything like it before.' (Division manager 1994)

For managers, the claims to 'truth' ('these things may work') and 'right' (the moral legitimacy of government to introduce changes) validated the process of performance measurement.

Pressures Toward Instrumental Rationalization

Having argued that business plans and performance measures can function as the basis for reasoned justification, they can also operate in a manner that heavily circumscribes this. As we show below, techniques of calculation and the specialized knowledges inherent in planning and measurement systems can suppress moves to socially justified and coordinated action. In so doing, they inculcate an instrumental rationalization that depersonalizes social relationships and extends technically rational control over social processes (Brubaker 1984).

Below, we distinguish between the political imperatives of senior agencies of government which sought to impose a particular model and standardize across departments, and technological imperatives that derive from the logic of the plans and measures themselves. We do this for ease of exposition, but recognize their interconnection and mutual constitution. These imperatives, although introduced for good reasons, worked to reinforce an instrumental rationalization.

Political Imperatives

Since 1979, the Auditor General's Annual Reports had regularly recommended that the provincial government design and implement a system for promoting effectiveness measurement (Gendron et al. 2001). When these recommendations were reinforced by a high-profile report (Alberta Financial Review Commission 1993), the government adopted business planning and performance measurement as central to its 'new approach' to government. The Auditor General's Office proffered a simple, homeostatic model of control (Anthony 1966), what Mintzberg (1996) refers to as a performance-control model, to secure government objectives. The Auditor General's recommendation for three-year business planning included: the setting of clear objectives and goals for government activity; designing strategies and allocating resources to achieve objectives and goals; measuring performance and results in terms of outputs achieved; the evaluation of the outcomes of action; and the allocation of costs to output. This was formalized in the 1995 Government Accountability Act, which required each ministry to report a summary of these elements annually.

In addition to pressures from the Auditor General's Office, there were also internal pressures for isomorphism between departments (DiMaggio and Powell 1983). Although the original intention had been that each department would design a system which would meet its own needs, the potential for variety and diverse systems and measures was undermined through a tendency for departments to copy other departments, or to seek out experts or authority figures who would provide standard packages and advice (DiMaggio and Powell 1983). Departments felt it would be quite risky to develop measurement systems and present measures to central and powerful agencies (for example, the legislature and its committees) that were different from the norm:

"They say "Well, the ministries have to be responsible and they have to develop the information. It must meet the environmental context of your ministry and it must be meaningful for your ministry, and it must be something that your managers buy into." And so we say, "Well, fine. We can look at all of this theoretical bullshit that is coming out of your highly paid management consultants and people that don't know anything about public sector organizations, and I guess we will just make something up." Then they say, "Why doesn't your business plan look like Health? Yeah, we really like that one, so why didn't you do it the same way?" And we said, "Because we are not the Department of Health, because you didn't give us any guidance, because you didn't tell us what format you wanted, because no one is taking any responsibility for doing a consolidated document," and we start pulling our hair out and saying, "Because you buggers can't make up your mind." (Department manager 1994)

A corollary of standardization and homogenization was simplification. The Auditor General stated that 'MLA's [Members of the Legislative Assembly] ministers and managers need performance measures which are easily understood — simplicity, clarity and candour are the essence of good accountability' (Auditor General 1993–94). While such features might facilitate reasoned justification, there is a danger of this slipping into an instrumental rationalization:

'What we are trying to do is focus the development of measures and indicators at the lowest level of the cost center since this is the most meaningful level for the delivery of goods and services and solutions to our customers. Then we cluster our measures and indicators around each one of these cost centers. So you can appreciate that if cost center 9 is the "women's secretariat" and cost centre 1 is "accounts payable", the measures and indicators for "accounts payable" are going to be significantly different from the measures and indicators for the "women's secretariat". And so the question for us becomes, "How do we then report this in a meaningful way so that it makes any sense when it gets up [higher]?" There is a considerable debate about whether you can roll up the measures and indicators ... and report anything meaningful to our political masters. And you can appreciate that since the Premier has asked for 5 or 6 primary measures or indicators, in a department that covers as many policy and issue areas as this department, it is virtually impossible for us to develop a single set of measures that speak meaningfully to anything. The Deputy [Minister] has a predisposition toward rolling things up. He likes analysis to sort of cascade up or cascade down, and so one of the initial tasks that he gave me was "reduce it to a single number." If the department has an overall efficiency rating of 10, then if one part of the department has an overall efficiency rating of 2 and another part has an overall efficiency rating of 15, saying that we have a 10 is a meaningless number. [But], if he wants a single number, he indeed will get a single number.' (Department manager 1995)

Rather than inconsistent and local information, central government agencies were interested in simple standardized information that they could use to compare across units, and make resource allocations based on this information. The possibility of using the system as a means of centralized control and punishment was never far away:

'We will scare them silly because we will be asking them to demonstrate that they are doing their jobs. And we will be looking at it in terms of these measures of effectiveness and efficiency and customer satisfaction. They will be held accountable ... and when they don't start hitting them, then it affects the next cost center up and the next cost center up ... I mean it could turn into a real dog eat dog organization. I don't know. It could become a very efficient organization.' (Central department manager 1995)

Technological Imperatives

From an initial discourse that emphasized a potential for reasoned justification, debate and dialogue quickly collapsed into a standard template. The reasons for this lie partially in the logic of administrative systems themselves, the desire to create order out of organizational messiness through 'rationalized packages' (Hasselbladh and Kallinikos 2000). 'The situation to be regulated, which is embedded in the context of a life-history and a concrete form of life, has to be subjected to violent abstraction ... so that it can be dealt with administratively' (Habermas 1987: 363).

