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Management Control Under Post-NPM: Replacing Performance Evaluation With Trust-Based Management

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ABSTRACT

This article focuses on explaining management control under post-new public management (NPM). Drawing on the lessons from a case study, the article aims to advance the discussion of what post-NPM, as a new governance innovation, is and what problems practitioners encounter when they try to engage in post-NPM-oriented governance. The study reports the transformation of both management and control at the Swedish Public Employment Service Agency (PES) with the help of the framework of enabling and coercive control. The case study demonstrates how practitioners encountered problems when trying to balance enabling practices with hierarchical accountability. In the case of PES, the study shows how the organization failed to find this balance and how the problem with reduced hierarchical accountability gradually shifted the calculative practices and slowly reimposed performance measures, result-orientation, and hierarchical control. The article contributes to the contemporary public sector accounting discussion on how and to what extent we can move beyond NPM, both empirically by following a public organization's attempt to engage with post-NPM, and theoretically by theorizing post-NPM as a new government innovation and placing greater emphasis on how accounting practices need to adapt to a post-NPM-oriented governance.

1 | Introduction

Public sector accounting research has undergone impressive developments over the last 30 years (Lapsley 1988; Broadbent and Guthrie 2008; Lapsley and Miller 2019). However, it has been criticized for being too disconnected from other disciplines, with little impact on public policy (Humphrey and Miller 2012) and an overrepresentation of studies focusing on the principles of New Public Management (NPM) (Broadbent and Guthrie 2008; Arnaboldi, Lapsley, and Steccolini 2015; Steccolini 2019; Bruns, Christensen, and Pilkington 2020; Funck and Karlsson 2020). Far from having reached maturity, there is a rising interest in emancipating public sector accounting research as a discipline in its own right (Jacobs 2016; Steccolini 2019) and reflecting on the pathways for public sector accounting research and future

accountability practices (Van Helden, Johnsen, and Vakkuri 2008; Anessi-Pessina et al. 2016; Bracci et al. 2021). Public services are created in a complex environment, plagued by wicked problems (Jacobs and Cuganesan 2014) and facing shrinking resources (Bracci et al. 2015; Barbera, Guarini, and Steccolini 2020). Hence, it is not surprising that we constantly witness recurrent attempts aimed at reforming the public sector.

The latest attempt at implementing global reforms is discussed in the public administration literature under the rubric of post-NPM (Christensen and Lægheid 2011; Pollitt 2016; Reiter and Klenk 2019; Funck and Karlsson 2020, 2024) and among public sector accounting scholars as the emphasis on incorporating publicness and focusing on public values (Guthrie, Marcon, and Russo 2014; Steccolini 2019; Bracci et al. 2019, 2021). Although the

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precise definition of post-NPM remains debated—some scholars describe it as a “shopping basket” of selected reform elements (Christensen 2012, 1)—others (Reiter and Klenk 2019; Torfing et al. 2020) highlight that the common goal of mitigating the negative consequences of NPM unites governance innovations such as New Public Governance (Osborne 2006), Public Service Logic (Alford 2016), and Public Value Management (Moore 1995). Consequently, post-NPM presents a very elusive concept. Lodge and Gill (2011) assert that defining post-NPM is an impossible task. Klenk and Reiter (2019) take a more reserved stance, acknowledging it as a vague term often employed to depict broad transformations within the public sector.

Following the above, post-NPM can be described as self-styled alternatives to NPM (Greve 2015). It emerges from a fundamental critique of NPM’s focus on efficiency, productivity, and the marketization of public services (Osborne 2006; O’Flynn 2007; Alford 2016). Seeking to depart from this approach, post-NPM advocates for a holistic management style, emphasizing coordination and collaboration, particularly across horizontal dimensions. Key values underpinning post-NPM include self-organization over top-down approaches, public managers as leaders rather than mere managers, and a stronger emphasis on outcomes, effectiveness, promotion of public values, and fostering dialogues and trust in professions (Pollitt and Bouckaert 2017; Reiter and Klenk 2019; Lapsley 2022; Funck and Karlsson 2024).

Although some authors have declared NPM dead (Dunleavy et al. 2006) and employed post-NPM ideas as a “weapon” and a blueprint for future reform models, the complete shift in the public sector is still distant. Instead, post-NPM should be viewed as a challenger of NPM (Lapsley 2022) that may thrive and potentially introduce new structures and instruments to the public sector governance. Nevertheless, as demonstrated, post-NPM as a governance innovation is not yet fully coherent or free from internal contradictions (Reiter and Klenk 2019). Hence, it necessitates further elaboration, which is what this article aims to do.

Drawing on the lessons of a case study, this article aims to advance the discussion of what post-NPM, as a new governance innovation, is and what challenges practitioners encounter when engaging in post-NPM-oriented governance. In this study, this issue is explored by adopting the analytical framework of enabling and coercive control (Adler and Borys 1996; Ahrens and Chapman 2004; Jordan and Messner 2012; Englund and Gerdin 2015) and enriching it with a discussion of the incompleteness of performance indicators (Jordan and Messner 2012; Wouters and Wilderom 2008). The case study analyzes a pervasive reformation of the Swedish Public Employment Service Agency (PES) called the Renewal Journey. This initiative illustrates a shift in accounting practices, moving away from NPM’s traditional focus on performance measurement and output control toward dialogues, trust, and outcome control. The case offers one example of a post-NPM reform attempt in which employees at the operational level of the organization, previously subject to targets, performance management, and measurement, found themselves in a position of reduced reliance on such practices. Instead, they experienced a shift toward self-leadership and dialogues.

The article contributes to the contemporary public sector accounting discussion on how, and to what extent, we can move

beyond NPM (Bracci et al. 2015; Steccolini, Saliterer, and Guthrie 2020; Lapsley 2022) both empirically, by tracking a public organization’s attempt to engage with post-NPM, and theoretically, by conceptualizing post-NPM as a new government innovation and placing a greater emphasis on how accounting practices need to adapt to “alternative” accounts in a post-NPM environment.

The remainder of the article is organized as follows. In the next section, I describe post-NPM, as well as the framework of enabling and coercive control. Following that, I explain how the empirical data have been collected and analyzed. This is succeeded by a presentation and analysis of the empirical findings drawn from the case. Finally, the article concludes with a discussion of the main insights and their contribution to the literature.

2 | Post-NPM and Intelligent Accountability

Since the introduction of NPM, the quantification of performance, hierarchical accountability, and result-oriented behavior has been central to public sector reforms and rhetoric (Hood 1991, 1995; Lapsley 1999; Power 2004; Lapsley 2009). NPM advocates “business like” practices, translated in the public sector into policies of privatization, marketization, and increased competition. It also emphasizes enhanced organizational control centered around standardization of work processes, value-for-money, outputs, and economic performance (Liguori and Steccolini 2014; Hyndman and Lapsley 2016; Lapsley and Miller 2019). However, NPM has also faced criticism. A significant body of studies has shown how accounting can be used to control, blame, and shrink public services (Newberry and Pallot 2004), replace political and professional ethos with a quantification culture, and result in stress, fear, unhappiness, and the crowding out of motivation (Power 1997; Kurunmäki 1999; Hood and Peters 2004; Lapsley 2009).

The “failures” of NPM have fueled an animated debate over its continued relevance, questioning whether NPM is dead or still alive (Dunleavy et al. 2006; Lapsley 2009; Hyndman and Lapsley 2016), and whether it is time to move beyond NPM and introduce new governance innovations (Osborne 2006; Christensen and Lægreid 2011; Steccolini 2019). Even if we acknowledge that NPM is still present, Steccolini (2019) argues that, to contribute to changing and improving current public sector practices and policies, we need to explore the significance and limitations of new governance innovations. This approach allows us to gain a better understanding of current phenomena while contributing to the growing discussion on how and to what extent we can move beyond NPM.

