



Investigation of political accountability during competitive tendering

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Investigation of Political Accountability during Competitive Tendering

Dr. Jean C. Mutiganda

Department: Accounting

University/Institution: Åbo Akademi University School of Business and Economics

Town/City: Turku -Åbo

Country: Finland

Abstract:

Purpose

The aim of this study is to analyse political accountability during structuration of competitive by analysing how position-practices and internal structures affect implementation of competitive tendering and political accountability among active agents.

Design/methodology/approach

A field study was conducted from 2007 to 2015 in a regional city in Finland. Data is based on document analysis, interviews and meeting observations. Research design, data collection and analysis apply methodological bracketing for field research.

Findings

Findings show that during initial implementation of competitive tendering, position-practice relations at macro- organisational level prevailed over the internal structures of public officials and political decision-makers and political accountability weakened. During structuration of a second competitive tendering process, however, public officials took strong positions to monitor macro-organisational practices in order to minimise procurement risks. The restructuring process led to a positive outcome and improved political accountability. A major contribution of this study is to demonstrate ways in which active agents can be affected by, and affect structures of, organisational change to improve their accountability.

Research limitations

Field research and interpretation of the data are limited to the analysed organisations. Empirical findings cannot be extended to other organisations directly.

Practical implications

Public officials and political decision makers cannot be expected to succeed in applying market mechanisms, such as competitive tendering, in outsourcing health care services.

Originality/Value

This study shows applicability of strong structuration theory in analysing competitive tendering and political accountability.

Keywords: Strong structuration, accountability, competitive tendering, position-practice, structure, agent, care, public sector

Article Classification: Case study

Investigation of Political Accountability during Competitive Tendering

Introduction

Political accountability, that is, accountability among public officials and political decision makers to political legislative bodies, such as congress or parliament at national level or similar organs at local levels, for using public funds to outsource public services has attracted increasing attention in recent accounting research (Fowler & Cordery, 2015; Hyndman, Ezzamel, Johnsen, & Lapsley, 2008; Nyland & Pettersen, 2015; Sinclair, 1995). The issue of public accountability during competitive tendering for public services, however, has remained outside the focus. The need to analyse political accountability during competitive tendering is well indicated, because public officials use public funds as approved by political decision makers to outsource services from private sector organisations (Arlbjørn & Freytag, 2012). Research has shown that competitive tendering is not always the best procurement method to improve the quality of public services (Arlbjørn & Freytag, 2012; Milne, Roy, & Angeles, 2012) and can lead to higher costs and monopoly in the longer-run (Terje & Gisle, 2008).

The aim of this study is to analyse political accountability during structuration of competitive tendering in public sector organisation. Structuration is a process through which agents draw on particular structures to generate actions. Actions of agents have the potential, however, to reproduce or change the structures that the agent used to produce them (A. Coad, Jack, & Kholeif, 2015; Giddens, 1984).

The theoretical part of the paper uses a revised version of structuration theory, referred to as strong structuration theory (SST), suggested by Stones (2005). SST addresses ontological and methodological criticisms of structuration theory (Archer, 1995), provides an extended framework to analyse relationships between structure and agency, and suggests a methodological approach to conduct empirical field studies (Jack & Kholeif, 2007; Stones, 2005). As a result, similar to the old version of structuration theory, SST reaffirms that there is no primacy between agents and structure; what matters is how structuration takes place and why (Giddens, 1979, 1984; Stones, 2005).

However, Stones 2005, argues for moving from a flat and local ontology, also called ontology in general on which structuration theory is based (Giddens, 1979, 1984) to ontology-in-situ when analysing relationships between structure and agency (Stones, 2005). Local ontology suggests that no structure exists outside the human mind; flat ontology suggests that structures have no hierarchy either at micro- or macro-level (Giddens, 1979). As a result, critics have accused local and flat ontologies of structuration for leading to conflation of structure and agency, which makes it impossible to analyse structures separately from agency and vice-versa (Archer, 1995; Cohen, 1989). Stones (2005) has responded positively and critically to previous critics and suggested analysing structure and agency separately by using a quadripartite model of structuration, hereinafter referred to as quadripartite framework. The quadripartite framework conceptualises duality of structure as composed by four key elements: external structures, internal structures, actions of active agency and outcomes (Stones, 2005). External structures are conditions for actions; they include position-practice relations that prevail at macro-environmental level and can help or hinder actions of particular agents. Internal structures include general and specific capacities and weaknesses of agents to act in a given way. Actions are seen through the conducts of

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3 active agents; outcomes can be intended or unintended depending on capacities and
4 weaknesses of agents to act or not in a given space and time (Stones, 2005).
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7 Recent studies have used SST to analyse management accounting change, diffusion of
8 accounting practices and the role of accountants in the diffusion and change (A. Coad et al.,
9 2015; A. F. Coad & Herbert, 2009; Conrad, 2014; Jack & Kholeif, 2008) and accountability
10 (Conrad, 2005; J. Roberts, 2014). SST has been applied successfully in other research
11 disciplines, such as sociology, politics and health care (Chan, Deave, & Greenhalgh, 2010;
12 Greenhalgh & Stones, 2010; Greenhalgh et al., 2013). There is a gap in the literature,
13 however, in analysing relationships between structuration of organisational change and
14 accountability among active agents (Conrad, 2005; J. Roberts, 2014). Accountability refers
15 to the ways in which a person or organisation that has an obligation to account for conduct,
16 delivers or can be expected to deliver the account to other persons or organisations to whom
17 the account is due (Messner, 2009; J. Roberts, 2009; J. Roberts & Scapens, 1985). Many
18 previous structuration studies in accounting and accountability have put more emphases on
19 the structure of signification, domination and legitimation than on agency (A. F. Coad &
20 Glyptis, 2014; Englund & Gerdin, 2014; J. Roberts, 2014; J. Roberts & Scapens, 1985). As a
21 result, there is a need for critical studies that examine the ways in which the quadripartite
22 framework helps analyse reflexivity between structures and agents in accountability settings.
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28 The research question is how position-practices and internal structures affect implementation
29 of competitive tendering and political accountability among active agents. Active agents in
30 this study include political decision makers and public officials that have key roles in
31 implementing competitive tendering. Potential contribution is to show the role of active
32 agents in reproducing and changing the structures when aiming to improve outcome of
33 organisational policy change and political accountability. Implication for practitioners and
34 policy makers is to show the ways in which public officials and political decision makers
35 can not be expected to succeed in applying market mechanisms, such as competitive
36 tendering, in outsourcing health care services.
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40 A longitudinal field study was conducted in a regional city, referred to as Viking City, from
41 2007 to 2015 in Finland. Data was obtained through document analysis, interviews and
42 meeting observations. Field research used methodological bracketing (Stones, 2005) to
43 identify and analyse structures that influenced actions of active agents in designing and
44 implementing competitive tendering and explaining their actions in political accountability.
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47 Findings show that position-practice relations at macro-organisational level prevailed over
48 the internal structures of public officials and political decision makers during
49 implementation of initial competitive tendering. Political accountability weakened. During
50 structuration of a second competitive tendering process, however, public officials took
51 strong positions to monitor macro-organisational practices in order to minimise procurement
52 risks. The restructuring process led to a positive outcome and improved political
53 accountability. The findings contribute to previous structuration studies with the focus on
54 accountability (Ahrens & Chapman, 2002; Conrad, 2005; J. Roberts, 2014) by showing how
55 in which accountability weakens when position-practice relations have dominated internal
56 structures and actions of active agents. It also demonstrates how agents can shape the
57 structures afterwards to improve their accountability. The study extends SST to competitive
58 tendering literature (Cunningham & Nickson, 2011; Jones, 2013; Pîrvu & Bâldan, 2013) by
59 showing how public officials and political decision makers can not be expected to succeed in
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3 applying market mechanisms, such as competitive tendering, in outsourcing health care
4 services.
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7 The next section analyses the theoretical framework used in this study and its
8 operationalisation. The following section explains research methods and context data. The
9 last two sections present findings, discussion and conclusions.
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11 **Theoretical framework**