This 'violent abstraction' operates through a variety of mechanisms. Notably, planning and performance measures rely on a specialized vocabulary, translating the variety of everyday experience into a standardized managerial language. For the purpose of comparison this language is then converted into quantified and apparently objectified measures. Centralized control relies on

the structuring of these into a hierarchical matrix that can relate the performance of the individual manager or unit to the whole organization (Townley 1995). These mechanisms constitute political technologies that render a realm governable (Foucault 1991). We elaborate these processes below.

Specialized Vocabularies

In a specialized vocabulary of business planning and performance measurement, actions and events are reconstituted as policy goals, outcomes, outputs, processes, and outcome measures. The development of a specialized organizational language is an important element of an instrumental rationalization. First, it provides the basis for creating administrative objects and establishing causal relationships. Specialized vocabularies of strategies, budgets and performance measures articulate and construct new organizational visibilities and objects to be acted upon (Hopwood 1987).

Second, a specialized vocabulary is accompanied by specialist personnel who act as official 'translators'. Rather than enabling reasoned justification, people's everyday activities now become reconstructed and represented using this vocabulary (Oakes et al. 1998). Specialized 'expert' groups in departments and central government agencies develop new measures independently of the professional knowledge and experience of front-line managers and critique any measures proposed by them. 'The specialized knowledge and skill that experts provide plays a pivotal role in framing decision-making agendas and the substantive outcomes that flow from them' (Reed 1996: 574). The introduction of new mechanisms of formalization and abstraction creates power imbalances between those familiar with these terms and those who are not. These imbalances are never stable. Once knowledge is formalized and codified, it is subject to continual elaboration by new forms of expertise (Reed 1996).

In the CFHR Division, concerns were raised over issues of communicative competence. The new vocabulary was in the main alien to the vocabulary of government. There was an obligation on those involved to absorb and apply this vocabulary quickly. As one division manager stated: 'Government documents provide the lexicon for the new system. The initial statement mentioned mission, goal statements and vision statements. We picked up on the new language, vision, mission, strategies etc.' (Division manager 1995). Although managers made use of this new vocabulary, it was not a lexicon that came easily. It also bore no resemblance to their lived experience: 'All of this planning suggests that everything is set and then it happens ... is very nice in text books, but that's BS when it comes to real life' (Site manager 1995).

The difficulty in remembering a new lexis and all its categories (goals, objectives, measures and so on) was expressed several times, often by those who had responsibility for devising a performance measurement system. It was a language that was alien to most site personnel: 'Our team had real problems trying to grasp the concept of a benchmark. In fact most of the period that was allotted to us — I think it was only two hours — was spent arguing about what is a benchmark. And, even people like X [an 'expert']

had trouble trying to explain to us what a benchmark was' (Site manager 1995). The criterion of comprehensibility for the validity of the reforms was soon undermined.

Quantification

The stress on performance measures, a critical component of the business planning process, reflected the importance attached to them by Osborne and Gaebler (1993). Politicians and senior civil servants offered recurring mantras: 'What can't be measured, can't be managed,' and 'If you don't measure results, how can you tell success from failure?' The performance measures required under the Albertan performance measurement system were to be quantitative. Thus, 'the use of subjective evaluation of performance should be avoided where possible to enhance the objectivity of results. ... [However,] using subjective rating systems for client satisfaction surveys on the direct delivery of services is acceptable' (Alberta Treasury 1996: 9). Measures are more powerful than words as a mechanism of transcription due to their reproducibility, durability and communicability (Latour 1987; Hasselbladh and Kallinikos 2000). In Alberta, qualitative measures would only be used under sufferance. The dangers of focusing on easily quantified objects, leading to a preoccupation with them, and resulting in bizarre strategic consequences, has been amply demonstrated elsewhere (Wilensky 1967; Smith 1993; Chwastiak 2001).

Outcome measures were chosen as the main reporting mechanism for 'stakeholders' and the public. As Osborne and Gaebler emphasize, a 'perfectly executed process is a waste of time and money if it fails to achieve outcomes desired' (quoted in Alberta Treasury 1996: 2). Input measures and output measures are no longer adequate because 'they fail to indicate whether government programmes are achieving the desired results' (Alberta Treasury 1995: 2). As the government's objective 'is not simply to measure results but to improve on them', ministries were challenged to develop outcome measures 'which demonstrate the result or impact of their activities' (Alberta Treasury 1995: 11).