This study focuses on post-NPM. Although many scholars have dedicated their careers to discussing what has replaced NPM, post-NPM can be considered the umbrella term for ideas such as New Public Governance (Osborne 2006, 2010, 2018), public service logic (Denhardt and Denhardt 2015; Alford 2016), public value management (Moore 1995, 2013; Stoker 2006), and digital-era governance (Dunleavy et al. 2006). Hence, post-NPM is a very elusive concept that can be described as a set of self-styled alternatives to NPM (Greve 2015). Still, among these ideas, there appears to be a consensus on criticism against the reduction of

efficiency into purely economic terms (Lindsay, Osborne, and Bond 2014; Carey and Matthews 2017), the vertical specialization advocated by NPM (Osborne 2006; Christensen and Lægheid 2011), and the focus of performance and output control (Paletta 2012). Significant for the post-NPM ideas is also an increased focus on integration, networks, and horizontal coordination (Osborne 2006, 2010; Christensen and Lægheid 2011; Pollitt 2016; Funck and Karlsson 2024) as well as an emphasis on promoting public value (Moore 1995; Steccolini 2019; Bracci et al. 2021). Consequently, the overarching change advocated by post-NPM governance innovations is a transition from prioritizing efficiency and output to emphasizing effectiveness and outcomes, while also shifting focus from accounting for control to fostering trust (Alford and O'Flynn 2009; Wiesel and Modell 2014; Siverbo et al. 2024). This transition toward outcome, effectiveness, and trust is specifically the focus of the empirical example in the study.

Earlier studies (Brackley et al. 2021) have discussed how NPM, with its focus on quantification of performance, result-orientation, and audit culture, has led to a hierarchical form of accountability in the public sector. Although the underlying assumptions of this form of accountability involve a lack of trust, it fosters a culture of suspicion, professional cynicism, and an ever-increasing investment in transparency in the form of more or improved control (Roberts 2009). Introducing the concept of “intelligent accountability,” Roberts (2009) proposes an alternative to the “fantasy” of accountability as transparency. Instead of “investing in yet more transparency as the only remedy for the failures of transparency,” intelligent accountability is about active exchange and inquiry over time, allowing for a better understanding of the relevance and accuracy of indicators (Roberts 2009, 968). Through active listening, thoughtful questioning, and constructive dialog, intelligent accountability fosters a more reflexive form of accountability focused on learning. This approach enables the enhancement and expansion of cognitive and behavioral capabilities while gaining a deeper understanding of the consequences of our actions for others.

Although intelligent accountability provides an antidote to the well-documented failures of hierarchical accountability under NPM, it remains uncertain whether such intelligence can be effectively enacted or enabled in practice as organizations engage with post-NPM, shifting toward outcomes, effectiveness, and trust in professions. This study aims to address this uncertainty by examining how a post-NPM reform attempt unfolded in a government agency. The study describes the management control under post-NPM and examines the outcomes when performance evaluations are replaced with trust-based management. In doing so, the study responds to Steccolini's (2019) call to explore new governance innovations and improve the understanding of current phenomena, as well as the calls for more studies of the construction of intelligent accountability in practice (Brackley et al. 2021; Helle and Roberts 2023; Arikan 2023).

3 | Enabling and Coercive Control

One way to understand the tension between flexibility and trust (post-NPM) and efficiency and control (NPM) is through the framework of enabling and coercive formalization (Adler and Borys 1996). According to this framework, formal systems are

viewed positively if local actors perceive that these systems support users and enable them to deal more effectively with inevitable contingencies (Ahrens and Chapman 2004; Free 2007; Wouters and Wilderom 2008; Jordan and Messner 2012; Englund and Gerdin 2015). Conversely, if local actors feel that the systems are inflexible, providing them with limited options for actions, then the systems are described as coercive. Such systems are typically perceived negatively.

The framework developed by Adler and Borys (1996) helps identify whether the usability of a management control systems supports or constrains local management and whether it leads to intelligent accountability or not. According to Adler and Borys (1996), the usability depends on how the system is designed and how the implementation process is organized. Enabling management control systems have four characteristics: repair, internal transparency, global transparency, and flexibility.¹ *Repair* refers to the ease with which local actors can adjust a system that has broken down or malfunctioned. Local actors are actively encouraged and have the ability to modify work processes, as well as standards and performance measurements, if deemed appropriate (Ahrens and Chapman 2004; Wouters and Wilderom 2008).

Internal transparency is closely related to repair since, for local actors to conduct repairs, they need to see through and understand the logic behind what requires fixing (Jordan and Messner 2012). Therefore, internal transparency refers to the visibility of internal processes for local actors. This entails that performance information may offer feedback on the consequences of operational processes (Wouters and Wilderom 2008), highlight key components of processes, or codify best practices (Ahrens and Chapman 2004). The key to a successful design of internal transparency lies in providing layered access to information without causing information overload (Ahrens and Chapman 2004).

The third characteristic is *global transparency*, which concerns the visibility of the context in which the local actors conduct their work. Global transparency pertains to the extent that local actors understand how their own tasks fit into the whole (Wouters and Roijmans 2011). For example, when the budget process improves local actors' understanding of the firm's strategy and operations, then global transparency has been achieved.

The fourth and final enabling characteristic is *flexibility*: local actors' ability to adapt and modify the system itself (Free 2007), and the way in which it is used (Ahrens and Chapman 2004). Examples of flexibility include allowing ad hoc customization of performance information and the choice of building up different aggregations from one and the same database.

Drawing from the key qualities of post-NPM, there appears to be a presence of enabling characteristics. Post-NPM literature emphasizes empowerment and trust in professions (Dunleavy et al. 2006; Siverbo et al. 2024), self-organization, and the role of public managers as leaders rather than mere managers (Reiter and Klenk 2019; Funck and Karlsson 2024). Moore (1995) even posits that achieving public value necessitates organizational flexibility, continual development, and innovation rather than adherence to stability and permanence. These attributes align closely with

Wouters and Wilderom's (2008) discovery that a developmental process marked by local expertise, professionalism, and experimentation contributes to the enabling nature of management control systems. However, it is important to emphasize that the mere presence of enabling characteristics in post-NPM-oriented governance does not automatically transform a management control system into enabling control. Instead, whether control is coercive or enabling depends both on how the management control system is designed and how managers and employees perceive the control system. Nevertheless, it appears that post-NPM-oriented governance has the potential to be perceived as more enabling. In the context of the discussion, it is relevant to highlight the term "incompleteness." It is well-established in the literature that management control systems can be considered incomplete in that they do not capture all dimensions of performance relevant for an organization (Jordan and Messner 2012; Wouters and Wilderom 2008; Islam, Adler, and Northcott 2018). Although a narrow form of incompleteness concerns the way in which performance can be measured or operationalized (design qualities), a broad form of incompleteness incorporates the question of comprehensiveness, that is, when "the outside reference point is so different from what the indicator stands for that incorporating it into the indicator is not possible" (Jordan and Messner 2012, 550). However, incompleteness does not have to be a problem. Studies have demonstrated situations where incompleteness may be preferred (Wouters and Wilderom 2008; Jordan and Messner 2012; Islam, Adler, and Northcott 2018). These findings become relevant in relation to the post-NPM discussion and its suggested break with a more coercive formalization of management control and toward intelligent accountability.

