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OBSESSIVE MEASUREMENT DISORDER

OR

PRAGMATIC BUREAUCRACY?

COPING WITH UNCERTAINTY IN DEVELOPMENT AID RELATIONS

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Obsessive Measurement Disorder or Pragmatic Bureaucracy?

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Obsessive Measurement Disorder or Pragmatic Bureaucracy?: Coping With Uncertainty in Development Aid Relations

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emerald
PUBLISHING

United Kingdom – North America – Japan – India – Malaysia – China

Emerald Publishing Limited
Emerald Publishing, Floor 5, Northspring, 21-23 Wellington Street, Leeds LS1 4DL

First edition 2024

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British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISBN: 978-1-80117-377-3 (Print)
ISBN: 978-1-80117-374-2 (Online)
ISBN: 978-1-80117-376-6 (Epub)

INVESTOR IN PEOPLE

Contents

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Preface

It seems that the world is becoming increasingly complex by the minute, and that, as a consequence, decision-makers in every field must learn to cope with the uncertainties involved when tackling grand societal challenges. Considering these urgent needs, we are truly grateful to the Swedish Research Council for the two generous grants that have enabled us to study and share insights gained on when, how, and why measurements become counterproductive or lead to so-called obsessive measurement disorder (OMD). We have studied how the true experts in this regard, aid bureaucrats, respond to uncertainty while facing great and often unrealistic demands for certainty.

Following the everyday efforts of these aid bureaucrats to find and forge paths through the dense administrative jungle has left us, as researchers and fellow citizens, both humbled and hopeful. For we have been pleasantly surprised to find more of what we call "pragmatic bureaucracy" than of the dreaded obsessive measurement disorder.

We would like to extend a heartfelt thank you to all of you who in one way or another have enabled and supported our research journey. First and foremost, to all of our generous informants for taking the time to reflect and share – thank you! Thanks also to our brilliant colleagues, students, and practitioner advisors for taking the time to read drafts and for your constructive ideas and suggestions. And to the team of transcribers, the anonymous reviewers and the supportive team at Emerald for your encouragement! Thanks to our eminent language editor Kelly Olsson for improving both our English and our arguments, and to our wonderful research assistant Alice Tunfjord for everything. And last but not least, a warm thank you to our families and friends for the love and day-in day-out support necessary to complete a book project!

In the end, although there is seldom a clear-cut recipe for decision-makers in highly complex settings, let us not forget that development aid should be more about developing people and societies, than developing measurements.

Stockholm, Sweden, June 2023
Susanna Alexius and Janet Vähämäki

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Chapter 1

Coping With Uncertainty in Development Aid Relations

The courage and ability to take on complex and uncertain coordination across distances in time, space, and cultures has been a characteristic of human affairs since ancient times (Harari, 2012). Long before our current times of space journeys, gene manipulation, and the internet – international trade, warfare, colonization, and religious missions and crusades entailed coping with great complexity and uncertainty. Today, the need to tackle "wicked" problems of coordination in complex settings under highly uncertain conditions, as illustrated the recent global COVID-19 pandemic and our critically deteriorating climate, remains as vital as ever before (Ferraro et al., 2015; Gray & Purdy, 2018; Ramalingam, 2013; Rutter et al., 2020; Schreyögg & Sydow, 2010; Verweij & Thompson, 2006).

In this volume, we present data from a field on the world's top list of highly complex settings – foreign development aid, a field in which ideas and resources make their way through an intricate web of organizations – *aid organizations* – to hopefully reach societies and people in need. More precisely, we present and discuss findings from our studies of some of the aid field's many interorganizational project relations, where the main characters of our field story – *aid bureaucrats* – find themselves engaged in managing projects aimed at tackling complex problems such as poverty, hunger, inequality, disease, and climate change.

Obsessive Measurement Disorder or Pragmatic Bureaucracy?, 1–11
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doi:10.1108/978-1-80117-374-220241001

How Do Aid Bureaucrats Cope With Uncertainty?

