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The Dilemma of Public Procurement

How interactions between public and private institutions unfold in practice

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Abstract: Public-private partnerships are growing in importance, popularity and number as an attempt from the governments to cope with globalization pressures and are seen as a product of the New Public Management. The study focuses on the public procurement process where organizations from the public and private sectors are required to collaborate. Drawing on evidences from a case study of a public procurement of clinical nutrition products in Sweden, the study sheds light on the complexities that tend to emerge when two types of institutions interact. The concept of institution should be understood from the sociological perspective and defined as an organized and established way of acting embedded in a legal entity. The study is anchored in neo-institutional theories and the interactions between the institutions are understood through the concept of logic of appropriateness as opposed to the logic of consequentiality, developed by March and Olsen (1989). The study shows first that both logics coexist within each institution all along the procurement process, which has resulted in dependencies between the institutions. Second, the study underscores the problematic of conflicting identities that lie in the decision-maker, which has not much been addressed in the neo-institutional literature. It concludes with a discussion of the dilemma in the context of public procurement between the need for clearer rules while at the same time urging for more flexibility as regards the interactions between the private and public actors.

Key words: public-private partnership, logic of appropriateness, neo-institutionalism, decision-making

Background

Today, the borders between public and private sectors are moving and the concepts to approach the subject are evolving (Mörth & Sahlin, 2006). Over the last twenty years, the

privatization and deregulation policies in Sweden combined with an increased popularity of management concepts have encouraged the public apparatus to think in terms of market and efficiency. Besides, the prevailing economic policy in Europe emphasizes an increasing market orientation, corporatization and privatization of the public sector. This trend has been labeled as New Public Management (NPM), an incentive-based management system that aims to increase efficiency in the public sector (Christensen & Lægreid, 2007, Pollitt & Bouckaert, 2011). Over the same period, companies of the private sector have been urged to take a broader social responsibility. According to the so-called Corporate Social Responsibility (CSR) they are expected to actively participate in the creation and implementation of the civil society's policies (Mörth & Sahlin, 2006). Furthermore, contemporary societies are characterized by interdependencies between public and private actors as a result of horizontal rather than vertical forms of collaboration as described by Edelenbos and Klijn (2007), a network-like model. Increased cooperation between public and private actors is therefore a natural consequence of this double phenomenon (Edelenbos & Klijn, 2007, Pollitt & Bouckaert, 2011). Having gained significantly more attention in recent years, it is now approached under the broad concept of Public-Private Partnerships (PPP) (Zitron, 2006).

A tight cooperation between public and private actors is of course not new as such. One can even argue that it is one of the fundamental features of the modernization of contemporary societies (Mörth & Sahlin, 2006, Christensen & Lægreid, 2011, Pollitt & Bouckaert, 2011). However, all the novelty lies in its organization, namely partnerships in the form of project-oriented and formalized cooperation with networks characteristics (Mörth & Sahlin, 2006). These changes are a key factor of the public procurement of products or services as reflected in the European Commission development plan which aims to tackle the financial and economic crisis (European Commission, 2009). More specifically, a number of traditional regulations of different policies are assumed at a European level as being partly replaceable by PPP like public procurement for example. In line with this view, the Commission has also encouraged a transition from mandatory regulation to voluntary agreements combined with clearer guidelines, reporting requirements, evaluations, comparisons and certifications (Mörth & Sahlin, 2006, European Commission, 2009). These types of voluntary agreements, and thus norms of trust, are seen as being an informal social control or soft governance that compensates for the lack of formal and institutional legal rules (Erridge & Greer, 2002, Mörth, 2007).

Many studies, along with the European policy as regards PPP, have focused on the role of informal relations and trust between public and private actors and have highlighted the importance of an extensive relational agreement between the partners (Iossa & Spagnolo, 2009, Desrieux et al. 2013). The deeper relational bonds that prevail in private contracting have proved to be efficient and beneficial for the success of the contract, hence Desrieux et al. (2013) have argued in favor of more informal relations in public-private contracting. However, it has also been argued that PPP and the efficiency of decision-making can be inhibited by institutional complexity or by the fear of opportunistic behavior (Edelebos & Klijn, 2007). As a consequence, if more informal relations are often highlighted as important in order to cope with the complexity that prevails in public-private networks, mutual trust is also a crucial factor to their efficiency (Edelebos & Klijn, Erridge & Greer, 2002).

Now, the new directives as regards PPP and more specifically public procurement have been outlined quite broadly in their principle so that they are open for subjective interpretation and allow more flexibility (Council, 2014). However, this approach does not come without problems. The broad European directives may be the source for misunderstanding and misinterpretation and remain an ideal representation instead of becoming a reality. In practice, the implementation of new PPP is more or less successful, a situation that creates a need for further research conducted from different angles, particularly as regards the dynamic of specific partnerships. Beyond the new forms of cooperation that are developed by both parties, one must not forget the radical differences which exist between the public and the private sectors. Therefore, the key issue to address is how to bring two different types of agents to cooperate, when apparently they have very few references in common.

The distinction between public and private “stands out as one of the grand dichotomies of Western thought” (Weintraub, 1997, p.1). It is commonly agreed that public and private actors have different interests, goals and governance structures. The public sector is usually referred to as bureaucratic, transparent and driven by regulations whereas the private sector operates in a more informal and closed system (Nutt, 2006). But the most remarkable difference between both sectors emerges when raising the question of accountabilities. Private actors are accountable in terms of their ‘bottom line’. Milton Friedman put it in these terms: “The business of business is business”. In this perspective, the responsibility of private actors is to satisfy a limited number of shareholders. Accountability requirements in the public sector are clearly service oriented, in particular to the benefit of all members of the society; the procedures are generally more stringent, particularly with regard to process and general policy (Mulgan, 2000). The question is : in spite of these radical differences, both in terms of objectives and procedures, how can the public and private sectors cooperate efficiently ?

The primary aim of our study is therefore to investigate and understand the dynamism between public and private organizations in a specific PPP context, namely during a public procurement of clinical nutrition products on the Swedish market. To that end, we propose a conceptualization of PPP based on neo-institutionalist theoretical approaches, and more precisely on the notions of logics of appropriateness and consequentiality developed by March and Olsen (1989). This theoretical perspective also provides us with complementary insight into the nature of PPP as an institution. The two logics approach is then applied to the study of a specific case of public procurement of clinical nutrition products in Sweden.

The study is structured as follows. We start with a discussion about the decoupling phenomenon that appears to be highly prevailing in the contemporary society. We also discuss the two different logics and outline the main ideas behind the concepts. Secondly, a description of how the field material was collected and analyzed is presented. The subsequent section presents the procurement process as it unfolds in practice. The final section applies our conceptualization to the public procurement process and the interaction between public and private actors are discussed and analyzed.

Theoretical background

Choice of theoretical framework: from neo-classical to neo-institutional theories

As explained in the previous section, the present study focuses on public-private partnerships, which involves the collaboration of two different types of organizations belonging to the public sector on the one hand and the private sector on the other. They differ by their means but also by their ends. Due to these different accountabilities, norms and structures, we have chosen to study the procurement process from an institutional perspective. Indeed, we argue that the private actors as well as the public ones are institutions resulting from social construction. To understand what follows it is thus crucial to define what we consider as institution. Since institutional theory is not well defined and precise but rather a framework developed in several variants and used in many different disciplines there is no uniform definition of what an institution is. However, along with the sociological approach the study focuses on institutions defined as organized and established ways of acting (Zetterquist, 2009) embedded in a legal entity. As such, we follow the definition of Selznick (1957) arguing that “an institution is more nearly a natural product of social needs and pressures, a responsive, adaptive organism” (p.5) where institutions are seen as “infused with values” (Washington et al., 2008).