This article examines how a post-NPM reform attempt played out in a government agency. Thus, the study describes management control under post-NPM and explores what happens when performance evaluations are replaced with trust-based management. The emphasis is on demonstrating control as a dynamic process and how the signals that top management sends, once interpreted by local actors, make management control appear as more or less enabling and used in a more "intelligent" way. On the basis of this focus, the article aims to advance the discussion of what post-NPM as a new governance innovation is and what challenges practitioners encounter when they try to engage in post-NPM-oriented governance.

4 | Research Context and Method

4.1 | The Context: Demonizing NPM at a Sociopolitical Level in the Swedish Public Sector

Sweden's public sector has been enthusiastic about implementing management control techniques typically associated with NPM (e.g., Brunsson and Sahlin-Andersson 2000; Aidemark and Lindkvist 2004; Johansson and Siverbo 2009; Funck 2015). Although researchers have been critical of NPM for a long time, the public resistance in Sweden reached its peak in 2013 when a journalist wrote an article discussing NPM's side effects titled "The Patient's Price" (Zaremba 2013). In the article, management control was linked to the mismanagement of individual patients and the perceived powerlessness of physicians in making

professional decisions. Consequently, the consequences of NPM became evident, leading to widespread debate on the concept, as noted by Siverbo (2018). The debate on NPM gained momentum in the Swedish legislature and public sphere. In Swedish newspapers, professional groups expressed their opposition to NPM, its heightened performance focus, and its bizarre effects. Thousands of physicians signed "The Physician Revolt," arguing that the management of Swedish healthcare was not aligned with patients' needs (Dagens Samhälle 2013). Another study reported negative effects on teachers resulting from increased document control, performance measurements, and external audits (Brante et al. 2015). In June 2013, representatives from the labor unions of teachers, physicians, and the police force published an op-ed in a leading newspaper, asserting that their occupations "had been hijacked by the models of management accountants" and demanding the restoration of professional roles in the public sector (Jansson, Nitz, and Wedin 2013). Responding to these concerns, the Social Democrats vowed to stop the deprofessionalization within the welfare sector and promised a modern and fresh public governance model, emphasizing increased autonomy for the welfare professions if they won the 2014 election (Löfven 2013). The Social Democrats indeed won the election, and as promised, in 2014 and 2015 the Swedish Minister of Public Administration organized "knowledge seminars," inviting researchers to discuss the future management of public welfare. In the central government budget of 2015, it was stated that the government was breaking with NPM (Regeringens proposition, 2014/15:1), and efforts began to develop a public management model. The objectives were to reduce administrative burdens, such as documentation, audits, and detailed control, and replace them with management based on professional knowledge. In 2016, the government established the Delegation for Trust-Based Public Management with the aim of "analyzing and proposing how the management of welfare services in the public sector can be developed within existing regulatory frameworks to make more use of the competence and experience of employees" (Tillitsdelegationen 2019; SOU 2018:38; Bringselius 2017).

4.2 | The Case: A Government Agency in Crisis

This article is based on a case study conducted at the Swedish PES Agency, a government agency comprising 280 local offices and employing 15,000 people. In 2018, the agency consisted of three regions: North, Central, and South. Each region comprised several market areas, and each market area included local offices further divided into sections. Managers oversaw regions, market areas, local offices, and sections. The agency's highest decision-making authority, the board, is appointed by the Swedish government and led by a director-general.

The Swedish government determines the conditions for the operations of individual public agencies through two key mechanisms: the Annual Appropriations Directives and laws. The Appropriations Directives outline the agency's goals, budget allocation to different activities, and financial resources. At the agency level, these directives are detailed into an operating plan and a budget. The operating plan outlines planned activities for the business year, whereas the budget allocates financial resources. To track results, the agency submits an annual report to the government. Together, the Annual Appropriation Directives,

operating plan, budget, and annual report constitute the essential accounting tools for the agency.

Around 2010, the agency faced a crisis marked by lack of trust, both between politicians and the director-general, and between the director-general and the agency employees. This crisis was not triggered by scandals but by poor performance, specifically in placing people into employment and delivering value for money, leading to the lowest level of public trust among all public agencies, as indicated by market research (TNS-SIFO 2012). The subsequent year saw a further decline in public trust (Sjöholm 2013). In response to the market research, the director-general commented:

I do not want to call it a crisis. Nevertheless, we may not forget that a crisis also means possibilities. We need to join forces and involve both unemployed people and employers in order to meet their needs. (Director-general, in Sjöholm 2013)

PES faced tight control, with normal work focusing on minutiae rather than client's best interest. Customer focus took a back seat to meeting targets, and the detailed, extensive control pushed the agency in the wrong direction. Employees felt coerced, compelled to prioritize certain indicators despite their conviction that other activities were more crucial. The media echoed this unfavorable portrayal:

The employment officers are governed so much in detail that the agency is starting to crack. The employees are often prohibited to set in the efforts that are needed when the regulated ceiling for a specific effort is reached. Despite substantial unemployment, PES has been forced to refund unused resources for several billion SEK to the public treasury.

The era of tight control needs to end. Employment officers must be empowered to use their professional competence. For this reason, we would like to reformate the agency. Employment officers will gain greater autonomy to utilize resources in ways that effectively supports people in securing employment. Employees need to be able to meet the specific needs of the unemployed. (Löfven 2013)

The drawbacks of tight control became increasingly apparent. The 2013 annual report highlighted that the agency lacked clear direction and objectives, and the dialog with customers and principals was suboptimal. The government agency was characterized by excessive detailed control and insufficient unity within the leadership:

We didn't take care of the competence within the organization. It was all 'New Public Management' in the sense that everyone should stay within their box and do what they were told. (Market area manager, 2018)

In early 2014, the director-general was removed, paving the way for a new director-general and a comprehensive reform. The focus of this study is on this transformation known as the Renewal Journey and the agency's endeavor to move away from NPM and toward post-NPM.

4.3 | Data Collection and Analysis

The article presents findings from a comprehensive research program conducted from 2015 to 2021, examining the transformation of both management and control through the agency's Renewal Journey. The research program involved 90 interviews, the collection of over 400 documents, observation of internal meetings and seminars, and participation in internal training programs. Thus, the research program had extensive access to informants and data. The research team, comprising both researchers and PhD students, maintained frequent interactions with top managers and management staff across the agency. Prior empirical research and ongoing discussions within the research team contributed to a contextual understanding of the government agency and its management control system. It is within this contextual understanding that the findings of the study are situated.

For this article, data collection took place between 2018 and 2021. To understand the dynamics of flexibility and efficiency within the government agency during the post-NPM reform attempt, it was crucial to engage with the organizational practices. This involved conducting interviews with members at all levels of the organization and studying relevant documents. In 2018, a series of eight semi-structured interviews were conducted, aimed at providing general picture of how the interviewees, from top management to the local level, felt about the Renewal Journey and the management control system supporting their work. The interviews, each lasting an average of 60 min, were recorded and transcribed, resulting in a total of 158 single-spaced pages. Additionally, an interview conducted in 2015 with the strategic manager helped provide context on the adoption of strategic maps within the organization.

The study also involves a thorough review of internal company documents, including budget documents, annual reports, operating plans, strategic maps, and documents describing the Renewal Journey. These documents provided valuable insights into how performance was discussed, and measurements were abandoned and developed over the years. For a comprehensive list of interviews and documents, see Appendix A.

The data were analyzed as it was collected (Eisenhardt 1989; Ahrens and Chapman 2006). No formal coding program was utilized. Instead, data from interviews and documents were repeatedly reviewed and categorized on the basis of content and meaning (e.g., culture of trust, development work, performance targets, desirable conditions and activities, planning, and monitoring) until patterns of accounting practices emerged. To understand management control under post-NPM, the empirical patterns of accounting practices were then illuminated by the theory of enabling and coercive control. Furthermore, discussions were held at multiple research seminars to validate the interpretations of the data.