As the title of our book suggests, a central point of departure for our research project has been the concept of "obsessive measurement disorder" coined by Natsios in 2010. Natsios (2010) argued that the pressure on the US Agency for International Development (USAID) to demonstrate results brought about a state of obsessive measurement disorder (OMD) in aid organizations. Natsios defines OMD as a counterproductive condition where organizations become so preoccupied with measurements and formal control that they risk losing touch with other fundamental aspects that matter to their mission. The background Natsios' observation and warning about OMD in development aid administration was that demands to demonstrate results and to control the use of resources in aid projects had increased over recent decades (Eyben, 2010; Eyben et al., 2016; Shutt, 2016; Vähämäki, 2017).

The field of international development aid can be categorized as an extreme case in the sense that its typically very dedicated aid bureaucrats find themselves faced with highly complex conditions from which arise numerous uncertainties that they feel obliged to respond to (see Chapter 2). In their view, they need to at least try to create a sense of certainty, and a common response is to do so through attempts at controlling and measuring the results of aid. Together with others within the realm of their organizations and interorganizational relations, aid bureaucrats struggle, seeking and learning to find ways forward through the often dense administrative jungle. Our ambition with this volume is to examine how the demand for certain results affects aid bureaucrats and their organizations and, more generally, how quests for certainty are responded to in interorganizational project relations. At the heart of our inquiry is the question: *What do aid bureaucrats in interorganizational project arrangements do to cope with uncertainty*, *while facing great demands for certainty*?

When studying how administrative ceremonies, coping mechanisms and responses to uncertainty develop and spread, and how they come to occupy the time and minds of those involved, it is not terribly surprising to find that the rational "plan and measurement frenzy" tends to be most intense where uncertainty is the greatest. Such is the logic of the "mechanisms of hope" most modern organizations apply today in an effort to uphold the rational decision-making ideal (Brunsson, 2006). Against this backdrop, our point of departure as critical management scholars is that certainty can be seen as a powerful modern myth – a myth that greatly influences governance and management. In following with this reasoning, we also assume that the slighter the chances of actually *reaching* a state of certainty, the more attractive the myth (Shenhar, 2001; Tsoukas, 2018). This presents us with a mirage, an illusion that can be likened to the pot of gold at the end of the rainbow: a quest for something that, in reality, is nowhere to be found. But as the world is becoming increasingly complex by the minute, we believe it is both timely and interesting to learn from those who, despite all, take on this compelling "mission impossible."

In terms of empirical data, our study is based on the analysis of hundreds of documents and some 80 interviews with aid bureaucrats working at different levels and in different organizations, including public agencies, private companies, nongovernmental organizations (NGOs) and universities, all involved in development aid projects financed fully or in part by the Swedish taxpayer. (For a detailed account of the methods, materials and analysis, see the Methods Appendix.) More specifically, the theoretical purpose of our project has been to identify coping mechanisms and responses that may help to prevent the extremes of obsessive measurement disorder, and foster instead pragmatic, constructive organizing and learning that benefits not only aid organizations and their employees but also – and more fundamentally – the people and societies in need. In essence then, our study investigates the question of why performance management and measurement requirements seem in some instances to hinder, and in others to support the implementation of aid projects and programs.

Demands for Certainty in Public Administration

Although being able to show results has always been an important societal issue, the New Public Management (NPM) wave of the past decades has led to intensified pressure to do so, a demand driven by a strive for increased efficiency, transparency and accountability, and a higher quality of public services, and the strive to make policy implementation more effective (Hood, 1991;

Pollitt & Bouckaert, 2011). At the same time, countless studies have raised criticism of management trends associated with NPM (Forssell & Ivarsson Westerberg, 2014; Lapsley & Knutsson, 2016; Reuter et al., 2012; Van de Walle, 2010), with scholars having pointed out unbidden consequences such as an increased focus on short-term, measurable targets and outputs, increased audit and control practices, and too much time allocated to administration, with the implication that professionals are being left with too little for other work practices (Agevall et al., 2017; Alexius, 2021; Alvesson, 2021; Bornemark, 2018; Bringselius, 2018; Forssell & Ivarsson Westerberg, 2014).