The institutional approach owes much to scholars such as Veblen and Commons in economics or Selznick in sociology who were among the founders of the early institutional theories that were in rupture with the neo-classical theories of rational thinking (Rizza, 2008). While neo-classical scholars argued that decisions are based on individual preferences and calculations, the institutional theorists argue instead that these preferences are formed by social institutions (Zetterquist, 2009). Neo-institutionalists such as Meyer and Rowan or DiMaggio and Powell developed, during the second half of the twentieth century, the institutional framework even further arguing that institutions are changed by interactions between firms and field as we will develop further in the subsequent sections (Grey, 2007). Moreover, the institutional framework has been widely used and adapted to several disciplines such as economics, anthropology or sociology. Since our aim is to understand how public and private organizations interact given different social norms, rules and logics, we believe that the sociological approach of the institutional framework suits our study best.

Decoupling at two levels

In the context of public-private partnerships, the public procurement process in itself deserves more attention in order to grasp how it unfolds in practice as compared to in theory. The fact that public actors are in charge of the taxpayers' money and ought to guarantee that the money is properly spent, constitute an interesting aspect of accountability, which should be subject to further investigation. Meyer and Rowan (1977), who are among the founders of the neo-institutional theories, argued that organizations should be maintained in a loosely coupled state to give them an internal flexibility. In order to fulfill external demands of standardization and justification, organizations thus have dual systems that are decoupled from each other, which means that there is a difference between presentation and practice

(Brunsson and Jacobsson, 2000). In other words, there is a difference between what actors say and what they do. Consequently, organizations operating in the same field tend to be similar regarding formal structure viewed from an institutional perspective but very different when it comes to actual practice.

Bromley and Powell (2012) took a step further and argued that decoupling occurs at two levels; both on a policy-practice level and on a means-ends level. Whereas policy-practice decoupling is described as a symbolic adoption of policies, means-ends decoupling is described as a symbolic implementation of policies. In the contemporary rationalizing society the emphasis on evaluation, standardization, benchmarking, transparency and accountability induces organizations to be less prone to accept a policy-practice decoupling regarding decision-making. Indeed, this type of decoupling is more likely to be conceived of as a moral and operational failure as argued by Bromley and Powell (2012). Consequently, there is a shift from a policy-practice decoupling to a means-ends decoupling in the strive for legitimacy (Bromley and Powell, 2012). Despite the fact that policies are thoroughly implemented in means-ends decoupling, the policies have a weak relationship to outcomes. Thus, rather than focusing on the intended social outputs, the resources and efforts are instead directed towards the process. Drawing on Bromley and Powell (2012), Wijen (2014) argued that enforcing compliance to policies could even undermine envisaged goals achievement. According to Wijen (2014) means-ends decoupling is especially employed in highly opaque fields, where practice, performance and causality are highly unclear to understand. The author argued that whereas achievement-oriented institutions risk suffering from the symbolic adoption of the agreed-upon policies, compliance-oriented institutions may suffer from their inability to address complexity and diversity challenges. Seeking to govern more opaque fields, organizational actors face the dilemma of having to make a trade-off between compliance and achievement (Wijen, 2014). Previous studies have highlighted that organizations are decoupled describing the difference in how they operate in practice and how they appear to operate from an external point of view given the external pressures of rules and legitimacy. Taking the great focus on evaluation, standardization and control in contemporary societies into consideration leads us to question how the public and private actors interact in the public procurement field given the combination of different interests, accountabilities and economical structures. Issues arise as regards how the private and public actors relate to rules and social norms, perceive their identities and justify their actions in the public procurement field. In this respect, the logics of appropriateness and consequentiality by March and Olsen (1989) serve as an important tool to grasp the complexity the public and private actors face in the context of a public procurement. By complexity, we refer to the unclear rules in the public procurement landscape, to the differing interests and accountabilities between both actors and consequently to their how they can act and interact in the public procurement field.

The logic of appropriateness versus the logic of consequentiality

Within the neo-institutionalism stream some scholars have focused on the notion of logic and more particularly how organizations handle competing logics (Zetterquist, 2009). An important starting point in our study is the different accountabilities, norms, rules and thus

logics that dominate the public sector on the one hand and the private sector on the other hand. Hence, we have directed our attention to the concept of logic of appropriateness developed by March and Olsen (1989).

The interesting intellectual background that March has accumulated justifies our theoretical choice. Indeed, Simon (1947) introduced the notion of bounded rationality and extended it later together with March (1958). This concept is seen as being in rupture with the traditional neo-classical theories of rational choice that still dominate the decision making literature (Weber et al., 2004). Theories of rational choice perceive the individuals as optimizing their choices in a totally objective way (Zetterquist, 2009, Weber et al., 2004). Simon (1947) has thus nuanced this view stating that the individual is only subjectively rational. Indeed, the individual will not fully optimize his choice but only to an extent where it is satisfying (March & Simon, 1958). More precisely, the individuals will satisfy themselves with pre-existing solutions. March then went a step further arguing in line with other neo-institutional scholars that these pre-existing solutions are generated by institutions. He then introduced together with Olsen the concept of logic of appropriateness as opposed to the logic of consequentiality (March & Olsen, 1989). The section that follows outlines the basic ideas of both logics.

The perspective of logic of appropriateness considers human action as driven by rules of appropriate or exemplary behavior, organized into institutions (March & Olsen, 1989, 2004). To act appropriately is to proceed according to the institutionalized practices of a collectivity and mutual understandings of what is true, reasonable, natural, right, and good. The appropriateness of rules includes both cognitive and normative components (March and Olsen, 1998). As an example, “the majority of people in organizations follow rules, even when it is not obvious in their self-interest to do so” (March, 1991, p.105). Hence, the logic of appropriateness sees decision making as biased towards what social norms define as right rather than what calculations consider best. In this respect, the logic of appropriateness is opposed to the logic of consequentiality where the individual following this logic anticipates and calculates the consequences of different alternatives and chooses the one with the highest payoff (Secchi, 2011). The logic of consequentiality is thus ruled by self-interest whereas the logic of appropriateness is ruled by institutional norms (Occasio, 1999).

According to March & Olsen (1989), the logic of appropriateness highlights that decisions are made by matching situations to rules according to the identity of the decision maker. Following a logic of appropriateness the individual takes a decision in which actions result from the application of the following questions: *What kind of situation is this? What kind of person am I (are we)? What does a person such as I (we) do in a situation such as this? What kind of behavioral prescriptions follow from matching the facts of the situations with the relevant rules?* (March, 1994, p.58). As we can see, the logic of appropriateness has three major building blocks, namely the rules, the social identity and the evaluation and recognition of the situation (Occasio, 1999, Messick, 1999). We will develop these three aspects further later on. In contrast, to act on the basis of the logic of consequentiality involves the following questions: *What are my alternatives? What are my values?* (March & Olsen, 2004). In sum, the rational choice model or logic of consequentiality presume vigilant, calculating decision-makers who evaluate the choice environment carefully, determine the

probable utility associated with each possible choice alternative, and then choose to maximize their expected utility (Weber et al., 2004).

The first building block that constitutes the logic of appropriateness is the recognition of the situation. It refers to the question “*what kind of situation is this?*”. Since the theory emphasizes the fact that rules are matched with situations it implies an ability from the decision maker to recognize the situation. In other words, the question of recognition allows the decision maker to understand the kind of situation he or she is facing. In line with this, Secchi (2011) argues that “it is the analysis of conditions influencing the circumstances that affect or may be affected by the decision that is about to be taken” (p.53). The ability to recognize the situation is history-based in the sense that decision makers will recognize the situation as comparing it with previous ones they have been involved in (Occasio, 1999).