5 | Empirical Findings

5.1 | Forming a Culture of Trust

The Renewal Journey was guided by two key perspectives—development and trust. Its overarching goal was to steadily increase benefit to customers and society by fostering the growth of individuals and companies. With the aim of transforming into a modern and efficient government agency with a greater focus on customer-oriented activities, the journey sought to rebuild trust from politicians, the media, and society. Instead of relying on tight and detailed control, the reform emphasized trusting employees' professionalism. This commitment was formalized in the operating plan, which declared that employee participation and the ability to influence the work environment were central to the reform. The rationale behind the Renewal Journey was articulated in the operating plan of 2015:

We need to regenerate the trust of the agency. To change the downward trend of trust and create an efficient agency that generates social benefits, there is a need for longer-term work emerging from our Renewal Journey. (Operating Plan 2015)

An integrated aspect of this renewal initiative was the introduction of a new leadership philosophy known as self-leadership, designed to guide every individual within the organization. Self-leadership involved taking responsibility for connecting an employee's inner motivation with an understanding of the organization's mission, values, and goals. The premise was that if all employees felt a sense of meaning, connection, and motivation in performing their duties, the agency would evolve positively (e.g., Manz 1986; Manz and Sims 1987). Therefore, self-leadership aimed at shape work models by leveraging the competence of the employees (Arbetsförmedlingen 2018). The new philosophy was encapsulated in the values of *professionalism*, *inspiration*, and *confidence-inspiring*, signaling that all employees should shoulder responsibility, seize opportunities, learn from and collaborate with each other, and embody efficient, proactivity, and service-mindedness (Arbetsförmedlingen 2018):

The leadership philosophy was state-of-the-art, modern, and ahead of several major private companies. We utilized current research and invested significantly in leadership development. (Market area manager, 2018)

The Renewal Journey found its legitimacy in society's criticism of NPM and the agency's objective to enhance public trust. However, merely changing the organizational culture was insufficient to distance themselves from previous coercive control. Instead, there was a need for clearer management control that was less subjected to detailed control. More room was to be provided for professional judgments, local expertise, and experimentation. Consequently, the top management articulated five new strategic targets for the agency. These strategic targets were encapsulated in the form of a strategy map in the 2016 operating plan (see Figure 1).

5.2 | Designing a Strategy Map: Toward Post-NPM?

The strategy map was grounded in the agency's vision and strategic targets. Instead of perspectives, the management opted for five key areas where they sought a shift in position during the Renewal Journey. These areas were customer and social benefits, offerings and services, self-leadership and culture, good governance, and control. For each area, a multiannual plan was established, outlining desired conditions and strategic actions for the next 3 years. As the goal was to sustainably enhance customer and social benefits, strategic actions in the last four areas were articulated with an impact on the customer and social benefits area.

There were several reasons for visualizing strategic targets in the form of a strategy map. First, the top management needed to make a clear break with the detailed (extensive and coercive) control in the organization and transition from micromanagement to strategic management:

We have constructed the map at the strategic level and then it's up to each manager to decide on the strategic actions he/she feels he/she can contribute with. We have said that this should not be broken down, because we are terrified of micromanagement. [...] We are interested in achieving the conditions at the strategic level, but if you achieve it by dancing, singing, putting up a tent, or whatever you choose, it's up to you. (Strategic manager, 2015)

The new approach is that problems are best solved where they exist. (Market area manager, 2018)

By framing the strategy map at the strategic level and articulating desired conditions instead of rigid targets, managers were required to interpret the meaning of each condition for their specific context. This approach turned the strategic targets into broad and general guidelines or visions rather than specific and fixed indicators. This flexibility allowed for a variety of actions to be taken in pursuit of the overarching strategic goals (Adler and Borys 1996; Free 2007).

Second, aligning with the objectives of the Renewal Journey, the steering model needed to illustrate the ongoing development and transformation within the organization. The conditions specified in the strategy map for each year reflected this development focus. Two clear examples are the formulations "We see clear improvements in our case management" and "We have methods for working with constant improvement in everyday work life." But what does "to see clear improvements" mean? Or that "we have methods?" As with the strategic targets, the conditions lacked specific, quantifiable objectives. Instead, they were painted in broad strokes, suggesting that as long as the local management demonstrated movement, they would demonstrate results in line with the overarching intentions. Hence, the new management control embraced a great deal of flexibility, both in interpreting the appropriate level for a certain target or condition and how to achieve them (Adler and Borys 1996; Free 2007).

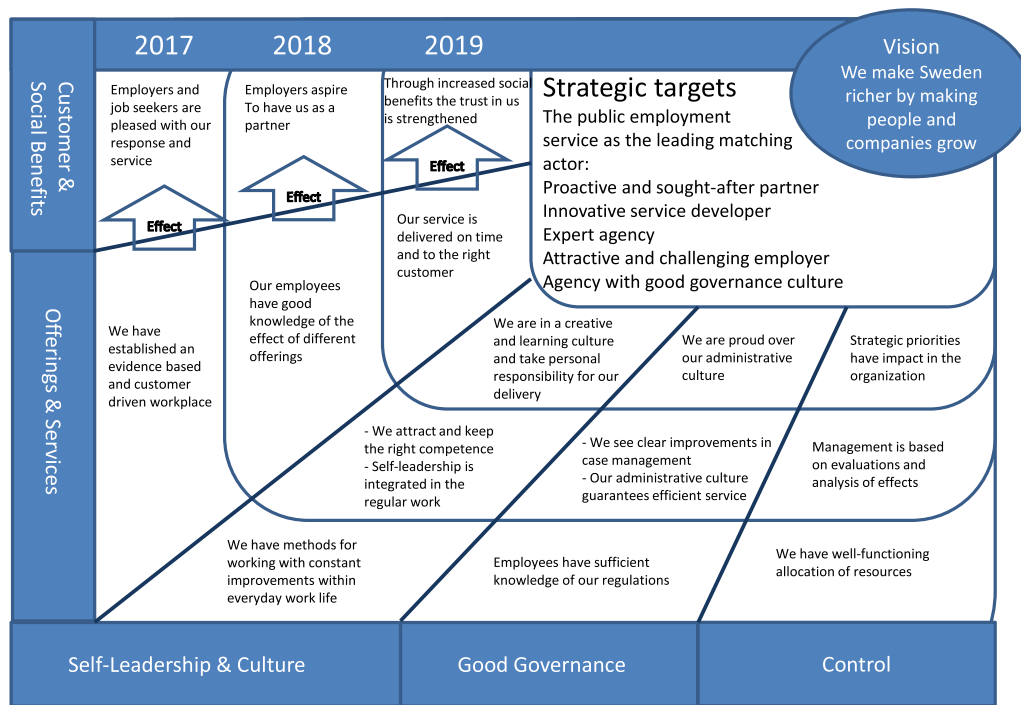


FIGURE 1 | The strategic map of the government agency (Operating Plan 2017). [Colour figure can be viewed at wileyonlinelibrary.com]

Despite the lack of clear targets, several managers and employees found that the strategy map helped them grasp the bigger picture of the journey and the rationale behind emphasizing certain actions:

The strategy map serves as a well-defined roadmap for the entire organization. With 15,000 employees it's crucial to have a clear path that everyone can follow. The strategy map is a good communication tool. It provides transparency and facilitate a shared understanding of the reasons behind specific actions and the long-term targets. (Section manager B, 2018)

With a strategy map communicating somewhat clear strategic targets as well as a roadmap of how conditions were interconnected and aligned with the organizational vision, employees described how they gained a comprehensive, transparent, and predictable overview of the renewal process:

It [the strategic map] expresses both the direction and the road to go. The communication becomes clear and transparent. (Section manager B, 2018)

