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### The control imperative

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## THREE

# Enforcing reorganization<sup>1</sup>

There has been much attention for public sector reform in the past decades (Pollitt and Bouckaert 2004). In this chapter, we aim to complement the ongoing debate with observations on two somewhat neglected issues. First, the issue of how reform enforcement capacity is built, that is, the process of attaining and sustaining control in order to implement changes (cf. Barzelay and Jacobsen 2009). We argue that the success of a reform critically depends on implementers' ability to enforce the reform in the daily routines of the bureaucracy, that is, to build sustainable reform enforcement capacity. This issue is particularly relevant in developing and newly industrialized countries where this capacity is limited or even non-existent (Dussauge Laguna 2011). Second, New Public Management (NPM) has dominated many reform efforts in public administrations all over the world. Nevertheless, there is a sizable proportion of reforms in which not NPM but the general need to increase control over the public administration (Cejudo 2007) provides the major template for reform (Pollitt 2001). This chapter addresses these issues by analyzing how enforcement capacity was built in the context of the reorganization of the Mexican civil service that took place between 2003 and 2012.

<sup>1</sup> This chapter is based on F. Nieto Morales, L. Heyse, M.C. Pardo and R. Wittek. 2014. "Building enforcement capacity: Evidence from the Mexican civil service reform", *Public Administration and Development*, 34, 389-405. It is reproduced here with license of John Wiley and Sons (no. 3532600118139).

The SPC (*Servicio Profesional de Carrera*) reform introduced a meritocratic system of human resource management (HRM) into several organizations of the Mexican federal administration.<sup>2</sup> The goal was to modernize HRM policies and systems to guarantee equal opportunities for accessing and making a career in the federal government. The reform covered the top managerial echelons of the administration (some 36,000 positions). The SPC reform comprised new regulation regarding hiring, professional development, training, performance evaluation and severance of federal officials. Although influenced in its discourse by a NPM-like rhetoric (cf. Muñoz Gutiérrez 2005), in reality the SPC neither introduced market mechanisms, nor did it reduce regulation or grant more autonomy to public managers. Consequently, the SPC may be better conceived as a neo-Weberian reform (Dunn and Miller 2007) that attempted to improve central control and create homogenous rules with the explicit intention of combating patronage-based practices (Cejudo 2007).

As happened in other countries implementing similar reforms (e.g., Chile, Brazil and Argentina), soon after the adoption of the SPC law, commentators raised concerns about its viability (Grindle 2012). Main critiques included faulty design, inability to galvanize support, lack of resources, resistance to change and persistence of patronage (Arellano Gault 2006; Martínez Puón 2006; OECD 2011). Given these difficulties, that the SPC reform and its implementation persisted is noteworthy; not only because reforms often do not get the expected results, but because implementers may not have the enforcement capacity to implement changes in the first place (Bovens and 't Hart 1998). Re-

<sup>2</sup> In principle, the SPC reform concerns all federal ministries and agencies. However, it excludes a number of organizations; namely, those related to national security and foreign policy (e.g., Ministry of Foreign Affairs), concrete autonomous organizations (e.g., Federal Electoral Institute or the National Commission of Human Rights), and the parastatal sector (e.g., state-owned companies).

forms often fail to reach their goals because lawmakers leave the “dirty work” of enforcement to public officials, who often have few organizational or institutional means to overcome resistance to reform. In the reform literature, at least three contingencies for successful enforcement are typically highlighted: commandment over resources, strong support and effective rule-making (see e.g., Caiden 1991; Patashnik 2008; Peters 2001).

Whereas the SPC was initiated in a time of ample resources and political support, within a relatively short period these favorable circumstances disappeared. Contrary to what the literature might predict, the reform survived all policymaking stages and two changes of administration, policy components remained operational, and it achieved important objectives. For example, since 2007, more than 29,000 vacancies have been filled through SPC procedures, 96% of the organizations covered by the SPC law developed training programs, the performance of some 22,000 federal employees became regularly evaluated, and 90% of the “consolidation goals” of the reform were reached by 2012 (SFP 2012). This reform thus presents a puzzle: on the one hand, it has been marked by severe complications and limited support. In fact, soon after its adoption, the SPC underwent an acute legitimacy crisis in the sense that it experienced strong decline, low levels of acceptance, and strong resistance from federal agencies (cf. Alink, Boin and 't Hart 2001). On the other hand, there have been important accomplishments, starting with the fact that the SPC reform continued to be implemented in spite of many setbacks. How were the implementers able to enforce change, despite the lack of resources and political support? Are there broader lessons for public administration theory and particularly for reform enforcement capacity to be distilled from this case?