This said, it enables us to move on to the second building block of the logic of appropriateness, namely the social identity. It refers to the question “*what kind of person am I?*”. The notion of social identity has often been neglected in theories of decision making (Granovetter, 1985, p. 49); a gap that March and Olsen (1989) have addressed rendering identity useful in order to understand the complexities that lie in the decision making process. The concept of identity has become increasingly popular in recent years as even mainstreams economists such as Akerlof and Kranton (2000) have taken it into account. Defining what social identity is tends however to be a complex task as the concept is somewhat broad and multifaceted. Weber et al. (2004) have therefore defined social identity in the context of the appropriateness framework as “an umbrella concept that includes all the idiosyncratic factors that individuals bring with them into a social situation” (p. 283). What is important to understand here is that the social identity of an individual is contextual-dependent and defines what action is the most appropriate.

As we have seen above, following a logic of appropriateness implies to follow the institutional norms and rules. This leads us to the last building block that is the rules and refers to the question “*what does a person such as I (we) do in a situation such as this?*”. This implies that rules are embedded in the identities of an individual and provide behavioral guidance in particular situations by defining appropriate courses of action (Secchi, 2011). Let us first reflect on how rules impact the human action and vice and versa. The idea that behavior is guided by rules is not new as such and has been developed in many studies about decision-making within the disciplines of economics as well as management (March & Simon 1958, Cyert & March 1963, Hayek 1973, Kahneman & Tversky 1979, 2000). However, what has not been much written about is the enabling function of rules as emphasized by the institutional theory of action (Occasio, 1999). Indeed, rules are assumed to reduce ambiguity and provide a set of acceptable solutions (March & Olsen, 1989, March, 1991). Consequently, a rule-based enactment of organizational decision making implies that the reliance on rules persists as organizational members’ action become routinized and norms of appropriate beliefs and behavior are established (Occasio, 1999). Rules prescribe, more or less precisely, what an appropriate action is. They also, more or less precisely, tell actors where to look for precedents, who are the authoritative interpreters of different types of rules, and what the key interpretative traditions are (Occasio, 1999). Further, Müller (2004) argues in line with March & Olsen (1989) that individuals follow a superior rule – “apply rules where the rules are clear and apply consequential calculation when rules are vague and

preferences unambiguous” (2004, p. 402-403). Further, Weber et al. (2004) argued that what makes the concept of logic of appropriateness more ‘social’ than rational, as a choice model is the assumption that the rules applied to choices will often be a consequence of perceived social norms.

Two logics in the same context

The early work in new institutional theory implied that organizational behavior was merely a result of actors following rules unreflectively (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). In contrast, subsequent researchers have criticized the lack of discussion as regards rationality of individual action and argued that all decision-making in organizational settings is consequential (Zajac et al. 2000; Sending 2002). According to an increasing number of new theorists, multiple logics may thrive in the same organizational field, which implies that an organizational actor is guided by different logics (Lounsbury, 2008). March and Olsen (1994) recognized the interrelation between the logic of appropriateness and the logic of consequentiality however concluded that they are sufficiently distinct to be referred to as separate explanatory logics. Goldmann (2005) went a step further and showed that the logics are strongly overlapping each other. The interplay between the two logics must be taken into consideration as regards their complementary feature pointing to the possible fact that organizational efficiency and effectiveness are constituted by institutional processes and that imitation between organizations may improve organizational performance and efficiency (Scott, 2008). Furthermore, Entwistle (2011) disclaimed the analytical distinction of the two logics and emphasized the need to develop a theoretical framework that can confirm the interdependence between the logics. Previous studies have thus emphasized the need to investigate the relationship between the logic of appropriateness and the logic of consequentiality further in order to gain an understanding of the actions taken in an organizational field where both logics prevail. The co-existence of the logics raises questions about which elements determine the characteristics of different logics, under which institutional conditions one logic might be more likely to dominate over the other and how the interaction between the logics plays out. The co-existence of the logic of appropriateness and the logic of consequentiality has been elaborated from different perspectives. The suggestion that a clear logic dominates over an unclear logic was demonstrated by March and Olsen (1989). If rules and identities are ambiguous and consequences and preferences are clear, the logic of consequentiality will dominate (March and Olsen, 1989). In line with this argument, DiMaggio and Powell (1983) have showed that if goals are ambiguous, organizations tend to imitate and adopt practices of organizations that they perceive as successful. Townley (2002) went even further and described the co-existence of logics as a competition, which ultimately results in one logic becoming dominant and suppressing the other logic. Organizations and individuals having different logics generate confusion, contradiction and conflict as they strive to realize these logics in action (Townley, 2002). This competition or pressure from the technical and institutional environments is likely to vary depending on in what type of field the organization is operating (Scott, 2008). Moreover, Greenwood and Hinings (1996) argued that the logic of appropriateness is likely to be dominating in organizational fields in which monitoring and compliance are high in

combination with a consistent set of expectations. However, Greenwood and Hinings (1996) described the environment and the institutional context rather as a provider of guidance of how an organization could organize. In other words, the logic that predominates in the organizational field does not necessarily have to dominate in the individual organization.

Not only may logics vary depending on what environment they thrive in but also depending on what stage in the process of action there is more or less chance that one logic will be applied over the other. From a decision-making perspective March and Olsen (1989) discussed how the two logics interplay and are used for different reasons. Organizational actors may base their decision on rational calculations and thus follow a logic of consequentiality but once the decision is implemented the actors may justify the decision referring to rules and what their role demands in line with the logic of appropriateness. Instead of letting the reasons guide the organizational actors when making decisions, the reasons are thus rather elaborated after that the decision has already been made (Brunsson, 1982). Hence, the process of choice between several alternatives in a decision-making process serves to justify or legitimize the decision rather than to make it (March and Olsen, 1989). March and Olsen (1989) also demonstrated that the reverse scenario is possible as well, where the action is based on appropriateness to the context and rules and then the logic of consequentiality is followed to justify the decision once it is made. Hence, the logic of consequentiality is, just as much as the logic of appropriateness, a logic of action or justification for an individual actor (March and Olsen, 1998). Drawing on March and Olsen (1998), Sending (2002) noted that the different logics dominate at different sequential points of the process of action in an organization. The logic of appropriateness explains why and how a new rule is followed once it has been implemented but fails to explain the process by which a norm is accepted and internalized. Thus, according to Sending (2002) the logic of appropriateness is more likely to dominate in the stage of post-implementation of a new rule.

Method

Design of the study

The research is approached through a qualitative method underpinned by a social constructionist approach. This aspect is of central importance for this research since the procurement process and thus decisions can be seen as a product of social interactions. The design of the study will rely mainly on an abductive methodology. The research seeks to approach the inquiry with an open mind and to collect the data without any particular preconceptions. Consequently we believe that the grounded theory, defined as a theory discovery methodology (Martin & Turner, 1986), is the best-suited method. As Martin and Turner (1986) stated, we have not fully abandoned preconceptions but have rather concentrated on a description of the features of the data collected.

Data collection

The primary data was collected through interviews carried out in a semi-structured format. The unit of analysis is twofold since the perceptions of the procurement process of actors

from both the private and the public sectors are taken into account. Therefore we conducted interviews with employees at three companies operating in the clinical nutrition industry as well as with procurement managers and dieticians from the regions involved in the procurement process. We believe interviewing both parties would give us a holistic picture of the procurement process and about the interactions between the actors. All the interviews were approached in the same manner. We developed a questionnaire tailored to the different types of respondents including a few yet very open questions. One questionnaire was developed for the private companies' employees and another one for the public sector employees. We conducted 21 interviews in total from both the private and the public sector. Moreover, one focus group including four participants from the private sector was conducted. From the private companies nine respondents were interviewed, where five were key account managers and four were sales representatives. From the public sector eight procurement managers in charge of the procurement process of the different regions were interviewed as well as three dieticians that participate or have participated in the procurement groups. In order to gain an insight in the healthcare sector we also interviewed the head of the clinical department of one of Sweden's largest hospital.

| Position | # of interviews |
|----------------------------|------------------------|
| Public Actors | |
| Public Procurement Manager | 8 |
| Dietician | 3 |
| Private Actors | |
| Key Account Manager | 4 |
| Sales Manager | 1 |
| Sales Representative | 5 |
| TOTAL | 21 |

Figure 1: The table shows the current position of each respondent within the public and private sector.

