

Not to be quoted without permission from the authors

DIMENSIONS IN VALUE DYNAMICS

Karsten Vrangbæk

Torben Beck Jørgensen

Department of Political Science
University of Copenhagen

**Paper to be presented at The Copenhagen International Public Value Workshop, May 28-31,
2008**

1. Introduction

Every human act is a choice between alternatives, and behind every choice is an implicit or explicit valuation. Organizations, including public sector organizations, are institutionalized structures that facilitate some actions and make others less likely. They are thus inherently infused by values, which influence the actions of their members. Core values of the German SS units facilitated certain courses of action, while values of human aid organizations facilitate others. Yet values are not necessarily stable over time. The SS as well as the German public administration pushed the boundaries of their revealed values as WWII progressed. Human aid organizations may have a core set of values, but the Red Cross of 1914-18 was far from the modern day professionalized organization. On a more peaceful note large public sector organisations like the national railways, mail services and broadcasting corporations have all experienced massive changes in value base over time, making some rationales for action possible now, that were unthinkable 50 or 60 years ago. It is thus evident, that values and value dynamics are important for understanding the core motivation for action in (public) organizations. We need to understand what makes values come and go in organizations in order to gain a deep insight into the conditions for action by their members. Yet, very few studies have addressed this issue in a systematic matter. We have empirical studies that can illustrate some of the developments in value profiles over time (e.g. the Danish Power and Democracy Study, Wal, Z. van der, G. De Graaf & K. Lasthuizen 2008) and in a comparative light (Van der Wal, Z., A. Pevkur & K. Vrangbaek 2008), but we have very few attempts to systematically understand value dynamics within a coherent theoretical framework. This paper is a preliminary attempt to create a theoretical framework for discussing value dynamics particularly for public sector organizations. We draw on the organizational change literature, as we see many parallels between such perspectives and the value dynamics we attempt to analyze. Like the main stream of organization theory we emphasize the contextual contingencies for value dynamics, although we also describe theoretical examples where the “motor” for change is more internal or indifferent to contextual factors.

The primary inspiration for our theoretical frame comes from a paper by Andrew H Van De Ven and Marshall Scott Poole from 1995. In this paper they present an overview of theories of organizational change and development. They argue that all theories of change can be related to four ideal typical categories: evolutionary-competitive, dialectic-conflict based, life cycle and

teleological-purposive/instrumental changes. Van de Ven and Poole are interested in organizational change, but we suggest, that the perspective can also be applied to value dynamics. The following table illustrates some of the main features.

TABLE 1 ABOUT HERE

Van de Ven and Poole argue that explanations of organizational change can be located either within one of the four ideal types, or consists of combinations of the four. What we are missing from their article is a more explicit elaboration of the importance of contextual factors, and the conditions under which each dynamic is most likely. The following sections will elaborate on each of the four theoretical ideal types in a value perspective. Then follows a discussion of carriers of value change and the contextual conditions for change processes.

2. The teleological approach

The teleological approach is in principle straight forward and simple. The argument is that achieving value changes intentionally can be done by e.g. applying specific management tools, new technologies, other organizational structure models or relating to the environment in a different way. In its most simple and perhaps most unreliable way management dictates a new mission statement outlining the values to be pursued during organizational operations.

2.1 Modes of governance

We will illustrate the teleological approach by discussing *modes of governance*. A mode of governance comprises in a systemic way many key dimensions in public organisations. In the typology of modes of governance presented below, each mode specifies a) the normative basis of public organisations, b) interactions between key actors in the state and within society, including the general role of the state and the citizens, c) the organisational context within which they are embedded,

d) key aspects of internal operating principles, control and decision making form, and e) basic organizing principles. The modes are summarized in table 2.

TABLE 2 ABOUT HERE

The hierarchical state

This is the classical parliamentary model of most Western European states. It is described by the constitutional rules for election, parliament, and government. According to this mode, the role of the state is to govern society on the basis of political preferences. The elected parliamentarians are viewed as "the architects of society" (March & Olsen, 1989:113). The role of the citizens is to elect the politicians and between elections to act as subjects.

Public organisations are organized in such a way that the political control with the administration's loyalty is made efficient, and (equal) citizens are treated alike. Thus, the ideal model is the neutral bureaucracy that pursues no independent values neither in relation to the citizens nor to the politicians. Dunleavy and O'Leary (1987:185) label this model "the externally controlled machine model". Consequently, the orientation of public organisations is upwards to "the owners" and the basic organizing principle is a vertical top-down relation. Control is carried out as "comptrol" (Hood & Schuppert, 1988), using hierarchy and rules internally as well as externally. Williamsom (1975) and Ouchi (1980) simply label this type as "Hierarchy".

