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Back to Basics

the Re-introduction of the Machine-Bureaucracy in the Public Sector and Belief in “One Best Way of Organizing”

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Sub-theme 18: Escaping the iron cage of bureaucratic control or bringing the bureaucracy

back in: New and old forms of autonomy and coordination in the public *sector*

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Back to Basics: The Re-introduction of the Machine-Bureaucracy in the Public Sector and Belief in “One Best Way of Organizing”

1. Introduction

Public Sector reforms throughout western democracies in the last two decades have emphasized public management (Pollitt, 2003; Pollitt & Bouckaert, 2000; Greve, 2003) reflected in the introduction of buzz-words such as “*public management makes a difference*”, “*good leadership can increase the potential for innovation and creativity in the public sector*” etc. (e.g. Ejersbo & Greve, 2005). A number of government programs and official documents have contributed to placing these buzz-words on the agenda, but we also find such ideas and buzz-words within research communities. Here, it is pointed out how public leadership as a powerful and dynamic instrument has reached the agenda and how this instrument, together with a weakening of the hierarchical state and hierarchical control, the weakening of bureaucratic forms of organization as well as increasing marketization, have contributed to increased innovation in the public sector and in the production and delivery of public goods. This, it is argued, is a consequence of an increase in the autonomy of public leaders and a widening of the room available to managers to make a difference in recent years.

These buzz-words and modernization discourses are one thing – the actual impact of public sector reforms on public organizations is something else.

Public management as something which makes a difference has also been an argument behind the legitimization of recent reforms of the public employment system in Denmark carried out in November 2008 (Breidahl & Seemann, 2009; Chapter 9); however, in a somewhat different way. In order to understand why this came about, we must examine the recent reforms of the public employment sector more closely.

In 2007, a two-tier employment system was merged into a unified structure consisting of 91 local Jobcentres. Prior to this reform, employment service was divided between the state and municipalities. The latter carried out employment service for unemployed people receiving social assistance (people *without* unemployment insurance), while the former serviced those receiving unemployment benefits (people *with* unemployment insurance). In 2007, the two former efforts

were placed “under the same roof”, ensuring “one entrance for all”. However, the legislation, financial system and responsibility for the efforts remained divided in two systems. The former efforts for insured people were delegated to the municipalities in 14 “pilot” centres; here, there was only one leader.

In November 2008, a majority in the Danish parliament decided to complete the idea about a unified system by moving the entire effort to the municipalities as of August 2009. This decision entails the introduction of a unified management structure, and a single financial and authority system will be introduced in all 91 Jobcentres as well as the municipalization of all of the jobcentres. As a part of the legitimization process, a unified management structure was pointed out as something effective and representing something ‘future-proof’, while divided leadership has been identified as bureaucratic and ineffective (Ministry of Employment, 2008a; Ministry of Employment, 2008b). The November 2008 reform was not only about management structure – rather several elements were included – but for some reason, management became one of the main arguments.

Aside from the more general assumptions about “public management makes a difference” etc, this debate has not so much been about the importance of the autonomy of public leaders and whether it makes a difference. Instead, the management structure has been pointed out as being very crucial, but common is the emphasis on management as something important.

The question is whether these buzz-words and improvement discourses – which in many ways reflect dissociation from the traditional understanding of bureaucracy – *are only words or also tendencies which are reflected in the public organization*. The paper will go into greater depth with this question by first analyzing the reforms of the Danish Employment system, where numerous institutional and organizational changes have been introduced in recent years, and secondly by going into greater depth with the organizational features of the Jobcentres, which has been “set in the world” in 2007. The paper therefore does not engage in a discussion of whether “public management makes a difference” or whether a unified management structure is more appropriate than a dual structure, instead analyzing some of the consequences the recent reforms have had for the organizational features of jobcentres.

Examining the institutional and organizational features more closely is not only relevant in order to gain a deeper understanding of the development in the public sector – but also because the organizational features of the agencies, which have to deliver the employment service, influence the opportunities available to unemployed people to enter the labour market. This topic is often not discussed.

