

Stockholm School of Economics
Department of Management and Organisation
Master Thesis 30 ECTS
Spring 2020

Working to Make Consultocracy Work

A Qualitative Study on the Use of Management Consultants in the Swedish Public Sector

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Abstract: The public sector has been subject to large reforms in which practices from the private sector have been adopted. With this development, the presence of management consultants has become normalised in the daily operations of government agencies. While critical scholars point to negative consequences related to the use of management consultants within the public sector, few empirical studies focus on the role of senior executives in this development. To address this gap, this qualitative thesis builds on 19 semi-structured interviews with Directors-General of Swedish government agencies. Through the lens of paradox theory and institutional work, we identify that the Directors-General face paradoxes related to the use of management consultants and engage in institutional work when responding to these paradoxes.

Keywords: Management Consulting, Public Sector, Institutional Work, Paradox Theory, Consultocracy

Supervisor: Frida Pemer

Foreword

The idea to this thesis was born when we found out that the creator of the well-known Porter's Five Forces, a model that has been present since day one of our business school studies, was involved in controversial consulting projects in Libya and a driving force behind the heavily criticised reconstruction of the Swedish hospital “Nya Karolinska” (Gustafsson & Röstlund, 2019).

Being students at a university often described as a “breeding ground” for management consultants, we started to wonder why we have had so little exposure to critical accounts of management consulting, and why we knew so little about management in the public sector. From these queries, we started to take interest in the public sector, its relationship to management consultants, and leadership studies, an interest that led us to write this thesis.

Acknowledgements

We would like to take this opportunity to thank our supervisor Frida Pemer, who has provided invaluable encouragement and guidance throughout the process. Thank you for making this process not only interesting and full of learning, but also fun!

Of course, this thesis would not have been possible to write without our interviewees. A sincere thank you for taking time out of your busy schedules to speak with us, and to your staff members for facilitating the scheduling process. We genuinely value your input to the study.

Finally, we would like to thank our friends and study peers who have provided us with feedback along the way and kept the motivation up despite the challenging time of lockdown and virus fighting.

Thank you!

Glossary

Consultocracy “A phenomenon in which often short-term, outsourced expert knowledge production is increasingly replacing the long-term work of civil servants and even politicians” (Ylönen & Kuusela, 2019: 242).

Director-General Responsible for government agency and accountable to the government. The Director-General has the highest authority within the agency and makes sure it delivers upon its mission while establishing internal control and bureaucracy (SFS 2007:515).

Government Agency Organisation in charge of carrying out policies from the government (Pollitt & Summa, 1997). The government gives the agencies directions, for example, in relation to their budgets, missions and goals (Regeringskansliet, 2020).

Institution Structure governing “the behavior and beliefs of individuals and collective actors by providing templates for action, cognition, and emotion” (Lawrence, Suddaby & Leca, 2011: 23) within a community. As such, institutions can be both formal and informal (North, 1990: 97), cognitive, normative and regulative elements (Scott, 2001: 48).

Management Consultant External consultant who can deliver a comprehensive portfolio of activities, for example, leadership development, change management and ICT development (Steiner, Kaiser, & Reichmuth, 2018). In this thesis, the word “management consultant”, “consultant” and “external consultant” are used interchangeably, unless otherwise specified.

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1. Introduction

1.1. Background

The use of Management Consultants (henceforth MCs) in the public sector has increased dramatically over the last decades (Riksrevisionen, 2018; van den Berg, Howlett, Migone, Howard, Perner, & Gunter, 2019). The public sector has grown to become a large client for global consulting firms, the third largest spender on consultancy services (FEACO, 2020), with spending of tax-money on consultants increasing concurrently (Saint-Martin, 2012). However, the role of external consultants in the public sector is not uncontroversial. While proponents suggest that consultants increase efficiency in the public sector (e.g. Steiner et al., 2018), critics point to a potential conflict between management practices from the private sector and public sector aims and practices (e.g. Kirkpatrick, Sturdy, Alvarado, Blanco-Oliver, & Veronesi, 2019). These incompatibilities are claimed to stem from their different operating models and purposes - the private corporation has profit as the goal and the organisation as the means to profit, whereas in the public sector, the organisation and its public service is the goal, and the funds the means to achieve it (Ehn, 2020; Ekonomistyrningsverket, 2014).

The complex and changing environment together with the need for increased efficiency is often used to explain the surge of MCs in public organisations, as consultants are used to support transformations and reforms (Saint-Martin, 2012, 2013; Raudla, 2013; Ylönen & Kuusela, 2019; Perner, Börjeson, & Werr, 2020). Historically, these reforms, often referred to as New Public Management (NPM) reforms have sought to create a more efficient public sector by mirroring the private sector, through the adoption of business-like work practices, ideals of marketisation, the corporatisation of government agencies (henceforth GAs), and increased contracting out (van den Berg et al., 2019). More recently, consultants have been discussed as “partners in governance” (Steiner et al., 2018: 485), and the increased involvement of MCs in the public sector has been linked to a transition to a so-called “service state” (Wanna, Butcher, & Freyens, 2009), wherein contracting out is perceived as the norm (van den Berg et al., 2019: 223).

Critical scholars have used the term “consultocracy” to describe the phenomenon whereby consultants from the private sector are replacing civil servants (Craig & Brooks, 2006; Sturdy,

2009; Ylönen & Kuusela, 2019). This development prompts a set of questions, particularly since research on the effects of this shift is still limited. In addition to highlighting the large amounts of tax-money spent on consulting services in the public sector, academics raise concerns related to weakening of accountability, knowledge erosion and power asymmetries arising in favour of private corporations (e.g. Furusten, 2020; Kirkpatrick et al., 2019; Raudla, 2013; Ylönen & Kuusela, 2019). These issues are important, not the least from a democratic perspective, since civil servants, traditionally responsible for the implementation of government policies, operate under a public accountability system, whereas MCs lack democratic legitimisation (Raudla, 2013). As global consulting firms increasingly assume important roles in the world of policy, governance and welfare, blurring the traditional boundary between what is public and private, further investigation into this phenomenon is motivated.

1.2. Research opportunity

While the extensive use of MCs in the public sector has been scrutinised by journalists (e.g. Ennart & Mellgren, 2016; Gustafsson & Röstlund, 2019; Mac Dougall, 2019a, 2019b) and prompted national audit offices to investigate the use of consultants within GAs (MacDonald, 2011; National Audit Office, 2016; Riksrevisionen, 2018), the topic has received relatively little attention from academics, especially within the field of management and organisation studies. Since many publications take the form of descriptive accounts (Kirkpatrick et al., 2019), or focus on national trends on an aggregate level (e.g. Saint-Martin, 2012, 2013; van den Berg et al., 2019), we identify a research opportunity on a micro-level as studies focusing on the actors involved in this development are missing. Specifically, we identify a knowledge gap related to how senior executives navigate this complex development and its potential discontents.

Moreover, literature on public leadership draws attention to the fact that senior executives of public organisations operate in an environment laden with contested problems and solutions. Attempts to solve these problems cannot necessarily be judged by stakeholders as right or wrong, but rather as good or bad due to their political and subjective nature (Head, 2008; Head & Alford, 2015; Rittel & Webber, 1973). Within this environment, the senior executives are subject to public scrutiny, and with every decision they make, negative media exposure can come as a consequence (Asplind, 2013). On that basis, our interest was drawn to how senior executives in the public sector handle

the use of MCs since their presence in the public sector is controversial; they can either be considered a problem, or as the solution to problems. Particularly, this thesis digs deeper into how Directors-General (henceforth DGs) in the Swedish public sector deal with potential issues arising with the increased use of MCs. Swedish DGs are suitable for this study since they have relatively large freedom to steer their government agencies, and thereby can impact the use of MCs and how their GAs are run (Asplind, 2013).

1.3. Purpose and research question

The purpose of this thesis is to generate a deeper understanding of how Swedish DGs handle the controversial use of MCs. Conceptualising the use of MCs and related consultocracy as institutionalised within the public sector, i.e. as normalised and taken for granted (see section 2.4.1.), we adopt a theoretical framework building on the theory of institutional work, to identify institutional practices, and paradox theory, specifically focusing on the complexities arising within the institution.

To guide the study, the following research question was developed:

What complexities do the Directors-General experience in relation to the use of management consultants and how do they engage in institutional work when navigating them?

To answer the research question, the study builds on 19 qualitative interviews with DGs in the Swedish public sector. In exploring this area, the thesis adds a unique leadership perspective to the relatively small body of research on MCs in the public sector. The paper also connects to a broader field of literature, as little attention has been given to actors leading public organisations (Andersen, 2010; Perner et al., 2020).

1.4. Delimitations and assumptions

To keep this study within the boundaries of a master thesis, the following delimitations are made. First, while the Swedish public sector is large, including GAs, local, regional, and national government, as well as public enterprises (Statskontoret, 2018), this thesis focuses on GAs as the purchasers of consulting services. Hence, consulting in public enterprises is not treated, nor is consulting for politicians or political parties. This delineation is further motivated by the GAs'

large budget responsibility and demonstrated large expenses on consulting services (van den Berg et al., 2019). Additionally, it is important to acknowledge that different GAs serve different functions in society. Hence, how each unique agency operates is highly contextual, depending on its mission and mandate (Statskontoret, 2019). These agency specific practices will not be the focus of this thesis. Rather, the attention is directed to the managerial role of the DG.

Furthermore, there are different types of consultancy taking place in the public sector, and scholars make different attempts to distinguish between them (Steiner et al., 2018). In line with Ylönen and Kuusela (2019), this paper does not aim to exclusively consider MCs in positions traditionally associated with management consulting, i.e. as strategic advisors to senior staff, but also consultants in other functions, since consultocracy can expand beyond the advisory of senior staff members (Furusten, 2020; Raudla, 2013; Ylönen and Kuusela, 2019). For this reason, we let the DGs themselves define the different types of consultants they use within their agencies. However, it is important to note that consultancy differs from traditional outsourcing, since expert-driven knowledge production is more closely related to the way in which society is governed and public organisations are steered (Ylönen & Kuusela, 2019: 242). Therefore, consultants providing contracting services such as maintenance of buildings are not included in this thesis.

Finally, we conceptualise the hiring of MCs and related consultocracy as an institution. This assumption allows us to focus on how the DGs act within this context and move beyond an attempt to “prove” that the institution, i.e. the use of MCs and related issues, exists.

1.5. Disposition

Following this introduction, the thesis is structured as follows: in chapter two we present our literature review related to the use of MCs in the public sector. The chapter also introduces the theoretical framework of institutional work and paradox theory. Chapter three presents the qualitative method and design of the study, discussing the interpretivist point of departure, the collection of interview data and subsequent analysis process. The empirical findings are presented in chapter four, followed by analysis and discussion in chapter five and six. Chapter seven concludes the thesis, by answering the research question together with a final discussion of the study’s limitations and suggestions for future research.

2. Literature review

This chapter presents the reviewed literature for the study. The first part of the chapter reviews the main perspectives on MCs and their contributions to client organisations. Following this initial overview, we turn to studies specifically focusing on the public sector. Throughout the review, we illuminate the research gap and the lack of studies focusing on how senior managers handle the involvement of MCs in their organisations, leading into the second part of the chapter in which we introduce the theoretical framework for the study, combining institutional work and paradox theory.

2.1. Literature on management consultants

Representing the development of research on MCs, three main paradigms can be identified in the literature: the functionalist paradigm, the critical paradigm, and studies focusing on contextual factors related to MCs (Pemer, Börjeson & Werr, 2014; van den Berg et al., 2019). While the functionalist and the critical paradigm mainly derive from the private sector, the contextual paradigm includes studies from the public sector.

2.1.1. The functionalist paradigm

In the functionalist paradigm, the underlying assumption is that consultants add value to the client's organisation (Kubr, 2002; Schein, 1988), by providing services related to analysis, change management, leadership and organisational change practices (MacDonald, 2011; Pemer et al., 2020). Within this perspective, the decision to hire MCs is explained from a transaction cost perspective, pointing to the rationality of hiring MCs to provide specific competence at a lower cost compared to developing the skills within the organisation (Momani, 2013; Pemer et al., 2014). Further, MCs are often described as “generator[s] and distributor[s] of new knowledge” (Thrift, 2005: 35), and the growth of the consulting industry can be related to an increased emphasis on new knowledge as critical assets for an organisation's success (Argote, McEvily, & Reagans, 2003; Haas, 2006; Furusten & Werr, 2005). The provision of new knowledge requires that the consultant brings an expertise which differs from the expertise of the client (Armbrüster, 2006; Gammelsaeter, 2002). Hence, from a functionalist perspective, consultants are often viewed as

“outsiders” with new knowledge or expertise (o’Mahoney & Markham, 2013; Sturdy, Clark, Fincham, & Handley, 2009) or as sources of innovation (Momani, 2013).

2.1.2. The critical paradigm

Within the critical paradigm, the rationality of hiring consultants is problematised, and there is a recognition that other factors such as “hidden agendas” or personal motivations may lead an organisation to hire MCs (Pemer et al., 2014; Sturdy, 2009, 2011; Sturdy et al., 2009). In fact, the critical perspectives suggest that the role of MCs is closer to being legitimisers; their purpose might be to reinforce an already established agenda, as such becoming tools in organisational politics (o’Mahoney & Markham, 2013; Saint-Martin, 2004). Lapsley and Oldfield (2001) suggest that consultants may be hired even in cases when their expertise is available within the organisation. For example, in order to facilitate change, the external consultants can provide a buffer for the decision maker and act as scapegoats in particularly radical or critical change projects. Additionally, authors in the critical paradigm argue that consultants are providers of unsubstantiated services (Jung & Kieser, 2012), whose presence result in costly and inflated projects with solutions poorly adjusted to the specific needs of the client (Kirkpatrick et al., 2019; Sturdy et al., 2009). Similarly, MCs are discussed in terms of salesmen of management fashions, who are part of creating demand for their own services by fuelling uncertainty, to which their methods are presented as remedies (Clark, 2004).

2.1.3. The contextual paradigm

A different strand of studies has focused on contextual factors influencing the use of MCs, such as organisational structures (Armbrüster, 2006), the purchasing process (Werr & Pemer, 2007), organisational cultures (Hislop, 2002), and institutionalisation (Furusten & Werr, 2005, 2009). More recent contextual studies shed light on the client side in the client-consultant relationship (e.g. Furusten, 2015; Pemer & Skjølvik, 2015, 2019; Pemer & Werr, 2013; Richter & Newiem, 2009). These studies bring attention to how client organisations approach their work with external consultants. For example, the level of uncertainty related to a project has been shown to effect how clients handle consultants, where highly uncertain projects lead to an emphasis on control and planning (Pemer & Werr, 2013). This insight is further underscored by Richter & Niewiem (2009) who conclude that the more complex the assignment, the more important the personal relationship

between consultant and client. Further, attention has been devoted to that client organisations have developed their purchasing function alongside the increased procurement of MCs (Pemer & Skjølsvik, 2016).

2.2. Management consultants in the public sector

The literature reviewed hitherto has drawn attention to what consultants contribute with, how they are viewed, and contextual factors influencing the use of MCs. Historically, the research has been heavily focused on the private sector, thus neglecting the public one. This section dives further into the use of MCs in the public sector.

On an aggregate level, the increased presence of MCs in public organisations has been related to political reforms and shifts in governance structures. While the presence of external consultants in the public sector can be traced back to the 1960's, the industry boomed during the last decades, following the NPM-era characterised by an ambition to increase efficiency of the public sector by using practices from the private industry (Saint-Martin, 2012, 2013). The surging demand for professionalism in turn created an opportunity for consultants to provide services responding to this shift. Critical voices have raised concerns about the influx of MCs in the public sector, focusing on policy consultants and their influence on strategic decision making (Craig and Brooks, 2006; Pollitt & Bouckaert, 2011; Raudla, 2013; Saint-Martin; 1998a, 1998b).

Empirical studies focusing on MCs in the public sector have mainly taken a macro approach, concentrating on national developments through comparative studies, analysing differences in consultancy use in relation to their political systems (e.g. Kirkpatrick et al., 2019; Saint-Martin, 2012, 2013; van den Berg et al., 2019). Such studies suggest that a more open political system results in a greater use of external consultants, whereas countries with a stronger civil service tend to rely less on consultants (Saint-Martin, 2012; Van den Berg et al., 2019). However, the dynamic and effects of the use of MCs in the public sector are largely unstudied, except for a recent surge following a call for empirical studies on organisational levels (Ylönen & Kuusela, 2019). These studies explore the consequences of increased presence of MCs in the public realm, the so-called consultocracy.