The autonomous state

In this mode the role of the state is that of safeguarding specific principles and standards. The role of public organisations is **not** to be neutral. On contrary, they are expected to actively guarantee and sustain certain values in this way serving the abstract "public-at-large". They are "carriers of cultures, missions, values, and identities" (March & Olsen, 1989:114) and the citizen is guaranteed law and order, is guided, and socialized. The orientation is introvert - towards the central mission of the organisation - and the basic organizing principle is almost one of short-circuiting vertical relations, i.e. to protect the organisational core from politicians and users, as both groups are to be considered as

ignorant lay men that possess no insight into what is essential; e.i. the reproduction and development of professional and moral values.

Autonomy can be brought about in several ways. First, autonomy can be secured through **legal rules**. The idealtype is here the court and court-like bodies. Neither politicians nor citizen can intervene. Second, autonomy can be secured by an active subscribing to **basic values**. The idealtype is "the normative organisation (Etzioni, 1964) or "the missionary organisation" (Mintzberg, 1983), both of which recruits employees on the basis of attitudes, values held or a certain life experience. This type has a cause, and pursues the values held to the extent of almost preaching those values. Third, autonomy can be secured by **expertise**. The idealtype is "the professional organisation" (Mintzberg, 1983), that either recruits professionals from universities or train their staff themselves (or in some combination of the two). A profession is very often marked not only by expertise but also by certain values (ethical codex). This mode of governance comes close to what Ouchi (1980) labels as "Clan".

Organisations belonging to the autonomous state are not entirely left without external control. Control can be carried out through socialisation and peer group evaluations (Hood & Schuppert, 1988) based on norms and knowledge (Beck Jørgensen & Larsen, 1987). External control can also in some cases be carried out through institutional rivalry. Organisations are then "capable of being controlled by one another, through deliberately engineered conflict - for instance, rivalry for funds, responsibility for advocacy of incompatible values (i.e. tourism development and wildlife preservation) or other adversarial processes" (Hood & Schuppert, 1988:257).

The negotiating or network state

The negotiating state builds on the idea of "real politik". The state cannot be regarded as an autocratic agent that has a free hand to impose all its decisions on citizens. The state is up against many interests such as industrial organisations, labour market organisations, humanitarian organisations, civil society associations, employee organisations etc. The role of the state is to negotiate between different interests. In this mode the citizen acts as member of one or several interest organisations or associations.

The public organisation is located in arenas of dense but organized conflicts and its role is that of the mediator. This mediating role comprises attempts to act as a weathervane, balance interests in an

impartial way, but also actively to create a balance based on the interests of the public organisation (Dunleavy & O'Leary, 1987: 43-49). Apart from the concrete tasks that must be performed, an important aspect of the negotiating state is that of reproducing and developing patterns of influence which can facilitate political integration and stability.

Public organisations are specifically characterized by their location in an institutional structure comprising different fora/channels of negotiation such as for example hearing procedures, networks of councils, boards, committees, commissions, etc., to which authority has been delegated (March & Olsen, 1989:112). Thus, the orientation is lateral-extrovert and the basic organizing principle is horizontal relations between the public organisation and various organized interests. Control can be said to be carried out through the necessity to reach an agreement among a number of autonomous parties (Hood & Schuppert, 1988). Most modern writings on governance concentrate on this type when focussing on "network" and interorganisational dimensions (cf. Rhodes, 1997, Kickert, Klijn & Koppenjan. 1997).

The responsive state

This type builds on the idea of the single individual's recognized demand for concrete goods and services. Although public organisations can be structured in many ways, the basic orientation is downwards to the user and the basic organizing principle is vertical bottom-up, i.e. the opposite of that of the hierarchical state.

The responsive state has three variants. These can be distinguished with regard to the mechanisms which ensure responsiveness.

The supermarket state is characterized by internal incentives related to productivity measures, competition between public organisations, user fee systems affecting demand and other market-like mechanisms. The general role of the state is basically to ensure that public organisations enter into fair competition, and that equal market conditions exist for all users. Key values for assessing organisational forms are survival, flexibility, economy, and efficiency (March & Olsen, 1989:115). In its extreme form this involves privatisation, and the state is nothing more than an aggregate, an "automatic" resultant of citizen demand. This variant is rooted in market economics and control is

obtained through competitive processes in product or capital markets (Hood & Schuppert, 1988; Williamson, 1975; Ouchi, 1980).

The service state is characterized by being generally service oriented towards the citizen; this orientation being an intrinsic part of the staff's professional code and the organisational culture. The public organisation may enjoy monopoly status but it has learned to function as a "listening monopoly". The role of the citizen is a mixture of being client and consumer. This variant is rooted in consumerism as "an officially-approved fashion" (Pollitt, 1987: 43), in the corporate culture tradition (Rhodes, 1987), and managerial fashions as service management.