The most important idea with the strategy map is the long-term thinking, i.e. that we do not just consider what will happen tomorrow or next week, but instead do things in a more comprehensive and long-term perspective. (Market area manager, 2018)

In summary, the decision to create a strategy map merely at the agency level, emphasizing strategic targets over detailed operational performance indicators, resulted in extensive room

for managing one's own work at lower levels of the organization. The strategy map not only contributed to global transparency, in the sense that the road map and the long-term perspective of the agency became visible for their employees, but also increased flexibility as the discretion over actions increased (Ahrens and Chapman 2004). As expressed by a local office manager:

We possess significant opportunities to interpret and determine for ourselves the methods we wish to employ in order to achieve our strategic objectives. The choice of how we approach these conditions lies squarely with us. (Local Office Manager B, 2018)

Hence, strategic targets were there, without the operationalization into measures constraining how they should be achieved. At the same time, the lack of performance indicators could be interpreted as a mark of modernity. By distancing the organization from detailed control, the government agency also distanced itself from NPM, making it appear modern and legitimate. The ambiguity that emerged prohibited monitoring and surveillance but also created room for local actors to act in whatever way they found suitable.

5.3 | Local Outcomes of Post-NPM

Although the framework of enabling and coercive control, viewed as a matter of *system design*, may lead to a static understanding of management control, Jordan and Messner (2012) suggest that the same design characteristics can be perceived as the *outcome* of an ongoing interaction between top management and employees. Control as a matter of interaction focuses on the use and thus helps make visible the link between the control and

action-facilitating roles of accounting (Hopwood 1972; Chua 1995; Ahrens and Chapman 2004). The reaction of local actors in PES to the new strategy map (i.e., the outcome of the enabling design) is described from the perspectives of two local offices in one market area.

5.3.1 | Shifting Focus From Monitoring Output to Achieving Actions

As stated at the agency level, the strategy map should not be broken down within the organization. In response, the management group of the market area decided to focus on four strategic areas: becoming a requested recruiting partner, creating an attractive workplace, establishing a modern and efficient agency, and providing professional support leading to job placements. Within each area, strategic objectives (e.g., decreasing the time from enrolment to employment) and, more importantly, activities (e.g., utilizing best practices to address key factors leading to employment) were formulated. The signal conveyed by the strategy map, and especially the articulated conditions—to focus on movement, renewal, and development—signified a commitment to action: to do things. However, the controlling directives stemming from the strategy map never intended to initiate a discussion of *when* a certain target was to be met, as it is impossible to specify, for example, when “clear improvements in work processes” will be reached or when there will be “enough methods for making improvements.” Hence, a discussion of appropriate target levels became unnecessary (cf. Jordan and Messner 2012). Consequently, the focal point shifted from monitoring output to achieving action.

The shift in focus brought about notable implications for the monitoring dialog. It was no longer output and results that were of central importance when evaluating the agency’s performance, but rather activities—what had been undertaken. For management control, this meant modifications in use. Although the operating plan expressed activities to bring about the desired conditions (e.g., to develop, to evaluate, to perform, and to implement), “result discussions” centered their attention on the activities that had been executed and assessed the extent to which managers and their teams believed these activities contributed to the creation of customer value. However, a problem arose when it came to evaluating results. Results were both the desired conditions expressed in the strategy map and results in the form of unemployment rates. But when is a desired condition actually met? And if you can demonstrate actions but do not meet the objectives regarding unemployment rates, should you then be held accountable for this or not? Consequently, production numbers and results ran in tandem with development and activities:

This strategy map, it is the development of our agency. It aims to secure acceptance for our actions, emphasizing our indispensability and the progression towards our new role as innovative service developers. So, all of this is about continuous movement and development. Parallel to this we also have daily and yearly production

objectives. So, actually we operate with two control systems. (Section manager A, 2018)

Given that the strategy map did not provide a clear directive on how to contribute to each strategic target and condition, the path was wide open. Therefore, the extensive flexibility required a dialog among managers to determine where to focus their attention. This flexibility also allowed each local office to tailor the operating plan to its specific circumstances:

In simple terms, each organizational level determines *how* to implement the directives from the level above, while simultaneously identifying *what* the level below should do. It’s all about striking a balance between defining the *how* and understanding the *what*. (Market area controller, 2018)

It [the strategy map] is truly comprehensive. Each local office interprets it in their own way. When we review it, we have determined the aspects we want to focus on. (Section manager A, 2018)

The shift in focus from monitoring output to achieving actions led to a heightened focus on making things happen. It also served to promote flexibility and repair within the organization. Flexibility in the sense that strategic targets, operating plans, and activities were discussed among managers and thereafter customized to each market area, local office, and sector (Ahrens and Chapman 2004) instead of being set at the agency level. Repair in the sense that earlier procedural issues, such as the misalignment between targets (employment figures) and proposed actions (actions leading to employments), were now repaired by employees as employees were encouraged to suggest new actions and best practices instead of just trying to meet already set indicators. Ahrens and Chapman (2004, 279–280) explain that operational routines can act as a locked box around a machine control panel, rendering the underlying logic of work processes unintelligible. When this underlying logic is revealed, operations become reprogrammable. Consequently, repair encourages employees to discuss practical problems with organizational routines to develop operational rules and standards in line with usability criteria. However, as we will see, the lack of performance information began to drive accounting presence, as activities were pitted against each other and accountability issues were vague.

5.3.2 | Focus on Means Rather Than Ends

As the emphasis changed from monitoring results to evaluating activities, the focus turned to means rather than ends. However, this change also sparked discussions and dialog about what activities to include in the operating plan. This led to a restart in every management group, signifying that everyone needed to agree on their purpose and the activities that would propel them toward improved customer and societal benefits.

For the market area’s management group, this new focus meant making decisions on activities, forming development groups, and overseeing the responsibilities of these groups. For instance,

manager A was tasked with developing the process “introduction for new arrivals,” for the entire market area. By establishing a development group with employees from all local offices, this interdepartmental team took on the responsibility of discussing and suggesting activities for the upcoming year. The proposed activities underwent approval by the market area management group, followed by monthly assessments of progress. These evaluations involved ongoing discussions within the group, covering topics such as the vision and responsibilities, the prerequisites and resources necessary for achieving the vision, various developmental pathways and their outcomes, as well as challenges encountered in pursuit of the vision. Promoting interdepartmental collaboration made it feasible to establish a consensus on the development of work processes, all the while instilling a sense of responsibility among employees. Another essential factor was described as giving ownership and creating structures for addressing strategic questions:

They need to feel ownership; otherwise, they will feel stifled. [...] Daily operations can be compared to a whirlwind. As a manager, it is my duty to ensure that my employees can distance themselves from some of the whirlwind so they have the time and power to develop. This will guide us in the right direction. (Local office manager A, 2018)

If I, as a manager, state ‘this is the target’, then I will get no action in my team. They (employees) have to be involved in setting targets. When they get involved, something will happen. (Section manager C, 2018)

From these statements, we can argue that creating a culture built on ownership and trust might be just as important as fostering dialog and interdepartmental cooperation for an enabling usability of management control. As an employee, you will never feel assured relying on trial-and-error if the control system does not permit failure. As the new focus was on activities and demonstrating movement, employees needed to be able to try. Section manager B, with experience overseeing seven subordinate managers and 120 employees, explained that some employees were delighted by this “allowing” culture, whereas others found it intimidating. Some felt that they were left rudderless, without a manager telling them what to do and without a control system guiding their actions. These latter feelings highlight the drawbacks of too much flexibility and self-leadership in an organization.