2.2.1. The concept of consultocracy

Paving the way for a research agenda on consultocracy, Ylönen and Kuusela (2019) explored the implications of the increased use of MCs in the Finnish public sector, defining consultocracy as the “phenomenon in which often short-term, outsourced expert knowledge production is increasingly replacing the long-term work of civil servants and even politicians” (Ylönen & Kuusela, 2019: 242). Ylönen and Kuusela (2019) highlight areas of concern in the consultocracy state: weakening of accountability, strengthening of instrumental rationality, monopolisation and privatisation of knowledge yielding dependencies, and erosion of tacit knowledge. Traditionally, accountability within government is described as “a system in which civil servants are accountable to the government, the government is accountable to the parliament, and the parliament is accountable to the people” (Ylönen & Kuusela, 2019: 251). This notion is challenged by the introduction of private actors, as the government is giving up part of their power through outsourcing. Relatedly, differences between instrumental rationality (associated with consultants) and bureaucratic morality (associated with civil servants) have been brought forward in the debate (Ylönen & Kuusela, 2019), based in an argument that consultants are governed by a different moral from civil servants (Horton, 2006; Lundquist, 1998; van der Wal, De Graaf, & Lasthuizen, 2008). While an archetypical consultant focuses on efficiency and monetary gains, civil servants are supposed to embody “fairness, justice, and equality in the treatment of citizens” (Ylönen & Kuusela, 2019: 254).

Further, criticalities related to monopolisation and privatisation of knowledge can create power asymmetries when information that was earlier public no longer is owned by the agency (Ylönen & Kuusela, 2019), an issue with democratic implications (Hodge & Bowman, 2006; Raudla, 2013). Additionally, concerns of power asymmetries arising between the external experts and the experts on subject matters of the public sector have been raised (Furusten, 2020; Furusten & Werr, 2012, 2016). If the organisations’ staff is unfamiliar with the models introduced by external consultants, the civil servants’ ability to evaluate the MCs contributions is reduced while management experts specialised on models and processes gain more power and influence of public processes (Furusten, 2020; Furusten & Werr, 2012, 2016). Moreover, dependencies on consultants have been shown to impact the tacit knowledge normally generated within the organisation, since information is no longer moving within the organisation’s structure in the same way, knowledge

transfers to the public employees is inhibited (Sennet, 2006). Further, vulnerabilities can arise in situations when external consultants, not the internal staff, have the best understanding of a work process, or even of the organisation (Furusten, 2020; Ylönen & Kuusela, 2019).

2.2.2. Recent studies on consultocracy

Relating to Ylönen and Kuusela (2019), recent studies on consultocracy address issues of bounded rationality (Read, Sanderford, & Skuzinski, 2019), knowledge dependencies (Wargent, Parker, & Street, 2020) and organisational efficiency (Kirkpatrick et al., 2019). Read et al.'s (2019) study of external financial analysts in the public sector highlights an interesting dynamic in which the consultant simplifies the complexity of his/her analysis to match the level of understanding of the end user, suggesting that a problematic knowledge gap between civil servants and the fiscal analyst exists. A similar rationale is presented by Wargent et al. (2020) who argue that while external consultants may add resilience to GAs “any added resilience needs to be weighed against the loss of both specialist knowledge (episteme) and tacit knowledge (techne) both of which are central to the re-production of public-private dependencies” (Wargent et al., 2020: 206). Adding to the body of research with a quantitative study is Kirkpatrick et al., (2019) who finds a positive relation between the use of MCs and organisational inefficiency, questioning one of the proclaimed contributions of MCs.

Taking a senior leader perspective, of particular interest to this paper, is a recent study by Perner et al. (2020) focusing on how tenure influences the tendency of senior executives in the public sector to hire MCs. The findings show that spending on MCs peaked in the fourth year of tenure, a pattern explained by linking implementation of change agendas to the use of MCs (Perner et al., 2020). While these findings indicate that senior leaders impact the use of MCs, it only offers a limited understanding of the realities of these leaders, as it reduces complex relationships to predictive factors. To summarise, the existing studies on consultocracy have provided some knowledge of the effects of MCs in the public sector, and highlighted that critical issues can arise.

2.2.3. Consultocracy as an institution

A different, but closely related stream of research has explained the increased presence of MCs in the public sector from an institutional perspective (Furusten, 2015; Furusten & Werr, 2005, 2009). From an institutional perspective, when a practice is institutionalised, it becomes cognitively accepted and practically taken for granted as lawful, thereby seen as legitimate (Meyer & Rowan, 1977). Jacobsson (2020) suggests that the use of consultants has been institutionalised within the public sector as the GAs strive to remain legitimate following the evolution of NPM. This debate is tied to a larger discourse on what constitutes a successful organisation (Ahrne & Brunsson, 2011). To illustrate, Jacobsson (2020) discusses two theoretical archetypes, with different sources of legitimacy, contrasting a traditional GA with a modern organisation. To be perceived as legitimate the GA needs to be perceived as modern, and modernity stems from mirroring the organisational structures of the private sector, which in turn also legitimises the use of MCs (Furusten: 2015, 2020; Jacobsson, 2020: 280), an argument which we will return to later in the thesis.

2.3. Summary of literature review

As outlined during this literature review, there has been a historical development of studies on MCs, expanding the knowledge on what they can contribute to organisations. Throughout this development, the majority of the attention has been given to the private sector while limited emphasis has been given to the public one, and debates on MCs in the public sector have largely been based on descriptive accounts not supported by robust empirical evidence (Kirkpatrick et al., 2019; Ylönen & Kuusela, 2019). However, when empirical studies have been conducted, the increased use of MCs in the public sector has mainly been studied on national levels, comparing different political systems, linking the phenomenon to NPM related institutional change (van den Berg et al., 2019). As a result, studies searching to understand this development on an organisational level are less common (Kirkpatrick et al., 2019), revealing a pressing gap in the current literature, as the decision to hire MCs is done at an organisational level, ultimately by senior executives (Ylönen & Kuusela, 2019). Against this background, we position our study with the consultocracy literature which focuses on studying the influx of MCs on organisational level. The different literature streams reviewed up until now are illustrated in figure 1 below.

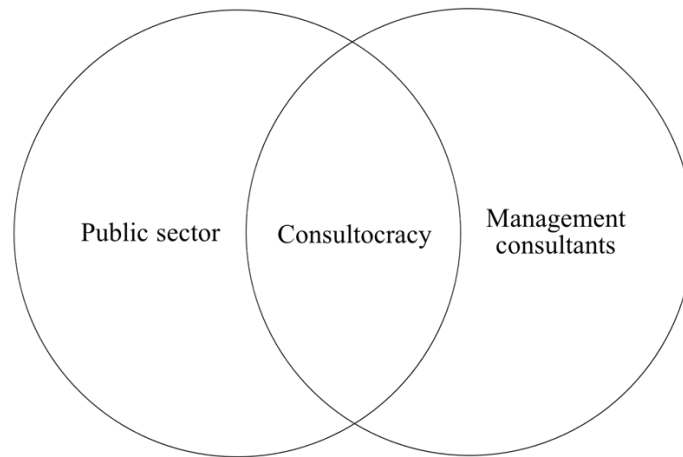


Figure 1. The reviewed streams of literature.

2.3.1. Research gap

Given the concerns highlighted in the burgeoning field of critical literature drawing attention to how MCs and consultocracy impact public organisations, we argue that this phenomenon deserves further exploration. Particularly, the critical research sheds light on changes within governments and government agencies, and pose critical questions related to governance and democracy. Further, the use of MCs has been related to the institutionalisation of behaviours enabling the use of external expertise (Furusten, 2015, 2020; Furusten & Werr, 2005, 2009; Jacobsson, 2020). When senior leaders in the public sector have been studied in relation to MCs, focus has been aimed at linking observable characteristics of senior executives to spending on MCs (Pemer et al., 2020). However, the role of DGs in consultocracy has not been studied through a qualitative lens, which we found surprising, given that these leaders have the potential to influence and change their organisations.

Building on the above reasoning, this thesis aims to contribute to fill the knowledge gap of how senior executives navigate this complex development and its potential discontents. To study this, we adopt a theoretical framework building on institutional work, to focus on practices which are part of upholding the institution of consultocracy, and paradox theory, contributing with a leader-centric view focusing on the complexities arising within the institution. This framework will be developed in the remainder of this chapter.

2.4. Theoretical framework

In this section we introduce our analytical lens, combining two theories: institutional work and paradox theory. The theory of institutional work provides us with a lens to study the action and practices that the leaders undertake within this institution. Paradox theory lends a complementary perspective on how leaders and organisations respond to competing demands inherent in organisations.

To clarify, we adhere to the view that institutions can be described as structures governing “the behaviour and beliefs of individuals and collective actors by providing templates for action, cognition, and emotion” (Lawrence et al., 2011: 23) within a community. As such, institutions can be both formal and informal (North, 1990: 97), cognitive, normative and regulative elements (Scott, 2001: 48). In this thesis, we conceptualise the use of MCs and consultocracy as an institutionalised practice, which has become normalised and taken for granted.

2.4.1. Institutional work

The theory of institutional work originates from institutional theory, which fundamentally is concerned with the relationships between organisations and their environment (Lawrence & Suddaby, 2006). Introduced by Lawrence and Suddaby in 2006, the theory of institutional work brings attention to the actor within the institution, and to “the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Lawrence & Suddaby, 2006: 215). Therefore, institutional work concerns “physical and mental effort[s] aimed at affecting an institution or set of institutions” (Lawrence et al., 2011: 53). Hence, the perspective moves beyond the institutional theories’ somewhat deterministic view on how institutions affect organisational actions and turns to how the individual affects institutions (Lawrence, Suddaby, & Leca, 2009). Adding to the perspective is the concept of institutional strategy (Lawrence & Suddaby, 2006) which points to “patterns of organizational action concerned with the formation and transformation of institutions, fields and the rules and standards that control those structures” (Lawrence, 1999: 167), providing the foundation to the theorisation on institutional work.

2.4.1.1. *Institutions as located in practical actions*

As a practice theory, institutional work points research toward what people *do* in organisations as they engage with their surroundings (Jarzabkowski, 2004). As such, it emphasises the “knowledgeable, creative and practical work of individual and collective actors” (Lawrence & Suddaby, 2006: 219) that enables the maintenance or transformation of institutions (Willmott, 2011). Thereby, the perspective “connects the micro-level activities and macro-level effects of what individuals accomplish at work” (Smets & Jarzabkowski, 2013: 1304). Thus, institutions are described as located in practical actions (Barnes, 2011). Indeed, the perspective emphasises a duality between actors and their environment, elaborating on debates of human agency versus social structures, viewing actors as embedded with agency (Battalana & D’aunno, 2009; Willmott, 2011).

While we acknowledge that the concept of embedded agency is contested and subject to academic debate (see Seo & Creed, 2002; Willmott, 2011), we adhere to the perspective of institutional work which neither conceptualises organisational actors as fully rational, nor as fully subsumed under the institution (Lawrence & Suddaby, 2006). Therefore, while the main attention is given to the actors in the institutions, the environmental, political and social contexts are not neglected in the perspective (Beunen, Patterson, & Van Assche, 2017), a reflection of the recognition that “action which is aimed at changing the institutional order of a field occurs within sets of institutionalized rules” (Lawrence & Suddaby, 2006: 220). This reasoning relates to discussions on legitimacy, and in line with neo-institutionalist theory, legitimacy is gained through adoption of institutionalised practices (e.g. DiMaggio and Powell, 1983, 1988; Meyer & Rowan, 1977). For example, when institutions are pressured by the external context, intelligent responses (i.e. institutional work) are required to remain legitimate (Beunen et al., 2017).

2.4.1.2. *Actions maintaining, creating and disrupting institutions*

Within the framework of institutional work, different types of institutional work have been discussed as contributors to institutional creation, maintenance and disruption (Lawrence & Suddaby, 2006: 221). While different scholars use different labels to describe different types of institutional work, creating practices have largely been related to actions to reconstruct rules and boundaries, reconfiguration of belief systems and “actions designed to alter abstract categorisation

in which the boundaries of meaning systems are altered” (Lawrence et al., 2009, 8). For example, institutional work leading to the creation of an institution can be related to the education of actors to support institutional transformation (Lawrence & Suddaby, 2006; Lounsbury, 2001; Woywode, 2002), and boundary definition of rule systems that confirm status (Fox-Wolfgramm, Boal, & Hunt, 1998; Lawrence & Suddaby, 2006).

Maintenance work focuses on activities maintaining institutions, recognising that maintenance is required for an institution to remain effective (Lawrence & Suddaby, 2009). The focus on how actors maintain institutions challenges the view that reproduction of institutional orders is a passive act reinforced only by regulations. Rather, institutional continuity is achieved thanks to the active labour supporting it (Beunen et al., 2017; Lawrence et al., 2009). Studies drawing attention to how institutions are maintained present activities such as the creation of rules which support and facilitate the institution, i.e., enabling work (Lawrence & Suddaby, 2006; Leblebici, Salancik, Copay, & King, 1991), enforcement of compliance, i.e., policing (Fox-Wolffgramm et. al, 1996; Lawrence & Suddaby, 2006), and embedding of norms to everyday routines (Lawrence & Suddaby, 2006; Townley, 1997; Zilber, 2002).

Activities associated with disruption of institutions relate to work intended to “undermine” institutional arrangements. Efforts related to disruption strive to change what is “taken for granted”, for example by disconnecting practices from the current context by altering of rewards and sanctions and disconnecting them from their moral foundation (Jones, Andrew, & Maccoll, 2006; Lawrence & Suddaby, 2006; Leblebici et al., 1991; Wicks, 2001).

2.4.1.3. *Unintended institutional work*

Since the original definition of institutional work emphasises the purposiveness of action in relation to its intended outcomes (Song, 2019), unintended forms of institutional work have been given less attention (Lawrence et al., 2009; Lawrence, Leca, & Zilber, 2013; Smets & Jarzabkowski, 2013; Zietsma & Lawrence, 2010). Following Smets and Jarzabkowski (2013), we adhere to the view that institutional work that creates, maintains and disrupts institutions can occur without the explicit vision to change or maintain an institution. Rather, when accomplishing their practical work, actors “may end up reconstructing the current institutional order” (Smets & Jarzabkowski, 2013: 1304).

A closely related concept concerns unintended consequences of institutional work. When actors engage in efforts to change institutions, their actions will be shaped by the already established institution and accepted norms, which can yield unintended outcomes (Song, 2019). For example, McGaughney (2013) illustrates that when actors aimed to change an institution through rhetoric, the already established institution was strengthened instead. Conversely, the dialectical relationship between the institutional work and the institution can transgress institutions, despite the actors' intent to maintain them, since the maintenance work may be adjusted in line with accepted norms to remain legitimate (Singh & Jayanti, 2013; Song, 2019). Further, it is worth noting that unintended consequences are not by default negative, yet unwelcomed since they contradict the intent of the actor's action (Pierson, 2000; Smets & Jarzabkowski, 2013; Song, 2019).

To summarise, the theory of institutional work draws attention to the recursive relationship between institutions and actions that create, maintain and disrupt their existence. This relationship is visualised in the figure below.

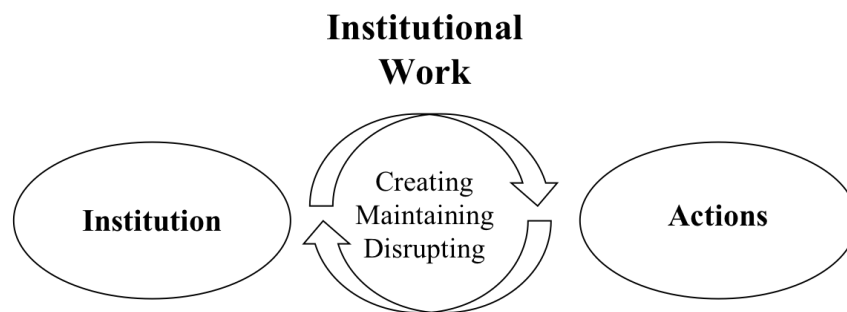


Figure 2. The recursive relationship between actions and institutions.
Inspired by Lawrence et al. (2009) and Beunen et al. (2017).