The self-governing state assumes that citizens take part in the production process itself, not only as a co-producer but also in deciding what to be produced and under what circumstances. Control can be carried out in several ways, for example by establishing user-group representation in public organisations (Hood & Schuppert, 1988) or by transferring grants direct to citizens who in the next turn organize the production by themselves. This variant is mainly rooted in the tradition of participatory democracy (Pateman, 1970).

2.2 Discussion

It goes without saying that each mode of governance via its main operating principles, the way public organisations are related to the environment, the applied control forms etc. tend to favour some core values, possibly – or rather hopefully - at the expense of other values.¹ So, provided the decision maker has a free choice,

- a preferred value can be advanced by selecting the optimal mode of governance or
- the decision maker can tip a balance of values by adding elements from one mode to another.

The trend in recent decades has been a movement towards the responsive state, especially the supermarket version usually labelled as New Public Management. This suggests that so called optimal choices may simply be part of a fashion, pointed out in an almost pure form when the Danish Ministry

¹ For a related discussion, see Jones (2008)

of Science as a new brand picked the phrase: “From research to invoice”, thus suggesting a change from the autonomous state to the supermarket state.

Though being straight forward and simple in principle, the teleological approach turns out to be quite complicated in practice. First, a given mode of governance may be eroded over time, e.g. the autonomous state may develop into excessive technocratic arrogance, the hierarchical state into rigid procedures, red tape, and overloaded vertical relations, the negotiating state into foggy and weathercock-like administration without any principles besides pleasing network members, and the responsive state into mindless aggregation of customer wishes. Second, although there is a strong argument then for applying combinations, not all combinations will possibly work equally well and are even not well understood. Third, a mode of governance may be difficult to implement because of particular circumstances, e.g. market can not be established because of lack of providers, or public organisations type “the autonomous state” will not be accepted because they are not in accordance with the spirit of time. Fourth, several actors may have vested interests in particular governance structures and may therefore disagree strongly over what would be the optimal choice.

The conclusion so far is that the teleological approach to value change – though attractive and unavoidable to policy makers - may have a difficult time because of lack of evidence and because of other not easily controlled dynamic forces in a complex world.

3. The dialectical approach

It is a central assumption in the dialectical approach that opposing forces create their own dynamic. Conflict in itself is a motor of change. Thus, value conflicts may serve as an explanation of change. The essential dialectical hypothesis is that a conflict between thesis and antithesis during time are resolved into a synthesis. Thus, a conflict between two values creates a third one, representing a synthesis. We can give no examples of value conflicts following this course. In what follows the point of departure is that value conflicts are long lasting. They can be handled but not removed by some sort of magic. The type of value dynamic looked for here is first and foremost on changes in relations between values and changes in interpretations of values.

However, values are carried by institutions and value conflicts may thus be closely connected to institutional conflicts or conflicts between vested interests. Further, value conflicts present organisational designers to severe challenges as value conflicts often imply design conflicts. One may say just as well that we are looking for organisational consequences of value conflicts.

3.1 Value hierarchy

The most obvious and simple way of handling value conflicts is establishing a hierarchy between values: Value X is more important value Y; so, when the accomplishment of value X has been satisfactorily achieved we can look to value Y. In as sense X is the winner value. The establishment of a value hierarchy is supposedly most easily done when values do not collide in content but only in need for resources and attention. The realisation of political loyalty may render it difficult to realise another value, e.g. a good working environment, not because they collide but because of limited resources.

If, however, the conflict in question is between political loyalty and independent professional standards or between efficiency and the rule of law then we have a conflict not only about resources but between two colliding values. Further, values may be antithetical in the sense that they are not only colliding values but opposite poles on a scale, like secrecy-openness; neutrality-advocacy and stability-innovation.

If two or more values are colliding or antithetical, value conflicts presumably can not be solved by a hierarchical ordering. In stead,

- conflicting values may be coped with as long-living conflicts,
- conflicting values may be partly or fully de-coupled,
- conflicting values may be arranged in a functional array with a kind of division of labour,
- conflicting values may be ordered as organisational sediments,
- one value may crowd out other values.
- value conflicts may lead to changes in interpretation of the values at stake.

3.2 Intraorganisational reactions

Develop the capacity to face value conflicts

The most self-evident answer is that management and personnel ought to be coached to endure value confrontations. Fights over values grounded in principles, conscience, faith and belief are cumbersome. They may easily become personal, and people that disagree over organisational core values may be classified as deviationists and heretics. Consequently, people tend to avoid value conflicts or value conflicts may be resolved as a matter of consensus (voting), consequences (experts) or preferences (market), i.e. relying predominantly on public choice-like institutions, which are suitable for aggregating preferences but treat values as an exogenous phenomenon.