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13 This section explains concepts that Stones (2005) has used to refine and extend the
14 conceptual framework of Giddens (1979, 1984) structuration theory. A brief literature
15 review of political accountability and competitive tendering literature follows.
16 Operationalisation of the theoretical framework used in this study concludes the section.
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20 **Conceptual framework: SST by Stones (2005)**

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22 The ontological foundation of structuration theory (Giddens, 1979, 1984) is a combination
23 of objectivist and subjectivist social realities. Objectivist ontology assumes that social reality
24 exists independently of individual actors' knowledge about it. In contrast, subjectivist
25 ontology assumes that social reality depends on individual actors' knowledge and
26 interpretation thereof (Giddens, 1979). As a result, structuration theory is based on
27 assumption of duality of social structure, that is, external reality existing independently of
28 individual agents and internalised reality that is an outcome of hermeneutic understanding of
29 what the agent knows and does (Greenhalgh & Stones, 2010). Giddens (1979) argues that
30 there are three categories of structures within the sphere of knowledgeability, namely:
31 domination, signification and legitimation. Domination refers to using resources and power;
32 signification refers to attributing meanings; and legitimation refers to the capacity to use
33 norms and rules (Giddens, 1979). The structures of domination, signification and
34 legitimation form a stock of knowledge about external contexts and conditions of action
35 (Stones, 2005). Each structure can be analysed independently. Giddens used the term
36 *modalities of structuration* to explain different ways in which an agent in action uses
37 particular structures in particular interactions with other agents to reach an outcome. The
38 structures that are used become part of the agent's memory traces in immediate and future
39 tasks (Giddens, 1984). Critics argue, however, that Giddens failed to clarify when a structure
40 can be seen as an analytical memory trace or as a resource. It is also not clear how one can
41 analyse agents as entities separate from the structures upon which they draw to act, and
42 whose actions can change the structures. Critics often refer to this as conflation or elision of
43 structures and agents (Archer, 1995; Cohen, 1989).
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49 In response, Stones (2005) argued that structuration has a quadripartite nature. The
50 components of the quadripartite framework are external structure, internal structure, active
51 agency and outcomes. Each component is conceptually different from other components and
52 can be analysed independently. Figure 1, below, illustrates the quadripartite nature of
53 structuration.
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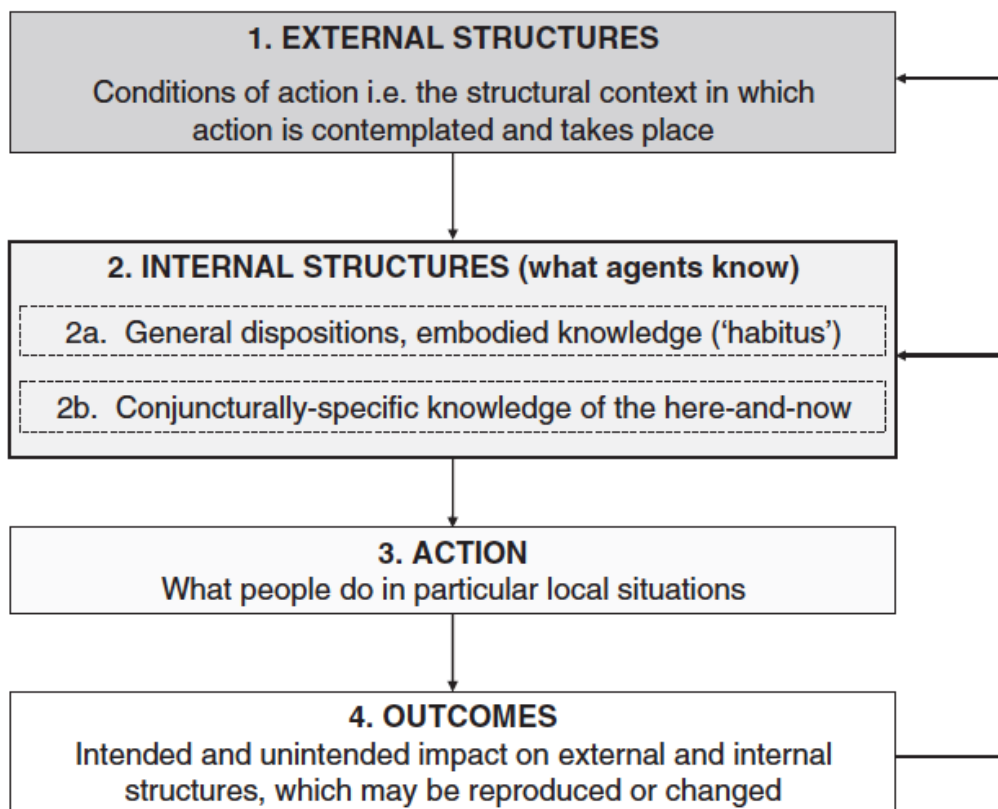


Figure 1. Strong structuration theory: the quadripartite nature of structuration (Stones 2005)

Figure 1 shows that external structures affect internal structures and both external and internal structures affect actions of active agents that lead to different outcomes. Outcomes affect external and internal structures later on, which may explain why and how agents act differently in a continuous process of structuration (Chan et al., 2010; Greenhalgh & Stones, 2010; Jack & Kholeif, 2008).

External structures refer to the concept of position-practice relations initially developed by Bhaskar (1998) and Cohen (1989). Analysing position-practice relations requires examining relationships between the following key issues: Firstly, *praxis*, that is, institutionalised activities of agents at abstract ontological levels or institutionalised actions of agents in-situ i.e., in specific contexts and settings. Secondly, *social positioning*, that is, identities within a specific setting of social relations. Each identity has a set of specific and distinct prerogatives and obligations. An agent can occupy more than one position simultaneously in social relations at individual and/or collective levels (A. Coad et al., 2015). It is advisable to analyse identities by examining interactions among agents in social positioning (Giddens, 1984; Stones, 2005). Thirdly, *capabilities*, that is, the capacity of agents to use power, resources and rules in order to act (A. F. Coad & Glyptis, 2014). Fourthly, *trust*, that is, mechanisms used to coordinate relationships based on personalities developed during a process of routinisation of rules, norms and actions, and during a reflexive process of accountability (A. F. Coad & Glyptis, 2014; Giddens, 1984). Relationships within position-practices depend on position taking in a specific time and space. Position taking changes depending on contexts and circumstances of each action (Stones, 2005).