The paper illustrates the distance between formal arguments often linked to public management and the reality in public organizations. Hence, the paper illustrates how new tendencies in the public sector can be manifested quite differently from the original ideas of increasing managerial autonomy and a more non-bureaucratic system, thus illustrating how there seems to be a major difference between the organizational structures in general and the management structures in particular in Danish Jobcentres and the buzz-words about innovation and creativity in the public sector, which in this case accompanied the reform of the employment system in Denmark.

The paper finds that recent reforms hardly represent a step away from bureaucracy and towards more autonomy; rather, the public employment service has faced increased bureaucracy. Moreover, the reform does not re-introduce just any kind of bureaucracy, but rather a *machine bureaucracy*, where the degree of freedom at the operational level is very limited and standardization, control and rules are widespread (e.g. Mintzberg, 1983; Morgan, 1993; Breidahl & Seemann, 2009).

Bureaucracy is well-known for being a very widespread and important type of organization in the public sector. But a bureaucracy can have many faces. The question here is whether a machine bureaucracy is the most appropriated when it comes to combat unemployment. Which is one of the main services the Jobcentres have to deliver?

A central conclusion is that if we want to capture the organizational structure of a Jobcentre, it is necessary to include old and classical theories of organizational structures and management such as Taylorism and Scientific Management (Taylor, 1911/1947; Yeheskel, 1983). Taylorism is also relevant in order to describe and characterize the perspectives and ‘talk’ about leadership and management structure(s) present in the Jobcentre reforming process, where central actors appear to believe in “one best way of organizing” as it appears in Scientific Management.

The paper begins by providing a brief description of the methodological and theoretical considerations. The reform of the Danish employment system, including the introduction of 91 Jobcentres in the municipalities, is thereafter described, which is followed by an analysis of the Jobcentre organization. The empirical analysis concludes with a discussion of whether an organizational structure as a machine bureaucracy is appropriate if the services the Jobcentres have to deliver as well as the conditions they are facing in their environment are taken into account. As mentioned, the latest reform of the employment system has not been implemented yet, and the organizational features are discussed in the end of the paper in relation to the Jobcentres will be introduced in August 2009.

2. Methodological and theoretical considerations

The design is a theory-interpretive case design, where the initial ambition is to generate new empirical knowledge about the consequences of reforms in the public employment sector in an organizational perspective (Antoft & Salomonsen, 2008).

The paper sheds light on the consequences of reforms in the Danish public employment system by outlining and analyzing recent changes and secondly by going into greater depth with the organizational features in one of the 91 Jobcentres. The paper therefore combines a perspective emphasizing public administration with an organisational perspective. The overall empirical case is the Danish employment system and in here the paper go into depth with one of the 91 Jobcentres – one Jobcentre case.

The Jobcentre case (Jobcentre Frederikshavn) represents one of the 77 so-called “dual jobcentres”. The paper is therefore primarily based on a single, in-depth case study of a Danish Jobcentre (e.g. Breidahl & Seemann, 2009). The case study is supplemented firstly with official documents concerning the Jobcentre reforms in general as well as qualitative interviews with Jobcentre managers in three other Danish Jobcentres: two from the 77 dual Jobcentres and one from a “pilot” centre.

The paper does not have the potential to generalize to the other 90 Jobcentres in Denmark, but rather to shed light on significant general issues that ideally should and could be examined more closely in other and similar Jobcentres in order to assess their scope and depth. This paper can help

identify a number of issues, but not their spreading and scope. A more comprehensive discussion of this will be presented towards the end of the paper.

As mentioned, one of the main purposes of this paper is to shed light on the organizational features of the Jobcentres, which will be done by referring to Henry Mintzberg's organizational configurations framework. Mintzberg's framework which originally described five organizational setups (Mintzberg, 1983): 1) simple structure, 2) machine bureaucracy, 3) professional bureaucracy, 4) division organization and 5) ad-hocracy. These five configurations are the product of Mintzberg's survey of the literature available at the time.

What distinguishes these configurations is, among other things, the coordination mechanism, design parameters and situational factors. In order to classify the different organizations, he points out five organizational parts: The strategic apex, the middle line, the operating core, the technostructure and finally the support staff (Mintzberg, 1983).

The paper primarily draws on organizational features from the machine bureaucracy and the professional bureaucracy. I will go into greater depth about what separates them in the empirical analysis.