However, this is presumably not an easy strategy *within* an organisation. An alternative is the development of the capacity to talk about conflicting values in an impersonal and disinterested manner, i.e. creating institutions that make deliberation regarding values possible; a kind of organisational parliament. It will also be wise to sort values according to those that are worth a decent fight and those that can be handled by consensus or preferences. In this manner, resources and attention are concentrated in a few central value conflicts.

Co-existence with partial de-coupling

A presumably oft-used option is keeping conflicting values separate in day-to-day operations. This can be done by “parking” conflicting values different places in the organisation, i.e. creating an internal “division of labour” or a decoupling of the conflicting values. One part of the organisation can be tuned to stability, another part to innovation; one part can be tuned to handling political requests, another part to strict professional considerations, resembling Scharpf’s (1997) notion of negative coordination.

A slight variation of the same theme is to locate conflicting values in functional networks. Public management can change the balance of conflicting values by channelling problems and issues into one network instead of another in the same way as one can modify sound by tuning the bass and treble and the balance between the loud speakers. In this manner, public management can balance different wings in the organisation.

A de-coupling of conflicting values can also be done over time. At any point in time, values will not be balanced in a sufficient manner; however, the balance can be altered in the long run. Here, public management can capitalise on the fact that values seldom are very stable but subject to confrontation with reality, changing conditions and changing interpretations. Public management can nudge these dynamic processes and tip the balance in a favourable direction (Dunsire, 1996).

A third type of de-coupling is based on the fact that different parts of the environment of the organisation raise conflicting claims on the organisation. Consequently, these conflicting values ought to be handled by different parts of the organisation addressing separate environmental segments. Part of the organisation will be oriented towards resource acquisition (e.g. the Ministry of Finance, parental department) and please this segment by thinking in terms of effectiveness and efficiency. Another part will be oriented towards users, pleasing this environmental segment by emphasising service, quality and punctuality.²

3.3 Institutional rivalry

We hypothesise that institutional rivalry between separate organisations - each organisation acting as a guardian angel for a set of harmonious and distinct values - will be established if at least one of the following conditions is satisfied:

- The value conflict is above a certain level and/or the values in conflict are opposite poles on a scale, which may tend to paralyse an organisation.
- Significant actors in the polity regard the values in conflict as central to the overall system.
- Significant actors in the polity favour transparency and openness with regard to how conflicting values are balanced.

The establishment of separate competing organisations is actually a classic idea and is used in a number of well-known instances. A notable example is the separation of central powers such as the executive (capacity to act), judicial (legality) and legislative powers (the will of the people). A particularly relevant example in the context of values is the institutional rivalry between oversight organisations such as the Ombudsman, the Ministry of Finance and the General Audit Bureau, each

² For a more detailed discussion on de-coupling strategies in general and organisational hypocrisy, see Brunsson (1989).

fighting for the full attention to its own basic value (legality, the rule of law, effectiveness, efficiency, and proper use of public money). Another oft-used strategy is the vertical separation of the production of services and the regulation, making it possible to counterbalance values such as effectiveness, professional standards and user orientation against values such as legality, democracy and the public interest.

Changes in values can be a result of changes in the relative power balance between those institutions serving as carriers of values, or to put it in a more cynic way: values can be the victims of bureaucratic politics.

3.4 Functional array of values

In a more general sense, values in conflict can be arranged in a functional array establishing a kind of division of labour not only between organisations but between sectors. Viewing the public sector in a long time perspective one can in Denmark and possibly also in other European states as well perceive the development of the public sector in three phases. The first consist of the establishment of the rule of law – the Rechtsstaat – since late eighteenth century inhabited by jurists, followed by the social or the welfare state with its professional cadres, and lately supplemented by the network state and the market state (Henrichsen, 2008). According to this description, we can to some extent find a sectoral division of labour, since new entering values have found their location in different parts of the public sector: Legality and the rule of law in the judicial system, professional values in the social sector and the health sector and markets values mostly in the infrastructure sector.

This is not to say that this development in phases and sectors is clear cut and that value conflicts do not surface. On the contrary value conflicts do occur because societal problems seldom fit into administrative categories and administrative arrangements and because vested interests not always accept administrative borderlines. A classic conflict between rule of law values and professional (medical) values is about whether deviant citizens should be categorised as criminals or as psychiatric cases.

3.5 Less visible outcomes of value conflicts

The most popular hypothesis on outcome of value conflicts is with little doubt the *crowding out hypothesis* launched by Hood (1991). According to this hypothesis old classic values like legality, honesty, and integrity are replaced by modern efficiency values. It is a the-winner-takes-it-all-hypothesis, envisaging that all public organisations are infused with efficiency considerations in all respects.