2.4.2. Paradox theory

While institutional work draws attention to how actions affect institutions, we recognise that the environment in which the DGs operate is characterised by complexity and contradictions. This complexity is largely overlooked in institutional work; therefore, we turn to paradox theory as a complementary lens. The perspective helps us to get closer to the DGs and their lived experiences, since it encourages the identification of tensions induced based on the leaders' sensemaking (Smith & Tracey, 2016). Paradox theory thus enables theorisation beyond conclusions that all tensions

experienced by the DGs are institutionally derived, allowing for more complex analysis related to their role as managers (Smith & Tracey, 2016).

The core concept of paradox theory is described by Smith and Lewis (2011: 387) as “contradictory yet interrelated elements (dualities) that exist simultaneously and persist overtime; such elements seem logical when considered in isolation, but irrational, inconsistent and absurd when juxtaposed”. Paradox theory emphasises the complexity of logic incompatibilities, suggesting a contradicting yet interdependent relationship between different courses of action (Besharov & Smith, 2014; Smith & Lewis, 2011). The contradiction stems from the opposition of two elements and their interdependence stems from their mutual constitution. Hence, paradoxical dilemmas cannot be resolved by choices between one or the other. Rather, “a thesis and antithesis change to form a synthesis which becomes a new thesis for a new antithesis” (Smith & Tracey, 2016: 458).

Paradoxes can arise in different areas, relating to both leadership behaviours and organisational phenomena (Pearce, Wassenaar, Berson, & Tuval-Mashiach, 2019). For example, paradoxes can stem from conflicting demands of actors inside and outside the organisation (Donaldson & Preston, 1995), short-term and long-term perspectives (Andriopoulos & Lewis, 2009; Smith & Lewis, 2011; Tushman & o'Reilly, 1996; van der Vegt & Bunderson, 2005) or choices of exploration or exploitation (Andriopoulos & Lewis, 2009; Smith, 2014). Recent theorisation develops the concept of *nested paradoxes* (Pearce et. al, 2019) as paradoxes and tensions which reside on several organisational levels (Fairhurst et al., 2016; Putnam, Fairhurst, & Banghart, 2016), interrelated in complex webs, potentially spurring more tensions (Schad, Lewis, Raisch, & Smith, 2016). Further, Waldman and Bowen (2016) argue that leadership behaviour is nested within an overarching paradox of short-term versus long-term orientation, which in turn generate paradoxical relationships within the organisation.

2.4.2.1. Meta-paradoxical leadership

Building on the recognition that leaders operate within an environment surrounded by paradoxes, Pearce et al., (2019) introduces the concept of *meta-paradoxical leadership*, suggesting that to use a meta-paradoxical approach means to manage several paradoxes simultaneously. Within this perspective, paradoxes are considered as challenges *and* opportunities. While research on how to handle paradoxes is nascent, strategies largely concern the shifting of mindsets from either/or

solutions to both/and solutions. By living with and accepting paradoxes in “workable certainties” (Lewis & Smith, 2014; Smith & Tracey, 2016), leaders are encouraged to take an integrative view of their organisation (Schad et al., 2016).

2.4.2.2. *Central concepts in paradox theory*

To summarise, paradox theory draws attention to how organisations can meet contrasting demands and suggest that paradoxes are inherent in organisations. The table below provides an overview of the theoretical concepts central to paradox theory.

Table 1. Central concepts in paradox theory.

Types of paradoxes	
<i>Focal Paradoxes</i>	“Contradictory yet interrelated elements (dualities) that exist simultaneously and persist overtime; such elements seem logical when considered in isolation, but irrational, inconsistent and absurd when juxtaposed” (Smith & Lewis, 2011: 387)
<i>Nested Paradoxes</i>	Paradoxes interrelated related to other paradoxes in complex webs (Pearce et al., 2019)
Responses to paradoxes	
<i>Defensive</i>	“Cognitive, behavioral, or institutional resistances that seek to temporarily avoid or reduce the negative effect of tensions” (Lewis & Smith, 2014: 133)
<i>Strategic</i>	“Management strategies that seek to engage competing forces” (Lewis & Smith 2014: 133)
Leadership approach to paradoxes	
<i>Meta-paradoxical approach</i>	Considering multiple paradoxes at the same time (Pearce et al., 2019: 32)

2.4.3. Theoretical synthesis

Together, these two theories provide us with a comprehensive framework to analyse the data, offering complementary views. As has been discussed, institutional work enables us to look at the senior leaders’ strategies within the institution and their relation to the institution of consultocracy. Paradox theory contributes to the study by shedding light on the competing demands characterising the leaders’ environment. This addition allows us to turn to the leaders to surface tensions as experienced by them. Specifically, it enables us to look at conflicts not only from the view of institutional logics, where conflict is seen as arising from different “set[s] of assumptions and values, usually implicit, about how to interpret organizational reality, what constitutes appropriate behavior, and how to succeed” (Ocasio & Thornton, 1999: 804). Instead, we can focus on tensions

that are inherent within organisational systems (Smith & Tracey, 2016), taking a more dynamic view on the conflicting demands. In combining these two theories, the framework also corresponds to a call for research combining the two perspectives, to show their compatibleness (Smith & Tracey, 2016). The figure below illustrates the relationship between the reviewed literature and theories, and the positioning of this study.

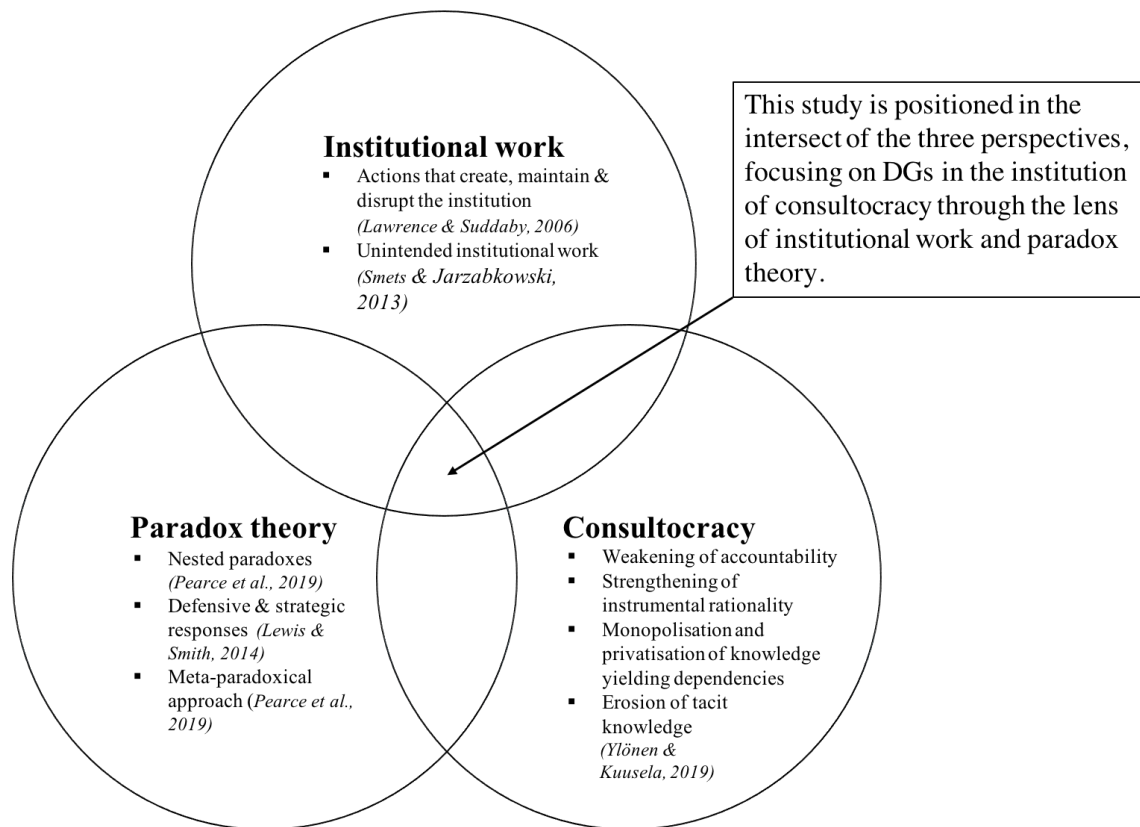


Figure 3. The combined literature and theories.

3. Method

This study takes the form of a nested case study (Pershina, Soppe, & Thune, 2019) with the primary data gathered through qualitative interviews with DGs in Swedish GAs. This chapter describes the design and execution of the study, elaborating on the research approach, data collection and data analysis. Moreover, as will be developed throughout the chapter, we adopt the “Gioia methodology” to ensure qualitative rigour, and part of rigour is an extensive and transparent methodology section, as will be presented in this chapter (Gioia, Corley, & Hamilton, 2013).

3.1. Research approach

To recapitulate, this study sets out to answer the research question: *What complexities do the Directors-General experience in relation to management consultants and how do they engage in institutional work when navigating them?*

Since the thesis aims to focus on “how” things are, rather than explaining the “what” (Bell & Thorpe, 2013), we take an interpretative stance to the studied phenomenon (Burrell & Morgan, 1979).

3.1.1. Philosophical perspective

The study adheres to a constructionist ontology with an interpretive view on knowledge creation, where meaning is generated through interpretation (Myers, 2009). As such, the idea that the world is socially constructed creates the philosophical foundation of the paper; in order to understand what is going on in an organisation, focus needs to be directed to how the members construct and make sense of their experiences (Berger & Luckmann, 1966; Gioia et al., 2013; Weick, 1979). Given that the interest of the study is on gaining a subjective understanding of the phenomenon through the DGs’ perspective, a qualitative approach was taken (Slevitch, 2011). In essence “the stress is on the understanding of the social world through an examination of the interpretation of that world by its participants” (Bryman, 2012: 390), and the research strives to be true to the informant’s experience while at the same time present evidence systematically in a scientific manner (Gioia et al., 2013). By taking an interpretative stance, the aim of the study is not generalisation of the findings, as in positivistic research (Bell & Thorpe, 2013), but rather to yield

a deep understanding of the studied phenomenon (Piekkari & Welch, 2018). Further, we adhere to the view put forth by Gioia et al. (2013) viewing the interviewees as “knowledgeable agents” who can articulate their intentions, actions and thoughts.

3.1.2. Nested case study design

The study uses a nested case study approach (Pershina et al., 2019; Thomas, 2011) meaning that we are looking at the phenomena as integrated in a holistic manner. This means that while each government agency, and DG, can be argued to operate in specific contexts, certain elements are present in all of them, and it is these elements that are of interest in the study. In explicit, the DGs are considered to form a nested case since they all lead GAs that are using consultants, and act under the same governance structure. Thus, the study does not focus on comparing between the different cases as in a comparative case study (Yin, 2009), nor does it look at how the phenomena has changed over time as in a process case study (Thomas, 2011). Instead, the focus lies on general practices seen from the DGs’ perspectives, and comparisons are done between nested elements within the wider case (Thomas, 2011).

Although case studies historically have been associated with positivist approaches, wherein the case study has been considered a vehicle to yield hypotheses to be tested and findings to be generalised (e.g. Eisenhardt, 1989; Yin, 1984), more recent scholars propose the use of case studies in interpretivist research (Piekkari & Welch, 2018; Stake, 2005; Thomas & Myers, 2015; Welch et al., 2011). Following this strand of researchers, we view the case study as an “in-depth investigation of a phenomenon in its context” (Piekkari & Welch, 2018: 357) allowing for a deeper understanding of the studied phenomenon (Piekkari & Welch, 2018).

The picture below visualises how the research approach of the study connects to the nested case study design.

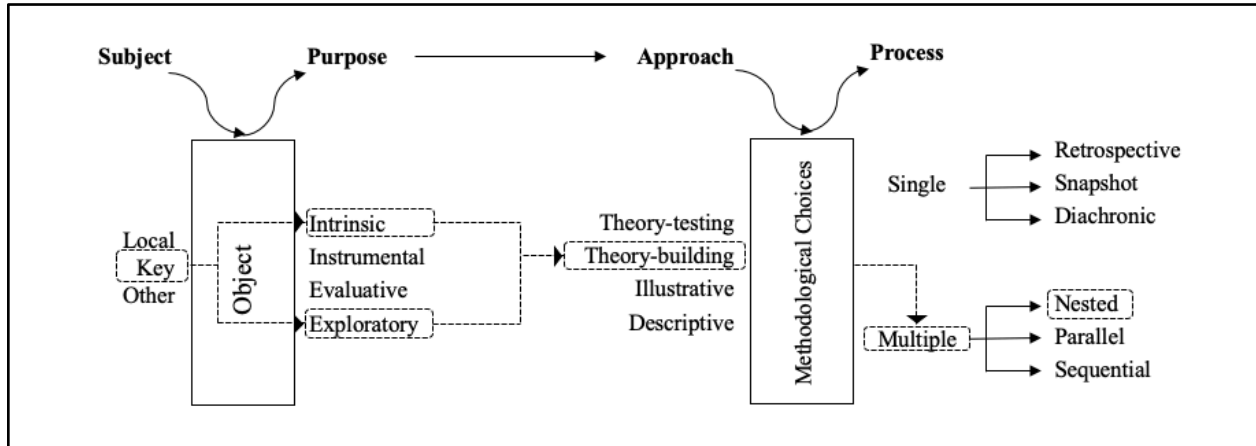


Figure 4. Thomas' (2011) "Typology of a case study" marked with the research approach of this thesis.

3.2. Research context

Building on the case study design, this subchapter elaborates on context-specific factors of substance to understand the research setting.

3.2.1. The Swedish public sector

The Swedish public sector spends approximately 900 billion SEK annually, 15-20% of Sweden's GDP (van den Berg et al., 2019). High tax, generous social security, and a state-centred political culture characterises the welfare state Sweden (Jacobsson, Pierre, & Sundström, 2015). Another noteworthy feature of the Swedish system is the "principle of public access to official records" (*Sw. Offentlighetsprincipen*), requiring public organisations to make their documentation public (Justitiedepartementet, 2019).

Beginning during the 1980's, the Swedish public sector has been subject to a range of NPM-related reforms related to marketisation and privatisation, which infused a stronger focus on quantitative measures, transparency, and efficiency (Jacobsson et al., 2015; Sundström, 2015). Alongside these reforms, spendings on consulting services increased (van den Berg et al., 2019), amounting to approximately 12.6% of the Swedish GAs' total spending on staff in 2017 (Riksrevisionen, 2018).

3.2.2. The role of Director-General in a government agency

Most Swedish civil servants are employed by Sweden's 220 GAs, responsible for presenting proposals and assisting the government with policy implementation (Regeringskansliet, 2020; Statskontoret, 2019). The DGs are the managers ultimately in charge of the GAs, who are given a relatively large mandate in steering their respective organisations. While the government stipulates the goals, objectives and budget for the GAs, the GAs operate autonomously. This autonomy is protected by the prohibition of "ministerial rule" (Sw. *Ministerstyre*), meaning that the government must not intervene in the agency's activities or decisions. In turn, the DG of a Swedish GA holds a lot of power. Drawing on Asplind (2013), van den Berg et al. (2019: 179) note that the DGs have "the mandate to initiate large change initiatives, appoint members of the top management teams and influence organisational structures, performance measurement and reward systems, as well as the working climate in their agencies". Regarding the hiring of consultants, the decision ultimately rests with the DGs (van den Berg et al., 2019) who are utmost responsible for the agency's performance and strategic direction.

3.2.3. The public procurement act

The purchasing of consultancy services in the Swedish public sector is regulated by the Public Procurement Act (PPA) (LOU 2016:1145). Following EU directives, the PPA regulates principles, processes, and documentation requirements for public procurement (EU Directive 24/2014). The purpose of the PPA is to increase transparency, correctness and competition, and to reduce the risk of corruption in the purchasing process (van den Berg et al., 2019: 183). The PPA also stipulates that tenders (need specifications) must be put on the public market with the intent to collect bids, to ensure that the buyer-seller relationship is objective (van den Berg et al., 2019).

3.2.4. Suitability of research context

The Swedish public sector is a unique context, suitable for studying how DG's manage consultocracy related risks since a) the GAs heavily utilise consultancy services and b) the DGs have a rather large mandate to impact how their agencies operate. These factors make the setting suitable for the empirical study since it forms an illustrative case, allowing us to shed light on how DGs navigate within the institution of consultocracy.

3.3. Data collection

This section elaborates on the data collection of the study, describing the participants of the study, the interview format and related ethical considerations. As has been elaborated on, the thesis aims to understand the DG point of view of the topic, and consequently the interviewees are DGs in Swedish GAs. The primary data for the study was collected through a total of 19 semi-structured interviews in order to collect a rich sample. Due to the Covid-19 crisis¹, two scheduled interviews were postponed and eventually cancelled.