In the process of repairing rules and standards by suggesting new activities, employees became aware of the importance of discussing and evaluating the effects of an activity, especially when employees had to choose among several. In Adler and Borys’ (1996) terms, a need for internal transparency arose. The problems of incomplete representation and the inability to link changes in one measure to a desired outcome are well-established in the literature (Hopwood 1972; Goold and Quinn 1993; Ittner and Larcker 1997). Kaplan and Norton (1996, 31–32) discuss how performance drivers without outcome measures may enable the organization to achieve short-term operational improvements but fail to reveal whether the operational improvements have been

translated into expanded business and strategy success. In the governmental agency, as we will see, the issue of incompleteness led to the realization that cause-and-effect relationships needed to be made explicit.

5.3.3 | Learning Through Cause and Effect: Toward Performance Indicators

The historically detail-oriented mentality focused on results without debating activities. In contrast, the strong emphasis on activities highlighted performance drivers without discussing output. To facilitate the transformation into a learning organization and enhance overall performance, it became imperative to establish a linkage between these performance drivers and the ensuing output. Drawing upon the framework proposed by Adler and Borys (1996), this necessitated fostering internal transparency and highlighting key components of processes while codifying best practice routines (cf. Ahrens and Chapman 2004). Within the context of local offices and sections, particular emphasis was placed on the necessity of evaluating and analyzing effects:

We have to be aware of what we are doing. What do we do to achieve a certain output? If we do it differently, will we get a better output? We need to increase awareness and pay attention to effects. (Section manager C, 2018)

We have to monitor various efforts. Did it produce the desired effect? If not, we must be willing to adjust and see if we could do things differently. (Local office manager A, 2018)

To achieve this, two critical factors emerged as essential: a continuous pursuit and evaluation of novel work procedures and the dissemination of effective ideas. In all sections, identifying best practices was of central interest. This involved defining steps, establishing minimum levels, and generating suggestions for improvement. One local office manager described how employees co-listen to each other when meeting customers to learn but also to propose how processes could develop and what they should look like. Another section manager described how constant challenges of work processes and reflections from the customer perspective kept everybody on their toes:

In one case, we recognized the time from identifying a customer until meeting them. It took almost three months. We asked ourselves, is it reasonable that a customer should wait three months? If they are identified, they want to start directly because then they are highly motivated. What do we do to shorten this lead time? So, we started to brainstorm and ended up shifting the whole work process, and we ended up at thirty-two days. (Section manager C, 2018)

Through trial and error, identification of best practices, and standardization of work processes, the offices were able to link causes to their effects. This search for internal transparency resulted in new knowledge of what efforts were effective in specific

situations. With this understanding, the program mix (tools and efforts to focus on) was tailored to the specific circumstances of each local office. Within the organization, managers started to talk about evidence-based knowledge.

To sum up: In a situation where employees concentrated on activities to repair work processes, a lack of understanding of the effects of certain actions created a need for performance information. As knowledge of cause-and-effect relationships of certain activities increased, evidence-based insights emerged, facilitating the standardization of work procedures.

5.4 | Increased Concern for Results

Considering the interviewee's statements and the evolution of documents like the operating plans, annual reports, and the strategy map, it is reasonable to assert that by the conclusion of 2016, the agency had successfully initiated some transformations. Detailed control had been replaced with a strategic management control tool that supported rather than restricted employees in their options for action (Ahrens and Chapman 2004). Employees at the operational levels were suggesting actions and improving work procedures. The two clear perspectives of the Renewal Journey—development and trust—gradually took shape as employees were granted more autonomy, simultaneously shifting the focus from results to action. This shift was notably reflected in the language used in various documents. For instance, in the 2015 Operating Plan, monitoring was discussed as a review of target agreements. However, in the 2016 Operating Plan, the same monitoring was described as a dialog focused on the managers' assessment of completed activities.

However, despite these changes, trust from politicians, the media, and society had not been fully restored. Market research indicated that PES remained the public agency with the lowest public trust in Sweden (Kudo 2016). Politicians requested clear results in the form of more people employed. In response to this request, the Monitoring Packet was introduced in the 2017 Operating Plan. This packet contained output indicators focusing on the benefits produced for customers and society:

In order to know how well we carry out, and have the means to carry out, our missions, we need knowledge of the results and effects of our operations. This can be captured at many different levels, but it's crucial that there is an agreement containing the most important results. [...] Earlier indicators have placed too much emphasis on existing documentation and evaluations and have not provided the management with enough material for monitoring. There is a need for continuous development work where the monitoring packet is complemented with measurements capturing efficiency, quality, legal certainty, and uniformity. (Operating Plan 2017)

The indicators in the new Monitoring Packet fell into two groups. The first group was supposed to be consistent over time, covering the agency's mission and strategic targets expressed in

the Renewal Journey. The second group of indicators was of a yearly character, covering transient operations expressed in the Annual Appropriate Directives. These indicators were set at the agency level for the whole organization and monitored monthly. Hence, the gap between actions and results, along with the demand for clear results from politicians and society, was addressed with the Monitoring Packet.

In the 2018 Operating Plan, the Monitoring Packet became even more comprehensive, now including a second document: "Compilation and Detailed Description of Target Levels." This new document sets target levels for all output indicators, expressed in solid numbers or proportions. The purpose of this detailed description was to express the expected development of results from a multiyear perspective. Hence, the document included specific targets for 2018, 2019, and 2020, but also output from 2013 to 2017 for comparison. Table 1 provides an example of strategic targets, conditions, activities, and output measures.

The introduction of the Monitoring Packet demonstrates how output control and results were once again "put on the table." Hence, bringing in the Monitoring Packet can be interpreted as a soft embrace of some of the old NPM ideas. The low level of trust from politicians and media forced top managers to lean once again toward tighter control and boost the significance of indicators and results as a means of demonstrating that "something was being done." Output targets needed to be reached, meaning that market areas, local offices, and sections were once again "measured against" indicators, and that indicators became binding. This concerned some of the local office managers:

At present, politicians once again expect results and delivery. I believe we need to stand up for the new way of managing and controlling our organization, which we have learned in the last two years. We risk ending up being micromanaged again. [...] We stand at a crossroad, and we have to be careful and handle this cautiously so as not to contaminate what we have built. (Local office manager B, 2018)

5.5 | Output Measures Pave the Way for Comparisons

As output measures were set, it became easier to evaluate market areas and the performance of local offices. Consequently, the dialog changed from a discussion of what activities to perform to a discussion of whether a certain local office exceeded, met, or fell short of its targets. However, identifying local office performance also meant that offices could be compared. This was highlighted in 2018 through the development of cluster networks. The premise was that local offices with the same kind of job market conditions were clustered, and their results were compared. Underperforming offices were supposed to contact high-performing offices to learn from them. However, as earlier studies have shown, comparisons and ranking can result in a movement toward the "average" rather than superior performance if average is being promoted as the norm (Llewellyn

TABLE 1 | Strategic targets, activities, and output measures introduced at the agency.