A less radical hypothesis – *the hypothesis of value sedimentation* -is that old values are not replaced by new ones. Instead off they are over layered by new values and in this way long living organisations – as most public organisations – may consist of several sediments of values. Old values are not talked about, but in certain situations they may surface and play a role.

Finally, conflicting values can be brought closer to (a bridging strategy) or farther from each other (a buffer strategy) by *changing interpretations of values*. The most obvious example is the conflict between effectiveness and judicial values. Effectiveness can be defined so broadly as it includes judicial values, cf. the next section, just as well as legality and due process can be defined as including not only the correct but also a speedy answer to citizens in concrete cases. In a sense one value colonises another.

4. Autonomous value dynamics

Value change can be explained by inner properties of the value in question, the basic genes so to speak. In other words the value it self “invites” to autonomous dynamic patterns. The classic group of theories is here life cycle theories. Life cycle theories have been developed for nearly all levels of human life, e.g. from the psychological level by Eriksson and Piaget, the organizational level by Adizes to the cultural level by historians such as Spengler and Toynbee. The idea of life cycle can be applied to both governance structures and values as suggested by Beck Jørgensen & Larsen (1987), Hood & Jackson (1994) and Hood & Schuppert (1988).

As noted earlier governance structures are not value neutral. They favour some values and disfavour others. It follows that values inherited in a specific governance structure flourish and die with that structure. While a newly installed governance structure may be welcomed and trusted in the first place as the answer to actual problems, governance structures can wear out over time. A number of specific theories may explain that, e.g. the temporal distribution of benefit and cost of a governance structure and the relative learning capabilities of those actors being the governed. As a consequence, the safeguarding of a specific value is captured by the life cycle of a governance structure.

When life cycle theory is applied directly to values, the idea is that a value has a starting point, its hay days and a decline. Values may simply create certain curiosity in the beginning, becoming more attractive and fashionable and later die because of lack of interest or a feeling of uselessness. Values are then viewed as a mere fashion or as a proper approach to certain problem in a period of time possibly caused by a crisis or a challenge. Examples of the later can be the Danish debate on freedom of speech following the cartoon crisis in 2006.

Other types of autonomous value dynamics are *pendulum dynamics*, *enlargement of scope*, *refinement*, and *turbulence*. Case studies of central government organisations -The Ministry of Finance, The General Audit Office, The Ombudsman, and The Office of Equal Opportunities - showed such dynamics (Palmhøj Nielsen, 2003). In the Ministry of Finance the understanding of effectiveness tend to shift between a broad understanding as goal accomplishment given restrictions of legality, professional standards and quality of service (a very satisfying conception but involving huge problems of measurement and control) to a much narrower understanding as productivity (less satisfying but much easier to adopt).³ Again, the distribution of costs and benefits of a particular value conception may create pendulum movements.

The value dynamics in the National Audit Office is slightly different despite that effectiveness also is a basic value there. In the Office effectiveness has in the long run drifted away from parsimony and the notion of the proper and legal use of public money via productivity to the broad scope of effectiveness and organisational performance mentioned above.

³ See also the analysis of the history and dual meaning of efficiency in Rutgers & Van der Meer (2006).

The Ombudsman, on the other hand, experiences a more steady development in the basic judicial values. During decades, a practice for dealing with complaints brought in by citizens has expanded gradually with cases, interpretations, explanations, arguments, and possible sanctions. So, every year the handbook with rules to be followed by the Ombudsman is enlarged gradually within the same paradigm.

In sharp contrast, the basic value of the Office of Equal Treatment has experienced a very turbulent development. Equality is an obstinate value, both from a technical and political perspective. From equality you can associate with many neighbouring values: equal opportunities, equal worth, equal treatment, and equal influence and in fact also to a rather opposite value, namely acceptance of differences. Further, equality is often interpreted as a central part of democracy. Next to these problems comes the question: who shall be entitled to enjoy the benefits of equality? Behind all these different interpretations are political conflicts.

Although value dynamics in this section are understood as autonomous changes in values it is important remembering that in most cases if not all, inherent properties of value *invites* to certain dynamic patterns, not *determining* anything. In particular, we should recall that values are often attached to specific organizations. The Ministry of Finance and the Office of the Auditor General safeguard effectiveness although in varying ways and the Ministry of Justice and the Ombudsman are the guardian angels of legality. Viewed in this way, changes in the relative balance between effectiveness and legality may be explained as a result of *bureaucratic politics*.

5. The evolutionary approach

The fourth approach to value dynamics is selection of values by citizen or customer demand inspired by the population ecology approach from organization theory. Different values are taken care of by a number of organisations. These organizations compete for scarce resources, e.g. legitimacy, voter support, money, and customers. Because of changes in external conditions and subsequent environmental selection some values are favoured and others disfavoured, the overall result being a change in the distribution of values.