Mintzberg's configurations have been subject to considerable critique. First of all are we dealing with five ideal organizational forms or configurations that do not exist in the real world. Another critic refers to his statement that structures reflect surroundings. Several would argue, that organizations "creation stories" are much more complex. Nevertheless, I am using his theory here because his configurations offer very useful tools in the process of understanding and analyzing organizational structures and behavior (Schmidt, 2006)

In general, the paper includes classical theories about organizational configurations and their environments (Mintzberg; 1983; Yeheskel, 1983), e.g. Scientific Management (Taylor: 1911/1947), as well as contingency theory (Lawrence & Lorsch, 1969), but also a number of new perspectives will be included in order to analysis the more general changes in the Danish public employment system (e.g. Hood, 1991; Greve, 2001, 2005; Christensen & Lægheid, 2006).

3. Recent reforms of the Danish public employment system

Although Denmark is a small country, the Danish labour market has received increasing attention in recent years – among other things because of the infamous “flexicurity” system, which has become an official part of EU policies (Madsen et al, 2005), where Denmark acts as a “model country”. Danish labour market policy and the institutional and organizational setup of the employment system is an issue which traditionally has been much “politicized” and where the institutional control exerted by the so-called social partners has been strong. Furthermore, we have to do with a field which often reaches the political agenda in Denmark, and the debate is primarily dominated by economic and political perspectives, while the focus on the organizational features has not attracted much interest.

As part of a major reform of the Danish public sector (Strukturreformen – *The Danish Structural Reform* www.im.dk) 91 Jobcentres were established in 2007 and a new structure for employment service with ‘one-stop shops’ carrying out servicing (mediation of labour, activation schemes, visitation, job guidance and job plans) all unemployed people, where a two-tier system has been merged into a unified structure consisting of 91 local Jobcentres. But the legislation, the financial system and the responsibility for the efforts remained divided in two systems. In 14 “pilot” Jobcentres, the previous efforts for insured people were delegated to the municipalities, where there was only one leader: the municipal leadership.

Prior to the Jobcentre Reform, employment service was divided between the state and municipalities. The latter carried out employment service for unemployed people receiving social assistance (people *without* unemployment insurance), while the former serviced those receiving unemployment benefits (people *with* unemployment insurance).

The Danish employment system thus follows an international trend in the reform of the organization of the employment system as the introduction of unified public employment services is also a prominent feature in many OECD countries (e.g. the USA, UK, Netherlands, Germany, New Zealand and Australia).

Already in 2002, the government stated its ambitions regarding a unified system for insured and uninsured unemployed people in the labour-market reform entitled *Flere i Arbejde (More People Working)*. At the time, one of the main arguments for a unified employment system was the notion that insured and uninsured unemployed persons should share an equal status; according to the government, there are more similarities than differences between the two groups. So given that there is a similarity between insured and uninsured clients, why have two systems dealing with the same kind of clients? Here, it is interesting to note the absence of research supporting this notion. Instead, the research in this field gives us a very different picture (Clement, forthcoming; Rosdahl & Petersen, 2006).

Some of the other formal objectives were to improve the existing two-tier employment system and its inherent problems, such as “unemployed people with similar problems receive different treatment in the two systems”, too much passive income in the welfare state etc. To solve these problems, it was believed to be important to take an approach whereby the individual unemployed person is in focus (as opposed to being based on the insurance status of the individual) and introduce a unified management and steering structure. The thorough rationale was, in other words, that one system is more appropriate than two.

Due to strong political opposition, especially from the Social Democrats, together with influence from labour unions and employers’ associations, the negotiations in 2004 about a new employment system ended up with a more mixed structure. The most remarkable difference between the original arguments and the output of the negotiations was that the employment system did not become totally unified. In the 91 local Jobcentres, which were introduced previously, the two former efforts were placed “under the same roof” ensuring “one entrance for all”; however, the legislation, financial system, steering system and responsibility for the efforts remained divided in two – one for the insured and one for the uninsured. The politicians decided to introduce dual leadership in 77 of the Jobcentres, so both the state (which formerly held the responsibility for the insured) and municipalities (which formerly held the responsibility for the uninsured) were represented in the management structure of the jobcentres. 14 of the Jobcentres were introduced as so called “pilot” centres only with municipal leadership; here, the effort for insured people was delegated to the municipalities.