The interviews were conducted by either one of us while the other listened to the conversation, recorded it and took notes. Among the 21 interviews, six of them were conducted face-to-face while the 15 remaining were conducted by phone. We chose to do the majority of our interviews via telephone due to time constraints and to our ambition to reach a great number of interviews. Compared with face-to-face interviews, telephone interviews are easier to book and do not require any special organization in terms of logistics. The latter

thus enabled us to reach a high number of interviews. However, phone interviews do also have drawbacks. The most important one is, according to us, the enhanced difficulty to build trust between the interviewer and the interviewee. It seems easier to earn the interviewee's trust when conducting the interview face-to-face (Czarniawska, 2014). To overcome this issue we focused on explaining the purpose of our research study as clearly as possible and how we would use the data collected from the interviews. It was important for us to avoid any power asymmetry that an interview situation might yield, as pointed out by Czarniawska (2014). Therefore we sought to have a dialogue rather than an interrogation. The risk of missing out important information that could have emerged during a face-to-face interview is another disadvantage with telephone interviews that we identified. Indeed, how the respondents behave physically through body language could provide valuable insights during the interview. Considering the above stated drawbacks when it comes to telephone interviews we decided to conduct face-to-face interviews when possible and with people considered being key persons for the data collection. Three respondents from the private sector and three respondents from the public sector were thus interviewed face-to-face. It enabled us to create a trust-based relationship with them and also to enhance our comprehension of the clinical nutrition market, which we developed further through conducting a focus group, as previously mentioned.

Data analysis

The field material was analyzed on an ongoing basis during the interview phase. Even though we did not have many preconceptions about the empirical phenomenon, we expected some kind of patterns to emerge from the interviews. Intuitively, we had the idea that power relations would play an important role during the decision-making processes. However, the data showed us something else. Our choice of methodology did not enable us to account for power relations within the decision group whereas the interactions between the public and private actors were more convenient to grasp. The collected data was analyzed in two steps in accordance with the grounded theory approach as described by Martin and Turner (1986). As a first step we processed our transcribed interviews one more time and summarized the material into key points related to each interview. It enabled us to distinguish the specific patterns emerging from the interviews and to gain a better understanding of how the procurement process functions (Martin & Turner, 1986). During this phase, many new questions emerged. As a second step we categorized the field material into six categories: Swedish public procurement act, supplier selection method, control over the procurement process, relations to the suppliers, limitations within public procurement, legitimacy of the public procurement process. After having categorized the data a first time we went back to the theoretical framework and tried to connect it with each of the categories. As a result, we re-categorized the data into three themes that we found relevant and that suited the theoretical framework better: *selection of experts, requirement setting and information exchange*.

Public procurement in practice

The procurement process and the clinical nutrition industry

In order to give the reader a better understanding of the procurement process we start this section with a short presentation of the major steps that compound the procurement process as well as of the clinical nutrition industry. The industry of clinical nutrition in Sweden consists of three major players, hereby referred to as Company 1, Company 2 and Company 3. Company 1 and Company 2 are subsidiaries of well-known multinational corporations operating in the food industry whereas Company 3 is a global leader within clinical nutrition. Even though smaller and independent actors try to penetrate the Swedish market the three major players remain the most powerful, which makes it an oligopoly market. The main customer of these companies remains the Swedish healthcare sector, which means that the products are purchased with the taxpayers' money through competitive tender processes.

Each public procurement process in Sweden, being of clinical nutrition products or any other type of product or service, has to comply with the Public Procurement Act ('Lagen om Offentlig Upphandling' in Swedish) that is based on European directives. The legislation stipulates in detail how public agencies must act when they procure products and services from the private sector for a value that exceeds SEK 505 000 (Konkurrensverket, 2015). According to the legislation, the public agencies are obliged to announce publicly every purchase that will be made in order to enable the interested companies to make a tender. The requirements of the product or service must be clearly stated and communicated to the private actors (LOU, 2007). Each tender is then carefully assessed based on factual grounds and cannot diverge from what has been stated in the pre-defined evaluation method. In other words, the assessment of the tenders must be done in an objective and neutral way (Konkurrensverket, 2015). The outcome of the assessment determines the awarding of the contract. The Public Procurement Act also emphasizes the importance of treating every tendering supplier on a neutral and equal basis. Information or answers to the suppliers' questions must always be communicated to all the tendering suppliers (LOU, 2007). To make it easier to follow, the major steps in the process of a public procurement are presented in the following figure.

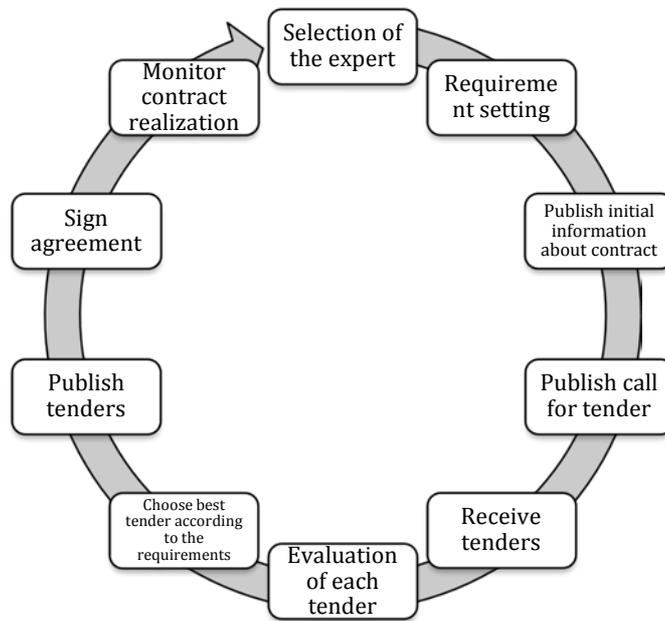


Figure 2: A description of the major step of the public procurement process.

When it comes to clinical nutrition, the purchases are not conducted on a national basis. Instead, each region is responsible over the public procurement process within their geographical area but still needs to comply with the Public Procurement Act. There are 20 county councils, hereby referred to as regions, in Sweden, which are self-governing local authorities that have the responsibility over the public healthcare system. The regions are in charge of the hospitals whereas the hospices are under the municipalities' responsibility. Nonetheless, the public procurement process is usually conducted by the regions on behalf of the municipalities. Some regions are grouped and conduct public procurement together in order to gain economies of scale. This study focuses on the eight main regions in Sweden where public procurement of clinical nutrition products takes place. For discretion reasons, the regions will be referred to as region A to G. The table below presents and describes the characteristics of the different regions based on the opinions of the respondents about each region.

| Regions | Description |
|----------|----------------------------|
| A | Strict and conflictual |
| B | Politically influential |
| C | Independent and informal |
| D | Open and relation-oriented |
| E | Transparent and relaxed |
| F | Open and transparent |
| G | Consensual and adaptive |

Figure 3: Description of each region where public procurement of clinical nutrition products occur. The description summarizes the main opinions that emerged from the interviews.

Selection of experts

In the first step of the process, the procurement manager selects a group of experts in the clinical nutrition field, operating in the region where the procurement takes place. Their role is mainly to decide upon and set the product requirements as well as to represent the patients' voice. The experts work in general as dieticians and are specialized in a specific medical area such as pediatrics or geriatrics. The experts inform each other about the needs of the patients they represent in their municipalities. Based on the needs of each group of patients, the experts then set the requirements that each product must fulfill in order to be purchased.