Strategic target expressed in the strategy map	Desired condition expressed in the strategy map	Activities expressed in the operating plan	Output indicators expressed in the Monitoring Packet (from 2017)
Proactive and sought-after partner	Employers and job seekers are pleased with our response and service	Build relations with local media Collaboration dialog with the municipality	Proportion of employers who use the agency as recruitment channel
Expert Agency	We have established an evidence based and customer driven workplace	Improve the basis for matching by quality assuring the dialog for planning Produce a gender neutral checklist and distribute it to all employees	Average time to recruitment and average time for unemployment (expressed in weeks)

and Northcott 2005). Local office managers expressed the same concern:

If we compare results between offices, firstly, we will end up with no development within the organization, and secondly, we will end up with local offices feeling worthless or brilliant without doing anything. This troubles me. If we want to improve as an agency, every local office needs to improve from its own position. However, if we say that everyone should achieve 45, then those who have already achieved 45 will say ‘fine, now we can stop’ and the others with a different job market situation will work themselves to death. This really troubles me. (Local office manager B, 2018)

5.6 | The End of the Journey: Traces of a Post-NPM Reform Attempt

In 2014, when the new director-general initiated the Renewal Journey, he proclaimed that the journey would span 7 years, concluding in 2021. The culmination of this journey became evident in the 2020 Operating Plan:

PES now enters the final phase of the Renewal Journey at the same time as the transfer of the positions that have started will continue. [...] The Renewal Journey will be finalized, meaning that the desired conditions expressed in the strategy map will be achieved before the end of the year. [...] The focus during the Renewal Journey on uniformity and legal certainty in all aspects will remain during 2020 at the same time as the resources of the agency needs to be used in a more efficient way. (Operating Plan 2020)

Up to this juncture, the advancement of the Renewal Journey had held a designated position within the operating plan. However, in

the 2020 Operating Plan, the political imperative to demonstrate results and “prioritize monitoring” was underscored once more and elucidated in statements like “In challenging circumstances, key policymakers anticipate enhanced outcomes and adherence to regulations.” The report continued

Forecasts need to be sufficiently exact to serve as a basis for control. [...] In 2020, this will be achieved by breaking down targets on all levels, thereby clarifying the common mission, as well as the common responsibility for delivering services of high quality at low costs. (Operating Plan 2020)

The changed focus and rhetoric in the 2020 Operating Plan signify the conclusion of the Renewal Journey and can be construed as a regression toward NPM. This shift is exemplified by the renewed emphasis on results and performance metrics, as well as the decomposition of central objectives within the organization.

In 2021, the Renewal Journey ceased to be referenced in the operating plan. Furthermore, neither the strategy map nor self-leadership was mentioned. The sole vestiges of the post-NPM reform attempt were found in the Monitoring Packet, replete with its output measurements, the cluster networks, and discussions regarding evidence-based knowledge and standardized work processes. The transformation and restructuring of PES exemplify a shift in accounting practices. Although measures persisted to some extent throughout the Renewal Journey, there was a discernible transformation in the approach to and application of these measures. The evolution unfolded from detailed top-down control and emphasis on output, transitioning through a phase of bottom-up collaboration and emphasis on activities, ultimately reverting to a predominant focus on top-down output control. The renewed emphasis on performance metrics and outcomes, along with the standardization of work processes, suggests that the room for flexibility once present under the Renewal Journey was gone.

6 | Discussion

PES illuminates the story of the rise and fall of a post-NPM reform attempt. More specifically, the study describes management control under post-NPM by following an empirical example of what happens when performance evaluation is replaced with trust-based management. The case reveals how the introduction of desired conditions, as an alternative to output measures, served as a means to redirect attention from NPM's emphasis on economic values, efficiency, and output and toward post-NPM's focus on public values, effectiveness, and outcome. This shift in focus from monitoring output to achieving actions placed a heightened emphasis on making things happen. Simultaneously, it empowered local employees to carry out their work in their most effective manner (Adler and Borys 1996; Jordan and Messner 2012). Consequently, the new management control system resulted in *flexibility* and *repair*—two of the core characteristics of enabling control—as local actors became able to modify and adapt the system by interpreting conditions and suggesting how to achieve these conditions (Ahrens and Chapman 2004; Free 2007; Wouters and Wilderom 2008). However, the case also demonstrates how development was limited by the lack of information on results, causing frustration and impeding decisions and organizational progress. Hence, the case illustrates how local employees came to strive for standardization and the establishment of work procedures, pushing for information on results and output, that is, a reengagement with NPM tools.

The findings have several important implications. First, they provide a platform for understanding the limitations of, and in this case, the failure of a post-NPM reform attempt. The analysis suggests that a narrow form of incompleteness (lack of operationalization) (Islam, Adler, and Northcott 2018) can be problematic. Not because it hinders strategy implementation, as suggested by the normative literature (Kaplan and Norton 1996; Ittner and Larcker 2003), but since the lack of information on results makes us blind to the consequences of transformed work procedures. Hence, to bring about improvements, it is not enough to discuss actions—we also need to see results which will foster the use of performance indicators. In the government agency, the need for performance indicators was driven from the local level due to a lack of internal transparency—an important characteristic of enabling control (Adler and Borys 1996). The absence of performance indicators created room for flexibility, but no information was provided regarding whether a new method was better and more efficient than a traditional one. The same was true for situations where managers needed to decide among several activities. Which activity had the best output? That is to say, which activity led to employment for the most people? The demand for information fueled the pursuit of performance indicators and ultimately a soft embracement of NPM in 2021, as the introduction of performance indicators exerted pressure for increased monitoring. As we start to visualize through performance measurement, we can always measure more or do more with what we have visualized. As Miller (2001) comments, good or bad, accounting figures yields not only comparability and management at a distance but also stability and confidence. In PES, this became noticeable as measurements paved the way for comparisons of performance among local offices.

The findings also suggest that a narrow form of incompleteness, promoting flexibility and repair, may have advantageous implications for an organization in the midst of change. The objective of the Renewal Journey was to transform into a modern government agency. To tread this path, managers and employees needed to liberate themselves from traditions and “commence with a clean slate,” fostering the stimulation and improvements of work processes. For this purpose, skipping detailed control can prove advantageous. Jordan and Messner (2012) posit that incompleteness is non-problematic when users can employ performance measurements in a flexible manner, free from typical evaluation pressure. Islam, Adler, and Northcott (2018) complement this by demonstrating the connection between incompleteness and the role that performance measurement systems play in the implementation of an organization's strategy. More precisely, incompleteness is deemed unproblematic when managers perceive ongoing improvement activities related to strategic objectives are satisfactory. This study expands upon these findings by illustrating how incompleteness, manifested as a lack of operationalization, can be deemed acceptable when a culture that permits trial and error and encourages brainstorming about means rather than outcomes is central.

Analogies can also be drawn to the concept of “intelligent” accountability (Roberts 2009), where the emphasis on means rather than ends fostered active inquiry and collaborative learning, diverging from a focus on seeking praise and avoiding blame within the organization. Instead of promoting hierarchical accountability based on performance quantification, the Renewal Journey underscored a more reflexive form of accountability, “less certain of its truth.” This approach centered on active responsibility, a commitment to trust and empower subordinates, and developing an understanding of the consequences of the employees' actions for others, as well as their impact on the creation of public value (cf. Helle and Roberts 2023).

However, as work processes improve and become standardized once again, there is a tendency to demand information on results. This is evident in the case as performance indicators and evaluations gradually gained prominence during the Renewal Journey. Consequently, incompleteness, expressed as a lack of operationalization, can be suitable for organizations undergoing change as it fosters experimentation and encourages thinking “outside the box” in delivering public service to citizens. Nevertheless, when improvements have come about, management control needs to shift its focus toward evaluation and accountability.

Finally, the case raises another pertinent limitation associated with post-NPM-oriented governance: the challenge in establishing accountability. Without reporting results and what public values have been produced, it becomes hard to defend actions and how public resources are spent. Although a heightened emphasis on actions (i.e., intelligent accountability of government agencies) may contribute to organizational learning, it does not necessarily enhance democratic control and accountability to the electorate. Consequently, the abandonment of performance indicators may find justification in the fervent debate that portrayed NPM as a monster. However, without the measurement of performance, we will never know what public value has been generated. Roberts (2009) underscores this point as he recalls

that we cannot manage without transparency, as hierarchical accountability is necessary in order to detect cheating or local collusion. Therefore, in its extreme manifestation, as exemplified in this case, post-NPM-oriented governance is unlikely to instill trust in government organizations unless it demonstrates a heightened ability to present results and uphold hierarchical accountability. This finding is in line with earlier studies on trust-based management and the challenge of remaining faithful to the idea of trust when things go wrong and politicians want to handle the situation with regulations (Siverbo et al. 2024).