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Internal structures operate within the agent. They include general dispositions, also referred to as *habitus* (Bourdieu, 1986), such as personal attitudes, skills and morals, and specific conjunctural knowledge, that is, hermeneutic understanding of how to act in particular contexts (Stones, 2005).

Actions of active agents refer to the ways in which an agent makes use of his /her internal structures and his/her knowledge of internal structures of other agents to act within a specific position-practice setting (Greenhalgh et al., 2013; Jack & Kholeif, 2008). Decisions to act can be strategic or critical, routine-based or pre-reflective (Stones, 2005).

Outcomes can be intended or unintended, depending on how the actions of agents reproduce or challenge position-practices that are established in the field (A. Coad et al., 2015; A. F. Coad & Glyptis, 2014; Stones, 2005). When applying SST, it is important to combine *omic* perspective, that is, analysis of internal structure, with *etic* perspective to analyse external structures independently of agents' specific knowledge about them (A. F. Coad & Herbert, 2009).

Competitive tendering and political accountability: a SST approach

In the early 2000s the European Commission issued directive nr. 2004/18/EC to member countries, requiring each country to operate competitively when outsourcing goods and services that are beyond a specific threshold (Arbjørn & Freytag, 2012). The aim was to promote free movement of goods and services and competitiveness in public sector organisations (Bergman & Lundberg, 2013). Each country has implemented the EU directive differently, depending on national needs and realities (C. J. Gelderman, Ghijsen, & Brugman, 2006). In Finland, however, the Public Procurement Act (2007), referred to as the 2007 Act, enacts all provisions of the EU directive as mandatory national law. Implementation of the EU directive at organisational level brought new conditions for actions upon public officials and political decision makers that operate in local markets (Pîrvu & Bâldan, 2013). For example, competitive tendering gives access to international business organisations into local markets, which introduces new position-practice relations at local levels. The new position and practices may not be compatible with general dispositions and specific knowledge of public officials and political decision makers, which creates tensions in modalities of structuration that had become taken-for-granted by key actors in the local market and the new ones (Adedokun, Ibrionke, & Babatunde, 2013; Pîrvu & Bâldan, 2013). Depending on contextual settings, public sector organisations can resist complying with legal requirements for competitive tendering, which makes it difficult for public officials operating in different sectors to learn from each other (K. Gelderman, Ghijsen, & Schoonen, 2010). Competitive tendering processes often lead to unexpected qualitative and financial outcomes in local markets (Ignazio, 2011; Milne et al., 2012), which causes tensions among organisational actors (Cunningham & Nickson, 2011) and raises the problem of accountability (Jones, 2013).

Previous structuration studies have analysed issues related to managerial accountability. However, these studies paid limited attention to political tensions that often exist in political decision making when allocating and monitoring the use of financial resources (A. F. Coad & Glyptis, 2014; Conrad, 2005; J. Roberts & Scapens, 1985). The main difference between these two factors is that managerial accountability focuses on how persons that have received specific performance targets show their achievements and explain possible deviations from them to superiors in the hierarchy. Political accountability goes a step

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4 further to focus on how persons to whom authority has been delegated, such as political
5 decision makers and public officials, are answerable directly or indirectly to the society or
6 people from whom that authority came (Day & Klein, 1987). It follows that political
7 accountability includes managerial accountability and adds obligation of accountability to a
8 larger audience, such as the society that has delegated authority to political decision makers
9 through democratic election. Political decision makers and the society expect managerial
10 accountability of public officials that have received specific performance targets (Scarparo,
11 2008). The scope of external structures for public officials is large because public officials
12 must be able to understand the political praxis and social positioning that takes place when
13 politicians make decisions to allocate resources to them and to monitor their use (Lapsley,
14 Midwinter, Nambiar, & Steccolini, 2011). In the opposing scenario it can be hard for public
15 officials to gain the trust of politicians and the larger society that elected them (A. F. Coad &
16 Glyptis, 2014; N. C. Roberts, 2002; Scarparo, 2008). As a result, public officials and
17 political decision makers have to act as active agents (A. F. Coad & Herbert, 2009) by
18 constantly monitoring position-practices and changes in their external structures, and
19 updating their internal structures generally and specifically (A. Coad et al., 2015) so that
20 their actions are in line with political accountability expectations and their continuous
21 obligation of duty (Adserà, Boix, & Payne, 2003; Scarparo, 2008). Active agents have to use
22 power and resources, communicate with other agents in actions and be able to make or
23 propose decisions that are necessary for their actions to reach expected outcomes (A. Coad
24 et al., 2015; Stones, 2005).

25 26 27 28 29 30 **Operationalisation of the theoretical framework**

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32 The study starts by analysing position-practice relations in external structures that shape the
33 social context in which the implementation of competitive tendering and political
34 accountability take place. Next, the study analyses internal structure with a focus on general
35 descriptions (or habitus) and specific knowledge of public officials and political decision
36 makers in action. Further analysis concentrates on how each active agent thought and acted
37 during implementation of initial competitive tendering and discharging of his/her political
38 accountability. Finally, the study analyses the reflexive process of restructuring by
39 examining learning processes that active agents went through during the implementation of
40 competitive tendering for the second time and the political accountability outcomes.

41 42 43 **Research method and context data**

44 45 **Research method**

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Stones (2005) advises applying methodological bracketing, originally formulated in part by
Giddens (1979), to conduct strong structuration field studies. Methodological bracketing
aims to increase research focus and improve robustness of research findings by combining
agents conduct analysis and agents context analysis or focusing on one of them (A. F. Coad
& Herbert, 2009; Jack & Kholeif, 2007).

Agent's conduct analysis focuses on internal structure of an agent by examining his/her
ontological knowledgeability, such as his/her hierarchical sources of concerns, desires, ways
of thinking and doing, reflective monitoring and interactions with other agents (Stones,
2005). Analysing agent conduct shows his/her reflexive and pre-reflexive processes of
thinking and doing that are part of his/her conjuncturally specific knowledge of relevance to
the context that shapes actions at hand (Stones, 2005). As a result, analysing the agent's