The selection method of the experts differs among the regions. However, all the procurement managers that we interviewed emphasized the objectiveness of the expert selection process. For instance, in region A the procurement manager insisted several times on the fact that the experts are chosen solely based on their medical expertise. But even though the selection process of the experts is assumed to be as objective as possible, the private actors and the hospital manager of region A disagreed with this assumption. In theory, each expert should represent the patients' needs as well as bringing input from different medical areas. However, the choice of the experts does not always follow this logic as revealed by one expert who also works as a dietician in region C's largest hospital:

"We are six dieticians specialized in child nutrition in this hospital. One of my colleagues has been a member of an expert group during several enteral nutrition procurement processes and will now retire. Since we are close colleagues he asked me if I wanted to take his place; which I accepted"

The way of choosing the experts based on personal relations is perceived as unofficial. The head of the clinical nutrition department of a large hospital in region A referred to the expert selection process as subjective and highly illogic. As an example, the head of the department explained that only one dietician from the region's largest hospital had been chosen whereas three other dieticians were chosen from the same and much smaller hospital within region A. Moreover, the head of department had not even been informed by the procurement manager about the start of a procurement process. According to the head of department, this incident demonstrates the unofficiality and subjectivity of the expert selection process and has resulted in the establishment of an unpleasant atmosphere and infected relations between the head of department and the procurement manager in region A, as the following citation shows:

"One can think that every expert member is neatly selected according to a thorough process...all of this is just bullshit!"

In contrast to the expert selection processes in region A and C, the procurement manager of region F explained that when a procurement process is about to start, all the heads of departments in the different hospitals of the region are informed. The heads of department are then responsible to choose dieticians that they consider to have the most relevant competence for the task. Once the selection of experts is done, the procurement managers

should, in accordance with good practice and the prevailing social norms, not reveal for the tendering suppliers who the experts are. Therefore, the private actors need to identify who the experts are by themselves and more specifically who are the key opinion leaders as explained by Company 2 key account manager. The key opinion leaders are defined as the experts that have the strongest influence on the procurement group's decisions. Thus, it is crucial for the private actors to convince the key opinion leaders about the benefits of their products. The key account manager from Company 1 and Company 3 highlighted the importance of focusing on the key opinion leaders and direct all valuable information towards them. However, this identification process requires much time and effort as all the private actors commented. Some procurement groups are more open to give information and indications to the tendering suppliers about who the key opinion leaders and experts are, whereas other procurement groups choose to keep it secret in order to avoid any attempt to corruption on the expert members.

Another issue that emerged as regards the selection of expert referred to the more or less commitment of the experts towards their role as procurement group members. The varied commitment can be explained by the fact that each expert is at the same time a full-time dietician. Hence, some experts prefer investing their time with their patients rather than doing administrative tasks, as one of the dieticians in region C put it. Consequently, some expert members felt a bit reluctant to invest time and commitment in their role and identity as experts. One of the sales representatives of Company 3 speculated in the fact that some experts are selected only because they are the only ones with a specific medical expertise and are thus obliged to participate in the tender group. This was shown to be particularly the case in smaller regions.

In sum, the procurement managers describe the expert selection process as based on objective and factual grounds; something that was refuted by the experts as well as by the hospital manager from region A. Furthermore, the selection process of experts varies among the different regions, where personal bonds more or less impact on the selection of experts. In addition, the regions have different approaches when it comes to disclosing information about who the experts are to the private actors. Moreover, the experts also expressed their lack of time as regards the commitment towards their role and identity as expert in the procurement group.

Requirement setting and assessment of the tenders

The requirement setting and the assessment of the tenders are of crucial importance for the well functioning of the whole procurement process as they represent the core of it. Consequently, this step of the process is highly regulated and mistakes or misinterpretations that might occur during this phase can have important consequences on the choices of clinical nutrition products. In this respect, the Public Procurement Act's main focus is on this particular stage of the process and outlines in detail the rules each public agency must follow.

In line with the Public Procurement Act, suppliers will become contractors only if their products fulfill the requirements that the experts have set up. According to all the procurement managers, the rules that regulate the requirement setting and the assessment of

the tenders are strictly followed and leave no room for arbitrary judgments by the experts. The regulation stipulates that each supplier should be assessed carefully according to the evaluation model that has been pre-defined and communicated to the tendering suppliers. However, the Public Procurement Act does not specify in detail how the tendering suppliers should be assessed and it is thus open to subjective interpretations. How the regions have interpreted the rule varies significantly. For instance, region A conducts a two-months long assessment process during which each product is blind-tested by the experts and compared to the requirements. The procurement manager of this region highlighted the carefulness of this process and the importance to follow the rules and the requirements no matter the time it would take. The procurement manager added further that the importance of selecting the best product justifies the much thorough and time-consuming assessment process. Moreover, several experts stated that the increasing focus on the requirement setting process is a result of the enhanced control due to previous existence of corruption.

The assessment criteria imposed by the regulation is mainly the price, which means that as long as the products fulfill the requirements the one with the lowest price will be selected. The benefits of such an evaluation method are perceived differently depending on the regions. Region C for instance has been in favor of this method since it was adopted even though media tends to dismiss it due to its sole focus on the lowest price. The main argument against this method refers to the fact that when only focusing on the lowest price there is a risk for quality loss. The procurement manager of the region argued that if the requirements are sufficiently high, there would not be any loss on the quality. In contrast, region D showed less enthusiasm towards the so-called 'lowest price' evaluation method. Indeed, the procurement manager here emphasized the constant trade-off between price and quality. However, even if recognizing that the evaluation method was not flawless there was no other choice for the procurement manager than to follow it. Moreover, the procurement manager added that *"drawing on the requirements we have set up in the group, there will be a winning supplier that you will have to accept whether you like it or not"*, which means that no personal preferences towards a specific supplier of products are in theory accepted.

However, according to the manager of the clinical nutrition department of the largest hospital of region A, personal relations between the experts and the suppliers are more or less strong and have an impact on the outcome. The hospital manager added without any doubt that the experts have their favorite products they will lobby for in the procurement group. In line with the latter reflection, an expert from the procurement group of region C confirmed that *"if an expert has a favorite product he will try to find suitable requirements that the supplier of the product fulfills"*. Hence, according to the experts, the requirements are adapted in order to enable a specific product and thereby a supplier be awarded the contract. The key account manager of Company 2 added to this aspect that some experts even ask their favorite supplier for assistance when setting the requirements to be sure that the product of their choice is selected. However, this way of acting is highly unofficial and taboo, especially when talking with the procurement managers.

The procurement managers from all the regions pointed to the importance of setting the 'right' requirements. The requirements should not be too low as there would be a loss of quality but they cannot either be too high as no supplier would be able to fulfill them. Thus, the experts need to find the right balance in the requirements in order to cover the needs of

the patients and offer qualitative products and at the same time create an open and competitive market. In the end the final decision turns out to be not always optimal according to the procurement manager of region H since the established assessment method cannot guarantee an optimal outcome. This is however accepted by all the actors involved in the public procurement of clinical nutrition products.

Moreover, as a result of a lack of time and resources as well as the prevailing unclear regulations, several procurement managers stated that they looked at how other regions had set the requirements. We were explained that an online database exists and is accessible for the members of the procurement groups. Through this database, the procurement groups can share the requirements they have previously set. The procurement manager of region G explained this routine as follows:

“We usually look at how other regions have tendered and see if there is anything we can take from them. Hence, we can be inspired by how other regions have tackled the procurement process. This is very helpful as we don’t need to reinvent the wheel every time a new tender process is coming up”.

Furthermore, the lack of time to make independent studies of the product benefits was also raised. Today the experts have to rely completely on the studies that are provided by the private actors. Comparing the studies from the different suppliers was described as a problem since the studies are not uniform and thus incomparable. In this respect, the experts are dependent on the suppliers for receiving information about the benefits of the products.