This type of value dynamic is particularly important 1) if there is a market-like competition with entry and exit possibilities, and 2) if the organisations in question can be labelled as *normative organisations* (Etzioni, 1964). Normative organisations organise themselves around a few highly important values which are supposed to guide organisation members' behaviour (replacing rules and incentives as coordination mechanisms). Normative organisations are not easily changed. Because of their value intensity changes imply severe and detrimental value conflicts and the inevitable development of situations with clear winners and losers.⁴

Danish free schools offer a clear example. They are highly subsidized by government and quite easy to establish. They often organize themselves around certain values of religious, pedagogical or political nature. Because of that, they can be seen as strong normative structures, which can not be changed on purpose by public authorities. Instead the market does the job. Each year schools are closed down because of internal conflicts, recruiting problems and/or decreasing demand and new schools enter the population, the result being a changing distribution of values at the population level.

Another example is the party system. Political parties are normative organisations just as free schools and deviants and heretics are treated accordingly. Thus, changes in party ideology are difficult. Immobility can on the other hand be punished by the voters. The Danish multi-party system appears to be a particular good example. Danish politics are not dominated by two dominant parties as in Westminster systems. On the contrary, often 10 or more parties, including newcomers, are competing for support, and as there are no great entry barriers it is not overwhelmingly difficult for a new party to pick up issues left over by the old parties.

6. The importance of context for value dynamics

We have thus given a broad outline of four categories of theories that can be used to characterize value dynamics, and we have provided examples of value changes within each category. Yet a

⁴ A Danish survey (Antonsen & Beck Jørgensen, 1997) showed that public organisations subscribing to many and central values - when compared to those with few and less central values - had more complicated tasks, served the future as much as here-and-now-citizens, interacted with more complex environments, were less likely to implement changes, handled budget cuts more incrementally and left management with some frustration. In short, these high-publicness organisations appeared to be frustrated and slow movers.

number of additional cross cutting dimensions can be taken into account. The speed and scope of value change may differ both within and between the categories. There may be deeply rooted core values and path dependent policy developments which will lead to value robustness. At the other end of the scale there could be very volatile value configurations, where fads and fashions easily penetrate.

One way to approach this discussion could be to use a two dimensional chart for the organizational population with the spread of value change on the horizontal axis (how many organizations and sub-organizations have adapted to new values), and a more qualitative assessment of the degree of penetration on the vertical axis (how far down in organization have the new values been adapted, and what is their importance relative to other values). Performing the assessment over time will allow for analysis of the speed of change. It will also allow for analysis of where there is resistance and slow progress.

Figure 1 here

Such an overview would not in itself provide explanations, but would give a more informed basis for asking questions about value dynamics in different parts of an organizational population. Theories of path dependency and value stability could then be applied as well as discussions of value fashions.

As mentioned in the introduction we believe that another important underlying dimension for value dynamics could be the context for value change and the origin of new values. We have already raised the issue of context in the presentation of the four theoretical ideal types, but will now attempt to discuss this in a more systematic way. Following organizational theory literature we can differentiate between different contextual dimensions. The organizational context may thus be highly structured or fragmented, consensual or conflict prone, stable or dynamic, ordered by markets and competition, by political negotiations or by dominating hierarchies. Resources may be abundant and access to critical resources easy or resources may be scarce with strong competition for access (Scott, 1987 and 1995; Thompson, 1967; Pfeffer and Salancik, 1978; Powell, and

DiMaggio (eds.) (1991)). Figure 2 illustrates and links to the four theories and the dimensions for assessing value change. The core idea is that contextual dimensions will influence the dominant value dynamics, i.e. evolutionary, dialectic, life cycle or teleological-purposive, but will also affect the speed and scope of value change.

Figure 2 here

Combining the contextual dimensions with the four value families of theories for value dynamics allows us to develop a number of hypotheses of value change. For example:

H1: Market based and competitive contexts will often be accompanied by evolutionary-competitive value dynamics. Penetration of values is likely to be deep in the organizations, but with different values for different organizations.

H2: Highly structured and stable environments with clear roles and hierarchies are likely to be accompanied by teleological-purposive change dynamics. Penetration will depend on the power of the actors introducing new ideas, and the fit with existing core values, development paths and professional values.

H3: Fragmented contexts with a high degree of political interest conflicts are likely to be accompanied by dialectic-conflict based change dynamics. Penetration will be partial and will depend on the power of the different political interest groups.

7. Conclusion

We have thus presented a preliminary framework for analyzing value dynamics. Much work remains to clarify the different concepts and translate them into empirically useful categories. However, we believe that the perspective of value dynamics can be a valuable contribution to the academic debate on organizational values in the future.