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3 ontological knowledgeability helps to understand his/her conduct in a given set of
4 circumstances (A. F. Coad & Herbert, 2009). In contrast, *agent's context analysis* is outward
5 focused. The analysis starts by examining how specific internal structures are connected to
6 position-practice relations in external structures, such as rights and obligations, power
7 relationships among or upon active agents, conditions of actions in a given societal setting
8 and consequences of actions (A. F. Coad & Herbert, 2009; Stones, 2005). The process of an
9 agent's context analysis seeks to provide information that helps a field researcher understand
10 how the conduct of the agent shapes and is shaped by positions-practices that are located in
11 the field of agent's actions (Stones, 2005), by focusing on an agent's possibilities and
12 limitations to act in a specific way (Chan et al., 2010; Greenhalgh & Stones, 2010).
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17 When conducting a field study, an agent's conduct analysis should include at least two steps:
18 first, identification and analysis of general-dispositional frames of meaning of each agent-in-
19 focus; second, analysing conjuncturally specific internal structures that are located within
20 the agent's general dispositional frames of meaning (Stones, 2005). An agent's context
21 analysis should also include two steps: first, identification of position-practice relations that
22 constitute clusters of external structures, such as power, authority, rules and resources
23 available for use by the agent at different hierarchical levels; second, analysis of possibilities
24 and constraints that have each agent-in-focus during structuration (Stones, 2005).
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27 During field research, public officials and key political decision makers in health care at
28 Viking city were analysed as agents-in-focus. Private sector organisations involved in
29 competitive tendering, previous and current procurement methods, competitive tendering
30 rules, resources and mechanisms constitute position-practices relations that are part of the
31 external structure. They were analysed through the agent's context analysis. Position-
32 practices relations can offer possibilities or impose limitations to actions of agents.
33 Capabilities of each agent-in-focus are part of general dispositional frames of meaning or
34 conjuncturally specific internal structures. They were analysed through the agent's conduct
35 analysis.
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38 39 **Research context**

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41 Viking City became an appropriate site to conduct this field study when it was decided to
42 implement competitive tendering for elderly care services for the first time in 2007. The
43 decision to operate competitively aimed to implement relevant provisions of the 2007 Act.
44 Direct access to public officials, political decision makers, local media, public and local
45 providers of elderly care services and possibilities to observe political and managerial
46 meetings in the city provided additional motivations.
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49 Viking City is a municipality. Each municipality in Finland has freedom of local
50 governance. Political decision makers are elected in municipal elections for a four-year term
51 to represent their political parties at different hierarchical levels, such as the municipal
52 council, the audit committee and the executive committee. Politicians that acquire the
53 highest votes in municipal elections become members of the municipal council. The
54 municipal council is the highest governing body and has the power to approve municipal
55 strategies, budgets and annual financial reports. It appoints the municipal mayor. The audit
56 committee is the second governing body with power to monitor the execution of municipal
57 policies approved by the council, as well as municipal budgets and financial reports. It
58 reports to the municipal council once a year before the council can definitively approve
59 official municipal annual financial reports. The executive committee is the third governing
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3 body with the power to monitor the daily management of the municipality and to approve,
4 upon delegation from the municipal council, all managerial decisions suggested by key
5 public officials. The executive committee appoints key public officials upon suggestions
6 from the mayor (Ejia Vinnari & Näsi, 2013). Every sector of municipal services, such as
7 education up to secondary school level, health care and social services, maintenance of
8 public infrastructures and technical support to municipal institutions has a political
9 committee that governs it. As a result, political accountability is hierarchical on a bottom-up
10 basis (Kurunmäki, 1999).
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14 Each municipality has an obligation to provide elderly care services financed by municipal
15 funds to its population. Elderly care falls under the supervision of the social and health care
16 committee that is politically accountable to the municipal executive committee and audit
17 committee directly, and the municipal council indirectly. Each elderly person finances part
18 of the costs for his/her care services, such as meals, medicine and rent depending on his/her
19 financial capacity. In case of need, the public national insurance system provides additional
20 subsidies upon individual request. The municipality finances a substantial part of elderly
21 care costs (Tynkkynen, Lehto, & Miettinen, 2012). Municipal finance depends largely on
22 municipal tax revenues, in addition to subsidies that the central Government allocates on a
23 per capita basis once a year (Hyvönen & Järvinen, 2006; Kurunmäki, 1999). Some
24 municipalities are increasingly becoming successful entrepreneurs in energy markets, such
25 as water, electricity and regional deep-sea harbour services (Ejia Vinnari & Näsi, 2013).
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30 The Municipality Act (1995) requests each municipality to have a balanced budget and not
31 to have accumulative budgetary deficits during a four-year term corresponding to the
32 calendar of municipal elections. Each political governing body does its best, in one way or
33 another, to not over-spend its budget as a matter of political accountability (Mutiganda,
34 2013; Eija Vinnari & Näsi, 2008). The budget allocated to the social and health care
35 committee in Viking city varies between 40% and 50% of the total annual budget of the city.
36 Unfortunately, up to 2007 the social and health care committee had not managed to not
37 overspend on its budget. Pressure to reduce elderly care costs increased in 2007 because the
38 city's tax revenues were decreasing, and social and health care costs and unemployment
39 rates were increasing gradually. Prior to 2007, the city outsourced part of elderly care
40 services to local entrepreneurs by engaging in direct negotiations with each one of them on
41 an annual basis. Local entrepreneurs wanted to act as price setters in order to guarantee
42 health care quality. However, the majority of local politicians and the director of social and
43 health care services held a different view and claimed that the city needed a mechanism to
44 set 'a market price' for elderly care services. Entry into force of the 2007 Act gave
45 opportunity to public officials and politicians to switch from direct negotiations with the
46 local entrepreneurs to an international competitive tendering system.
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51 In the late 2007s, Viking city launched an international call to compete for its elderly care
52 services. Local, regional and international companies responded positively. In the early
53 2008s, the social and health care committee approved a proposal by the director of social
54 and health services to approve the bids of two companies, one international and one local,
55 because they offered the lowest prices. The local company started to execute its new
56 contract with the city immediately. The international company delayed, because it had no
57 facilities and personnel in the city. It took two years for one of its affiliated companies to
58 finish building a new health care facility. When the execution of its elderly care contract
59 with the city was about to start, however, the city became obliged to conclude two additional
60 exclusive contracts for renting and maintaining public spaces within the new health care

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4 facility with companies affiliated to the international company in order to make the main
5 contract workable at lower costs for the elderly. The city had not intended to conclude these
6 additional contracts, or budgeted for them when it approved the international company's bid
7 in 2008. As a result, total costs to implement all the contracts became much bigger than
8 public officials and political decision makers had expected. Political accountability became a
9 lively debate in the local media and in political meetings. As a result, the head of the social
10 and health care committee made a public announcement in 2011 that the city was not going
11 to make use of international competitive tendering anymore to outsource elderly services
12 and decided to recruit an expert in public procurement methods and strategies.
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15 Two years later the city tried to organise a local competitive tendering for elderly care
16 services but failed to keep it local, because total financial resources to be allocated to
17 tendered contracts was beyond the threshold fixed by the 2007 Act. As a result, the city
18 amended its local tender invitation into an international one. The second competitive
19 tendering process went much better than the previous one. Three companies, one local and
20 two international, won the competition because they had offered the lowest prices. The local
21 company is currently executing its new contract and a new international company is about to
22 start executing its contract. The international company that had won the previous
23 competition won the second one as well. However, it is having problems implementing its
24 new contract because of financial reasons from within.
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28 Context data

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30 Table 1 provides a summary of data collection and analysis. Research design implements the
31 quadripartite framework. Data collection and analysis applies the methodological bracketing
32 (Stones, 2005).
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35 Level of analysis	36 Data	37 Analysis	38 Results
39 External structures	<p>40 Document analysis:</p> <ul style="list-style-type: none"> 41 - EU and national regulations on competitive tendering 42 - Municipal, public health care and social security regulations; 43 - Policy and strategic documents in Viking city for social and health care services 44 -Rights and obligations of public officials and political decision makers in Finland 45 - Official financial statements of the city (2006-2014) 46 -Budget plans and reports of the city (2007 -2014) 47 -Selected meeting minutes of the social and health care security committee of the city 48 - Press articles 49 - Selected national TV broadcasts (2008-2013) <p>50 Semi-structured interviews with two key local politicians and a member of Parliament of Finland.</p>	<ul style="list-style-type: none"> 51 - Analysing each document from a longitudinal approach (2008-2015). 52 - Connecting information gathered from each document to analyse position-practice relationships. 53 - Agent's context analysis 	<ul style="list-style-type: none"> 54 - Macro institutional pressure to implement competitive tendering in municipal services. 55 - Budgetary constraints and political pressure to reduce costs of social services provided to local population. 56 - Lack of competition among local providers of elderly care services. 57 - Under-capacity for the municipality to provide all elderly care services without outsourcing from private organisation. 58 - Resistance of some politicians and majority of local elderly care companies against competitive tendering.