To summarize the requirement setting and supplier assessment process, the procurement managers describe them as objective where the rules imposed by the Public Procurement Act are strictly followed. In contrast, the experts describe the process in terms of subjective preferences for a certain product for which the requirements are set up after. Furthermore, having the legal duty to control the tender process, the procurement managers stated that they needed to ensure that the requirements are set at a level that does not discriminate any supplier and ensure a competitive market. In this respect, the procurement manager acts according to the identity she has been given, that is the legal responsibility. The experts, on the other hand stated that they have to guarantee that the needs of the patients are covered.

Information exchange

Since there is no guarantee for the suppliers to sell a particular volume of products, the relations between suppliers and procurement groups play a major role during the whole procurement process. Once the tender process is done and the suppliers have been chosen, the dieticians prescribe the product of their choice based on what has been procured in the region. The suppliers are thus not guaranteed to sell anything and are left to the dietician’s willingness to prescribe the suppliers’ products. As a consequence, the suppliers have to lobby dieticians continuously throughout the whole tender process in order to have their product subscribed and as one of the sales representative of Company 2 expressed: *“lobbying for our products is a never ending process”*. The lobby is done through education,

information sessions and visits to the hospitals and the different clinical nutrition departments. It takes place during the whole procurement process namely the pre-tender, the tender and the post-tender periods.

The aim of the information sessions is to update the public actors, including dietitians, nurses and nutritionists, about the different products. Each supplier is allowed to organize a certain amount of information sessions throughout the year to share the novelties as regards the supplier's products as well as how to use them. In addition to the information sessions initiated by the suppliers, the procurement group usually calls for different supplier meetings before the tender process starts. These meetings enable the public actors to create a better understanding and an overview of the product ranges and subsequently to facilitate the requirement setting process. The suppliers have all confirmed that the lobby is perhaps the most important part of their job. Not only do the suppliers need to nurture their relations with the public actors, they also need to persuade the dietitians to lobby for their products within the procurement group, as explained by one of the sales representatives of Company 1:

“The major challenge here is to reach out to all the public actors through the information sessions and more specifically to the dietitians and give them the needed information that will make us part of the contract. They are the ones that can influence the requirement setting process.”

From a public sector perspective, the information sessions as well as the supplier meetings are crucial to the procurement group as a manner to enhance their knowledge about the market. The majority of the procurement managers highlighted the value of being updated thanks to the different information sessions. However, the information sessions can give rise to potential information leaks. The procurement manager of region A explained that information sessions and supplier meetings could sometimes become undesirable forums where the suppliers try to fish for information about what requirements the procurement group intends to set. These situations are highly unpleasant according to the procurement managers and the expert members. The procurement managers all emphasized the importance of keeping a neutral relation towards the suppliers in accordance with the Public Procurement Act. Moreover, the head of the clinical nutrition department of region A's largest hospital shared an incident where a supplier had become too pushy and intrusive while trying to extract all possible information from one of the expert members. As a consequence, the expert as well as the whole procurement group became reluctant to this supplier. It turned out later that this incident would have a major impact on their relations.

Furthermore, information sessions are a way for the procurement groups to give specific feedback as regards the use of the clinical nutrition products. Based on their patients' needs, the experts can ask for a product improvement or suggest a new product development. However, the demand is only seldom executed. Indeed, the Swedish subsidiaries of Company 1, Company 2 and Company 3 are relatively small in terms of employees, market size and influence towards the head quarter. The key account manager of Company 1 deplored the fact that they could not always live up to the demand of product improvements since their demand would not have enough impact at the head quarter to generate a new product development.

Hence, the suppliers revealed to be more or less powerless as regards product development and improvements.

Another way of reaching out to the public actors is through hospital visits. The sales representatives from all three companies spend a significant amount of their work time in the different clinical nutrition departments trying to book meetings with the clinical nutrition experts. As for the information sessions previously mentioned, the hospital visits aim at promoting the products, distributing samples and showing the dieticians, nurses and nutritionists how to use them. In addition, the hospital visits enable the suppliers to build a closer relation to the clinical nutrition experts since the meetings are usually held in smaller groups, in contrast to the information sessions. The suppliers traditionally promote all types of products, including those that have not been procured by the region. But according to the good practice, the dieticians should only prescribe from the list of products that have been procured by the region and are more or less strictly bound to the list. Hence, the fact that suppliers promote non-procured products has recently been perceived as unethical and against the prevailing norms by the contracting authorities. As a result new rules have been established to tackle this issue. From now on, every supplier has to ask the hospital for a permission to visit the dieticians. One of the sales representatives of Company 1 emphasized the importance of following and respecting the new rules:

“Some of our competitors are very active during the hospital visits, which can be beneficial in the short-term. We work differently and focus on the long-term benefits. We do always follow the rules and adopt a humble attitude when we visit the hospitals. We found out that in some hospitals, the employees were not aware of the new regulations so we explained them and showed that we followed them carefully. As a result, we won their trust.”

Even though the hospital visits are regulated by stricter rules they are still perceived as a valuable communication channel by the public actors. One of the expert members in region G argued that hospital visits enable the dieticians to be informed about the novelties on the clinical nutrition market without having to leave their desk.

The third communication channel refers to the education sessions. These sessions differ from the information sessions in that sense that they are more like conferences and workshops organized by the private actors. The purpose is to inform the public actors operating in the clinical nutrition field about the market trends and about different nutrition matters. The key account manager of Company 3 explained that their education sessions are highly appreciated by the public actors. Further, the sales representative of Company 1 added that education sessions are strongly demanded by the public actors. At the same time, this kind of education sessions, along with the information sessions previously stated, have been severely restricted in recent years. The latter is due to a fear of media exposure and of being accused of corruption. All types of education sessions have, from now on, to comply with the industry rules established by Swedish Medtech, the Association for Medical Technology in Sweden. The suppliers are not allowed to offer any type of financial benefits in exchange of a promise from the dieticians to use their products. Whereas the education sessions used to be sponsored by both the public and private sectors they are today provided only by the public sector in order to avoid any attempt to influence the public actors. One of the major problems

is that the regions tend to lack the needed resources to provide proper education sessions, an issue that both private and public actors have emphasized. The key account manager of Company 1 commented:

“The more information the tender group members can receive the better. We are interested in having a close cooperation with the public actors when it comes to the tender process. It is better for the patients if we can cooperate. After all, we have a common interest that is to provide the patient with good nutritional products and always act for the patient’s best.”

If the importance of education sessions has been underlined by the suppliers, it has also been emphasized by the public actors:

“Education sessions provided by the suppliers are a perfect way for us to keep us updated about the products and the market trends as well as meeting the suppliers. In that respect, we consider the education sessions as crucially important” - Expert member in region G

Even though the rules have become stricter, the suppliers have succeeded in providing education sessions as long as they comply with the industry rules. If the education session takes place during a whole day for instance, the suppliers are only allowed to provide a specific amount of food and only non-alcoholic beverages. Moreover, the suppliers have to stand for all the costs. The stricter rules are a result of previous spread of corruption in public procurement and the private actors described that following the rules constituted one of their most important means to build good business relations and gain legitimacy in the eyes of the public actors.

In sum, information and education sessions as well as hospital visits have proved to play a major role in the procurement process, not only for the public actors but also for the suppliers. The public actors need accurate information about the products, their use and the market. The suppliers need to meet the public actors and promote their products. Hence, suppliers and public actors are dependent on each other in the procurement process and use the communication channels in order to reach their respective goals.

Discussion

The cohabitation of two logics

We introduced in our theoretical framework March and Olsen’s neo-institutionalist concept of two different logics; the logic of appropriateness as opposed to the logic of consequentiality. According to the theory, the logic of appropriateness defines a rule-driven action whereas the logic of consequentiality results in actions driven by cost-benefit calculations and the choice of the alternative that will give the highest pay-off (Secchi, 2011). In line with March and Olsen’s theory, our empirical data confirms the existence of both logics all along the procurement process, as we will further explain.