Table 1. Families of Ideal-Type Theories of Societal Change

	Evolutionary-competitive	Dialectic-conflict based	Life cycle	Teleological-purposive
Key methaphor	Competitive survival	Opposition, conflict	Organic growth and death	Purposeful-instrumental acts
Logic	Natural selection among values and/or carriers of values	Opposition b/n values and carriers of values	Imminent program. Prefigured sequence. Fashion cycles	Social construction to reach an envisioned end of state.
Event progression	Values change in a process of evolution, variation and competition for survival. The values that have the “best fit” in the environment will survive	Values live and die with the interests and power relationships between their carriers. Entry of new groups in power will change value profile	Values have a life course. Initial spread and enthusiasm is replaced by institutionalization and de-institutionalization as organizations loose novelty status or practical implications appear	Values are consciously infused

Adapted from Van de Ven & Poole (1995)

Table 2. Modes of governance

Mode of Governance	Role of Public Organisations	Normative Base	Role of Citizens	Organisational Context	Control Forms
The hierarchical state	Implementation of political decisions	Political loyalty, neutrality,	Voter and subject	Political bodies, central departments, General Audit Office, The Ombudsman	“Comptrol”, hierarchy, rules
The autonomous state	Safeguarding specific purposes, principles, standards and values	Legality, independent professional standards, advocacy	Legally protected, guided and socialised individual	Professional associations, universitites, knowledge centers, non-economic interest groups	Peer group control, socialisation, institutional rivalry
The negotiating state	Mediator in corporate structures and networks	Consensus, compromise, balance of interests, political stability	Member of interest organisations, boards, councils, networks	Industrial interest organisations, labor market organisations, boards, councils, networks, user groups	Negotiations, counterwailing powers
The responsive state - Supermarket state - Service state - Self-governing state	Act as a business firm Act as a listening monopoly Setting frames for self-governing	Efficiency Service Participation, self-development	Consumer Client Citizen, co-producer	Competitors User groups None	Competition Dialogue Self-regulation

Figure 1. Horizontal and vertical spread of values

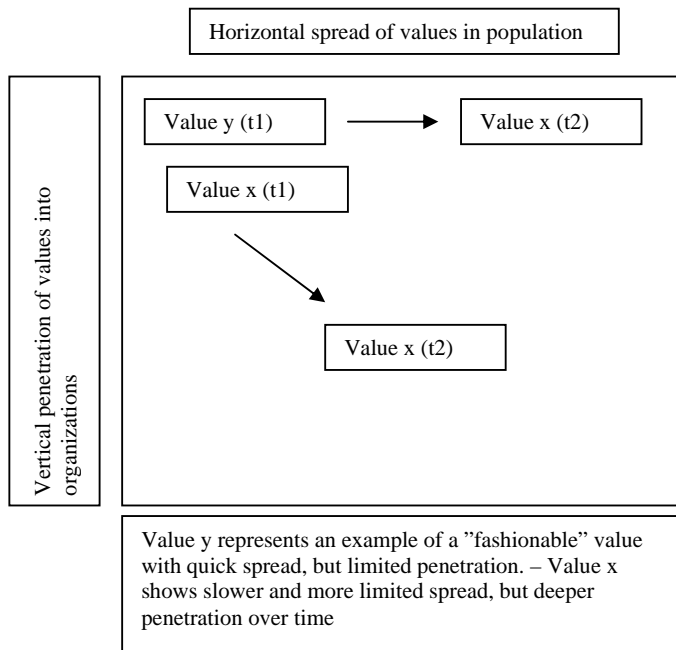


Figure 2. Contextual dimensions of value dynamics

Contextual dimensions	Theories of value dynamics	Scope and speed of value change
<ul style="list-style-type: none"> • Highly structured or fragmented, • Consensual or conflict prone, • Stable or dynamic, • Markets/competition, political negotiations or hierarchy. • Abundance or scarcity of critical resources • Degree of professional influence <p>etc</p>	<ul style="list-style-type: none"> • Evolutionary-competitive • Dialectic-conflict based • Life cycle • Teleological-purposive 	<ul style="list-style-type: none"> • Horizontal and vertical penetration of values • Speed of value change • Deep core values vs fashion values