3.3.1. Selection of participants

Following a purposive sampling approach (Bryman, 2012) the DGs were selected based on two selection criteria: (1) their position, and (2) the GA's previous spending on MCs, since use of consultants in the agencies was an essential criterion for the research question to be addressed. The selection was done by looking at statistics of GAs' spending on MCs during 2011 (van den Berg et al., 2019). This was the latest available data, since statistics and reporting on spending on MCs is fragmented and, in many cases non-existent (Riksrevisionen, 2018). Thus, we were not able to get any newer statistics at this stage of the study.

In the sampling stage, educational/academic GAs were excluded, since their governance structure differs significantly from other GAs. In accordance with the Higher Education Act (SFS 1992:1434), they are led by a board, which curtails the autonomy of the DG (SOU 2015:92), making their leaders less suitable to participate in the study.

As introduced, the data consist of answers from 19 respondents. Of these, 16 are DGs and three acting DGs. While details of each individual cannot be explicated for anonymity reasons, it should be noted that all interviewees have significant experience from working in senior positions within the public sector, in which many have worked their entire career (20-30 years). One third of the respondents has been DG of another agency before their current posting. All in all, the sample

¹ The COVID-19 crisis refers to a global pandemic which forced cities and countries across the world to impose lock-down and social distancing throughout the spring of 2020 (WHO, 2020).

represents a senior and mature cohort with vast experience from leadership positions within the public sector.

3.3.2. Semi-structured interviews

Semi-structured interviews were chosen for their combination of structure and flexibility, which allow for “rich, detailed answers” (Bryman, 2012: 470), that take into account the context and the human acting in it (Stake 1995; Welch et al., 2011). Furthermore, semi-structured interviews give an opportunity to include both past and current perspectives of the studied phenomenon (Gioia et al., 2013).

The interviews followed an interview guide (appendix 1 & 2), carefully created around three themes and discussed together with our thesis supervisor² to make sure that it included related issues, was thorough, and did not include leading questions. The interview guide was designed during a more exploratory stage of the study, and the questions in the interview guide were therefore open and broad rather than specific. This was a conscious decision to avoid imposing theoretical terminology and our own predetermined understandings on the lived experience of our interviewees (Gioia et al., 2013).

Following the semi-structured format, the interviewees were encouraged to discuss freely, and the interviewers focused on following the discussion rather than sticking to the pre-written interview (Bryman & Bell, 2015). Nevertheless, the interview guide ensured that focus remained on the themes to enable later comparability between the answers (Bryman & Bell, 2015). This means that not all questions were explicitly posed to every interviewee, but all topics were discussed.

3.3.3. The interviews

To make sure that as many DGs as possible would be able to participate in the interview, the time requested was 45 minutes, yielding interviews between 40-50 minutes. In one case, the DG only

² The supervisor for this thesis is Frida Perner, Docent and Associate Professor at the Department of Management and Organization and House of Innovation at SSE. Her research centers on digital transformation, professional services, and the buyer-supplier relationship (SSE, 2020).

had 30 minutes, resulting in a shorter interview. Most of the interviews were conducted at the DGs' offices, but for logistical reasons five interviews were carried out over Skype. The ambition was for both authors to be present during all interviews, which was possible in most cases. In the four cases when this was not possible, the other author transcribed the audio to ensure both authors' familiarity with the data. For an overview of the conducted interviews, see appendix 3.

The first three interviews were used to test the interview questions and the identified research topics (Yin, 2010). The interviews were evaluated on whether the interviewees could see that studied phenomena existed and felt relevant in the studied context. Following the flexibility encouraged by Gioia et al. (2013), the initial interview protocol (appendix 1) was adjusted during the process. The result of the evaluation after the three first interviews was that instead of "management consultants", the word "consultants" was used, and the DGs were encouraged to define different types of consultants in their own words. This adjustment was done since the DGs initially adhered to a narrow interpretation of the term, focusing only on strategic advisory for senior managers. However, during the interviews it became obvious that MCs could be found in other areas of the organisation. Moreover, in the second interview guide (appendix 2), the order of the questions was rearranged to generate a better flow of the conversation.

To avoid miscommunication and create rapport (Andrews 1995; Tsang, 1998), the interviews were conducted in Swedish, the native language of both interviewers and interviewees. This enabled us to pick up on and use the DGs' own language and stay close to their own experiences (Gioia et al., 2013). Consequently, the data presented in the thesis has been translated by the authors. Translation was conducted first after the analysis, yet again to allow closeness to the data. During this process, the authors discussed the translations between each other, to ensure that attention was given to accuracy and intended sentiment. The data in original language can be made available upon request.

3.3.4. Additional information gathering

To prepare for the interviews, background information was gathered about each DG via online newspapers, websites, LinkedIn and publicly available resumés. In order to get a deeper understanding for the studied context, we also met with four consultants working towards the public sector and participated in a workshop on consulting for the public sector. We also

interviewed Staffan Furusten, Director of Stockholm Centre for Organization Research (Score), who is specialised in the organisation of the public sector and the role of consultants. While these interviews and activities are not part of the analysed data, they contributed to a broader knowledge and understanding of the field.

3.3.4.1. Quantitative data

In a report from 2018, the Swedish National Audit Office asserts that the spending on MCs in Swedish GAs remain large (Riksrevisionen, 2018). However, to support this paper's conclusions and strengthen the arguments presented during the interviews, each interviewee was asked to provide supporting figures on their GA's spending on MCs. Following the principle of public access to official records, the GAs are obliged to provide these numbers. While the DGs were accommodating to this request, all GAs could not provide this type of data. Among the agencies that could provide data, it was often unstructured and hard to interpret. For example, the expenses were included in the same account as other types of outsourcing, making distinction difficult. Since it was impossible to analyse and compare the data to previous figures, we chose not to add them to the study. However, the fact that the numbers are lacking and difficult to compare will be returned to in chapter four.

3.3.5. Ethical considerations

Throughout the research process, ethical considerations have been paramount. Following Qu and Dumay (2011), special attention was given to concerns of consent, anonymity and confidentiality, data handling, and disclosure of research intent. Taking this into consideration, we informed the participants of their guaranteed anonymity, disclosed the intentions of the study and informed them on how the data would be handled before the interviews commenced (see appendix 4). The participants volunteered to participate and consented to us recording the interview. Further, all interviewees had access to our contact details, and were encouraged to contact us in case of further questions (Bryman, 2012).

3.3.5.1. Anonymity

To ensure the collection of high-quality information reflecting the reality, the informants were provided with anonymity (Gioia et al., 2013). Since the DGs work in politically sensitive positions,

it was critical to ensure the interviewees that they would remain anonymous in order for us to gain access for the research. Moreover, there is a limited number of DGs in Sweden making them easy to identify. Thus, we emphasised diplomacy and discretion during the research process (Gioia et al., 2013). Nevertheless, confidentiality or veto power has not been provided to the DGs, except for data communicated as confidential (Gioia et al., 2013).

3.4. Data analysis

3.4.1. Research reasoning

The research started off as an inductive study without any set theoretical framework, but throughout the process became more abductive as the empirical data was considered in parallel to existing theory (Alvesson & Kärreman, 2007). The abductive approach allowed for the emergence of theoretical insights that would not be seen by only looking at the data itself (Gioia et al., 2013) and contributed to a “fresh conceptual understanding” (Welch, Piekkari, Plakoyiannaki, & Paavalainen-Mäntymäki, 2011).

3.4.2. Analysis process

All interviews were transcribed throughout the data collection phase to make sure no data was lost after the interviews. Further, we worked simultaneously with data collection, transcriptions and analysis, allowing concepts to emerge and inform the data collection process, to ensure progress in the interview process (Gioia et al., 2013). Following the Gioia methodology (Gioia et al., 2013), the data was processed in first- and second order categories to generate themes in a structured manner. To generate first order categories, both authors went through all transcripts individually. The categories were then discussed and compared to ensure that the data was fairly represented (Miles & Huberman, 1994).

In the first order analysis we made a conscious effort to stay close to the informants’ terms without imposing theoretical analysis. This first stage of analysis generated a large number of categories, which were reduced to a smaller number through axial coding (Strauss & Corbin, 1998), in which concepts were related by analysing similarities and variations in the data. In line with our inductive approach, we made a conscious effort not to get too deep into theoretical literature at this stage to

limit the risk of confirmation bias (Gioia et al., 2013). However, this is not to claim that we were completely uninformed about prior work

The second order analysis aims to answer, “what is going on here?” (Gioia et al., 2013), and to make sense of the interviewees’ subjective experiences (Stake 1995; Welch et al., 2011). By moving into a more theoretical realm, the categories were considered in parallel with theory in order to find theories that would enable us to interpret the data. At this stage of the research, the research took a more abductive turn, as theory and data were considered in parallel (Alvesson & Kärreman, 2007). When the second order themes were identified, they were combined into aggregate dimensions and more clearly related to theory.

3.4.3. Data structure

With analytical rigour being the main imperative of the Gioia methodology (Gioia et al., 2013), the presentation of data structure is a crucial step, providing a representation of how the aggregated themes emerged from the raw data (Pratt, 2008; Tracy, 2010), visualising the relationship between the interviewees’ lived experience and the “theoretical world” to get a full picture of the studied phenomenon (Gioia et al., 2013). An extract of the data structure for this study is provided in the figure below. The full data structure including all aggregate dimensions and raw data is available in appendix 5.

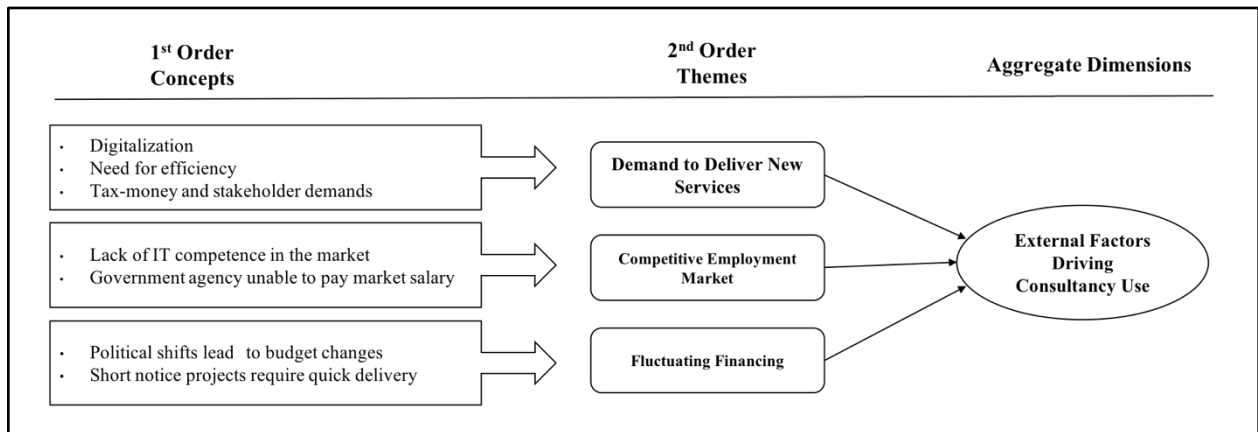


Figure 5. Extract from data structure. Inspired by Gioia et al. (2013).

3.5. Quality considerations

Reliability and validity are commonly discussed when evaluating research quality, especially focusing on generalisability of the findings (Bryman, 2012). Recognising that these terms are incoherent with the ontological stance of this paper, we turn to the criteria of trustworthiness, focusing on evaluations of qualitative rigour related to transferability, credibility, dependability, confirmability, and integrity (Lincoln & Guba, 1985; Wallendorf & Belk, 1989).

In this thesis, trustworthiness, i.e. whether the account presented in the paper is reasonable and based on sound research practices (Bryman, 2012), is enhanced through the use of the Gioia methodology, which especially aims to ensure analytical rigour and transparency (Gioia et al., 2013). While the Gioia approach has been covered at length in this chapter, the next paragraph expands on potential critiques related to the data collection, followed by a table summarising the main steps taken to ensure trustworthiness (table 2).

While we consider semi-structured interviews to be the most appropriate method for data collection for this study, owing to its potential to capture rich data, possible shortcomings of the method ought to be considered. Most significantly, this concerns social desirability bias, which can occur when the interviewee responds in the way he or she believes to be the appropriate way of answering the questions. A factor with the potential to reinforce social desirability from the interviewees' side is the political nature of the DGs' position. Given their exposure as public figures in politically sensitive organisations, they risk being named and shamed in the media. Consequently, the interviewees can be assumed to have developed a "trained" approach to interviews (Asplind, 2013). To mitigate this bias, anonymity was granted (see section 3.3.5.1.) and diplomacy and discretion were emphasised during the process (Gioia et al., 2013; Singleton & Straits, 2012). Additionally, a factor of any interview is the risk of reactive effects related to interviewer's influence on the interviewee (Bryman, 2012). While impossible to fully overcome this risk, as further elaborated on in the reflexivity section (3.5.1.), we made a conscious effort to stay neutral in the discussions, as well as to take on different roles during the interviews, with one person leading the interview and the other focusing on taking notes and asking additional questions (Gioia et al., 2013). As such, one focused on following the conversation and immersed into the interview, while the other author took an "outsider perspective" to ensure not getting too close to the interviewee and thereby losing the higher-level perspective (Gioia et al., 2013).

Further, it needs to be recognised that the findings in this paper could be highly context-specific, since they are closely tied to the country-specific structure of Sweden. Relatedly, a common criticism towards qualitative research is the reliance on a small sample, which prevents generalisability. However, statistical generalisability is not the purpose of this study, but rather to understand the worldviews of the participants and create theoretical generalisability (Yin 2009). Therefore, following Geertz (1973), the provision of thick descriptions enhances the possibility to transfer insights to other relevant contexts, based on the reader's judgement (Rheinhardt, Kreiner, Gioia, & Corley, 2018; Tracy, 2010). Hence, we argue that analytical transferability from this study is possible, as many concepts are similar across contexts (Gioia et al., 2013), a discussion which we return to in the concluding chapter.

Table 2. Overview of measures to ensure trustworthiness

Adapted from Wallendorf & Belk (1989) and Beeler, Zablah & Johnston (2017)

Trustworthiness criteria	How it was addressed in the study
Credibility Extent to which the result appears to be an acceptable representation of the data	<ul style="list-style-type: none"> ▫ 19 interviews conducted and recorded ▫ Data was checked for evidence contradicting the findings, and findings triangulated ▫ Transparency emphasised throughout the paper, and enhanced through extensive raw data presentation
Transferability Extent to which findings from one study will appear in other contexts	<ul style="list-style-type: none"> ▫ Thick descriptions of data and context provided in case description, empirical findings, and encouraged during the interviews to enable readers to evaluate the applicability in other contexts ▫ The concepts were consistently represented across the majority of the participants
Dependability Extent to which findings are stable over time and across location	<ul style="list-style-type: none"> ▫ The interviewees reflected in relation to historical developments e.g. previous reforms and organisational development projects ▫ Supportive documents were requested (see section 3.3.4.1.)
Confirmability Extent to which interpretations are the result of participants and the phenomenon as opposed to researcher bias	<ul style="list-style-type: none"> ▫ Open ended, non-leading questions were posed during the interviews ▫ 209 pages of interview transcripts were coded ▫ Coding was executed individually, cross-checked between authors, and double checked against data ▫ The authors engaged in reflexivity and took different roles during the interviews
Integrity Extent to which interpretations are influenced by misinformation or participants illusions	<ul style="list-style-type: none"> ▫ The interviewees were provided anonymity ▫ Interviewees were informed about the research purpose and data handling

3.5.1. Reflexivity

Reflexivity recognises that researchers are situated in the social world from which data is collected and encourages a “critical attitude towards the data” (Miller & Brewer, 2003: 259) explicating the role of the researchers (Miller & Brewer, 2003). In the spirit of transparency and trustworthiness, this final section of the chapter is devoted to a reflection on the main subjective and intersubjective factors that could have influenced how the data was interpreted, such as our own experiences and beliefs (Bell & Thorpe, 2013).

Having no experience from working in the public sector or from working as MCs, we could look at the phenomena from an outsiders’ perspective. Nevertheless, both authors are native Swedes, which implies a familiarity with, and understanding of the context and structures of the Swedish government and society. This allowed us to engage in informed discussions, but also pressured us not to “take things for granted”. To mitigate that this would affect the data, we made conscious efforts to ask clarifying questions to ensure that things were not left out as “obvious” (Bryman, 2012). As discussed, during the interviews, one researcher was leading the interview, with the other one observing and adding questions which may otherwise have been left out.