Internal structures	<p>- <i>Semi-structured interviews with political decision makers</i>: head of social security board, head of executive committee of the city, two member of social security board.</p> <p>- <i>Semi-structured interviews with public officials</i>: director of social and health care services, manager of elderly care services, financial manager of social and health services, lawyer, internal controller</p> <p><i>Semi-structured interviews</i> with two local companies operating in elderly care market, four members of executive board of one company</p>	<p>- Multiple interviews with one person were analysed from a longitudinal approach to ascertain changes over time</p> <p>- Single interviews were analysed as triangulation tools to collect views of different actors.</p>	<p>- Identification and understanding general dispositional frames of meaning of each agent in focus</p> <p>- Describing specific capabilities of each agent over time: skills, power, resources... as well as possibilities and limitations to implement competitive tendering that minimise procurement risks and service costs.</p> <p>- Analysing oral and verbal statements of political accountability.</p>
Actions	<p>- <i>Observation of how implementation of competitive tendering took place</i> in Viking city</p> <p>- Interviews with political decision makers to whom political accountability is due: the head of audit committee, two members of the audit committee and internal controller</p>	<p>- Analysing actions in context</p>	<p>- Understanding actions of agents in focus in specific settings</p> <p>- Making sense of political accountability about actions that have taken place in the field.</p>
Outcomes	<p><i>Combining document analysis, interviews and meeting observations</i> to analyse consequences of implementing competitive tendering on health care costs in the short and long run.</p>	<p>- Longitudinal methodology</p>	<p>- Political accountability in the short-run and its effect on further structuration of competitive tendering in the long run.</p>

Table 1: Summary of data collection, analysis and outcome

Field research started in 2007 with agent's context analysis. Data was based on documents analysis, such as the 2007 Act on Competitive Tendering, EU Directive on Competitive Tendering, Municipality Law (1995), social and health care regulations in Finland, municipal obligations to provide elderly care to the elderly, official annual financial reports of Viking city since 2006, budgets of elderly care in Viking city since 2006 and their implementations, reports of the social and health care committee, articles published in local media and public debates at a national TV station. Further information was gathered by talking to two key politicians that are members of the city council as well as key public officials, such as the city lawyer, chief finance officer, and financial manager of social and health care services.

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3 To analyse agent's conduct and internal structures, the study conducted formal interviews
4 between 2009 and 2013. The interviewees included the social and health care director,
5 elderly care manager, head of social and health care committee, internal auditor, external
6 auditor, two members of the social and health care committee and a member of the audit
7 committee that monitors decisions of the social and health care committee. To increase
8 validity of the study, further interviews were conducted with persons that have extensive
9 experience in the local elderly care market. The interviewees include a politician that is a
10 member of the national parliament, two key managers of local elderly care organisations and
11 their chairpersons, and four persons that are members of the executive committee of one of
12 the organisations.
13
14

15
16 To analyse relationships between external structures, internal structures, actions of active
17 agents, outcomes and political accountability, the field researcher attended four meetings of
18 the social and health care committee from 2009 to 2011. Each meeting discussed issues
19 related to procurement of social services with the focus on elderly care. The meetings
20 showed how public officials explained problems with procurement of elderly care to
21 politicians by using accounting information in addition to health care criteria. Further
22 participation in meetings took place in the audit committee from 2009 to 2013. The
23 committee invited all key public officials in social and health care and the city's mayor to
24 explain the city's budgetary and social policies; outsourcing strategies, and their
25 implementation.
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30 An additional round of interviews was conducted in 2015 to monitor the current situation of
31 political accountability among public officials and political decision makers during
32 implementation of service contracts concluded as an outcome of the second competitive
33 tendering process. The interviewees included the manager of elderly care, the financial
34 manager of elderly care, two members of the social and health care committee (including its
35 head), and the vice-head of the audit committee. All politicians interviewed in 2015 are also
36 members of the city council. The total duration of interviews was 23 hours. Time spent in
37 meeting observations was about 60 hours. The data gathered through different methods
38 affirmed each other to establish validity (Stones, 2005; Yin, 2008).
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40

41 **Findings and Discussion**

42
43 Findings show that position-practices at macro-organisational level prevailed over public
44 officials and political decision maker's internal structures during implementation of initial
45 competitive tendering. Political accountability weakened. During structuration of a second
46 competitive tendering process, however, public officials took strong positions to monitor
47 macro-organisational practices in order to minimise procurement risks. The restructuring
48 process led to a positive outcome and improved political accountability.
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51 **Position-practices, internal structures and actions of active agents**

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53 In conformity with the quadripartite framework (Stones, 2005) this study finds that before
54 implementation of competitive tendering, the *praxis* of outsourcing elderly care services
55 depended on direct negotiations between Viking city representatives and representatives of
56 each local elderly care organisation separately every year. Each negotiating party had a
57 specific *social position*, such as to represent interests of the city and the society by large, and
58 to represent the private elderly care market and health care expertise. Although local
59 entrepreneurs tried to dominate the market as price setters, Viking city representatives had
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3 financial monopoly and could use their political power to set prices of outsourced services at
4 a lower level. A member of the social and health care committee confirmed tensions that
5 existed during direct negotiation of elderly care prices with local organisations:
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7
8 “... Local providers of elderly services kept raising their prices... Negotiations with
9 local organisations were hard...”
10

11 A member of executive committee of a local organisation provided further explanation:
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13
14 “According to the law, financial viability of an organisation must be a personal matter
15 for any member of the executive board... Therefore, I cannot approve taking risks by
16 selling our services below a minimum price that covers all costs...”
17

18
19 In position taking, local organisations used cost accounting information to resist the pressure
20 of selling their services at lower prices. Viking city representatives responded by using
21 budgetary policies of the city; they were not willing to buy elderly care services at any
22 higher price than the city could afford. Specific knowledge of cost accounting and budgetary
23 mechanisms formed internal structures (Stones, 2005) of negotiating parties. For example, a
24 member of social and health care committee explained:
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27 “... The problem was that the budget of our board was not enough to cover costs of
28 outsourced aged care services... We had to negotiate lower prices...”
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30
31 Document analysis confirmed that the council and executive committee of Viking city
32 insisted on reducing costs of health care services including elderly care and used budgetary
33 policies to reduce the budget allocated to the social and health care committee every year.
34 Local entrepreneurs disagreed on grounds that the city should not set arbitrary prices of
35 elderly care services to fix its financial troubles because local entrepreneurs could face
36 bankruptcy in return. Chief executive officer of a local organisation explained:
37