It is also well-known that control efforts can lead to even more control efforts (Power, 1997). There is a risk, for example, that an organization that perceives itself to be closely controlled will in turn attempt to control others. Such as when an aid organization finds itself pressured by the media or an external auditor (Vähämäki, 2017). Scholars have also argued that too great a focus on performance measurement may erode development policy implementation (Buntaine et al., 2017; Hoey, 2015; Honig, 2018; Natsios, 2010; Rottenburg, 2013; Wallace et al., 2007) and can lead to extreme states such as OMD (Natsios, 2010). Counterproductive effects of increased control and performance management requirements have also been reported in research related to the concepts of the "audit society" (Power, 1997), "results measurement society" (Bowerman et al., 2000), "evaluation society" (Dahler-Larsen, 2011), and "administration society" (Forsell & Ivarsson Westerberg, 2014).

Looking more specifically at the field of development aid, it is also the case that at all levels, from macro to micro, responses to uncertainty have largely taken the form of a quest for results and effectiveness. Over the past decades, development aid organizations, both in Sweden and around the world, have put a lot of time and energy into building a system of indicators, measurement and accountability mechanisms (Eyben, 2010; Eyben et al., 2016; Gutheil, 2020; Shutt, 2016; Vähämäki, 2017; Vähämäki & Verger, 2019). These efforts can be seen as rationalized responses aimed at reducing uncertainty since a reduced level of uncertainty is deemed important to protect the legitimacy of the aid system (Hood, 1991; Pollitt & Bouckaert, 2011). This has been a major concern for

Sweden's aid agency Sida ever since the birth of Swedish public development aid in the 1960s (Vähämäki, 2017). Consequently, new results initiatives have been launched in Sweden every decade (1971, 1981, 1998, and 2012), with all of these tides of reform having centered on reducing uncertainty by demonstrating that aid "works" and produces results (Vähämäki, 2017).

Whereas most previous research projects on aid regulation have taken their departure from established project documents, attempts to explore the regulatory translation and the associated organizational dynamics have been less common (Ferguson, 1994; Hoey, 2015; Mitchell, 2002; Mosse, 2005; Rottenburg, 2013). Calls have, therefore, been made to specifically study what happens in aid organizations where such regulations are crafted and responded to (Eyben, 2010). In response to these calls, Vähämäki (2017) investigated how these types of regulations are understood within a government aid agency, but studies on the interorganizational relations remain scarce, and there is a need to move beyond single organization case studies to a more complex systems perspective on the wider world of aid relations and its interorganizational dynamics (Wallace et al., 2007). This is relevant in order to gain a deeper understanding of *when*, *how*, and in particular *why* performance measurement requirements and other control and auditing demands have a performance-weakening effect rather than the intended performance-enhancing effect on development policy and its implementation. These are key research questions we discuss in this volume.

To sum up, there is widespread knowledge and awareness today that excessive use of performance management and control seeking measurements to reduce uncertainty in complex settings can lead to unintended consequences and perverse, counterproductive effects for management and operations (Adcroft & Willis, 2005; Diefenbach, 2009; Forssell & Ivarsson Westerberg, 2014; Holzapfel, 2014; Johansson & Lindgren, 2013; Meyer & Gupta, 1994; Natsios, 2010; Smith, 1993). This debate has in turn spurred a "post-new public management" frenzy. In Swedish public administration, for example, in the years following 2016, trust-based management became the new management fashion (Bringselius, 2018) and, in the development aid sector, most aid organizations joined the chorus of those eager to at least *talk* about other ways of governing aid

(Vähämäki & Verger, 2019). In this hope-filled discourse, concepts such as "adaptive management" and "learning-based management" took center stage (Dexis Consulting Group, 2017; Honig, 2018; Honig & Gulrajani, 2018; Shutt, 2016; Vähämäki & Verger, 2019), with "results" (as in "results-based management") at times updated to terms like "learning," "trust," "agile," or "adaptive." The new management fashion in public administration has also faced substantial problematization, however, and has not escaped critique (Björk & Tengblad, 2023; Ehn & Sundström, 2020; Örn, 2017).

Yet, it is important to note that there are also studies that show how measurement and management of performance can be perceived as having a *positive* effect on monitoring, evaluation, and learning (Whitty, 2015), that emphasize how staff are able to adjust to requirements in ways perceived to be supportive of learning and which can contribute to effective aid (Wällstedt, 2016), and studies that show how performance measurement and management may enhance rather than reduce trust in certain settings, such as development aid (Alexius & Vähämäki, 2020).

Obsessive Measurement Disorder or Pragmatic Bureaucracy?