The difficulties of measuring outcomes spawn a 'mosaic of indicators' (Jackson 1988: 11). In Alberta, in addition to the five official types of measures (core government measures, key ministry measures, management measures, societal indicators and watch list measures), there were also activity-based measures (level of demand for services), efficiency measures (for example, costs of performing the activity on a per unit basis), intermediate measures or short-term outcome measures, and outcome measures (for example, healthy Albertans and well-educated workforce), each with their own targets. While such a rich mosaic of measures can support reasoned justification and guide action, there is also a self-generating momentum of continual elaboration in the desire to represent organizational complexity. This can result in managers being trapped in a measurement panopticon.

Original enthusiasm and pride in the division's activities led to some overoptimistic assessments of the type of measures that could be set for the future, for example increasing visitation measures by 10 percent per year, or

growth in income generation by 5 percent annually. Some of the difficulties of this optimism and naivety became obvious over time. Revising these targets downward may be acceptable in a process of reasoned justification, but when used instrumentally they became a weapon to be used against the managers. In our case, managers manoeuvred to avoid any potential embarrassment: 'There is the recognition of the danger of tying into measures. We're now going for five year averages' (Division manager 1995).

There was an increasing concern that measures could come to dominate activities:

'We have to be careful getting into the measurement game. [There is a danger] we put resources into monitoring rather than delivery. We know what gets measured directs the organization. Therefore we have to be sure that we measure the things we want to measure.' (Division manager 1996)

A specific concern was that some outcome measures, for example visitation, could seriously compromise the mandate of the division to provide 'authentic' history and not popular history, in terms of a Hollywood or Disney version of history: 'I won't measure excellence in terms of people through the door. If we give them what they want, we give them the US West' (Division manager 1997). Similarly, since students did not pay and were thus not counted as visitors, measuring visitation by revenues also undermined the educational mandate of museums. Managers felt that such concerns represented a potential pathology of measures.

Under these circumstances, measures became simply mechanisms of calculability:

'The issue is that satisfying the reality of numbers overwhelms everything else. And what is more frustrating is that we only had limited control over the indicators chosen, for example, visitation. We were told to improve the indicators and measures without a concern with underlying reality.' (Division manager 1997)

Initial enthusiasm that the measures were a valid method of improving activities gave way to a growing disillusionment at both division and site level: 'I cannot tell you what the measures are. They change all the time and I don't bother to remember them' (Site manager 1996). This disillusionment was exacerbated by continuing budget cuts which were experienced throughout government: 'We can't use performance measures. All we can do is measure the rate of decline' (Site manager 1997). The irony of the latter, that measures might be used to engage in a debate about the need for investment of public resources, was, by this point, lost. In the context of reasoned justification, rates of decline could form the basis for decision and action. Now decline was simply an embarrassment, from which politicians needed to be protected.

All these measures undermined both a comprehensible and practical legitimacy that reasoned justification might be based on. They also created a web of evaluation cues that threatened managers. The measures offer the possibility for reasoned justification if they are used to discuss trade-offs between measures and goals. However, hierarchical evaluation affects their use. Further, even if measures are seen to have limited empirical validity (for

example, they poorly reflect the activity or purpose they are intended to represent), managers feel pressured to manage to them (Hopwood 1973). Rose (1991) explores this general process of managing by numbers, pointing out that quantification stimulates a variety of debates about the adequacy, accuracy, abuse, morality and privacy of numbers. These valuable debates can inform reasoned justification, but too often numbers are deemed to speak for themselves and preclude debate.

Structuring a Hierarchical Matrix

Measures were consciously conceived as forming a tiered relationship with other measures. Their interrelationship provided the articulation of means–end relations that were seen as underlying all government activity. Core government measures were regarded as an aggregation of lower level measures; key ministry measures supported core government measures; management measures provided programme-specific information for higher-level measures; and societal indicators gave an overview of Alberta society.