Hence, the government originally wanted to introduce a one-tier system, but the system ended up as a “hybrid” due to political disagreement (Bredgaard & Larsen, 2007). Still, the formal ambition from the state level was high – one employment system is more appropriate and less bureaucratic than a two-string system (The Danish Labour market Authority, 2005).

The reality that the employees and employers in the Jobcentre case experienced was quite different from these formal arguments and ambitions. By confronting them with these ambitions, it became clear that they experienced it more like working side-by-side in “one house” or “share a flat” but with two separate efforts and a clear functional division. Their arguments for this division were, first, that the legislation for the insured and non-insured people remained divided in two and that the two groups (the insured and uninsured) had very different problems to be solved and therefore also have to be solved in two different ways (Breidahl & Seemann, 2009; Chapter 5). Furthermore, one of the central arguments was that the legislation for the two groups was influenced by so many detailed regulations and rules, rendering it impossible to overcome more than one group. This also seems to be the same rationale in one of the 14 pilot-jobcentres (Breidahl & Seemann, Forthcoming).

In the interview stage, the vast majority of the workers in the Jobcentre case did not expect that the employment system introduced in 2007 and the mixed Jobcentre-structure were “future-proof”. Especially because the Minister of Employment had repeatedly stated in the public debate that a one-string and unified employment system was his long-term ambition (Breidahl & Seemann, 2009; 56).

An evaluation was planned, to be carried out in 2010. But it was never started, as a majority in the parliament in November 2008 decided to complete the idea of a unified system by transferring the entire effort to the municipalities as of August 1, 2009. As mentioned, this decision will entail a unified management structure and a single financial– and authority system being introduced in all 91 Jobcentres – in everyday language referred to as a full municipalization of the employment system, because carrying out the effort has become more decentralized.

The abolition of a divided management structure in 77 of the Jobcentres in favour of a unified and one-string structure was based on the assumption that unified leadership will lead to less bureaucracy and administration, a more transparent structure, and will give rise to a more effective

and appropriate employment system (Ministry of Employment, 2008a; Ministry of Employment, 2008b). These buzz-words have been repeated again and again in the subsequent legitimization of the reform.

In 2007, a new common measurement and steering system were introduced covering the measures aimed at insured and uninsured unemployed persons alike. At the same time, the Minister of Employment received a number of ministerial powers, which have increased state control significantly.

First of all, the state steering has increased significantly while a new measurement system was simultaneously introduced. This has resulted in the focus on effects and counting having increased considerably. The new management structure means that performance information plays a central role. In the old system, there was difference in terms of the effort spent in the municipalities for uninsured people on social assistance and the effort for insured people vested in the state. The state employment system was based on a steering system from the state level, while the municipalities enjoyed greater autonomy. Some municipalities did manage through budgets, while others have developed plans with specific goals and performance demands. These tendencies will increase even further as of August 2009, when the unified municipalized Jobcentres are introduced and the orientation towards results and effects has generally increased considerably (Baardsgaard & Jørgensen, 2009).

A third important change is also important to highlight. The standardization of decentral behaviour has increased considerably – which is a tendency which has been several years underway – especially the standardization of the operating procedures for the street level bureaucrats has increased considerably and both output and their decisions are controlled from the central level (Breidahl & Seemann, 2009). There are detailed rules for how the work should be performed and the freedom at the operational level is very limited. The more traditional delivery of the public policy, where the street level bureaucrats have some autonomy and discretion, now belong to the past. In the past, employment services were very much influenced by the autonomy enjoyed by professional social workers, particularly in the effort made at the municipal level.

The change mentioned above can both be seen as a consequence of specific change in the content of Danish labour market policy and as a consequence of the more general reform process carried out in the public sector in recent years.

The labour market policy in Denmark – as in most west European countries – has undergone considerable change for many years now. Especially the shift from passive to active labour market policy – or “work first approach” (also named as “welfare-to-work” policies) – may have been an important driving force. The group who the system sees as employable has expanded during in recent years. As regards the Danish case, we see a tendency according to which as many as possible must participate in the labour market. Traditionally, the labour market policy was applied to working age unemployed people, which were available for work. In recent years, however, the target group has been expanded – in Denmark as well as in numerous other countries (. Parallel to this, we have witnessed a process according to which “unemployment” as a problem has become the dominant problem for the public sector to remedy, overshadowing other, more social problems (Breidahl & Seemann, 2009). In order to implement these changes, many governments have introduced radical changes to the structure and management of public employment services.