The implications derived from the aforementioned case study suggest that, for public sector organizations to transition effectively within post-NPM-oriented governance—moving toward an outcome-driven, efficient, and trust-in-professions approach—there is a pressing need for these organizations to implement hierarchical accountability in a more “intelligent” manner. Instead of discussing trust and formal control as substitute mechanisms, there is a need to delicately balance the enhancement of operational efficiencies with the maintenance of accountability to both elected officials and the electorate. The study proposes that we need to advocate for the ideas represented by the “old” NPM and complement them with new ones in the form of post-NPM, if we want to achieve both hierarchical accountability and public value simultaneously.

7 | Conclusion

This case study illustrates the challenges encountered when attempting to deviate from NPM by discarding performance measurements in favor of trust-based management—a move that ultimately proved unsuccessful. The case highlights the re-adoption of NPM tools, driven by employees’ difficulties in witnessing tangible results from transformed work processes at the local level, coupled with a broader challenge faced by the agency in demonstrating accountability to both politicians and the voting public.

For public sector organizations to move beyond the confines of NPM, it is crucial to understand both the underpinnings and constraints of post-NPM. Post-NPM represents a highly elusive concept (Reiter and Klenk 2019). It has been described as a “shopping basket” (Christensen 2012) and positioned as self-styled alternatives to NPM (Greve 2015). Therefore, it requires further clarification. Placing emphasis on core values and significant aspects of post-NPM governance innovations, such as holistic management, horizontal coordination, and collaboration, as well as outcomes, public values, and professional trust, aids in transcending the shopping basket analogy. Delving into management control within a post-NPM reform attempt and the possible challenges such an attempt may face, as I undertake in this article, assists in further delineating practical experiences of post-NPM reform attempts.

Steccolini (2019) contends that to contribute meaningfully to the enhancement of current practices and policies, there is a need to delve into the insights derived from observing accounting “at work.” In this case study, the focus lies on the adaptation of accounting practices to a post-NPM-oriented governance. The implications of the case suggest that for public organizations to

effectively transition toward the post-NPM emphasis on holistic management, horizontal cooperation, and an outcome-driven approach, they must establish a management control system that supports employees, enabling them to think innovatively and question habitual behaviors in delivering public services to the citizens. To achieve this, hierarchical accountability needs to be tempered down, and the emphasis should shift toward the collaborative construction of actions and outcomes. However, replacing performance measurements with trust-based management presents challenges in showcasing results and demonstrating, as well as defending, the allocation of public resources and the production of public value (Siverbo et al. 2024). Consequently, hierarchical accountability is essential. However, to foster transparency, flexibility, and repair, hierarchical accountability needs to be employed “intelligently.” Therefore, the relationship between hierarchical accountability and trust-based management is not binary. Instead, public organizations require elements of both trust and hierarchical accountability. As Roberts (2018, 2) suggests: “we cannot manage *without* transparency, we must also recognize that we cannot manage *only with* transparency if we are to use it intelligently.”

The case study contributes to the discussion of post-NPM as a new governance innovation by highlighting a prominent challenge faced by practitioners attempting to align with post-NPM-oriented governance. The challenge revolves around striking a delicate balance between enabling practices that encourage a thorough review and reconsideration of operations and maintaining hierarchical accountability. In the case of PES, the study illustrates how the organization struggled to find this equilibrium. The issue of diminished hierarchical accountability gradually reshaped the calculative practices within the organization, leading to the gradual reintroduction of performance measures, result-orientation, and hierarchical control. In the post-NPM literature, and particularly within the realm of trust-based management, trust and formal control serve as substitute mechanisms (Funck and Karlsson 2024; Siverbo et al. 2024). The findings of this study emphasize a nuanced understanding of the relationship, challenging the notion of a binary association. It suggests that ensuring the effectiveness of post-NPM attempts requires finding a means to integrate performance management and hierarchical accountability with trust and enabling control. Merely stating a break with NPM is insufficient for sustaining a change in current practices and policies. Instead, the study proposes that we need to strive toward a coexistence of trust and formal control if we want to achieve both hierarchical accountability and public value simultaneously. Rather than competing, NPM and post-NPM approaches should strive to complement one other.

Our findings are context dependent and specifically address one facet of post-NPM: trust-based management. Nevertheless, they add several novel insights to the discussion of post-NPM as a new governance innovation by presenting examples of why an organization, initially aspiring to evolve into a modern government agency in response to internal and societal demands, eventually reengages with NPM tools. Despite their initial intentions to distance themselves from NPM, the study underscores the complexities and challenges faced by organizations in sustaining a transformation. Still, it remains crucial for future researchers to delve further into the premises and limitations of post-NPM.

Exploring the conditions under which trust in professions and an outcome-driven approach can be reconciled with hierarchical accountability and control is an important avenue for continued investigation.

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Data Availability Statement

The data that support the findings of this study are available from the corresponding author upon reasonable request.

Endnote

¹ It may be in order to mention that transparency refers to different things in Roberts' (2009) discussion on intelligent accountability and in Adler and Borys' (1996) framework on enabling and coercive control. Roberts refers to transparency as more accounting and more control. In turn, Adler and Borys discuss transparency as holistic understanding of the organization and the consequences of our actions.

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Appendix A**Interviews Conducted and Documents Collected**

Interviews (9)	Date	Interviewee	Subject for the interview
	2015-11-06	Strategic manager	Renewal Journey, leadership philosophy, and strategy map
	2018-02-09	Market area manager	Renewal Journey, strategy map, and performance measurements
	2018-02-09	Market area controller	Renewal Journey, strategy map, and performance measurements
	2018-03-08	Local office manager A	Renewal Journey, strategy map, and performance measurements
	2018-02-27	Local office manager B	Renewal Journey, strategy map, and performance measurements
	2018-06-29	Section manager B	Renewal Journey, strategy map, and performance measurements
	2018-03-08	Section manager C	Renewal Journey, strategy map, and performance measurements
	2018-04-06	Section manager D	Renewal Journey, strategy map, and performance measurements
	2018-04-04	Section manager A	Renewal Journey, strategy map, and performance measurements

Documents (36)

Central agency documents

Control model of the agency 2018
 Documents of the organization 2018
 Documents of the Renewal Journey
 Budget basis 2017–2019
 Budget basis 2018–2020
 Operating Plan 2015
 Operating Plan 2016
 Operating Plan 2017
 Operating Plan 2018
 Operating Plan 2019
 Operating Plan 2020
 Operating Plan 2021
 Monitoring Packet 2017
 Monitoring Packet 2018
 Monitoring Packet 2019
 Monitoring Packet 2020
 Monitoring Packet 2021
 Strategy map 2016
 Strategy map 2017
 Strategy map 2018
 Strategy map 2019
 Strategy map 2020
 Annual report 2015
 Annual report 2016
 Annual report 2017
 Annual report 2018
 Annual report 2019
 Annual report 2020

Interim report regarding the Renewal Journey impact 2018
 written by the Swedish Agency for Public Management
 Final report regarding the Renewal Journey impact 2019 written
 by the Swedish Agency for Public Management

Market area documents

Operating Plan 2018 market area 08
 Team compass 2018 market area

Local office documents

Operating Plan 2018 local office A
 Operating Plan 2018 local office B
 Operating analysis 2017/2018 local office A
 Team compass 2018 local office B