As business students, with specialisation in management, that often interact with, and study practices applied by MCs, we recognise that we are close to the profile of the “typical” MC and have a tendency to use more “business-oriented” language compared to the interviewees. At times this manifested during the interviews, when different words were used to describe the same phenomenon. Therefore, we made a deliberate effort to stay close to the DGs’ discourse not to let our sensemaking impose on the interviewees’ (Gioia et al., 2013). Likewise, our background could have impacted the later data analysis, as our focus might have been drawn to “things we know” rather than to “things we don't know”. This highlights the importance of our preparations for the interviews which included learning about the public sector and how it is managed, as was elaborated on in section 3.3.4. Relatedly, during the analysis phase, the transcripts were coded independently by both authors, and later compared to ensure that the analysis reflected the interviews.

Furthermore, the age-difference between the interviewees and the interviewers was quite large (approximately 25-35 years) a factor which could have impacted the interviews in relation to power dynamics, what was presented, and how it was presented (Alvesson, 2003). For example, during four interviews, the interviewees explicated that they saw us as prospective employees. This could have motivated them to express their answers in a way that would make the agency a more attractive place to work, which might have contributed to the narrative presented under the theme “Recruiting new employees” (section 4.4.3.).

4. Empirical findings

This chapter narratively presents the main highlights of the empirical material. Considering word-count limitations, we have chosen to present the material we deem most relevant for the thesis, providing the clearest and most representative examples. However, additional data supporting the themes can be found in appendix 5. The first section presents a general overview of the role of consultants in the GAs. After the initial overview, we present our empirical findings, mirroring the data structure presented in appendix 5. Following the aggregated themes, we begin with the external factors which the DGs use to explain what is driving the consultancy use in the GAs. The main part of the chapter is devoted to the institutional work that the DGs engage in while managing consultocracy related concerns, beginning with practices to establish accountability, followed by practices intended to mitigate issues of dependency and knowledge erosion.

4.1. The contextual starting point

In line with previous research in the functionalist paradigm, we find that the DGs perceive consultants as carriers of new knowledge used to support the GAs in different roles, as demand increases. Consultants are present in all the GAs represented in this study, filling different functions, ranging from administrative positions to more technically complicated tasks related to IT-development, digitalisation and leadership development.

As the agencies were asked to provide data over their spending on MCs, it became obvious that while the expenses are recorded, the agencies have limited knowledge of how much money that is spent on consultants and how many consultants that are working in the organisation (see section 3.3.4.1.). Nevertheless, the amount of money each agency spends on external consultants tends to vary depending on their size. However, the DGs describe a reduced use of MCs over the years, suggesting that they work to reduce the number of consultants and hire permanent staff, as will be revealed throughout this chapter.

4.2. External factors driving consultancy use

Throughout the interviews, the DGs point to external factors beyond the DGs' control as explanations for why the GAs have become reliant on external consultants. Three main drivers emerge from the data, presented in this section.

4.2.1. Demand of delivering new services

A major factor that the DGs discuss as a reason to hire MCs is the pressure to deliver and perform in a rapidly changing environment, which creates new demands on the organisation:

“We had a large IT-department, which was really lacking the competences needed to keep up with the world. Of course, you can develop your own competences, but only to a certain extent, and definitively not to the level we needed. So, consultants ensure the flexibility we need.” (17)³

The agencies are described as being under constant pressure to deliver better services to their stakeholders, such as the government and the Swedish taxpayers. This means to become more efficient and resourceful, without compromising on the output:

“I believe that all government agencies have demands from the government to always be more efficient. There are also requirements if you think about digital management and digital services. So, I think most of the requirements are from the government office (Sw. Regeringskansliet), but there are also requirements from our other customers and partners.” (16)

4.2.2. The competitive employment market

References to the competitive employment market are frequent during the interviews, used as an explanation for the extensive use of MCs. Within this theme, the situation is described as the result of a “systemic error” driven by the current market situation. This reasoning is especially related to consultants within IT, where the number of people with the desired education is described as “too

³ The quotes are followed by a number relating to the specific interviewee, see appendix 4.

few”. This creates a dilemma of supply and demand; when the market cannot supply the talent needed, the GAs suffer, especially due to the GAs’ limited budget, preventing them from employing the required talent. Hence, the GAs can neither attract, nor pay them a competitive salary:

“We are a government agency and we cannot pay a salary of one hundred and fifty thousand for one person. It's not possible. And some of these with real cutting-edge or specialist expertise have a great job market, they want to work as consultants and they don't want to be permanent employees, at least not in the public sector.”
(18)

To solve this dilemma, the DG’s explain that staff often is hired on a consultancy contract, even though they are working like “regular employees”. However, these arrangements are not described as unproblematic, but discussed in relation to concerns of bias (*Sw. Jäv*) and unequal relationships arising when two members of staff perform similar duties but on different contracts, resulting in one having a higher salary than the other, and/or different employment benefits. Nevertheless, such arrangements allow the GA to bring in the required manpower despite its constraints, since the costs can be accounted for as project expenses instead of a personnel expense, allowing for higher remuneration:

“For budget reasons, we are hiring consultants even in cases when they really should be employed.” (12)

The “market” was mentioned in different contexts as a driving factor for consultancy use. On the one hand, as illustrated above, the GAs are competing on a talent market. On the other hand, the entire agency is positioned closely to the market. In relation to this, the DGs relate the use of consultants to the historical development of the public sector which encourages consultancy use, since previous reforms have been implemented (NPM). These reforms changed the structure of the public sector, and replaced civil servants with consultants:

“We are very consultant dependent. But there are other perspectives you must know. They changed the state and pushed the competence out on the market. And this has happened for many years [...] The public sector was to be kept light, and

the market should be used. From that perspective there is nothing wrong with not having competences in-house.” (19)

4.2.3. Fluctuating financing

Another reason used to explain the use of consultants is how the agencies are financed. Within this theme, the political environment in which the GA operates is prominent. For example, the agencies often get assignments and financing from the government that they cannot anticipate in advance. One of the interviewees described this situation:

“I’m sorry to laugh, but you would just know. Without being too mean, you can call it jerky [irregular] governmental control.” (14)

Working under this type of structure requires flexibility to manage the fluctuations in available budget and workload. Thus, the DGs need to navigate both short-term gaps of labour, when capital is provided alongside new projects, and shrinking budgets when funding abruptly is removed:

“In recent times, there has been very large fluctuations because the budget was not the government’s budget anymore, and they suddenly took away half of our money. We now got them back, after half a year, and in such a situation it is an advantage to have consultants.” (12)

As has been developed in this section, the DGs find themselves situated in a complex environment, influenced by many factors driving the use of consultants. As becomes clear throughout the subsequent sections, the DGs engage in several practices in order to manage issues related to consultocracy.

4.3. Practices to establish accountability

Three main practices used to ensure accountability when working with consultants emerge in the data: claims of project ownership, reliance on the procurement process, and the establishment of clear objectives from the GA towards the consultancy firm.

4.3.1. Project ownership

While most of the interviewees indicate that MCs can make positive contributions to the organisation by bringing new knowledge and perspectives, the DGs clearly underscore that they must not be included in decision-making processes. Rather, the consultants are described as “information providers” supporting the decision makers:

“Consultants are back-office, they cannot make governance decisions [...] the consultant can never be the decision maker.” (14)

“As a manager, you need to have an idea of how you want to lead your organisation yourself, you cannot use a blueprint from a consultant. The consultant must never make decisions.” (1)

Similarly, the majority of the interviewees emphasise that it ultimately is them as DGs who are responsible for the work of the consultants, something which is discussed as obvious:

“I am held accountable to the government, regardless of whether I have my own staff or consultants working below me.” (3)

“I do not have an issue with hiring management consultants. In the extreme case, take the development of Nya Karolinska⁴. If you read the clichés in the newspaper, that the consultants came in and said, ‘this is how we are going to do it’ and everyone else took a step back. That mustn’t happen. I am still responsible even if I outsource something, whether to another government agency or consultants.” (8)

Clearly, the DGs speak consciously of why project ownership is important and when talking about their use of consultants, it is often juxtaposed to previous management practices which are described as something they have moved away from:

⁴ Nya Karolinska is a Swedish hospital which recently was subject to a disputed transformation, and the role of MCs in this project has been heavily criticised (see Gustafsson & Röstlund, 2019; Ennart & Mellgren, 2016)

“There might have been a time, if you consider the development of the public sector, when the government agencies worked with a big focus on management and New Public Management, bringing in consultants to make the public sector more business-like. Perhaps it went too far in that direction - I think we have sobered up⁵ since then.” (13)

4.3.2. Procurement process

The second practice related to ensuring accountability is to rely on the purchasing process, wherein the suitability of the consultant to be hired is evaluated and responsibilities are established:

“Accountability is ensured through the purchasing process. You need to ensure that both parties bring the same responsibilities, related to how you are expected to work when being contracted with [GA].” (18)

“Everything boils down to the agreements you have. What you expect and take for granted is that the consultant should be loyal towards their client [the GA], and indirectly the state [...] I have to make sure that consultants are used within such a framework.” (15)

Clearly, purchasing is portrayed as an important function, and contracts and formalisation are the means to ensure a successful outcome; even if consultants are recognised to be operating under a different logic with different goals from the agency:

“They [the consultants] are there to make as much money as possible. That is why it is so important that you make a good purchasing agreement from the outset.” (12)

“You can have a lot of benefits from using consultants - If it is the right consultant, used in the right way and correctly procured.” (10)

⁵ “Sobering up” refers to a Swedish idiom, meaning “learning from previous mistakes”.

Developing on finding the “right” consultant, the combination of a clear tender and more subjective evaluation criteria is presented as a way of ensuring that the right consultant is hired:

“We also have as evaluation criteria that we interview the consultants. It hasn’t been the case before, but it is extremely important that there is a personality fit when bringing in consultants. Their competences described on paper are not enough.” (10)

Finally, within the discussions on purchasing, references to the PPA and regulations emerge. The PPA is discussed as a framework restricting the level of freedom of the agency:

“In the public sector, we cannot just pick a consultant, we have to follow the procurement process. We have to follow the PPA.” (3)

The external regulations are described as guarantors, ensuring that the services in the organisation are properly procured with the taxpayers’ money in mind:

“We have a genuine rulebook to follow and we have to adhere to every step, in order to report to the taxpayers. If anything goes wrong, we have to be able to show that we have gone through all the steps.” (17)

4.3.3. Clear objectives

The final sub-theme presented in this section covers a more explicit stance to how projects involving consultants *should* be approached. The respondents univocally suggest that the purchaser, or even the DG themselves ought to be clear with their expectations when working with consultants. This is described as integral to a successful outcome, in which the objectives of the GA are fulfilled:

“It is always a part of working with consultants, to be clear with your expectations. I always come back to the importance of clear expectations. It is so important.” (7)

When asked whether and how it is possible to predict if a consulting project will turn out to be successful, clearness is yet again emphasised:

“You know that [it will be a good project] since you have a very clear idea of what you want to achieve. You can’t just bring consultants in to see what they can offer. You need to set the expectation, you discuss in advance what you expect and what they are to deliver, that is the way to procure consultants.” (8)

The importance of clear expectations and objectives also relates to budgeting. By being clear on budgetary expectations, the likelihood of successful project increases as surprises are mitigated:

“You have to be specific [...] an aspect of clearness is to have a clear budget. Ambiguity combined with an unclear budget will almost always lead to a disappointing and expensive result.” (7)

This subchapter has illustrated that the DGs navigate tensions of accountability when bringing in MCs to their agencies. However, accountability is not perceived as an issue, if the above practices are in place. On the other hand, what is seen as a more problematic dilemma related to the use of consultants is the risk of being dependent on them.

4.4. Practices to limit dependencies

During the interviews, four major practices used to mitigate issues of dependency were discussed; as the first step initiation of change, to be achieved through three concrete approaches: the establishment of frameworks and policies, the recruitment of new employees, and through the building of a learning organisation.

4.4.1. Awareness of dependency and initiation of change

When the DGs emphasise that reliance on MCs is decreasing, they make a clear distinction between MCs and consultants working with IT, since IT-departments are, in contrast, described as heavily dependent on consultants. Following this paper’s initial assumption that issues of consultocracy can expand beyond strategic advisory for senior staff (see section 1.4.), this section elaborates on these dependencies. While the DGs suggest that the majority of the consultants within IT are “resource consultants” (*Sw. Resurskonsulter*), they also acknowledge that the increased complexity of IT services at times make it difficult to distinguish between “resource” and “competence consultants” (*Sw. Kompetenskonsult*). The narrative emphasises that IT

development has become more strategically important:

“For us, everything is really development, and IT is part of the development.” (5)

With this development, the agencies have had increasing need for consultants:

“When it comes to the IT side, we have a large consultancy dependency which we have decided to try to reduce.” (18)

The so-called consultant dependency is described as problematic first and foremost in relation to costs - *“it is expensive”* is a statement given in nearly all the interviews. While there is unison agreement on that the main problem related to the use of consultants is the expenses, the dependency is seen also as problematic since it makes the GA vulnerable, a situation described poignantly by one interviewee suggesting that *“consultants can become a single point of failure”* (6) and lead to dependencies in which the agency’s operations rely on the consulting firm:

“Many management consultants within IT sell models for IT development which are quite complicated, so the organisation can’t learn it well enough to manage it themselves.” (1)

Lastly, dependencies arise since the need for IT-competencies is continuously needed to sustain the organisation; the consultants are involved in ongoing operations rather than in short projects:

“We have the most consultants in the IT area. They are not really management consultants, but they are consultants for us to increase our capacity.” (8)

Concerns related to dependency on consultants are evident across all interviews, and the interviewees describe different practices used to become more independent. Some already have initiated initiatives to reverse dependencies, whereas others aim to successively exchange consultants to permanent staff in the future. They often refer to this as *“switching consultants to employees”* (Sw. *Konsultväxla*).

4.4.2. Establishing frameworks and policies for consultancy use

The great majority of the DGs talked about the importance of having well developed strategies and frameworks for how the agency should work with the supply of competence. However, when asked to expand on these, certain DGs had a hard time articulating concrete examples of actions involved with a strategy for the use of consultants. Others emphasised that this is a priority area, but that a strategy is not yet in place. The more developed approaches presented mainly revolve around identification of critical positions, mapping out the competencies within the organisation, and the creation of formal strategies for when and how consultants should be used:

“We have done a gap analysis where we look at what competence we need in the future, what we have and lack today.” (17)

“We have a strategy for the use of consultants, where we have identified how dependent we are on consultants, how much we purchase, who purchases, and in which way we use consultants.” (19)

Related to the above strategies, a subtheme evolves around the creation of awareness for when the agencies *should* hire consultants, since even if they want to reduce the number of consultants, there are situations when consultants are perceived as superior:

“We should not have top-notch expertise for all areas that are important for our mission in-house but be good clients that are able to make good orders from consultants so that we can get access to the latest and the best knowledge.” (12)

4.4.3. Recruiting new employees

While purchasing is described as the central function when establishing accountability, other functions, such as recruitment and employer branding are frequently mentioned as critical when reversing and mitigating dependencies:

“We have a good HR-function and we have put a lot of effort into creating a good selection process, we also put effort into so-called employer branding.” (1)

“We don’t have a specific strategy, but it helps to have a good brand, and that I think we have. Like all employers we need to have good terms and conditions to attract people.” (3)

While HR and branding is described as crucial for ensuring that the agencies will attract talent, several interviewees also put faith into the attractiveness of the public sector as an employer, given changing preferences of future generations.

“I keep my fingers crossed, because we cannot be market leaders on salary, but the next generation to enter the job market might not always think that salary is the most important.” (14)

4.4.4. Building a learning organisation

In relation to knowledge, the DGs emphasise the importance of creating a learning organisation, in which the capacity of the internal staff is increased. As such, this theme has two dimensions; it involves the development of internal staff, and the nurturing of knowledge transfer between external consultants and internal staff. This is emphasised both in relation to consultants offering expert advice, and consultants described as having more “resource” based functions. Few agencies have standardised ways of working with knowledge transfer, but focus lies on making the external consultants work together with employees from the internal organisation:

“Our project groups always include an internal staff member. You always need to have members who are close to the organisation working on projects, so s/he can develop his/her own competence, and the project so it can live on within the organisation.” (5)

“We need to ensure that we always have a person working next to the consultant, to bring in the knowledge. I will not claim that we are fully succeeding with that today. The basic idea is to avoid becoming dependent on the consultant, and to ensure that we can develop knowledge in-house.” (18)

Relatedly, the interviewees emphasise other areas used to develop the organisations and secure relevant knowledge, for example collaborations with universities and researchers:

“For example, we have a researcher who is involved in our work right now. We often turn to academia, instead of hiring consultants. There are many competent people we can learn from.” (6)

Another substantial effort relates to the development of internal staff and elucidation of internal career paths, to ensure that the internal staff can develop their skills within the GA:

“It is important that there are internal career paths, you can not only recruit from the outside, even if external recruitment is important.” (14)

To summarise, the final subchapter reveals a concern of being dependent on consultants, an issue especially prevalent within the area of IT. Further, this subsection has elaborated on the DGs’ intentions to create a more independent organisation through different practices. The empirical findings will be further elaborated on in the subsequent chapter, when analysed through the lens of our theoretical framework.