If consider the public sector reforms since the late 1980s, we can distinguish between first- and second-generation reforms. The first-generation reforms refer to New Public Management, where the main hypothesis underlying NPM-reform is that increased market orientation in the public sector will produce a corresponding cost-efficiency for governments without negative side effects on other objectives and considerations (Hood, 1991). The second-generation reforms refer to more evolving governance regimes (Bernington, 2000) and a tendency towards whole-of-governments and “the regulatory state” These tendencies can in some way be seen as a reaction to the negative effects of NPM reforms (Christensen & Lægreid, 2006; Greve 2007).

The NPM strategy entry can be useful in order to understand the introduction of several measurement systems, and the emphasis on public management and unified leadership as something very important in the public sector. Many of the changes mentioned above can be seen as a result of the recent development in NPM (Jørgensen, 2009; Baardsgaard & Jørgensen, 2009).

Conversely, we also observe a tendency towards a more involved state – and in particular a regulating state. In addition to the outcome and effects, the state also wants to control the work procedures and since 2007 has the Minister of Employment received a number of ministerial powers, which have increased state control significantly.

Finally, it is possible to refer to one more trend, which is a trend going far back in time. Central in this theory is a belief in the notion that society is capable of finding one single best way of organizing, and that one method is better than any of the rest. The belief in “one best way of organizing” is an approach which can be traced back to the management thinking in the early 1900s with scientific management and Taylor (1911/1947). As will appear from below is it not only in the general changes of the public employment system we find tendencies from the classical organizational theory and a rational system perspective, but also when we go into depth with the organisational features of the Jobcentre organisation.

4. The Jobcentre as an organizational phenomenon

After the general changes in the public employment system have been outlined and briefly analyzed, we now proceed in greater detail with the organizational features of the Jobcentre case in order to capture the Jobcentre as an “organizational phenomenon”. The knowledge about the Jobcentre organization, which was introduced in 2007, is generally limited – among other things, because not much research from an organizational perspective has been carried out (except from Eskelinen, 2008; Breidahl & Seemann, 2009). An evaluation of the employment system introduced in 2007 was planned to be carried out in 2010; however, because a majority in the parliament decided to complete the idea about a unified system in November 2008 by moving the entire effort to the municipalities, this evaluation was cancelled.

The question of why it is interesting to examine an “organizational phenomenon” which will soon be displaced begs to be asked. First at all, the unified Jobcentres, which will be introduced in August 2009, share numerous characteristics with the current Jobcentre-organization – both in terms of the organizational features as well as the strong steering from the state together with the standardization of decentral behaviour (and the steering from the state will increase even further). Secondly, it is always relevant “to have knowledge about the past to understand the future”.

As mentioned, before 2007, the public employment system was divided between the state and the municipalities. The latter provided the employment services for unemployed people receiving social assistance (people *without* unemployment insurance, i.e. the uninsured), while the former serviced people receiving unemployment benefits (people *with* unemployment insurance, i.e. the insured). For several years, these two efforts came closer together; it was first in 2007 that an institutional unification of the two systems was realized.

Strong state-steering has always been a central feature in the previous job agencies for people receiving unemployment benefits. Instead, the efforts for un-insured people receiving social assistance in the municipalities have been characterized by a system whereby the street level bureaucrats in the operating core had a high freedom in their work and the autonomy was extensive. In general, the employment measures in the municipalities have traditionally shared several characteristics with a professional bureaucracy (Mintzberg, 1983), of course with the reservation that we are dealing with an *ideal* organizational configuration. The professional bureaucracy relies on trained, professional workers, and this configuration makes use of coordination via a standardization of skills. These types of organizations hire duly trained and indoctrinated specialists for the operating core. The operating core therefore becomes the key organizational element (Mintzberg, 1983; Schmidt, 2006). For some time, especially since 2001, the employment effort in the municipalities has shifted away from a professional bureaucracy. This has partly been because several instruments have been introduced (match categories, visitation tools etc), but the crucial shift occurred in 2007. Previously, the street level bureaucrats were not supposed to help people with their “unemployment problem” alone, but also with related problems such as illness. After 2007, however, they were supposed to focus narrowly on helping the client find employment – the first, the best. As such, two different efforts and working practices were put into “one house” in 2007.