38
39 “... This is a not-for-profit organisation... I have responsibility to pay salaries and all
40 allowances to our personnel as indicated in national law... I also have responsibility to
41 design aged care services that put the elderly in the centre of our activities... All these
42 are costs... We cannot offer under-priced services to the city...”
43
44

45 Meeting observations in 2007 confirmed. With entry into force of the 2007 Act, things
46 changed rapidly in Viking city. For example, local entrepreneurs realised that
47 implementation of the 2007 Act was going to open the door to international companies
48 specialising in health care to compete against them. A member of executive committee of
49 the local organisation commented:
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51
52 “... During competition the risk of a local company being taken over by international
53 business competitor was clear...”
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56 The director of social and health care services had a different perspective, however, and
57 expressed his/her positive attitude in the local media for implementing competitive tendering
58 in Viking city:
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3 “... The new public procurement law is compulsory... It is about competition in public
4 sector organisations... The city has decided to implement it in elderly care ... National
5 and international entrepreneurs are welcome to submit their bids...”
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8 Although the social and health care director used the 2007 Act as part of his/her new
9 external structure when explaining his/her position to implement competitive tendering, this
10 study argues that special skills and experience to organise international competitive
11 tendering in Viking city were still missing. The elderly care service manager explained:
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13

14 “... When the social and health care board meeting made a decision to start
15 ...competitive tendering... technical aspects were not an issue... However, I had no
16 toolbox ready for use... I had no previous background... in this specific matter... We
17 were simply not ready...”
18
19

20 This means that public officials lacked a habitus (Bourdieu, 1986) and general dispositions
21 to operate competitively. The social and health care director went further, confirming the
22 weakness of general dispositions and conjuncturally specific knowledge (Stones, 2005) of
23 public officials to implement competitive tendering in which international companies with
24 dominant market power and high level expertise in international competition were interested
25 in participating:
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28 “... My colleagues and I have substantive expertise in social and health care
29 management... but not in organising competitive tendering in this field... A
30 multinational company can afford hiring the best experts to write a bid that outperforms
31 bids of local companies... We have to consider what is written during bid evaluation...”
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34 In analysing relationships between agent context and conduct, another perspective on inter-
35 personal and inter-organisational trust emerged (Stones, 2005). A member of audit
36 committee advised public officials to be careful:
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38

39 “... When I read all offers for elderly care services submitted to the city, I made my
40 own calculations about the soundness of their price levels... I therefore warned the
41 director of social and health care services of the city that some of the apparently
42 appealing offers were seriously under-priced...”
43
44

45 Advice to be careful is a sign of personal trust. During field research, however, it became
46 apparent that public officials did not see any reason not to trust price information that
47 competitors submitted in their bids. The manager of social services explained:
48
49

50 “... The role of our public procurement committee was to analyse price levels included
51 in all offers by checking if they were in line with our service requirements... We did not
52 need to know details of how they had calculated their prices...”
53
54

55 Another issue is about trust as a mechanism that develops in position-practices to coordinate
56 the actions of agents (Giddens, 1984; Stone, 2010). This study argues that there might not
57 have been enough trust among public officials and political decision makers during
58 implementation of initial competitive tendering in Viking city. For example, the head of
59 social and health care committee and some minority members opposed a proposal by the
60 director of social and health services to approve launching a competitive tendering process
in elderly care:

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5 “...Public officials convinced our board that competitive tendering was compulsory... I
6 opposed myself... but was in the minority...”
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8 A member of the social and health care committee confirmed this. Taking trust in inter-
9 organisation settings for granted has had a negative impact on the actions of public officials
10 in evaluating bids and deciding on outcomes of competitive tendering, because companies
11 that submitted the lowest price levels won the competition without having to explain which
12 services their prices included or excluded and without guarantees of the quality of their
13 services. The manager of elderly care services explained:
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15
16 “... A company that offered the lowest cost of elderly care could obtain maximum points
17 on this criterion ... that is 60% of all other criteria... quality standards accounted for
18 20%... rent and feeding costs accounted for 20%...”
19
20

21 The elderly care manager explained the mechanisms of internal structures that the
22 procurement committee used to evaluate bids:
23

24
25 “... My colleague and I used a model developed on an Excel worksheet to evaluate
26 bids... We assigned a grade to each evaluation criterion...”
27

28 The director of social and health care services provided further details regarding potential
29 weaknesses of public officials in evaluating bids. For example, in relation monitoring and
30 trusting quality standards of outsourced care services:
31

32
33 “... There are so many laws and recommendations ... about quality of health care
34 services... We have to consider all of them... But what is quality? ... And how to
35 measure it...?”
36
37

38 This study argues that evaluating bids requires using specific skills and habitus that connects
39 international competitive tendering praxis and the social positions of public officials and
40 political decision makers in taking actions leading to a decision to select winners of the
41 competition (Stones, 2005). In Viking city, position-practices at macro-levels dominated the
42 internal structures of the public procurement committee. This finding contributes to previous
43 structuration studies by showing the relevance of analysing relationships macro-
44 organisational structures included in position-practices relations and inter-personal skills and
45 habitus when making business decisions (Chan et al., 2010; Greenhalgh & Stones, 2010;
46 Jack & Kholeif, 2008).
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49 **Outcome of competitive tendering and political accountability**

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52 Two companies, one local and one international, won the competition. When this
53 information was published in the local media, the issue of political accountability started to
54 rise. For example, a member of audit committee commented:
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57 “... The question is about how a company... that had no personnel, workshop or
58 building in the city could obtain maximum points on quality standards... Local
59 companies with established workshops and good quality services did not...”
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3 This question is about trust and reliability of the bid evaluation process. The manager of
4 elderly care responded by using an argument based on his/her general disposition about
5 position-practices that the international company had established businesses in other markets
6 before coming to Viking city:
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9 “... That company has workshops elsewhere in Finland... and abroad... and quality
10 certificates... There was no reason we could give it lower grades on quality...”
11

12
13 Local entrepreneurs had a different view, however, and questioned the soundness of
14 competing to take care of the elderly by using the cheapest alternatives. A member of
15 executive committee in a local organisation commented:
16

17 “... Competition in this field reminded me of elderly care in the late 1980s in Finland...
18 At that time family members took care of their elderly at home... However,
19 municipalities took care... but in the cheapest possible way... of the elderly who had no
20 family members to look after them... We cannot accept going back into this.”
21
22

23
24 A member of Parliament in Finland had another critical approach:
25

26 “... competition in elderly care undermines our social values and welfare principles...
27 In some cities and municipalities, the elderly have had [to move] from their elderly care
28 institutions into new ones owned by winners of competition... I have therefore asked
29 the Parliament to consider amending this law...”
30
31