5. Analysis

In this chapter, we analyse the empirical findings through the lens of our theoretical framework, hybridising paradox theory with institutional work. The empirical findings reveal that the DGs are aware of issues related to consultocracy and are acting in order to mitigate negative consequences. The first part of the chapter focuses on paradox theory which contributes by unveiling complexities through a leader-centric perspective. The chapter continues by looking through the lens of institutional work, which sheds light on the practices the DGs use to manage these complexities and allows us to reflect on how these responses impact the institution. The chapter concludes with a section further connecting the two perspectives.

5.1. A paradox-rife environment

From the data it becomes evident that the institution of consultocracy is a complex environment. From the DGs' perspective, external factors such as stakeholders' demand for constant delivery of new services, the competitive employment market leading to difficulties with recruitment, and the financing structure which creates a need to be flexible are perceived to be driving the use of consultants.

5.1.1. Performing in the present while simultaneously working for long-term knowledge development

From the lens of paradox theory, paradoxes originate from contradictory issues which cannot be resolved by choosing one or the other, presenting leaders with challenges from competing demands (Lewis & Smith, 2014; Smith, 2014; Smith & Lewis, 2011; Smith & Tracey, 2016). The external factors are described by the DGs as contributing to the use of MCs within the GAs, and these external demands force trade-offs within the organisation. Like Waldman and Bowen (2016) we identified that the DGs operate under an overarching paradox of performing in the present while simultaneously working for long-term knowledge development. As will be elaborated on in this subchapter, this overarching paradox relates to the use of MCs, and connects to issues of accountability and independence.

In the empirical data, the long-term development of competencies and knowledge in-house is put in contrast to strong performance in the present, a dilemma which the DGs constantly navigate in order to deliver service to their stakeholders. Thus, the external factors impact the need to hire consultants as demands from the government and citizens must be responded to in the present, a cruciality to remain legitimate with the stakeholders. At the same time, the DGs are aware that it may be both more expensive and riskier to hire consultants since concerns of dependencies, vulnerabilities and even personal relationships must be considered. Further, something which the DGs have to consider while navigating this paradox is that when consultants are used as a solution to needs of short-term performance, a new set of issues consequently emerge. To explicate, consultants often serve to fill a gap within the GAs, by providing something which the GA is lacking. However, while infusing this knowledge, they may also undermine the in-house knowledge of the GA, contributing to consultocracy and the contractor state (see van den Berg et al., 2019; Wanna et al., 2009).

Given the overarching paradox, the use of MCs may be motivated and even seen as unavoidable, if the alternative means that the agency cannot fulfil its duty. This leads to further dilemmas for the DGs, since the consequences of not being able to deliver can be manifold, resulting in for example reduced trustworthiness, reputation losses, and public scrutiny. Ironically, the very same consequences can arise with the use of MCs (e.g. Gustafsson & Röstlund, 2018).

5.1.2. Having MCs within the organisation while simultaneously striving to preserve accountability and independence

Within the overarching paradox the leaders face several conflicts in paradoxical relationships. These paradoxes can be considered nested since the competing demands on one level are nested within a larger set of tensions, to which the DGs must respond (Andriopoulos & Lewis, 2009; Smith & Tracey, 2016).

As presented in the findings, the interviewees repeatedly highlight concerns related to the use of consultants, while also describing how consultants are essential in sustaining the organisation's performance and delivery to its stakeholders. On this level, paradoxical relationships arise in relation to using MCs while preserving accountability as well as independence. Essentially, this

can be described as a paradox of having external consultants within the organisation, while simultaneously striving to preserve accountability and independence.

To further illustrate how this dilemma leads to paradoxical tensions, the term “absurdity” can be used. Lewis (2000) defines a paradox by suggesting that its two elements appear logical when considered in isolation but absurd when juxtaposed. For example, if the DGs would consider all potential issues connected to MCs, a fully independent organisation would be needed. This idea may be deemed absurd given the current reliance on consultants and their role in enabling performance, suggesting that the GAs will have a hard time functioning without them.

The tensions between the dilemmas described in this chapter can be considered to form a meta-paradoxical relationship (Pearce et al., 2019), since responses to one of them will impact the other. From the empirical data, we contend that dilemmas of accountability and dependency are not viewed by the DGs as standalone issues, but as integrated with the overarching paradox of short-term performance and long-term knowledge development (see figure 6). Clearly, these tensions are complex, and the meta-paradoxical relationship highlights that they are connected and hard to distinguish. The above reasoning points to that the DGs engage in meta-paradoxical leadership where decisions are made with regards to the interrelatedness of the paradoxes (Pearce et al., 2019). The theory emphasises that responses to paradoxes can not to be “either/or”, but “both/and” responses, since competing demands need to be considered (Lewis & Smith, 2014).

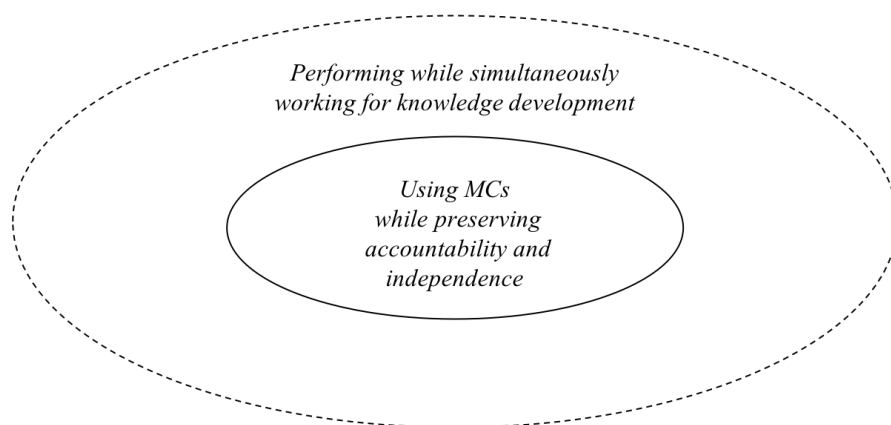


Figure 6. Illustration of the meta-paradoxical relationships.

These competing demands, to which the DGs must relate, stem both from within the institution, manifested as the normalisation of hiring consultants, and from the external environment, which further spurs the use of MCs. For example, with the introduction of NPM, the GAs were moved closer to the market, a change which is described by the DGs to have affected the context of the GAs. Similarly, the rapidly changing environment is perceived to contribute to the practise of relying on MCs. These developments appear central in the DGs' reasoning. At the same time, the DGs are aware that concerns have been raised in relation to this development. On the one hand, these concerns must be taken into account. On the other hand, they have to be weighed against the smooth operation of the GA. As such, these tensions impact how MCs are considered, since the question to use MCs does not exist in a vacuum. Rather, these paradoxes constantly have to be navigated, and responses are needed to make the institution function - the DGs have to "make it work"!

5.2. Engaging in institutional work

Through the lens of our combined theoretical framework, it becomes clear that the responses to the paradoxes can be seen as institutional work. Therefore, in this section, we turn to the theory of institutional work, elaborating on the practices which the DGs use to navigate within the institution of consultocracy. To reiterate, practices of institutional work can be related to both formal constraints, such as regulations and frameworks, and more informal means, such as the reinforcement of certain norms and behaviours (Lawrence & Suddaby, 2006). The section begins with an analysis of practices to ensure accountability, followed by practices to limit dependencies on MCs and a section on how these relates to the institution.

5.2.1. Controlling to ensure accountability

From the empirical findings it becomes clear that the DGs find themselves "sobering up" from a previously more extensive use of MCs. This was illustrated through reflections on how the approach to MCs has developed in relation to previous trends and reforms, such as NPM. As a result, the DGs refer to practices which are used to limit the influence of MCs and ensure accountability. While the practices used to ensure accountability are described individually in the empirical findings (section 4.3.), in this section they are discussed together under the strategy labelled *controlling*.

The DGs highlight that accountability is reinforced by normative practices of clearly claiming ownership of results, keeping consultants at an “arm’s-length distance” and having clear project objectives. The reliance on the *controlling* practices appear to create a sense of security for the DGs, wherein accountability is ensured through the reliance on these practices, and responsibility can be traced back to the contract between the agency and the consultant. These norms are discussed as central in the agencies, and integral in guiding the culture of the GA. As elaborated on by Lawrence & Suddaby (2006), norms are significant elements of institutions, and the reinforcement of norms and values can support institutional orders. Such reinforcement can occur both through the creation of formal rules, through rhetoric, or the embeddedness of normative guidance into everyday routines. Relatedly, we find that by embedding norms of control within the GA’s organisational practices, and actively infusing project ownership, the use of MCs can continue, and be described as unproblematic from an accountability perspective.

Moreover, the purchasing process is described as crucial for the correct use of consultants. In this process, the DGs shift accountability to the procurement function, emphasising the role of agreements and contracts to ensure that accountability-related issues are mitigated. Further, since public procurement is legally regulated, the DGs repeatedly refer to adherence to the PPA as part of the process of ensuring accountability. During the procurement process, other consultocracy related issues can also be accounted for. For example, responsibilities are to be clearly defined between the GA and the MC to avoid power asymmetries and conflicts from arising. This reliance on rules and processes is closely related to what has been discussed as enabling work (Lawrence & Suddaby, 2006; Leblebici et al., 1991), introducing “certainty into institutional arrangements which allows actors to avoid intra-institutional conflict” (Lawrence & Suddaby, 2006: 231).

Together, the *controlling* practices ensure that external consultants can be present in the organisation, as they create an understanding of how consultants should be used. Hence, when operating within the boundaries of the *controlling* practices, i.e., when consultants are correctly procured and are operating within a clearly delimited area of responsibility, their presence in the organisation is seen as legitimate, and in fact, unproblematic. Therefore, accountability is not perceived as an issue when bringing in external consultants to the GA. However, we wish to emphasise that with this discussion we do not aim to imply that the reliance on the *controlling* practices equates that issues of accountability are non-existent within the GAs; on the contrary,

from our theoretical perspective it can be the legitimising foundation enabling the institution's existence.

5.2.2. Learning to become independent

While issues of accountability are perceived as unproblematic since institutional arrangements are in place, the narrative differs around concerns related to dependencies. Especially when discussing the field of IT, the DGs were more inclined to describe the situation as problematic. Within this narrative, the DGs explicate issues stemming from consultancy use, elaborating on concerns related to the erosion of knowledge and ensuing dependencies, as MCs make up an increasing part of the GAs.

While some DGs have come further than others, the majority of the DGs are actively engaging in activities intended to decrease the use of consultants. As has been elaborated on throughout the empirical findings (section 4.4.), this process starts with a recognition of dependency risks, followed by the engagement in critical thinking and subsequent development of strategies to reverse or avoid dependencies. These practices, which we group under one strategy labelled *learning*, can be seen as institutional work intended to undermine earlier assumptions and beliefs, with the ambition to change the institution (Lawrence & Suddaby, 2006; Leblebici et al., 1991; Wicks, 2001), i.e., as efforts aimed to change the institutionalised behaviours related to the use of MCs.

From the empirical data, we see that a crucial part of the work to mitigate issues of dependency relates to the creation of frameworks and policies for the use of consultants, following assessments of organisational need. These practices intend to change the normative associations related to the use of consultants and create an awareness of where consultants are needed and not needed. Thereby, the frameworks aim to set the standards for a “less dependent” GA and create a new type of institution. Moreover, in the quest to create a learning organisation, the DGs emphasise the importance of HR-related efforts intended to change the beliefs of how the GAs are viewed, both internally and externally. As such, the HR-function is empowered when the brand becomes a vehicle to communicate an image intended to be different from the current view of a GA. Linking this reasoning with the previous discussion on *controlling* practices, it can be noted that the two strategies rely on two different departments of the GA; the function of purchasing is important to

achieve accountability while using consultants, whereas the empowerment of HR-related functions is seen as crucial to decrease their presence.

Moreover, earlier research on the creation of new institutions points to the fact that the adoption of new practices has been achieved through the education of actors, who can support new practices and policy directives (Lawrence & Suddaby, 2006; Lounsbury 2001; Woywode, 2002). A similar approach emerges in our data, since the efforts to create policies and frameworks for the use of consultants are combined with education efforts to support the transition. Indeed, the theme of *learning* emphasises the importance of education and development of skills in-house; we see that a critical part of the efforts to create a more independent GA is the recruitment and rearmament of internal staff, including efforts of making internal career paths visible, and creating learning opportunities. Relatedly, the establishment of normative behaviours also serve to emphasise the organisational learning. For example, as part of the efforts to “make consultocracy work” the norm of having employees present in consulting projects intends to improve learning and knowledge transfer from the MCs to the GA.

5.2.3. Maintaining the institution while wanting to change it

Having discussed the strategies of *controlling* and *learning*, this section is devoted to the relationship between the practices and the maintenance of the institution, which is central to the theory, since “the reproduction and continuation of institutions cannot be taken for granted, even the most highly institutionalised technologies, structures, practices and rules require the active involvement of individuals and organisations in order to maintain them” (Lawrence & Suddaby, 2006: 217). As previously introduced, we adhere to the view that institutional work can occur without the explicit vision to change or maintain an institution (Smets & Jarzabkowski, 2013). Following this reasoning, while the DGs don’t explicitly express their intent to maintain the institution, we argue that their institutional work contributes to the maintenance of the institution of consultocracy. Taken this into account, *controlling* and *learning* impact the institution, which we now shall discuss further.

The actions of *controlling* can be seen as contributing to the maintenance of the institution, since they enable continued use of MCs. For example, the sophisticated routines related to the purchasing of consulting services, can be suggested to lead to an organisation that not only

facilitate the hiring of MCs, but also normalise their presence. Additionally, when *controlling* practices are followed, the use of MCs is perceived as more legitimate, since it becomes easier to justify the MCs presence when “proper procedures” are followed. At the same time, when the risk for dependencies is concerned, the DGs express clear intentions to change the institutionalised behaviour and create a more independent GA. The practices of *learning* serve to change the structures and behaviours within the organisation. Connecting this reasoning to the debates on unintended and intended institutional work (Smets & Jarzabkowski, 2013) and the literature on unintended consequences of institutional work (McGaughney 2013; Song, 2019) it is evident that the DGs work with an intention to change the institution with the help of *learning* practices.

While it is too early, and outside the scope of this master thesis, to assess the effect of the work to change the institution, the DGs’ efforts to change the institution are clearly complicated by the external factors and paradoxes that drive the use of consultants. These external factors make it difficult, even impossible, to become independent. For example, even if the DGs wish to permanently employ staff and build in-house competence, this may be impossible if they are not available in the market or are asking for salaries that the GAs cannot pay. This type of dynamic relates to one of the core assumptions of institutional work; while it is actors who uphold institutions, they also operate within the context of the institutional environment (Lawrence & Suddaby, 2006; Lawrence et al., 2009). As such, institutions can remain maintained despite the will to change it.

With the above said, we argue that the DGs are both aware of issues with the institution of consultocracy, but at the same time unknowingly are contributing to its upholding.

5.3. The relationship between responses to paradoxes and institutional work

As has been demonstrated throughout the analysis, the responses to the paradoxes can be seen as institutional work. Within paradox theory, responses to paradoxes are discussed as either defensive or strategic, focusing on short-term alleviation or taking a more holistic approach (Lewis & Smith, 2014; Pearce et al., 2019). Linking these concepts to institutional work, we acknowledge that when paradoxes are responded to, institutional maintenance can be an unintended outcome. In the language of paradox theory, the practices of *controlling* illustrate short-term defensive responses

offering short-term relief, whereas the practices of *learning* can be considered more long-term strategic responses (Lewis & Smith, 2014; Smith & Lewis, 2011).