If we first examine the Jobcentre organization by reviewing the key documents produced by The National Labour Market Authority, we see an organization which is greatly influenced by central planning. The result is strong discipline and the standardization of the 91 Jobcentres. Hence, one of the documents (the agreement pertaining to the establishment of Jobcentre Frederikshavn) contains carefully detailed descriptions of how Jobcentre Frederikshavn (the Jobcentre case) is expected to be organized together with centrally programmed “templates” and “checklists”, which must be

fulfilled in every Jobcentre. Furthermore, the formal documents contain accurate descriptions of rosters, the political-administrative anchorage in the municipality, the contact to the rest of the administration in the municipality etc. (Etableringsaftale for Jobcentre Frederikshavn, 2006; The National Labour Market Authority, 2005).

By reading the formal documents, we therefore already obtain a sense of an organization in which the degree of freedom is very low; which can be assigned to detailed legislation; several administrative circulations; strong steering from the state etc. If we go into greater depth with the organizational features of the Jobcentre, we find an organization which is highly specialized, has very formalized practices and many regulations. Furthermore, we are dealing with an organization, whose freedom through legislation, administrative circulars and steering is low – and the key partners who have designed the jobcentres have planned in advance not only what to work with but also how work will be performed (Breidahl & Seemann, 2009; Chapter 5).

Overall, the organizational features in the Jobcentre case share several characteristics with a machine bureaucracy (Mintzberg, 1983; Morgan, 1992). In brief, a Machine Bureaucracy is characterized by strong specialization and formalization, and coordination occurs via the standardization of work processes. You will typically find the function of specialized work units, advanced planning systems and each work process to be highly defined. This is especially due to the organization's specialists and planners in the strategic apex that affect the direction pursued by the organization (Mintzberg, 1983). A machine bureaucracy is occasionally identified as a “performance organization” as opposed to a “problem solving” organization, and machine bureaucratic work is therefore above all found in simple and stable environments.

Compared to other organizational configurations, the machine bureaucracy primarily depends upon the standardization of its operation work processes for coordination, whereas a professional bureaucracy relies on the standardization of skills (Mintzberg, 1983). In many ways, a machine bureaucracy therefore stands in contrast to the more professional bureaucracy, e.g. such as the universities and hospitals, where the structure is more decentralized and the staff much more help to determine how tasks are to be performed.

It is not as though machine bureaucracies are always inappropriate; on the contrary a machine bureaucracy can be very effective, particularly when: 1) the task to be solved is simple; 2) when dealing with routine tasks; and 3) when the environments are relatively stable (e.g. Mintzberg, 1983; Thompson, 1967). However, organizations with a structure reminiscent of a machine democracy face problems when they must operate in a rapidly changing environment. This characterizes the environmental conditions in the Jobcentres, as the high degree of formalization and standardization in organizations organized along the lines of machine bureaucracies prevent innovation and flexibility in their interactions with their environments (Breidahl & Seemann, 2009). The tasks confronting street level bureaucrats in the public employment agencies in the municipalities have traditionally been regarded as “wild problems” (i.e. complex problems); since 2007, however, unemployment problems have been articulated as rather “tame”.

The fact that there ought to be accordance between the organizational structure of an organization and the environment was already pointed out in the 1960s by contingency theorists (e.g. Lawrence & Lorsch, 1969). Mintzberg also pointed out that structures reflects surroundings, but this does not seem to be the case here. The “creation story” of organizations appear to be much more complex, and this is also one of the points of criticism aimed at Mintzberg’s theory.

Mintzberg introduced the machine bureaucracy as an analytical concept, but it is also a more normative concept which can be traced back to the time around the beginning of the 1900s and Frederick W. Taylor’s Scientific Management. The machine bureaucracy and Taylor have therefore often been lumped together ideologically. Taylor’s ambition at the time was to figure out how to create the most effective organization in order to optimize production. They constantly search for more efficient ways to produce given outputs (Taylor, 1911/1947; Yeheskel. 1983).