32
33 Critical reactions from the larger public showed weaknesses in mechanisms of ‘political’
34 accountability at societal level (Messner, 2009; Scarparo, 2008). No specific requirements
35 were in place to compel public officials and political decision makers to inform the public
36 how they were going to guarantee continuity and stability of quality standards in health care
37 while using the cheapest possible suppliers of elderly care services.
38

39
40 At organisational level, however, implementation of competitive tendering changed the
41 context of political accountability and the conduct of public officials in explaining their
42 accountability when using public funds for elderly care. For example, public officials used
43 to argue that local entrepreneurs had set higher price levels than expected for elderly care
44 services and the city had no choice but to outsource elderly care services. With competitive
45 tendering based contracts this argument could not hold any more. This means that the price-
46 setter context was not working anymore as an argument to explain why public officials had
47 overspent on the budget for elderly care services. Instead, public officials adopted a new
48 argument based on the need to outsource elderly care services from local entrepreneurs
49 while waiting for the international company to become operational in the local market.
50 Document analysis confirms that the city had to outsource elderly care services with local
51 providers of elderly care at a negotiated market price which was higher than the competitive
52 tendering based price level.
53
54

55
56 Moreover, the city’s production capacity decreased during the same time because one of its
57 main facilities for public elderly care had to undergo substantial repair before becoming
58 suitable for use again, which explained why the city needed to continue outsourcing services
59 from local entrepreneurs that had not won the competition. As a result, the social and health
60 care committee continued to overspend its budget for elderly care services, which increased

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3 tensions in the executive committee and the city council. A council member who is also the
4 head of the social and health care committee explained:

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6
7 “... Some members of the city council do not always understand why the social and
8 health care budgets are overspent... We try to explain to them... but some do not
9 understand...”

10
11 These arguments show how active agents can use elements from external structures, such as
12 decreased production capacity and increased price levels of outsourced services, to explain
13 their political accountability to agents that are not active in a managerial capacity in
14 providing care to the elderly. This study argues that explaining accountability is part of
15 active agent’s conjuncturely specific knowledge that keeps changing depending on social
16 contexts and the manner in which active agents solve a specific problem. This finding
17 extends previous studies of accountability during structuration that have focused on
18 structures of domination, legitimation and signification without analysing the relationships
19 between position-practices, internal structures and active agents separately (Conrad, 2005; J.
20 Roberts, 2014; J. Roberts & Scapens, 1985; Yang, 2012).

21
22 Another problem with political accountability arose when a company affiliated to the
23 international company that won the competition, finished building a new elderly care centre,
24 in which the execution of the competitive tendering contract was to take place. At that time,
25 the city realised that, in the invitation to submit bids, it had omitted to specify which party
26 was responsible for rent and maintenance costs of common spaces available in the new
27 elderly care centre. This omission resulted in the international company offering the lower
28 rent levels at a price that included only the strict square metres for each individual
29 apartment. Common spaces, such as corridors, common sanitation facilities, gymnastic
30 facilities and so forth were not included in the cost. Public officials and political decision
31 makers had taken it for granted that the rent price should include all these costs. A member
32 of audit committee explained:

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35 “... A mistake that the city made was to not ask competitive bidders to include
36 information about other additional costs than taking care of the elderly and feeding
37 them... and who was going to pay for them...”

38
39 The internal controller provided a further comment:

40
41
42 “... our public officials and political decision makers were not aware of what they were
43 doing and what they needed... They have no skills in dealing with competitive
44 tendering contracts... that involve multinational business organisations...”

45
46 Failure of public officials and local politicians to be specific when designing the invitation
47 to submit bids and when evaluating bids, obliged the social and health care committee to
48 approve additional contracts to rent and maintain the new elderly care centre together with
49 the owner, in order to make the main contract with the international company workable. A
50 member of social and health care committee explained:

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53 “... During the board meeting in which we approved these additional contracts... board
54 members did not really know what else to do... It was like ... we cannot do anything
55 else than approve them... so that the elderly can afford could afford living there... at
56 affordable costs for them...”

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5 Approving additional contracts raised the total costs of outsourcing elderly care services
6 through competitive tendering to a higher level than expected. However, politicians had
7 political reasons to cooperate. A member of social and health care committee commented:
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9 “... Politicians ... and public officials... do not like to be told that they have acted
10 wrongfully...”
11

12 A former member of the social and health care committee provided further explanation:
13

14
15 “... We first approved the outcome of competitive tendering... It could have been
16 difficult to ask further accounts from public officials later on an issue that we already
17 had approved...”
18

19
20 This argument shows how agents’ contexts explain agents’ conduct in political settings
21 (Stones, 2005) and extends bracketing methodology to studies of accountability that
22 analysed limits of accountability in inter-organisational settings (Messner, 2009; Mulgan,
23 2000; J. Roberts, 2009). The finding also explains why competitive tendering in public
24 sector organisations often fails to deliver expected outcomes (Jones, 2013; Milne et al.,
25 2012).
26

27
28 To improve political accountability the head of the social and health care committee
29 organised a public meeting in 2011 and invited local entrepreneurs in elderly care to
30 announce that Viking city had decided not use competitive tendering anymore to outsource
31 elderly care services:
32

33
34 “...My opinion is that the city should start with outsourcing elderly care services from
35 companies that are already established in the city... Because we know them already and
36 know how they operate... International competition brings more uncertainty to us...”
37

38
39 The director of social and health care services confirmed this and provided further
40 information later on:
41

42 “... In a way, I have now realised that competitive tendering of elderly care services is
43 not the most appropriate strategy... It can even lead to a monopoly in the long-run...”
44

45
46 Local entrepreneurs and politicians were satisfied with the city’s announcement that new
47 unknown companies would not be brought into the local market. The leading politician
48 explained that the elderly were going to be given the freedom to choose any provider for
49 their care and sponsorship in order to afford the services needed. Sponsorship would depend
50 on the financial situation of each individual elderly person. This finding shows active
51 agents’ reflexive ways of thinking and doing in political accountability when the
52 structuration of organisational change policy has led to an unintended outcome (Conrad,
53 2014; Stones, 2005). The finding extends previous studies of political accountability in
54 public sector organisations (Day & Klein, 1987; Scarparo, 2008) by showing how politicians
55 and public officials can change their previous positions during a structuration process in
56 order to demonstrate improve planning in the best interests of the community in the future.
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Restructuration of competitive tendering

Lessons learnt from the 2007 competitive tendering and the implementation of elderly care contracts that followed, helped public officials to design a better competitive tendering process that minimises procurement risks. The city started by inviting all local producers of elderly care services to a general meeting early in 2013, where they were asked to express their opinions on how the new competition process among themselves should look like. Representatives of all local companies attended this meeting. The head of the social and health care committee explained the city's need to have long-run contractual relationships with all local companies interested in providing elderly care services. The director of social and health care services informed the public of national trends in health care. The manager of elderly care services talked about specific key health care criteria expected from each company. The financial manager spoke about the city's financial situation and the number of elderly care places that the city needed to outsource for the next seven years. The chief procurement officer spoke about legal issues. Thereafter each interested company provided feedback. The meeting was calm and focused. Each company rose issues that needed to be considered and clarified in the invitation to submit bids. Afterwards the manager of elderly care services and executive officers of interested local companies continued with further work.