It is commonly agreed that private sector’s companies are driven by profit maximization as Milton Friedman put it: “the business of business is business”.

Subsequently, the private actors and more specifically, the three major suppliers of clinical nutrition products in Sweden seem to follow a logic of consequentiality. On the other hand we have the public sector, which is personified in our case into the procurement managers as well as the expert members. If we take the theory of logics to the letter, the public actors will then follow a logic of appropriateness since their actions are rule-driven as claimed by the procurement managers.

However, a closer look into the practice of public procurement reveals the complexities related to the coexistence of the logics. Our empirical data shows patterns in line with what Goldman (2005) has emphasized, namely the interdependency of both logics rather than their opposition. We argue here, in line with Goldman (2005), that the logics are not singular to one or the other institution but are both present in each institution as a cohabitation. This aspect is particularly distinct during the requirement setting period, where the procurement managers take decisions according to the rules and norms while the experts decide according to what their favorite product is in line with their individual preferences. It is however not sufficient to say that both logics exist and cohabit within the institutions. Following March and Olsen's (1989) argument, one logic tends to be more dominant even though both exist in parallel. The private actors have shown to act according to the social norms when they emphasized the importance of respecting the regulations and for instance avoid the lobbying of non-procured products. In this respect, they seem to act according to a logic of appropriateness. But, their main goal remains the maximization of profits and their dominant logic will thus, in specific contexts, be the one of consequentiality. Moreover, in line with Scott (2008) and Greenwood and Hinings (1996), we argue that even if the logic of appropriateness may be dominant in the field of clinical nutrition products it does not always dominate in the individual organization of the private sector.

As we have seen, both logics cohabit and depending on the situation one will be more dominant than the other. But what determines which logic will dominate over the other? The nature of the situation will command the type of logic that will dominate, as we will discuss later on. However, without going into the reasons of why a logic dominates over another, the empirical data has shown that the relation between both logics fluctuates all along the tender process. To make it simple, the tender process being divided into three major parts, each part has shown to have a more or less dominant logic. The first period of the process as well as the third one have shown a loosely coupled structure where rules about how to act tend to be subjectively interpreted. During these phases of the process we argue in line with Sending (2002), that a logic of appropriateness dominates within each institution, that is private and public, as we will discuss in the subsequent section. The second phase relates to the requirement setting and is strictly regulated. In the private sector it seems that the logic of consequentiality dominates, although it is difficult to distinguish. From the public side there is a duality of logics where the experts seem to follow a logic of consequentiality when setting requirement according to their sole preferences whereas the procurement managers, who have the legal duty, follow a logic of appropriateness. Furthermore, the procurement managers and the experts describe the requirement setting process differently. Whereas the procurement managers claim that the requirements are set up first and that the supplier is chosen subsequently, the experts state the reverse sequence of actions. According to the experts they already have their favorite products and suppliers in mind and set the

requirements after that they have made a decision about a product. In line with March and Olsen's argument as regards the application of a suitable logic, the experts seem to be more prone to apply a logic of consequentiality at first and then elaborate the reasons for their choice in the aftermath of their decision by a logic of appropriateness. In other words, as claimed by Sending (2002), our empirical evidence demonstrates that the two logics are dominant over the other at different sequential points. Whereas the logic of consequentiality dominates when the experts set the requirements accordingly to their individual preferences, the logic of appropriateness dominates in the public sector once the requirements are set and the dieticians have to live up to their role as experts in the public procurement context. Moreover, the requirements need to be accepted by the external actors. In this respect, a logic of appropriateness is followed with the aim to gain legitimacy for their actions.

Self interest undercover

As we have now seen, previous studies have identified an interplay and an overlapping between both logics (March and Olsen, 1988; Goldmann, 2005; Scott, 2008). However, we want to go a step further and highlight the possible strategic use of a logic of appropriateness by the private actors in order to come their partner closer. Employees of Company 1, Company 2 and Company 3 claimed that they approached the procurement groups by showing a complete respect of the rules and emphasized the importance of acting according to the norms. The latter is done in order to gain trust from the public actors and appear as a trustworthy contracting partner. Paradoxically, the reasons behind the private actors' actions seem to be based on rational calculations and cost-benefit analysis and thus on the logic of consequentiality. In other words, following rules and social norms could be interpreted as a means for the private actors to reach their aim, namely to be awarded the contract. The private actors are still accountable to their shareholders and in charge of improving their bottom line. Nevertheless, the private actors have, through a well-elaborated cost-benefit analysis, gained an understanding of the importance of trust. The business relationships between the public and private actors will improve through norms of trust and thereby increase the private actors' profits and bottom line. One could thus argue that the private actors follow a logic of consequentiality since the self-interest is in focus. However, acting appropriately according to the rules is the most beneficial means to reach that self-interest.

From cohabitation to imbalanced power relations

We have now seen that both logics cohabit within the same institution. Since our main aim is to understand the interactions and the dynamism between the public and private actors we will now focus on the nature of this cohabitation. In theory, both logics are not only cohabiting but also interdependent as argued by Entwistle (2011). We further argue that the interdependency of the logics has in turn led to interdependency between the institutions, as we will now explain. Indeed, our empirical data has revealed a mutual dependence between the public actors and the private actors. This is very explicit as regards the information exchange aspect. As the empirical data shows, the public actors rely heavily on the private actors for education, information about the market and about what requirements they can set.

Expert members, through information sessions organized by the private actors, receive valuable information and updates about nutrition matters, products and how to use them. Besides the fact that it seriously questions the neutrality claimed by the procurement managers and required by the Public Procurement Act, the public actors are highly dependent to their suppliers. This dependency is even stronger during the period of requirement setting where experts ask the supplier for help. In addition, Company 1, Company 2 and Company 3 are in turn dependent on the procurement groups and more particularly on the dieticians' willingness to prescribe the suppliers' products to their patients.

At a first glance we can see that both actors expect something of each other and there are apparently no power imbalance. But when looking at it closer, the relations between both actors unfold differently and we will now focus on explaining how. As we have seen previously, the three major suppliers are subsidiaries of large multinational companies. Subsequently, organizational activities such as product development are steered and controlled by the head quarter. Due to the relatively small Swedish market size the subsidiaries have little influence on the head quarter, as the key account manager of Company 1 told us it. This implies that the Swedish subsidiaries are hardly able to influence on the product development. Even if the public actors ask for product improvement or a new product it is almost impossible for the local subsidiaries to get this through at the head quarter. It demonstrates that on a global level the private actors have an important influence on the public actors due to the oligopoly that dominates on the clinical nutrition market. However, on a local level, the Swedish subsidiaries must enact the rules they are imposed by the head quarter and thus act according to a logic of appropriateness. In this respect, Company 1, Company 2 and Company 3 do not have much influence when it comes to product development. To sum it up, at a global level the private actors follow a logic of consequentiality, dominated by profit maximization whereas they follow a logic of appropriateness on a local level. They need to follow the rules that the head quarters impose on them. There is an asymmetrical power balance in favor of the global corporations in comparison to the public actors. But this is only visible on a global level. On the local level the power imbalance seems to be more attenuate. The latter since the private actors are locked in institutional structures that hamper their decision-making and decrease their flexibility. As a result, both public and private actors are dependent on each other and trapped into institutional structures.