We know from previous research that attempts to simplify the complex and control the uncertain future can sometimes run amok and lead to "hyper-rationality" (Gustafsson Nordin, 2022; Tamm Hallström et al., 2022), where an intense and exclusive focus is placed on the rational processing of *everything*, including the interorganizational relationships that are key to the business of international aid. However, previous research also tells us that decision-makers gain and apply professional judgment and can possess a broad repertoire of strategic responses, including ways to ignore some external demands on rule-following and performance measurement requirements (Alexius, 2007; Eyben, 2010; Oliver, 1991; Vähämäki, 2017).

In the upcoming chapters, we present our findings on how aid bureaucrats cope with uncertainty in their everyday project operations. In essence, we find that they do so by navigating the tension between rigid bureaucracy and laissez-faire pragmatism, thereby walking a fine line between the risks of obsessive measurement at one extreme, and the risk of corruption and nepotism at the other. By applying their professional judgment, we find that most aid bureaucrats aim for a middle ground on the continuum between the two dreaded extremes. Thus, in order to be happy at their post, they learn how to cope within the realms of or by way of more creative uses of and approaches to rule-following and rational decision-making procedures.

We call this position and approach of the aid professionals "pragmatic bureaucracy," which we define as: *the use of judgment to identify a sweet spot between the extremes of bureaucracy and pragmatism, where bureaucracy is used rationally when possible, and pragmatically when needed*. The different chapters of the book contribute different facets of this concept, with the closing chapter devoted to an in-depth account of how pragmatic bureaucracy is performed and what its consequences are. Our work hence builds on and aims to contribute to previous research on the conditions under which performance measurement requirements improve or erode development policy implementation in complex fields such as that of development aid (Hoey, 2015; Hood, 2012; Natsios, 2010).

Chapter Outline

Chapter 2: Complexities, Uncertainties, and Responses

In this theoretical chapter, we first define three key characteristics of a complex system such as that of development aid: (1) multiple interacting components, (2) fluid boundaries, and (3) unpredictable dynamics. Next, we discuss how these complexities give rise to three kinds of uncertainties: (a) uncertainties of state, (b) uncertainties of effect, and (c) uncertainties of response. To complete the theoretical backbone of the chapter, we then cut to the core of our research question to discuss two types of responses aimed to reduce uncertainty: (1) approach-oriented responses, and (2) emotion-oriented responses, including trust. Here, we introduce the concept of *trust transference* and explain why, in highly complex systems, trust transference from *impersonal sources of trust* (such as organizational structures and processes, third-party standards and assessments, management technologies and methods) are typically the most legitimate ones. To tie in closer with our field of study, throughout the chapter, we illustrate the theoretical concepts and take – always with empirical examples.

Chapter 3: Recipients Are Responsible Donors Too: On Plural Actorhood and Role-Switching

In this second theoretical chapter, we continue to lay the foundations for upcoming empirical chapters by analyzing the identity and social roles of aid organizations, and how their bureaucrats manage uncertainty by following institutionalized expectations of proper, responsible behavior. We propose that the concept of *plural actorhood* has the potential to update outdated notions of intermediaries by shedding light on the aid organizations' abilities to perform and switch between *several* equally genuine roles. Most of the aid organizations are characterized by the duality of being *both* a donor *and* a recipient of aid, *both* a rule-follower *and* a rule-setter, *both* an auditor *and* an auditee. Therefore, the mechanism of *role switching* opens up for a more complex understanding of aid organizations which also allows us to better explain how aid bureaucrats balance the fine line of pragmatic bureaucracy.

Chapter 4: Practices of Approximation: Simplifying the Complex and Controlling the Future

Faced with uncertainty, aid bureaucrats commonly refer to approximations for actual outcomes and effects which are difficult to assess. The overall aspiration has been to tame the complexity and uncertainty at hand by providing simplified information, such as numbers on impacts and effects. New practices and methods have emerged over the years, but discussions on what should be counted as a result often lead to more, not less information being produced and processed, and to confusion, not clarity. Rather than being easy to comprehend, the numbers often spur new questions, and new numbers. The mismatch of temporalities in the field also implies that project managers are expected to provide reports *before* these results have had a chance to materialize. Nevertheless, most aid bureaucrats find results processes important as legitimizing rituals and mechanisms of hope, if not as validation of actual results.