Considering the upcoming reform of the employment system and the local Jobcentres in August 2009, the important question becomes whether we can expect these changes to give rise to a more simple system with less bureaucracy and a more effective effort. Or can we also expect to see trends towards a machine-bureaucracy in the future?

First of all, the strong state steering will increase even further than at present, and there is little evidence indicating that the degree of standardization of the working tasks in the operating core will

decrease. Secondly, it is doubtful whether a unified system with unified leadership in itself invites a situation in which the employers do not have to specialize the efforts for insured and uninsured unemployed people, respectively. These two groups simply differ in numerous ways, which is also an observation and interpretation that finds support in the literature (Clement; forthcoming; Rosdahl & Petersen, 2006). Another argument against the interpretation is that a machine bureaucracy invites the specialization of the working tasks due to the many rules and regulations and that work against a unified system.

The question is whether public management makes any difference as long as public leadership at these local levels is carried out in an organization with widespread regulation and where the working tasks and processes attended to by the employees are tightened up and strongly regulated by legislation, rules and state standards. If we accept the premise that public sector reforms provide increased room for leadership (the Jobcentre managers themselves believe they have a lot a autonomy), it is still doubtful whether it makes any difference for the organization as a whole when responsibilities and work processes are *tightened* up by rules and state standards. It is therefore difficult to expect it to make hardly any difference due to the characteristics of the Jobcentres; instead, it is possible to expect increased bureaucracy.

5. Conclusion

The aim of this paper has been to analyze the reform of the public employment system and the organizational features of the Jobcentre-organization implemented in January 2007. Some of the main arguments behind this reform were the creation of a clearer and non-bureaucratic system; however, this paper traces a tendency in the opposite direction.

If we consider how the public employment system has changed in recent years, we observe a tendency from a two-string system for insured and non-insured unemployed persons, respectively, towards a more unified – though still with two – steering systems, legislative basis etc. Secondly, we see a tendency whereby state steering has increased considerably and new measurement systems have been introduced. And thirdly, the working tasks have been standardized even further. These tendencies can be linked to several tendencies in the public sector.

When it comes to the organizational features in the Jobcentre organization, we identify several similarities to a machine bureaucracy. Hence, we see a shift from an organization characterized by autonomous professionals (professional bureaucracy) to a much more formalized and standardized organization influenced by comprehensive state steering and standardized, decentral behaviour. Furthermore, we are dealing with a Jobcentre organization which has been designed from the central level down to the smallest detail. In order to grasp this kind of thinking, we must go back many years in the organization literature, back to Taylor, Scientific Management and the belief in “one best way of organizing”.

A machine bureaucracy can offer a very appropriate constellation for some situations – especially in simple and stable environments. But the workings of complex environments cannot be rationalized into simple tasks, which presents a problem for the Jobcentres. The task “to bring people into employment” is complex – due to the different needs of the unemployed and the complex nature of unemployment, but also due to environments which have often changed due to shifting economic situations etc. Furthermore, these changes have occurred despite the recent economic boom in Denmark, which has meant that we are dealing with an even weaker pool of unemployed persons who are typically struggling with numerous problems in addition to unemployment. In this sense, the problems facing the newly created Jobcentres have become “wilder”, so to speak.

A relevant question becomes whether the introduction of the machine bureaucracy in the Danish Jobcentres represents a more general trend or whether these findings are unique. The results above can contribute to pointing out central issues in the Danish jobcentres, though not their distribution and prevalence. What is remarkable, however, is that the existing literature and interviews with other executives in Jobcentres support the findings in this paper. In particular, a survey-based study carried out by Larsen (2009) demonstrates that the issues that can be identified by going into detail with one Jobcentre are not isolated; rather, they can be generalized to the 91 other jobcentres. This also appears to be the case when talking about the pilot-centres.

As mentioned, Denmark is not the only country where a two-tier employment system has been replaced by a more unified. In fact, this is a prominent feature in many OECD countries (e.g. the USA, UK, Netherlands, Germany, New Zealand and Australia, to name a few). Whether these systems share features with the Danish system will be left unspoken here. But the Danish case

illustrates, that these reforms not per se create more simple and non-bureaucratic employment systems.

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