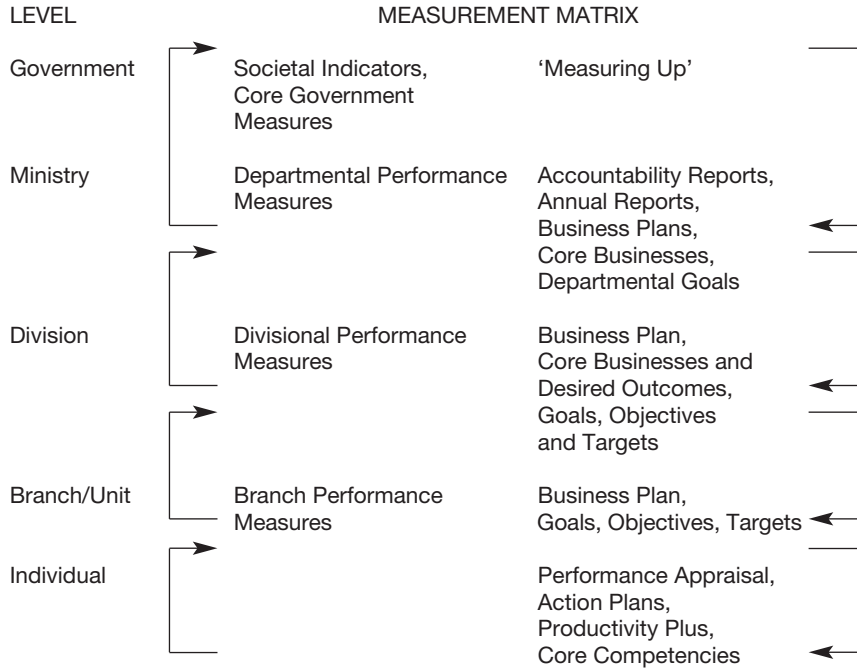
The role of performance measures as they were articulated within a disciplinary matrix, promised control and easily identifiable causal relationships, an assumed linear progression along a causal chain from inputs to outcomes. Decompositional and reductionist, the whole is assumed to represent the sum of the parts. The performance management system provides the refinement of the techniques of calculation, a specialized knowledge, which proffers the calculability of events and the extension of technically rational control, inducing the belief that the phenomena of everyday life are calculable and, in principle, controllable (Townley 2002b).

The final result is the creation of an articulated and integrated matrix or map that combines the disparate elements together. Figure 1 (derived from Alberta Treasury 1996) demonstrates administrative abstraction. Units of government are linked by a fixed system of reports and measures which themselves are hierarchically ordered, structuring the content of reports and plans at the adjacent level. Through this hierarchical structure, the action plans of all employees are required to link to measures of the state of Alberta.

This rigid template is an administrative elaboration of the original template chosen to address the questions posed (see Table 1). Whereas Table 1 raises questions, Figure 1 provides a fixed administrative framework for how these questions may be addressed. Broader debates of overall purpose very quickly became focused on these given categories. The template came from Osborne and Gaebler (1993) — the ‘bible’ for change. For them, reinventing government required a clear matrix: the definition of the fundamental mission; the articulation of an organization’s basic goals; creating the vision; developing strategies to realize vision and goals; implementing a set of measurable goals and responsibilities; a timetable for realizing strategies; measurement and monitoring of progress; and evaluation of results and feedback.

It is a matrix that attempts to capture everything within a disciplinary grid, to totalize and individualize, that is, identify the individual components of, and contributions to, each process (Foucault 1979, 1991). Specifying results is a process of rendering explicit means–ends relations. The possibility that

Figure 1:
Performance
Measurement as
Instrumental
Rationalization



the links between measures and outcomes, inputs and outputs, monetary expenditure and accomplishments, may not be explicit, is not considered:

'Measures should be intuitively understandable and provide sufficient background information to enable the reader to see the relationship between what is being monitored and how it is assessed. If the reader is unable to see the linkage between the measure, outcome, and goal, the report does not constitute a valid accounting to the public.' (Alberta Treasury 1995: 9)

Developing a meaningful specification of means–ends relations has been challenged. McSweeney and Sherer (1990) point out that most public-sector organizations have not only conflicting and ambiguous goals, but that the technology to transform inputs into desired outputs is unclear. Specifying means–ends relations closes off dialogue about alternative models of how the organization works, for example non-linear models that stress complexity, recursion or synergy. One of the most widely used models of performance measurement, the Balanced Scorecard, is explicitly justified (Kaplan and Norton 2001) as a means to develop causal models (referred to as 'strategy maps') of the organization. Yet, when introduced as a hierarchical matrix, such maps are as likely to be used as legitimating ammunition and rationalization devices than as a means for decision-making and reasoned justification (Burchell et al. 1980). Again, discussion of means–ends relations may allow for reasoned justification, but if it is asserted that there is only one means–ends relation, then this closes dialogue and biases the process in favour of instrumental reasoning.

In CFHR, the initial promise had been that, once accepted, the three-year plans would provide some stability in which the managers could learn to be more entrepreneurial. That promise disappeared and managers were left feeling resentful. To them, the move to reasoned justification was now seen as insincere, as a form of manipulation. 'People are pretty cynical. They see performance indicators as just one more thing they've got to do' (Site manager 1997). In addition, the links between measurement, operations and actions were questioned: 'Can we measure the back of operations stuff? Do we manage better with or without the measures? We still don't know' (Division manager 1997).

Conclusion: A Continuing Dialectic?

Mintzberg (1994) identifies several factors that may account for difficulties with performance measures: the failure to follow the correct process in introducing what are major changes to the way managers have been used to operating; underestimating the length of time it takes for major changes; and a lack of commitment of those involved, usually at senior management level. Organizational politics and the political environment of government are other factors that have been identified as undermining major changes. Certainly, some of these are reflected in our case.