To summarise the analysis, the relationships between the theories and concepts discussed are illustrated below. The graphic shows the external factors driving the use of MCs, situating the leaders within a context characterised by paradoxical tensions. When responding to these paradoxes, the DGs engage in institutional work, contributing to the maintenance of the institution.

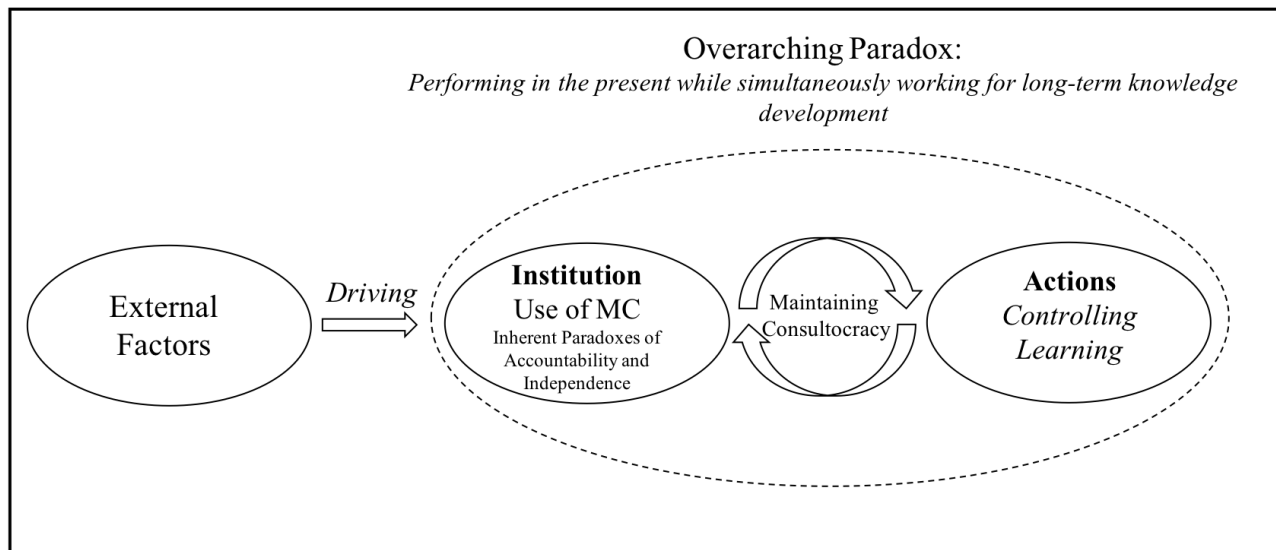


Figure 7. Illustration of the concepts and their relationship

Explanation of the illustration: The external factors drive the use of MCs, illustrated with the arrow on the left. The dotted line illustrates the overarching paradox of performing in the present while simultaneously working for long-term knowledge development, and the rotating arrows illustrate how the actions (i.e., the institutional work) maintain the current institution.

6. Discussion

In this chapter we elaborate further on the analysis and discuss the findings in relation to the research gaps, thereby connecting our findings to the previous research on MCs in the public sector. Hence, in this section we illustrate how the analysis, i.e. the findings as seen through our theoretical lens, helps us to fill in the research gap on how DGs manage consultocracy related potential discontents.

6.1. How issues of consultocracy are managed by DGs

Previous scholars have brought attention to critical concerns related to the increased use of MCs in the public sector (e.g. Furusten, 2020; Kirkpatrick et al., 2019; Raudla, 2013; Read et al., 2019; Wargent et al., 2020; Ylönen & Kuusela, 2019), but the role of DGs in this development has remained largely unstudied. Our study adds to this stream of literature, providing insights into how the DGs manage concerns related to consultocracy, drawing attention to the practices engaged to mitigate potential discontents. Concerns related to weakening of accountability and dependencies following erosion and monopolisation of knowledge were surfaced by the DGs in the interviews, a finding in line with the previous literature on consultocracy (Ylönen & Kuusela, 2019).

The fact that the DGs indicate that the presence of MCs not necessarily decreases accountability, is an interesting finding, as it goes against the stream of studies on consultocracy suggesting that the presence of MCs in the public sector is problematic (e.g. Furusten, 2020; Saint-Martin, 2004; Ylönen & Kuusela, 2019). Ylönen and Kuusela (2019) argue that accountability is eroded when civil servants can “blame the consultants for any unwanted results or omissions to their superiors or other interested parties, whereas the only thing at stake for the consultant is his or her reputation” (Ylönen & Kuusela, 2019: 251). From the perspective of our study, the DGs’ reasoning suggests that the issue is not that MCs are present in the GAs, but rather, that not having a structure in place to deal with them would yield issues of accountability.

The practices related to *controlling* emphasise the importance of project ownership and the agency as knowledgeable purchasers which establishes accountability. This type of reasoning is closely in line with studies on client-consultant relationships. Especially, the narrative related to accountability and how consultants should be used is similar to Perner and Werr’s (2013)

discussion on “controlling clients” in the private sector. In these relationships “the client needs to be strong, direct in communication with the consultants, and show them that s/he is the one who makes the decisions” (Pemer & Werr, 2013: 29). When relying on the discussed procedures, accountability is ensured, as well as the ability to bring in consultants to the organisation. Additionally, when discussing projects related to more routinised tasks, we find that fewer “measures of caution” are surfaced, for example, when the DGs discuss “resource consultants”. This finding is in line with Richter and Newiem’s (2009) observation that closer client-consultant relationships are more important when projects are perceived to be more complex.

Within the *controlling* strategy, there is a reliance on formal structures, such as purchasing processes related to the PPA regulations, a practice which relies on procurement professionals. As noted by Kirkpatrick et al. (2019), how effective this strategy is will be influenced by how proficient the procurement function and process are. In that vein, Raudla (2013: 624) argues that very specific contracts constrain public-private relations, which in turn leads to less meaningful output results since the ability to adapt solutions as the project matures is limited. Similarly, drawing on theories of market structures, Furusten (2015) argues that the Swedish PPA is ill-fitted to the procurement of expert services in the public sector, since expert services are highly specialised and therefore difficult to procure within the legal framework. Such an argument stands in contrast to the DGs’ reasoning where the PPA is described as a contributor to a “better” use of consulting services.

Further, previous research draws attention to how the presence of temporary consultants inhibit learning and erodes knowledge within the public sector (Raudla, 2013; Wargent et al., 2020; Ylönen & Kuusela, 2019). On that note, Wargent et al. (2020: 2) suggest that the contributions of external consults need to be weighed against the erosion of tacit and specialist knowledge. We suggest that the identified practices of *learning* are examples of attempts to implement such reasoning in practise, as the DGs take a more conscious approach reflecting on how consultants are used within the GAs, and how this relates to the long-term sustainability of the organisations.

6.2. Consultocracy beyond strategic advisory

Hitherto, critics and scholars have mainly problematised the involvement of MCs in the public sector, exclusively focusing on MCs involved with policy advice and strategic decision making

(Craig and Brooks, 2006; Pollitt & Bouckaert, 2011; Raudla, 2013; Saint-Martin; 1998a, 1998b). However, in line with Ylönen and Kuusela (2019), we argue that a caveat is needed with regards to who is considered in the discussion of consultocracy. The importance of adopting a broader definition was reinforced in this study with two arguments. First, as the strategic role of IT is increasing, boundaries between “resource-” and “competence consultants” become blurred, a discussion which became evident during the interviews. Second, as has been reinforced through our findings, consultocracy related issues, such as knowledge erosion, dependencies and vulnerabilities are perceived to expand beyond strategic advisory. This reinforces the importance of looking at consultocracy in a broader context.

6.3. A more elaborate view on drivers of the use of consultants

Further, the findings of this study add to the limited body of research on the role of senior executives in the public sector and their impact on the use of MCs. This study complements Perner et al. (2020) who conclude that DG tenure and associated implementation of change agendas correlate with increased spending on MCs. Our study reveals that this one factor only paints part of the picture, as the qualitative approach taken in this paper has revealed further complexities related to this development yielding a more nuanced understanding of the drivers of consultancy use within the public sector, as seen from the perspective of the DGs. Moreover, while research from the functional and critical perspectives has pointed to internal or personal factors (e.g. Haas, 2006; Jung & Kieser, 2012; Lapsley & Oldfield, 2001) as drivers of consultancy use, we contribute a more elaborate understanding where contextual, external factors are additional drivers of the use of MCs in the public sector.

Additionally, our findings point to the fact that MCs are used to improve public service delivery and contribute with new knowledge, as suggested in literature from the functionalist paradigm (e.g. Momani, 2013; Steiner et al., 2018). However, the rational-transaction cost argument (Steiner et al., 2018) often used to rationalise the need to hire consultants appears somewhat irrational in relation to our findings, since consultants were discussed during the interviews as an extra cost, rather than a means to achieve savings.

6.4. Final reflection on legitimacy

Viewing the findings from a broader perspective, it could be argued that different issues related to consultocracy are equally as critical, closely intertwined with a concern of a weakened public sector. However, it becomes obvious that the DGs' narrative around the use of consultants differs in relation to different areas of concerns.

Throughout the interviews, the DG's primary concern related to MCs were cost-related, and the role of consultants was described in functionalistic terms, a finding similar to Wargent et al., (2020: 206) who point to the tendency of public officials to emphasise instrumental rationales, such as the need for external expertise. Since both the articulated need and consequent solution are described in functionalist terms (Pemer & Werr, 2013), it becomes legitimate to use consultants to perform.

In contrast, the consultocracy literature points to concerns with the potential to impact democracy and governance structures. Against this background, costs and external constraints can be considered more acceptable to discuss, compared to more controversial concerns of accountability and power dynamics. However, the DGs know about situations when accountability has been eroded, but do not speak of them as existing in their own agency. Rather, these were discussed as present in other organisations and agencies, or as a historical problem.

The above reasoning can be seen as a process of both legitimising the presence of consultants in the GAs, and as legitimisation of the DG's own actions – an actor gains legitimacy if his or her actions are perceived as appropriate within a social context (Suchman, 1995). From that perspective, and considering the risk public scrutiny of the DGs in relation to the use of MCs (e.g. Ennart & Mellgren, 2016; Gustafsson & Röstlund, 2019), it is not surprising that MCs are discussed in functionalistic terms, that the DGs claim project ownership and control, and argue that MCs do not damage accountability, since this would point to fundamental flaws with their own leadership.

7. Concluding remarks

In this concluding chapter of the thesis we answer the research question and elaborate on the contributions and practical implications of the study. The last part of this chapter is devoted to a discussion on limitations of the study, and related avenues for future research.

7.1. Answer to the research question

This thesis set out to investigate how DGs navigate within the institution of consultocracy and to answer the research question: *What complexities do the Directors-General experience in relation to the use of management consultants and how do they engage in institutional work when navigating them?*

Studying this, we identify that the DGs operate in a paradox-rife environment. Issues of accountability and dependency are nested within an overarching paradox of performing in the present while simultaneously working for long-term knowledge development. When navigating these paradoxes, the DGs engage in institutional work and contribute to the maintenance of the institution of consultocracy.

Specifically, we identified two main strategies of institutional work which are used to navigate consultocracy: *controlling* and *learning*. *Controlling* includes practices related to reliance on the procurement process, claiming of project ownership, and the establishment of clear objectives. *Learning* includes awareness and initiation of change, the establishment of frameworks and policies for consultancy use, recruitment of new employees and in-house knowledge development. When engaging in these practices, accountability is not perceived as a problematic factor of consultocracy, whereas dependencies are viewed more critically, as a problem that needs to be solved.

Moreover, while outside the research question, this thesis brings a more nuanced view of the drivers of consultancy use in the public sector, by highlighting three external factors: the demand to constantly deliver new services, the competitive employment market and the financing structure. These external factors impact the paradoxes and the practices which conjointly adds to the maintenance of the institution.

7.2. Theoretical contribution

By answering our research question, the main theoretical contribution is the addition to the existing literature on MCs in the public sector, but also to studies on leadership within the public sector and to literature on institutional work and paradox theory.

Specifically, we add to the nascent theorisation on consultocracy by taking a micro-approach, providing a DG perspective on practices to mitigate potential issues arising when MCs are present in GAs. This contribution is especially important considering the power of the DGs to influence the structures of the public sector. Further, we support the view that issues related to consultocracy expand beyond the involvement of MCs in strategic advisory, by highlighting that these issues are prevalent within IT-departments.

Additionally, by cross-pollinating the theories of institutional work and paradox theory, we respond to a call for studies reinforcing their complementarity (Smith & Tracey, 2016). While the primary purpose of the thesis was not to show the theories' compatibility, we argue that our case clearly illustrates that their combination can be fruitful in order to develop studies in the field of institutional theory and institutional work. If we would not have used paradox theory, a large part of the interviewees' sensemaking would have been left unseen. Further, our discussions would likely have stranded with institutional complexities and logics as the sources and explanation of competing demands (Smith & Tracey, 2016). Therefore, the combination of these theories allowed us to paint a more complex picture of the competing forces experienced by the DGs, which impact the use of MCs. The study also contributes to the growing body of studies paradox theory, highlighting the paradoxical nature of public leadership, illustrating that paradoxes are present in the public sector, and accentuated when MCs are used. Relatedly, our study suggests that when paradoxes are responded to, institutional work can occur, even though this might not have been intended, or even considered.

7.3. Practical implications

Following from our findings, we have identified four main areas with practical implications.

First, being based on an empirical study, this paper contributes with a more theoretical voice in the sometimes-polarised public debate of MCs in the public sector. Therefore, the study provides a

contribution to a broader, more nuanced discussion on the role of MCs in the public sector, grounded in empirical research. This is important as the broader discourse eventually can impact how the public sector is governed.

Second, the recognition of how the practices related to the use of MCs impacts the institution of consultocracy, and how the external factors affect individual GAs can bear practical implications for public sector officials and policy makers. This insight can contribute to an awareness of how actions within the GAs contribute to the overall direction of the public sector.

Third, a finding directly relevant to the DGs' management is the recognition of the paradoxes they face, highlighting how concerns related to MCs are intertwined in paradoxical relationships. The practical implication of this is that leaders in the public sector should approach issues related to the use of MCs with a paradoxical leadership style, adopting both/and practices.

Fourth, our suggestion related to the expansion of who is considered an MC has practical implications for leaders and decision makers in the public sector. The findings indicate that issues of dependency and knowledge erosion can be found in the area of IT, and that IT-consultants assume an increasingly large role with strategic impact on the agencies. Consequently, accountability might be weakened. For a leader in the public sector, this implies that it is necessary to also consider negative effects of consultocracy when hiring consultants that are labelled IT-consultants. Therefore, we suggest that leaders in the public sector should view a broader set of consultants more carefully, as it becomes increasingly difficult to distinguish between "resource-" and "competence consultants".

7.4. Limitations and future research

While we value the contributions of this research paper, we recognise that the study has limitations, which open up for future research.

Since this study purposely targeted DGs as actors, an apparent limitation is that other actors within the agencies also can be part of the maintenance of the institution. Likewise, the paradoxical relationships described in this paper may be present across multiple levels of the organisation (Pearce et al., 2019). Therefore, single case studies including respondents working in other

positions could yield further insights into how consultocracy related issues are managed on different levels of the organisation. For example, while we abductively found paradox theory to explain the complexities related to the studied phenomenon, future research could directly address these paradoxes and their responses, as such probing for a deeper understanding starting from the theoretical realm.

Further, as previously discussed, we cannot answer for how the intended long-term disruption will affect the institution, nor how effective the strategies are in fulfilling the desired purpose. While we view the interviewees as “knowledgeable agents” (Gioia et al., 2013), interview data can only contribute with an interpretation of the lived experience. From that perspective, an ethnographic study could have contributed with insights to how the strategies and practices are enacted in the GAs.

Considering that the main interest of the study is to contribute with a qualitative, in-depth understanding of how the DGs navigate consultocracy and its discontents, we do not perceive the lack of supportive quantitative data as a limitation to the findings per se. However, the addition of data on quantitative parameters, such as more recent and accurate figures on the spending of MCs could have strengthened the discussion and supported the arguments.

Finally, we are aware that the findings have developed from a very specific setting, at a specific point in time and like qualitative research in general, this study uses a relatively small sample. The intention of the study never was to seek statistical generalisability, but to create theoretical generalisability. We suggest that the relationships identified in our study between paradoxes and institutional work might be similar for senior executives in other organisations which use management consultants. However, to explore the theoretical generalisability of the findings, it will be necessary to investigate this phenomenon in different geographical and institutional contexts, to validate the findings in other settings (Gioia et al., 2013).