Confirming the quadripartite framework (Stones, 2005), this study argues that public officials and key politicians in Viking city started by analysing *positions* of local companies on key *praxis* to focus on when designing a new invitation to submit bids. The meeting with all local companies also served to identify *social practices* that all companies were willing to follow, with an attempt to re-establish *trust* between local companies and decision makers in the city. The head of the audit committee confirmed this:

“... I have learnt that the director of social and health care services is now in good relationships with all local suppliers of elderly care to the city... I trust that the new competition process will work out fine...”

All members of the audit committee agreed. A press article by the director of social and health care services confirmed that public officials were confident in the city's ability to organise a new competition process. In mid 2013, there was another official invitation to submit bids. However, the city was obliged to make this invitation international in order to comply with financial thresholds fixed by the 2007 Act. The head of the social and health care committee care offered the following explanation:

“... We first wanted the competition to be local... Then we realised that the law was going to be against us... This obliged us to issue the official invitation to submit bids at EU level...”

The chief procurement officer confirmed the process and commented:

“... the work of designing the invitation to submit bids was intensive... I participated as an expert in legal issues related to public procurement... I have done this many times in fields other than health care... the manager of elderly care did substantive market research to find out which model is the most suitable...”

The manager of elderly care services provided further explanation:

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“... I reviewed public procurement models applied in other fields and designed a specific model for us in elderly care...”

To avoid previous criticisms regarding evaluation of competitive bids, the procurement committee selected two hundred criteria on elderly care service quality and different types of service packages that each competitor had to include in the price that it offered to the city. The manager of elderly care explained:

“... We included two hundred criteria on quality of services and elderly care service packages that each company had to comply with before its bid could be considered... During bid evaluation we focused on price levels that competing companies offered...”

A member of the social and health care committee explained how the decision to approve the winning bids took place:

“... Actually public officials did not give us full details of the evaluation process... But we knew that the key variable was the price level for each service package... We had to approve their proposal ... because once the competition process is launched one has to go on with it...”

The manager of elderly care services commented:

“...Because all of competitors had agreed to comply with our specific requirements on each service package... the decision to select the winning bids had to be based on price levels strictly... Actually this was transparent...”

Three companies, one local and two international, won the competition. Many others lost. Total budget allocated to winning contracts varies between around 20 and 40 million euro for a period that varies of between four and seven years, depending on the city's need to outsource elderly care services. This brief description of competitive tendering for the second time illustrates duality of structure and active agents when compared to the first competition process (Giddens, 1979, 1984; Stones, 2005) by showing recursive processes between external structure, internal structures, the actions of active agents, and outcomes in two chronological settings. Public officials took over the control of designing and implementing competitive tendering for the second time by setting strict and specific criteria on how they wanted the second competition process to look. By doing this, the actions of public officials influenced the structure of competitive tendering itself, which led to expected outcomes in outsourcing elderly care services. The finding is a positive response to a recent call by A. Coad et al. (2015) for further research focusing on actions of active agents during structuration with a longitudinal approach.

Because the second competitive tendering process was successful, political accountability has also improved. A vice-head of the audit committee explained:

“...The audit committee is satisfied with the outcome of the new competitive tendering process in elderly care... the chief procurement officer has done a good job to limit legal risks in procurement... The manager of elderly care services has saved costs for elderly care ... Actually, the elderly care budget was not overspent in 2014, which is

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3 very good... and no warnings have come to our attention from the media or
4 elsewhere...”
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7 The financial manager confirmed the social and health care committee’s budgetary position.
8 A member of the social and health care committee provided further comments:
9

10 “.... As you may know, ... I used to be quite critical... However, I have learnt to trust
11 our public officials in health care... For example, the manager of elderly care services is
12 doing a good job now ... and the financial manager regularly informs us how well or
13 not our budget is doing... I feel confident that my political responsibility is not in
14 danger anymore...”
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16

17 Previous studies (A. Coad et al., 2015; Conrad, 2014; Stones, 2005) have conceptualised
18 trust as being part of the external structure in position-practice relations. This study extends
19 the discussion by showing that trust can also emerge from a positive relationship between
20 internal and external structures among active agents that operate in different organisational
21 settings, such as the political and the managerial. However, because all companies that won
22 the competition have not yet started implementing their new contracts with Viking city, it is
23 still too early to take for granted that political accountability will continue to appear as
24 positive as it currently does.
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28 **Conclusion**

29

30 The aim of this study was to analyse political accountability during structuration of
31 competitive tendering in public sector organisation. The research question was how position-
32 practices and internal structures affect implementation of competitive tendering and political
33 accountability among active agents. Data is from a longitudinal field study based on
34 document analysis, interviews and participation in meetings from 2007 to 2015 in Viking
35 city in Finland. Findings show that position-practice relations at macro-organisational level
36 prevailed over the internal structures of public officials and political decision makers during
37 the implementation of initial competitive tendering. Political accountability weakened.
38 During structuration of a second competitive tendering process, however, public officials
39 took strong positions to monitor macro-organisational practices in order to minimise
40 procurement risks. The restructuring process led to a positive outcome and improved
41 political accountability. The findings contribute to previous structuration studies with a
42 focus on accountability (Ahrens & Chapman, 2002; Conrad, 2005; J. Roberts, 2014) by
43 showing the ways in which accountability weakens when position-practice relations have
44 dominated internal structures and the actions of active agents as well as how agents can
45 shape the structures afterwards to improve their accountability. The study extends SST to
46 competitive tendering literature (Cunningham & Nickson, 2011; Jones, 2013; Pîrvu &
47 Bâldan, 2013) by showing the ways in which public officials and political decision makers
48 can not be expected to succeed in applying market mechanisms, such as competitive
49 tendering, in outsourcing health care services. By focusing on factors that influence the
50 actions of active agents during implementation of a market mechanism, such as competitive
51 tendering and political accountability at organisational and societal levels, the study
52 responds positively to recent calls to analyse active agents and accountability from a
53 longitudinal process of structuration (A. Coad et al., 2015; Conrad, 2014; J. Roberts, 2014).
54 Implications for practitioners and policy makers is to show the ways in which public
55 officials and political decision makers can not be expected to succeed in applying market
56 mechanisms, such as competitive tendering, in outsourcing health care services.
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As with any other field study, findings of this study cannot be extended to organisations other than the organisations analysed. The study shows, however, how strong structuration theory (Stones, 2005) provides a systematic framework to conceptualise organisational change policy and conduct empirical research to illustrate applicability of this framework (Chan et al., 2010; A. Coad et al., 2015; Jack & Kholeif, 2008). This study provides an additional response to previous critics of Giddens structuration theory as being too abstract to be useable in empirical studies (Archer, 1995; Cohen, 1989).

Stones (2005) argued that trust is one of the elements that forms position-practice relations. The findings of the study extend the role of trust during structuration and shows that trust can also emerge from the general dispositions of each active agent when the agent is confident about his/her relationships with another active agent in specific contexts and settings. Analysing trust in inter-organisational management of business contracts in public sector organisations, however, merits further research focus.

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