To concentrate solely on organizational factors, however, neglects the dialectic or interplay of the two dimensions of rationalization that are immanent within performance measures and indicators: their potential as the basis for reasoned justification and communicative action, and their role in the enhancement of an instrumental rationalization. As we have shown, both dimensions informed responses to the introduction of business planning and performance management systems. Introduced with the potential of enhancing reasoned justification, these technologies (accountability reports, business plans and performance measures) simultaneously worked toward a dominant instrumental rationalization.

In Alberta, the reforms were initially concerned with cutting government expenditures, not through an unreflective general cut, but through a rational process involving business planning and performance measurement, where justification, accountability, transparency and entrepreneurial initiative were to be dominant. We observed how managers in Alberta initially saw the Albertan version of New Public Management as promising opportunities for wider public consultation, and multiple arenas for dialogue and deliberation around issues of values, goals, and mission. All too often, however, attention shifted to technical inquiry, for example specific technologies for measuring performance, strategic planning, revising incentive mechanisms, costing outcomes, and linking budgets to results.

As the plans and measures were introduced and experienced, initial enthusiasm waned. Performance measures were introduced, ostensibly to allow a professionally controlled field to become more accountable and accessible to a broader public. Middle managers in CFHR increasingly saw these

mechanisms as denying their expertise, closing off debate and promoting an instrumental rationalization. The operationalization of reasoned justification was undermined by an instrumental rationalization.

The increasing concerns of CFHR managers about business planning and performance management reflects the dialectic between rationalization as a process of reasoned justification (bringing to open and conscious reflection the criteria and grounds for action) and rationalization as the institutionalization of an instrumental reason. Their responses were informed by an acceptance of rationalization as an exercise in reasoned justification and an acknowledgement of the potential for measures to facilitate action. While recognizing the need to make planning and measures work, there was also a resistance to a dominance of a purposive or instrumental rationality. There was an underlying belief in the validity of the appeal to reasoned justification, but also an awareness of the dangers of an instrumental rationality being taken too far in its operationalization. Managers showed a willingness to accept the premises of change and engage in its objectives, but were wary about the methods for its execution. The two potentially conflicting, but inherently connected forces are part of the same rationalization process. They are also an important explanation of the dynamics of responses to organizational change.

In our study, we have shown how the managers understood and embraced the process of 'reinventing government' as an attempt to engage in the potential for reasoned justification. However, the operationalization of reinventing government through business planning and performance measures involves dimensions of both an instrumental rationalization and communicative action. The relationship between the potential for reasoned justification and an instrumental rationalization sets the parameters within which the participants in our study understood the purpose and function of 'reinventing government'.

The agents involved draw on both dimensions to work out responses to articulating and acting, as they are involved in negotiating, in real time, answers to questions of 'What should we do?', or 'How should we manage?' The two dimensions of rationalization may be envisaged as maintaining the tensions that provide the basis for informed action. At times communicative rationalization may be complementary to purposive-rational, economic and administrative action, but it may also act as a counteracting tendency against it. This interdependence needs to be acknowledged, and the interrelationship traced more thoroughly in order to understand change and enable more effective public management.

Having argued for a dialectic between the two dimensions of rationalization, however, we see a bias or tendency for one dimension to be privileged. Calls for greater accountability and more responsive and thoughtful government became operationalized as a mechanical and instrumental rationality of performance reports, outcome measures and performance incentive schemes. Our observations of how formal systems and templates for performance measurement were introduced in Alberta shows how an instrumental reasoning came to dominate reasoned justification and communicative action. There are

systemic logics, both of a political nature and immanent in the techniques themselves (Townley 2002b), that favour an instrumental domination.

It can be otherwise, and that is the value of stressing the dialectical character of rationalization and change processes. In contrast to a mechanistic conception, performance measures have the potential to stimulate a debate about the 'macro picture'. The demand for reasoned justification around the meaning, validity, effects and uses of performance measures can always erupt; this is the point about the inherent possibility of contradiction.

The formalization and the promotion of the new expertise can be used by managers to construct new debates, questioning assumptions of the measures and enabling new meanings to be developed. The inherent contradictions in plans and measures suggest that there is always change. Although processes of change are connected to wider structures of power that mean that managers are not wholly autonomous agents, managers have some freedom to interpret and act. This is reflected in their questioning of and resistance to specific mechanisms of formalization (Townley 2002a). For example, the response of increasing numbers of managers to a performance measurement system conceived in terms of instrumental mastery has been to experiment unofficially with new technologies that seem to offer the promise of reasoned justification. Attempts are being made to develop new measures, for example to assess the preservation mandate of the department. Such attempts reopen debates about the desirability and feasibility of quantification (Rose 1991).

Important questions that arise from these observations concern the possibilities and conditions for reasoned justification in the public sphere, whether this is possible and how it might be operationalized. These questions have been addressed by work on socializing forms of accountability (Roberts 1996) and 'deliberative democracy' (for example, Chambers 1996; Habermas 1989; Forester 1993, 2000), which focuses on the public sphere as 'an institutionalised arena of discursive interaction' (Fraser 1992: 2). We conclude by highlighting some implications of this work.