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Appendices

Appendix 1 - Initial interview guide⁶

Intro

- Please introduce yourself:
 - Age?
 - Background? (Please elaborate on current role and previous experiences)

Management Consultants

- Do you hire management consultants?
- Why do you hire management consultants?
 - For what tasks do you hire management consultants?
 - To what extent do you hire management consultants? (Ask for numbers, if not existing, why?)
 - Have you hired consultants in previous positions?
- Who decides that you should hire consultants and what does that process look like?
 - Who is involved in the decision?
 - Do you have a policy for the use of consultants?
- Has the use of management consultants changed over the last years?
- With that in mind, what do you think has changed in the organisation?
- How would you describe your view of management consultants?
 - Has your view on management consultants changed over time?

Innovation

- What does innovation mean for you and the agency?
- How do you work with innovation?
 - Digitalization?
 - Do you see any link between management consultants and innovation?

⁶ The interviews were held in Swedish. Therefore, this interview guide has been translated from Swedish to English. The word "you", translates to "ni" which can refer both to the government agency, and the DG themselves. To specifically pinpoint the DG's own actions the Swedish word "du" was used.

Knowledge/Competency

- What is your strategy related to competence provision?
- How do you utilise the knowledge that the consultants bring into the organisation? (If knowledge is something they bring)
 - How do you spread knowledge in the organisation?
 - Which challenges do you see in this area?
- Which other methods do you use to get new knowledge into the organisation?

Accountability

- The public sector has a built-in accountability structure between government agencies, the government, and the people. Management consultants are employed by an external party, is this something that you consider, and if so, how?

Wrap up

- Given the purpose of our study, and the themes we have discussed today, is there anything that you want to add?

Appendix 2 - Updated interview guide⁷

Intro

- Please introduce yourself:
 - Age?
 - Background? (Please elaborate on current role and previous experiences)
 - What do you perceive as your mandate? (The agency has one assignment, but did you have a specific mission when you were assigned the role? Has it changed?)

Consultants

- Do you hire consultants? (Ask both individually and the agency)
- Why do you hire consultants?
 - For what tasks do you hire consultants?
 - To what extent do you hire consultants? (Ask for numbers, if not existing, why?)
 - Have you hired consultants in previous positions?
- Who decides that you should hire consultants and what does that process look like?
 - Who is involved in the decision?
 - Do you have a policy for the use of consultants?
- Has the use of consultants changed over the last years?
- With that in mind, what do you think has changed in the organisation?
- How would you describe your view of consultants?
 - Has your view on consultants changed over time?

Knowledge/Competency

- What is your strategy related to competence provision?
- How do you utilise the knowledge that the consultants bring into the organisation? (If knowledge is something they bring)
 - How do you spread knowledge in the organisation?
 - Which challenges do you see in this area?
- Which other methods do you use to get new knowledge into the organisation?

⁷ The interviews were held in Swedish. Therefore, this interview guide has been translated from Swedish to English. The word "you", translates to "ni" which can refer both to the government agency, and the DG themselves. To specifically pinpoint the DG's own actions the Swedish word "du" was used.

Accountability

- The public sector has a built-in accountability structure between government agencies, the government, and the people. Consultants are employed by an external party, is this something that you consider, and if so, how?
- Which learning opportunities do you see from looking at the private sector? Can the public sector learn from the private sector? How important is it to learn from the private sector?

Innovation

- What does innovation mean for you and the agency?
- How do you work with innovation?
 - Digitalization?
 - Do you see any link between consultants and innovation?

Wrap up

- Which would you describe as the main leadership challenges right now?
- Given the purpose of our study, and the themes we have discussed today, is there anything that you want to add?

Appendix 3 - Overview of interviews

Interview No.	Date	Length of Interview	Location	Present at the Interview
1	12/2	45 min	Government Agency	Netteryd, Nilsson
2	17/2	50 min	Government Agency	Netteryd, Nilsson
3	18/2	45 min	Government Agency	Netteryd, Nilsson
4	18/2	33 min	Government Agency	Netteryd, Nilsson
5	19/2	48 min	Skype	Netteryd
6	20/2	54 min	Skype	Netteryd, Nilsson
7	21/2	43 min	Government Agency	Netteryd, Nilsson
8	25/2	48 min	Government Agency	Netteryd, Nilsson
9	25/2	39 min	Skype	Netteryd, Nilsson
10	26/2	43 min	Government Agency	Nilsson
11	26/2	46 min	Government Agency	Nilsson
12	27/2	55 min	Government Agency	Netteryd, Nilsson
13	28/2	46 min	Stockholm School of Economics	Netteryd, Nilsson
14	2/3	51 min	Government Agency	Netteryd, Nilsson
15	3/3	53 min	Government Agency	Netteryd, Nilsson
16	5/3	43 min	Government Agency	Netteryd, Nilsson
17	6/3	49 min	Government Agency	Nilsson
18	9/3	41 min	Skype	Netteryd, Nilsson
19	11/3	39 min	Government Agency	Netteryd, Nilsson

Appendix 4 - Information to the interviewees

Our Background

We are two master students within the program for Business and Management at Stockholm School of Economics. We write our master thesis focusing on Management Consultants within the public sector. Our main interest lies in learning more about the use of management consultants in relation to knowledge provision and innovation. The data for the study is gathered through qualitative interviews with 20 Directors-General from Swedish government agencies.

Purpose of the interview

The purpose of this interview is for us to learn more about how the public sector, you, and your agency's work in a rapidly changing environment, the role of management consultants in that work, and related benefits and challenges.

The interview will be recorded, transcribed and analysed. The interview will be anonymised, meaning that it will not be possible to identify which interviewee who said what. This means that quotes from the interview will be presented in the thesis, but your name will not be used. The data, and list of interviewees can be accessed only by the researchers, the thesis supervisor, and the examiner of the thesis.

Consent to participation

Participation in the interview is voluntary.

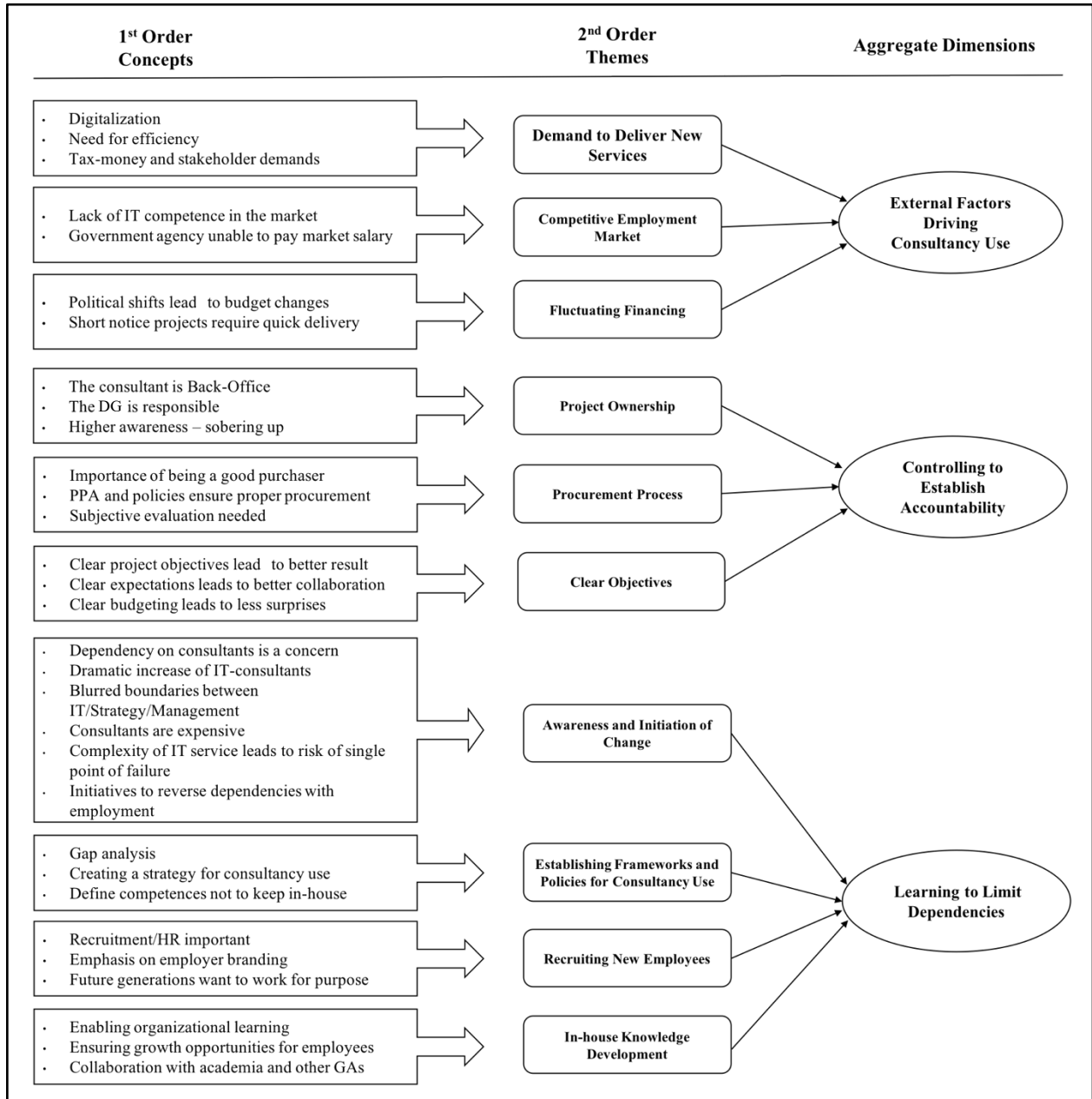
Thank you for your contribution

Do not hesitate to contact us with questions or concerns related to the interview.

Agnes Nilsson
07X-XXX XX XX

Rebecca Netteryd
07X-XXX XX XX

Appendix 5 - Data structure and illustrating quotes



Quotes from the Interviews - Two illustrating quotes per 1-st order concept	1 st Order Concepts
<p>"We use consultants in a lot of different areas... for example digitalization." (11)</p> <p>"I think all government agencies have a demand from the government to be more efficient. There is also a demand to become more digital, in our services and so on." (16)</p>	Digitalization
<p>"... it is a demand that we should do things more cost efficient." (10)</p> <p>"There is a constantly expectation on increased efficiency." (14)</p>	Need for efficiency
<p>"... in the public sector we serve the society and the taxpayers." (10)</p> <p>"Yes, there is a lot of angry taxpayers who think that we are wasting money." (1)</p>	Tax-money and stakeholder demands
<p>"Most of them [consultants] work with IT development, partly because we need the competence and partly to cover where there is a lack of resources." (3)</p> <p>"It is a structural problem. In general, it is hard to recruit and therefore we end up in this dependency..." (1)</p>	Lack of IT competence in the market
<p>"The state doesn't have the highest salaries on the market..." (11)</p> <p>"It is a question of what one can pay. Our salaries are not on the same level as in the private sector." (5)</p>	Government agency unable to pay market salary
<p>"... there have been big shifts [in the budget] ..." (12)</p> <p>"It is connected to how much money we get..." (9)</p> <p>"... we have quite fluctuating financing..." (16)</p>	Political shifts lead to budget changes
<p>"Another reason is volume and the backlog of things to do." (16)</p> <p>"Last week we became owner of a huge mine... we were not ready for that." (7)</p>	Short notice projects require quick delivery
<p>"Consultant should be there as a support." (9)</p> <p>"We don't let the consultant do the development, but we let them work at our office. There is a great difference, that not all [agencies] follows." (5)</p>	The consultant is back-office
<p>"It is my responsibility..." (15)</p> <p>"I am responsible... no matter if there is internal staff or consultants that work for me." (3)</p>	The DG is responsible
<p>"By experience it is easy to make mistakes from the beginning. As bad agreements have led to projects without any end-result, and that the consultants then wanted to sell more. That is quite common, at least before." (8)</p> <p>"The discussion of NPM and that we use models and terms from the private sector, I think we can do it sometimes and sometimes not." (6)</p>	Higher awareness – sobering up

“... there is really high requirement on the person who purchase MCs.” (10) “I think the most important about using consultants it that you are a good purchaser.” (16)	Importance of being a good purchaser
“We have a unit that is named purchasing and logistics...” (18) “We have PPA that we need to follow” (2)	PPA and policies ensure proper procurement
“I believe you understand it when you have an interview before the employment...” (10) “It is about the consultant’s level of understanding...” (13)	Subjective evaluation needed
“...it has to be clear what their assignment is...” (12) “...it is about communicating, and making it as clear as possible...” (5)	Clear project objectives lead to better result
“You have to be clear with the expectation and have a close dialog with the consultants...” (16) “...we gave them clear feedback about their performance, or in this case, the lack of performance, and told them about the consequences for the agency.” (6)	Clear expectations lead to better collaboration
“You can choose to have a roof of the cost or a fixed price, so it doesn’t become unreasonable expensive.” (12) “Are you very clear and have a fixed budget to stick to, my experience is that you are going be quite satisfied.” (7)	Clear budgeting leads to less surprises
“We make ourselves dependent on consultants...” (15) “We are heavily dependent on consultant.” (19)	Dependency on consultants a concern
“The IT area is a well-known problem...there, we constantly have a lot of consultants...” (1) “We don’t have the right balance [of consultants and employees] right now, but especially in regard to IT consultants since it such a competitive labour market.” (13)	Dramatic increase of IT-consultants
“...it is difficult to have competence in-house because it constantly changes. So right now, we have a lot of IT consultants to help with information security and thing like that...” (17) “...we have a big development where we use different types of IT consultants, from “Resource Consultants” to more strategic consultants and partners.” (6)	Blurred boundaries between IT/Strategy/Management
“Having internal staff...the price point is lower; the costs are less.” (16) “...because it is expensive with consultants... we will never be free from consultants within IT, it is not good economy.” (13)	Consultants are expensive
“...we were dependent on consultants for a long time that were key for the organisation.” (1) “I don’t want consultants that work for me year after year, so after a couple of years it time to get someone new so you don’t get dependent. It is healthy to change.” (15)	Complexity of IT service leads to risk of single point of failure

<p>“We need to know what competencies we need to recruit and when it is better to continue using consultants...” (9)</p> <p>“One reason is that we need to build this competence in house, another reason is that it is more expensive to use consultant than to employ people.” (12)</p>	<p>Initiatives to reverse dependencies with employment</p>
<p>“We have recently mapped out the competencies of our staff in order to identify, what we have, what we need, and where the gaps are...” (10)</p> <p>“It is important to create a strategy for competence so we get to know who to recruit and when it can be better to use consultants.” (9)</p>	<p>Gap analysis</p>
<p>“The strategy is rather that we shall use consultants where we need it, when we can't manage it ourselves.” (10)</p> <p>“We shall use them when they can contribute with something.” (1)</p>	<p>Creating a strategy for consultancy use</p>
<p>“...right now, we are about to decide what we should have internally and what we never shall have inhouse, and always as a consultant.” (7)</p> <p>“...if we judge that some task is better to use consultants for, then we use them.” (19)</p>	<p>Define competences not to keep in-house</p>
<p>...we have come up with a plan to ensure competes, and within that is to attract and keep employees. We work quite intense with it...” (11)</p> <p>“So, the recruitment is even more important to get in new type of competes.” (1)</p>	<p>Recruitment/HR important</p>
<p>“...that we work with our employment brand.” (8)</p> <p>“...we will need new competence, so we are going to focus on employment branding....” (19)</p>	<p>Emphasis on employer branding</p>
<p>“If you want to work with something that is good for the society and on the same time sustainable, the public sector is attractive.” (1)</p> <p>“...the public sector has the advantage that they easily can identify “the greater good”, which is attractive for new employees.” (9)</p>	<p>Future generations want to work for purpose</p>
<p>“...the pros are that we own the knowledge ourselves.” (18)</p> <p>“...we shall build organisational learning.” (6)</p>	<p>Enabling organisational learning</p>
<p>“As for all employers, it is important to have good work conditions, including setting of wage rates and other things that can appeal to people...it is not only about recruiting but to keep employees.” (3)</p> <p>“It is important to make the opportunity to grow internally clear...” (19)</p>	<p>Ensuring growth opportunities for employees</p>
<p>“we are close to the technical universities... there we work with program of development and let our staff be part of it.” (18)</p> <p>“we are an organisation that is dependent on research.” (2)</p>	<p>Collaboration with academia and other GAs</p>