The Janus face-like identities of the experts

In addition to the sequential domination of a logic over an other, we emphasize the problematic of the dual and conflicting identities. Indeed, an important aspect that dominates the concept of logic of appropriateness is the notion of social identity (March & Olsen, 1989, Messick, 1999, Weber et al., 2004). The theory states that individuals following a logic of appropriateness will match their action and behavior to the rules and norms that prevail in this specific situation according to their social identity. This requires a reflection about what identity the decision maker takes on in order to know what action to take (March 1994, March & Olsen, 1989, 2004). In line with the theory, the experts take decision in accordance with their social identity and the norms that prevail in the decision situation. However, this

identity is not static as Weber et al. (2004) tell us. Contrariwise, the identities of the different actors are dependent of the context in which the decision is taken. Referring to our empirical case, we can see that the dilemma that occurs for the experts is explicitly linked to the concept of identity as outlined by March and Olsen (1989) but adds to the theory the notion of conflicting identities. In theory the expert are supposed to act according to the Public Procurement Act, set the requirements as neutrally as possible and provide expertise competence to the procurement group. The empirical evidences show however that the experts have different identities. In line with Townley (2002), we argue that the different identities that lie within the expert have lead to confusion and conflicts. The first identity we have identified is their expert role. Under this identity, the appropriate behavior is to follow the Swedish Procurement Act and set the requirement as objectively and neutrally as possible. The other identity refers to their professional role as dieticians where they act for their patients' best and know what products are the best for their patients. Consequently, when setting the requirements one can wonder what identity dominates; the dietician or the expert? Should the experts follow the rules and set the requirements with a risk of seeing unsuited products be selected or should the dieticians lobby for what they think are the best products for their patients? While March and Olsen (1989) highlighted the prevalence of multiple social identities that a decision maker chooses between depending on the situation, they have failed to address the problematic of conflicting interests. We argue that there are not only one optimal identity that fits each situation but rather a conflicted multitude of identities. Further, these identities may trigger actions linked to one or the other logic. The empirical case demonstrates that depending on the identity the experts decide to take on, their actions will follow a logic of appropriateness or a logic of consequentiality. The duality of identity is strongly linked to the duality of logics embedded not only in the institution as a whole, but also within each individual. As a result, the decision maker may face a dilemma as it is the case for the experts who are torn between following their preferences and following the rules and thus increases the ambiguity of the choice.

A focus on the procedures rather than the goals

The reflection above as regards the co-existence of two logics leads us to the relationship between means and ends in public procurement. The experts have expressed a frustration as regards the fact that the strict way to set up the requirements does not guarantee the most optimal outcome. The focus on the requirement setting process seems to steer focus away from the aim to act according to the patient's best. Drawing on Bromley and Powell (2012), the empirical evidence reveals a decoupling not only between policy and practice but also between means and ends. Indeed, in the strive for legitimacy in today's society the means have gained a great deal of attention. Despite the fact that the experts put the majority of their time and energy into the requirement setting process, the outcome is not always described as optimal. The policies around the requirement setting process seem to be thoroughly implemented. However, the policies prove in some public procurement cases to have a weak relationship to the outcomes. The weak relationship between means and ends demonstrated by Bromley and Powell (2012) help us understand the challenge faced by the public actors in the public procurement field to deal with an increased control of the means they use in

combination with their duty to act according to the patient's best. As stated by Wijen (2014), organizational actors in opaque fields, such as the public procurement field, face the dilemma of having to make a trade-off between compliance and achievement.

Bromley and Powell (2012) argue that a decoupling between policy and practice in today's society is likely to be conceived of as a moral or operational failure whereas a means-ends decoupling is more likely to be accepted. In line with Bromley and Powell's (2012) argumentation, in the context of public procurement a policy-practice decoupling is perceived as an illegitimate action, which the procurement managers consistently reject. A means-ends decoupling on the other hand seems to be more socially accepted referring to the fact that the procurement managers and experts admit that the outcome of their requirement setting process is not always optimal. By examining our empirical evidence in depth we have identified a link between March and Olsen's logics and Wijen's means-ends decoupling. The logic of appropriateness implies a focus on identities, roles, social norms and rules that are institutionally embedded in a certain context. This logic seems to draw attention to the means, which force the public actors to prioritize their time and effort to justify their choice of requirements. The logic of consequentiality, on the other hand, seems rather more associated to the ambition to reach an end, which has been created through rational calculations and preferences. Since the rules in the public procurement field are described as unclear, the experts tend at some sequential points of time in the process to follow a logic of consequentiality and set the requirements according to their already established preferences when it comes to products. Both logics are thus not only co-existing between the public and private actors but are also co-existing within each actor as stated above.

The public actors are expected to live up to different roles and identities, which push them to apply both logics as we have already discussed. The question is whether the virtually excessive focus on means in today's society has distracted attention away from the goals? One could even argue that the means in some sense have become the goal. Organizational actors seem to be more concerned about acting in line with rules and social norms than to act in a rational manner to reach their goals. In order to be appropriate in a certain context, legitimacy is key and seems to be reached by blindly following the rules. The objective lies rather in justifying one's actions linked to the means than to justify one's actions linked to the goals. This development may be detrimental for society in terms of efficiency, effectiveness but above all of optimal outcomes.

In addition, with different interests and accountabilities, our empirical evidence still shows that both parties recognize the importance of a fruitful cooperation and the importance of informal bonds in a public-private partnership. We therefore suggest that informal relations could function as a link between the two logics. Informal relations seem to be more likely to build trust. Through trust the actors can rely on each other to follow the rules and at the same time be a reliable contracting partner when non-contractual issues arise.

Conclusion

With an increased focus on evaluation, standardization and control in the contemporary society, organizations are maintained in loosely coupled states in order to guarantee some internal flexibility and thus their survival. Taking the rationalizing society into account, the

public procurement field has received little attention as regards the interaction between public and private actors given that they both are facing external pressure in terms of rules and accountabilities. Given that public and private organizations have different interests, accountabilities and economical structures, the purpose of this study was to examine how the public and private actors interact with each other in the context of public procurement. We found a decoupling between what was said by the procurement managers to be done and what was actually done in practice through the words of the experts. Furthermore, the means set up to reach goals seem to have gained more attention than the actual goals. Our empirical evidence confirmed that there is a second decoupling between the means and the ends in public procurement since a great deal of focus is given to the requirement setting process even though it might sometimes steer focus away from the end, namely the patient's best. With this as a background, we noticed that the public and private actors expressed an uncertainty about how to act and interact with each other due to stricter control, unclear rules and differing practices among the regions.

Once having confirmed a difference in how the actors say or think they work and how they actually work in practice as well as the sometimes weak link between means and goals, we wanted to go a step further and investigate the mechanisms behind the complexities that the actors face during a public procurement. In this respect we needed to find out how the actors related to established rules and social norms, how they perceived their identities and how they justified their actions given the stricter control mechanisms in place. By employing March and Olsen's (1989) logics of appropriateness and consequentiality we were able to conduct a broader analysis of our case. While consistent with previous studies' recognition of the interdependencies between the logics, our case confirmed a dependency-relationship between the actors as well. Furthermore, the study has shown how both logics co-exist and are more or less dominant over the other at sequential points of the procurement process. Here we identified an uncertainty as regards the actors' identities and tasks in the public procurement field. Moreover, by having highlighted the presence of multiples and conflicting identities of an individual, which exist within a specific situation we have contributed to increasing the understanding of the complexities that come with decision making. Also, the theory outlined by March and Olsen (1989) does not further develop the notion of conflicting identities; something our study has contributed with.

Using both neo-institutional phenomenon of decoupling and the parallel logics, we have been able to show that public and private actors express an uncertainty about how they can act and interact in the context of a public procurement given the stricter control. We argue that there is a call for clearer rules at the same time as a call for flexibility as regards how the actors can act and interact. This dilemma deserves further attention in order to enable public-private partnerships to work efficiently. This paper contributes to providing a deeper understanding of the complexities that prevail in the public procurement field and that are faced by both public and private actors. Lastly, the study suggests that informal relations and trust between the actors can facilitate the co-existence of both logics despite their different interests, accountabilities and economic structures.

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