Roberts (1996), for example, argues for the importance of dialogue within organizations, in the attempt to combine the benefits of instrumental and communicative action. Dialogue facilitates interdependence, socializing forms of accountability, and communicative action to achieve objectives. It requires the recognition of mutual dependence, making assumptions explicit, regarding everyone as a colleague whose views must be attended to, and a willingness to confront hierarchical power and challenge the interests and assumptions of those in power. This allows for the informal, socializing side of organizations to be brought into the daylight of formal organizational practices, and for 'the instrumental and the moral ... be[ing] brought back into relation' (Roberts 1996: 59).

In public-policy decision-making, managers in government organizations are experts who often deal with political and economic actors with multiple interests in order to achieve a public good (Forester 2000). They operate in the context of uncertainty about what the problems are and what will work, confused moralities, competing interests, and historical and deep-seated inequalities and resentments. Consequently, Forester (2000) argues that

reasoned justification or deliberative democracy should encourage three elements: 'technical inquiry' about available strategies and analytical methods of project and policy analysis; explicit value inquiry about obligations and responsibilities, and goals and values to be honoured or respected; and the recognition of the importance of social identities — the worries and fears, hopes and loyalties, commitments and self-images of participants.

The conditions for dialogic conversation and deliberative democracy, however, can all too easily degenerate into pseudo-participation and managerial manipulation of organizational commitments and identities, thereby collapsing into instrumental rationality, as was illustrated in our case. Although governmental organizations, such as the CFHR, are not completely public spaces, they espouse values of openness, public consultation, internal dialogue and acting for the public good. These espoused values create the space for dialogue and communicative action. In our case, however, technical inquiry soon overshadowed deliberation about values and social identities. There was little recognition of inequalities; participation was carefully managed to marginalize many voices; and dialogue about interests, hopes and loyalties was frequently seen as illegitimate. These biases and exclusions were then reinforced by the specific technologies of performance measurement.

Resistance arises, however, when there is a growing disarticulation between a discourse operating as communicative rationalization, but being operationalized through mechanisms that predominantly reflect dimensions of an instrumental rationalization. A weak link between managerial technologies, which can take on varying significance and use (for example, as instrumental mastery or reasoned justification), and the rationality that explains these mechanisms (for example, enhancing accountability, reasoned justification and communicative action) provides a continuing source of tension and conflict that sets the parameters of change. While the appeal to communicative rationality attempts to stabilize participants' social construction of the changes that are taking place, the instrumental rationalization associated with the technologies of implementation destabilizes this.

Such disarticulation has important consequences. When the coordination of action becomes unhinged from communicatively established consensus, participants are not required to be responsible for their actions. In other words, the control of behaviour passes from the authority of the conscience of associated individuals to the planning authority of societal organizations: 'more and more complex networks that no-one has to comprehend or be responsible for' (Habermas 1987: 184). 'As the process of rationalization advances, the subsystems of purposive rational action become increasingly independent of ethically grounded motives of their members and thus make increasingly superfluous any internal behaviour controls related to moral practical rationality' (Habermas 1984: 353). This represents our fundamental concern with the developments in Alberta: the substitution of technical for moral responsibility in the name of morality. But equally, we suggest, it could be otherwise.

Note

The authors gratefully acknowledge the financial support of the Canadian Social Sciences and Humanities Research Council and the Certified General Accountants of Alberta. Our work depends on the cooperation and tolerance of managers in Alberta Community Development, which we truly value. Neither they, nor the department, are responsible for the opinions presented here. We appreciate the helpful comments of the reviewers; participants at the Management Control Conference (Reading, July 1998), the Interdisciplinary Perspectives on Accounting Conference (Manchester, July 2000) and the CIMA Lecture at the LSE (November 2001); and Brian Shapiro, Casey Crowe, Mahmoud Ezzamel, Keith Robson, Brian Bloomfield, Colin Brown and Wai-Fong Chua.