Literature

- Antonsen M. and Beck Jørgensen T. (1997) The 'Publicness' of Public Organizations. *Public Administration* 75, 337-357.
- Beck Jørgensen, Torben & Bøje Larsen. 1987. "Control - an attempt at forming a theory", Scandinavian Political Studies 10, 279-299.
- Blau, Peter M. & W. Richard Scott. 1963. Formal organizations. A comparative approach. London: Routledge & Kegan Paul.
- Brunsson, Nils. 1989. The Organization of Hypocrisy. Talk, Decisions and Actions in Organizations. New York: John Wiley & Sons.
- Denhardt, Robert. 1984. Theories of public organizations. Monterey, Cal.: Brooks/Cole Publishing.
- Dunleavy, Patrick & Brendan O'Leary. 1987. Theories of the state. The politics of liberal democracy. London: MacMillan.
- Dunsire A. (1996) Tipping the Balance: Autopoiesis and Governance. *Administration and Society* 28, 299-334.
- Etzioni A. (1964) Modern Organizations. Prentice-Hall, Englewood Cliffs.
- Hernes, Gudmund. 1978. Forhandlingsøkonomi og blandingsadministrasjon. Bergen: Universitetsforlaget.
- Hood C. (1991) A Public Management for All Seasons? *Public Administration* 69, 3-19.
- Hood, Christopher & Gunnar Folke Schuppert (eds.). 1988. Delivering public services in Western Europe. Sharing Western European experience of para-governmental organization. London: Sage.
- Hood, Christopher. 1990. "Public Administration: lost an empire, not yet found a role?", in Adrian Leftwich (ed.), New developments in political science. London: Edward Elgar.
- Hood C. and Jackson M. (1994) Administrative argument. Dartmouth, Aldershot.
- Jones, Douglas (in press): "Matching regulatory arrangements with public values in the provision of energy and telecommunications: One view".
- Kickert W.J.M, Klijn E.-H. and Koppenjan J. (Editors)(1997) Managing Complex Networks. Strategies for the Public Sector. Sage, London.
- March, James G. & Johan P. Olsen. 1989. Rediscovering institutions. The organizational basis of politics. New York: The Free Press.
- Meyer, John W. & Brian Rowan. 1977. "Institutionalized organizations: formal structure as myth and ceremony", American Journal of Sociology 83, 340-363.

- Mintzberg, H. 1983. Structure in fives. Englewood Cliffs, N.J.: Prentice-Hall.
- Ouchi W.G. (1980) Markets, Bureaucracies and Clans. *Administrative Science Quarterly* 25, 129-141.
- Palmhøj Nielsen C. (2003) Værdiernes vogtere. Om regulerende organisationer i staten. In På sporet af en offentlig identitet. Værdier i stat, amter og kommuner. Edited by Beck Jørgensen T. Aarhus Universitetsforlag, Århus. pp 197-218.
- Pateman, Carole. 1970. Participation and democratic theory. Cambridge: Cambridge University Press.
- Pfeffer, J. og Salancik, G.R. (1978). The external control of organizations. New York. Harper & Row
- Powell, W.W and DiMaggio, P.J. (eds.) (1991) The New Institutionalism in Organizational Change. Chicago. The University of Chicago Press
- Pollitt, Christopher. 1987. "Performance measurement and the consumer: hijacking a bandwagon?", Performance measurement and the consumer. London: National Consumer Council.
- Rainey, Hal G. 1984. "Organization theory and political science: organizational typologies, political variables and policy studies", Policy Studies Journal 13, 5-22.
- Rhodes, R.A.W. 1987. "Developing the public service orientation, or let's add a soupcon of political theory", Local Government Studies May/June, 63-73.
- Rhodes R.A.W. (1997) Understanding governance: policy networks, governance, reflexivity and accountability. Open University Press, Buckingham.
- Rutgers, M. & Van der Meer, H. (2006): "The Origins of 'Efficiency'. On the dual meaning of efficiency in the study of public administration". Paper presented at the EGPA Conference in Milan, September 2006.
- Scharpf F. (1997) Games Real Actors Play. Actor-Centered Institutionalism in Policy Research. Westview Press, Boulder.
- Scott, W. Richard. 1987. Organizations. Rational, Natural and Open Systems. Englewood Cliffs: Prentice Hall.
- Scott, Richard W. (1992) 3rd edition. Organizations: Rational, natural and open systems. New Jersey. Prentice Hall.
- Scott, W. Richard (1995) Institutions and Organizations. New York. Sage
- Thompson, J.D. (1967). Organizations in Action. New York. McGraw-Hill.

Van de Ven A.H. and Poole M.S. (1995) Explaining Development and Change in Organizations. *Acad Manage Rev* 20, 510-540.

Wal, Z. van der, G. De Graaf & K. Lasthuizen (forthcoming 2008). 'What's Valued Most? A comparative empirical study on the differences and similarities between the organizational values of the public and private sector.' *Public Administration* 86.

Van der Wal, Z., A. Pevkur & K. Vrangbaek (forthcoming 2008). 'Public Sector Value Congruence among Old and New EU Member-states? Empirical evidence from the Netherlands, Denmark and Estonia.' *Public Integrity*.

Williamson O.E. (1975) *Markets and Hierarchies: Analysis and Antitrust Implications*. Free Press, New York.