References

- Alberta Financial Review Commission
1993 *Report to Albertans*. Calgary, Alberta.
- Alberta Treasury
1995 *Measuring performance: An Albertan perspective*. Edmonton, Alberta.
- Alberta Treasury
1996 *Measuring performance: A reference guide*. Edmonton, Alberta.
- Alvesson, Mats, and Stanley Deetz
2000 *Doing critical management research*. London: Sage.
- Anthony, Robert N.
1966 *The management control function*. Boston: Harvard Business School Press.
- Auditor General of Alberta
1993–94 *Report of the Auditor General*. Edmonton, Alberta: Office of the Auditor General of Alberta.
- Bauman, Zygmunt
1989 *Modernity and the holocaust*. Cambridge: Polity Press.
- Burrell, Gibson
1994 'Modernism, post modernism and organizational analysis: The contribution of Jurgen Habermas'. *Organization Studies* 15: 1–19.
- Brubaker, Rogers
1984 *The limits of rationality*. London: Allen and Unwin.
- Brunsson, Nils, and Johan Olsen
1993 *The reforming organization*. London: Routledge.
- Burchell, Stuart, Colin Clubb, Anthony Hopwood, John Hughes, and Janine Nahapiet
1980 'The roles of accounting in organizations and society'. *Accounting, Organizations and Society* 6/1: 5–27.
- Carter, Neil, Rudolf Klein, and Patricia Day
1992 *How organizations measure success*. Routledge: London.
- Chambers, Simone
1995 'Feminist discourse/practical discourse' in *Feminists read Habermas*. Johanna Meehan (ed.), 163–179. Routledge: London.
- Chambers, Simone
1996 *Reasonable democracy: Jurgen Habermas and the politics of discourse*. Ithaca, NY: Cornell University Press.
- Chwastiak, Michele
2001 'Contradictions between representation and reality: Planning, programming and budgeting and the Vietnam war'. Unpublished manuscript. University of New Mexico.
- DiMaggio, Paul, and Walter Powell
1983 'The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields'. *American Sociological Review* 48: 147–160.
- Dinning, Jim
1993 *A financial plan for Alberta: Budget '93*. Alberta: Alberta Treasury.
- Douglas, Roger
1993 *Unfinished business*. Auckland: Random House.

- Du Gay, Paul
2000 *In praise of bureaucracy: Weber, organization, ethics*. London: Sage.
- Efficiency Unit
1988 *Improving management in government: The next steps*. London: HMSO.
- Forester, John
1993 *Critical theory, public policy and planning practice*. Albany, NY: New York University Press.
- Forester, John
2000 *The deliberative practitioner: Encouraging participatory planning practices*. Cambridge, MA: MIT Press.
- Foucault, Michel
1979 *Discipline and punish*. Penguin: London.
- Foucault, Michel
1991 'Governmentality' in *The Foucault effect*. Graham Burchell, Colin Gordon and Peter Miller (eds), 87–104. Hertfordshire: Harvester Wheatsheaf.
- Fraser, Nancy
1992 'Rethinking the public sphere: A contribution to the critique of actually existing democracy' in *The phantom public sphere*. Bruce Robbins (ed.), 1–32. Minneapolis, MN: University of Minnesota Press.
- Gendron, Yves, David J. Cooper, Barbara Townley
2001 'In the name of accountability: State auditing, independence and new public management'. *Accounting, Auditing and Accountability Journal* 14/3: 278–310.
- Gore, Al
1993 *Creating a government that works better and costs less: The report of the national performance review*. Washington, DC: Government Printing Office.
- Government of Alberta
1993 *Toward 2000 together: An economic strategy for Albertans by Albertans*. Edmonton, Alberta.
- Government of Alberta
1995 *Measuring up: First annual report by the government of Alberta*. Edmonton, Alberta.
- Habermas, Jurgen
1984 *Theory of communicative action, Vol. 1*. Boston: Beacon Press.
- Habermas, Jurgen
1987 *Theory of communicative action, Vol. 2*. Cambridge: Polity.
- Habermas, Jurgen
1989 *The structural transformation of the public sphere*. Cambridge: Polity.
- Habermas, Jurgen
1996 *Between facts and norms*. W. Rehg (trans). Cambridge, MA: MIT Press.
- Hasselbladh, Hans, and Jannis Kallinikos
2000 'The project of rationalization: A critique and re-appraisal of neo-institutionalism in organization studies'. *Organization Studies* 21/4: 697–720.
- Hindess, Barry
1996 *Discourses on power: From Hobbes to Foucault*. Oxford: Basil Blackwell.
- Hopwood, Anthony G.
1973 *An accounting system and managerial behaviour*. Farnborough: Saxon House.
- Hopwood, Anthony G.
1987 'The archaeology of accounting systems'. *Accounting, Organizations and Society* 12/3: 207–234.
- Horkheimer, Max
1994 *Critique of instrumental reason*. New York: Continuum.
- Horkheimer, Max, and Theodor Adorno
1995 *Dialectic of enlightenment*. New York: Continuum.
- Jackson, Peter
1988 'The management of performance in the public sector'. *Public Money and Management*, winter: 11–16.
- Kaplan, Robert, and David Norton
2001 *The strategy focused organization*. Boston: Harvard Business School Press.

- Latour, Bruno
1987 *Science in action*. Boston: Harvard University Press.
- Laughlin, Richard C., and Jane Broadbent
1993 'Accounting and law: Partners in the juridification of the public sector in the UK?'. *Critical Perspectives on Accounting* 4/4: 337–368.
- Lisac, Mark
1995 *The Klein revolution*. Edmonton: NeWest Press.
- Lukes, Steven
1994 'Relativism in its place' in *Rationality and relativism*. Martin Hollis and Steven Lukes (eds), 261–305. Cambridge, MA: MIT Press.
- MacIntyre, Alistair
1988 *Whose justice? Which rationality?* Notre Dame, IN: University of Notre Dame Press.
- McSweeney, Brendan, and Mike Sherer
1990 'Value for money auditing: Some observations on its origins and theory' in *Critical accounts*. David J. Cooper and Trevor Hopper (eds), 294–312. London: Macmillan.
- March, James, and Johan Olsen
1983 'Organizing political life: What administrative reorganization tells us about government'. *American Political Science Review* 77/2: 281–297.
- Mintzberg, Henry
1994 *The rise and fall of strategic planning*. New York: Free Press.
- Mintzberg, Henry
1996 'Managing government. Governing management'. *Harvard Business Review*, May–June: 75–83.
- Oakes, Leslie, Barbara Townley, and David J. Cooper
1998 'Business planning as pedagogy: Language and control in a changing institutional field'. *Administrative Science Quarterly*, June: 257–292.
- Osborne, David, and Ted Gaebler
1993 *Reinventing government*. New York: Plume.
- Pollitt, Christopher, and Geert Bouckaert
2000 *Public management reform: A comparative analysis*. Oxford: Oxford University Press.
- Porter, Ted
1986 *The rise of statistical thinking*. Princeton: Princeton University Press.
- Radcliffe, Vaughan S.
1997 'Competing rationalities in "special" government audits: The case of NovAtel'. *Critical Perspectives on Accounting* 8: 343–366.
- Ray, Larry, and Michael Reed
1994 'Max Weber and the dilemmas of modernity' in *Organizing modernity*. Larry Ray and Michael Reed (eds), 158–203. Routledge: London.
- Reed, Michael
1996 'Expert power and control in late modernity: An empirical review and theoretical synthesis'. *Organization Studies* 17/4: 573–597.
- Rehg, William
1996 'Translator's introduction' in *Between facts and norms*. Jürgen Habermas. Cambridge, MA: MIT Press.
- Ritzer, George
1996 *The McDonaldization of society*. California: Pine Forge Press.
- Roberts, John
1996 'From discipline to dialogue: Individualizing and socializing forms of accountability' in *Accountability: Power, ethos and the technologies of managing*. Rolland Munro and Jan Mouritsen (eds), 40–61. London: International Thomson Business Press.
- Rose, Nikolas
1991 'Governing by numbers: Figuring out democracy'. *Accounting, Organizations and Society* 16/7: 673–692.
- Smith, Peter
1993 'Outcome related performance indicators and organizational control in the public sector'. *British Journal of Management* 4/3: 135–152.

- | | |
|--|---|
| <p>Tomkins, Cyril, and Roger Groves
1983 'The everyday accountant and researching his reality'. <i>Accounting, Organizations and Society</i> 8/4: 361–374.</p> <p>Townley, Barbara
1995 'Managing by numbers: Accounting, personnel management and the creation of a mathesis'. <i>Critical Perspectives on Accounting</i> 6/6: 555–575.</p> <p>Townley, Barbara
2002a 'The role of competing rationalities in institutional change'. <i>Academy of Management Journal</i> 45/1:163–179.</p> | <p>Townley, Barbara
2002b 'Managing with modernity'. <i>Organization</i> 9/4: 549–573.</p> <p>Weber, Max
1978 <i>Economy and society</i>. Berkeley, CA: University of California Press.</p> <p>Wildavsky, Aaron
1975 <i>Budgeting: A comparative theory of budgetary processes</i>. Boston: Little, Brown and Company.</p> <p>Wilensky, Harold
1967 <i>Organizational intelligence: Knowledge and policy in government and industry</i>. New York: Basic Books.</p> |
|--|---|

Barbara Townley

Barbara Townley is Chair of Management and Organization at Edinburgh University and Visiting Professor, University of Alberta. She has published widely, including two books and articles in ASQ, AMR, AMJ, JMS, OS and *Organization*. Her research uses the work of Foucault and critical social theory to examine HRM, performance measurement and public-sector management initiatives and their ethical implications. She received her PhD from the LSE.

Address: Management School, Edinburgh University, 50 George Square, Edinburgh, EH8 9JY, Scotland.

E-mail: barbara.townley@ed.ac.uk

David J. Cooper

David J. Cooper is Certified General Accountant Professor of Accounting and Director of the PhD Programme at the School of Business, University of Alberta. He is co-editor of *Critical Perspectives on Accounting*, and on the editorial board of six other journals. He has published eight books and more than 50 articles in journals such as ASQ, AOS, OS and CPA. His current research concerns management control in the public sector and the management of professional firms. He received his PhD from the University of Manchester.

Address: School of Business, University of Alberta, Edmonton, Alberta, T6G 2R6, Canada.

E-mail: david.cooper@ualberta.ca

Leslie Oakes

Leslie Oakes is an Associate Professor at the Anderson School of Management, University of New Mexico. She has published widely in ASQ, AOS, *Accounting Review* and the *Journal of Accounting and Public Policy*. Her research focuses on the social role of accounting, accounting for non-profit organizations, the history of accounting and interdisciplinary research on social policy. She received her PhD from the University of Wisconsin.

Address: Anderson School of Management, University of New Mexico, Albuquerque, NM 87131, USA.

E-mail: oakes@anderson.unm.edu