A contingency framework based on the role of resources, coalitions and rule-making seems insufficient to explain the fact that SPC implementers managed to attain some control over implementation. We therefore propose an alternative process-

argument based on the adaptive combination of control strategies. There are various reasons for this. First, extant research is characterized mostly by descriptive and prescriptive accounts, mainly focused on doctrinal, rhetorical and design aspects of reforming (Barzelay and Gallego 2006). By contrast, there is little work that unpacks the dynamic relations between micro-strategies of implementers and (macro) reform outcomes. Second, previous research has mainly focused on the role of policymakers or the dynamics of political control of the bureaucracy (e.g., Ingraham 1997; Pollitt and Bouckaert 2004; Wood and Waterman 1991). The role of top bureaucrats in charge of implementation is often neglected. We argue that strategies devised and pursued by implementers to gain control over implementation are an important aspect of reform success. Third, most research on public management and policy reform is devoted to Western cases. The Mexican case broadens the scope of research on enforcement capacity, and also has implications for general debates on government capacity and development (Andrews 2013; Grindle and Hilderbrand 1995).

This study makes two distinct contributions. Theoretically, we develop a framework for studying reform enforcement. In particular, we propose that implementers' control strategies are context-dependent and constantly need repairing to regain, maintain or increase legitimacy. Thereby, the (re)combination of control strategies has different outcomes in terms of coordination and compliance, both relevant conditions for reform enforcement. Empirically, the opportunity to conduct interviews with top officials directly involved in the execution and enforcement of the SPC provides unique empirical insights into the black box of high-level bureaucratic strategic management. Specifically, this study systematically traces the evolution of the implementation process of a large-scale reform.

## *Reform survival in adverse conditions*

### *Meager resources, lack of support and faulty rules*

The SPC became an important part of the modernization agenda of Mexico during the 2000-2006 administration. Resources poured into its implementation, especially during the first two years: a new department was created (the Unit of Civil Service and Human Resources, later renamed Unit of Human Resources Policy, UHRP), funds were budgeted, and President Vicente Fox (2000-2006) backed the reform in a number of statements (Dussauge Laguna 2005; 2011). Hence, important contingencies for successful reform were present right from the start.

However, complications arose quickly since the reform directly threatened patronage practices, deeply entrenched in the Mexican administrative system (Merino 2006). It directly challenged the discretion over human resources that political and bureaucratic leaders traditionally enjoyed. In particular, the SPC significantly changed the way public organizations recruited and administered their managerial core. Thus, the stakes for actors involved in this reform were high (Klingner and Arellano Gault 2006; Pardo 2005; for a recent discussion on patronage, see Grindle 2012).

In addition, lawmakers were vague on the quantity and quality of control mechanisms available to the enforcing ministry. In the Mexican system, after law enactment, the executive branch creates rules for the implementation of new legislation (bylaws and other regulations). This means that implementers have room for maneuvering after enactment, limited by the law and the President. This was also the case for the SPC: most regulatory details were left to a bylaw, and several parts of the law remained open to broad interpretation (Fócil Arteaga 2009). For example, although the law is strict on which positions must be

occupied by tenured officials, it established ambiguous criteria for exceptions: “In exceptional cases and when the social order, public services, sanitation, safety or environment of any area or region of the country become endangered as a result of disasters caused by natural phenomena, by accident or force majeure, the head of the agency or the chief administrative officer [...] may authorize the temporary appointment to a vacancy [...], without subjecting to the recruitment and selection procedures of this law” (*Ley del Servicio Profesional de Carrera*, art.34).

Further, the reform clearly aimed at a decentralized system. However, the first bylaw (2004) created the bases for a centralized operation. Although this resulted in strong regulatory powers of the enforcing agency, the rules it produced were unsuccessful in lessening imprecisions and mitigating operative problems. Moreover, centralization created additional problems and warning signs of resistance against a tightly centralized system soon appeared (CIDE 2007; Fócil Arteaga 2009). First, there were indications that the SPC was not generating the desired effects. For instance, tenured positions covered by the civil service law reduced by 12.5% from 2005 to 2011 (cf. ASF 2012; Presidencia 2011). There were substantial variations between hierarchical levels too. From 2006 to 2010, the number of directors-general subject to the SPC dropped by almost a quarter of the original universe contemplated in the law, whereas for heads of department the numbers declined by 11.9% in the same period (CIDE 2007). Reform was openly blocked in at least two organizations, and in many agencies operation remained precarious (ASF 2012). Some HRM components (notably professional development) had been inoperative since the enactment of the law and exceptions to the system (e.g., art.34) were abused and, in some cases, administrative procedures and rules were circumvented by organizations (OECD 2011).

Second, important contingencies for reform success changed: there was a drop in the availability of resources,<sup>3</sup> a very constrained timeframe for implementation was decided on, and there was disagreement on policy objectives (Dussauge Laguna 2011). A large number of stakeholders and a bulk of dependence relationships further complicated matters. Consequently, political and bureaucratic support quickly declined after 2003, dropped sharply by the end of the administration and became critical at the start of President Felipe Calderón's administration (2006-2012). Meanwhile, the authority of the enforcing ministry remained open to challenge from other agencies, and the civil service reform stayed low on the electorate's and politician's priorities (OECD, 2011).

Thus, the SPC experienced a seemingly fatal route of implementation. It was characterized by unsuccessful operation, a major reconfiguration, diminishing resources, and the inability to fire up support and attain compliance with the new system. In response, a second bylaw was adopted (2007) with the explicit purpose of correcting some of these inadequacies by drastically shifting to a decentralized model.

### *Reform survival*

The above account echoes insights from the literature in that reforms are problematic, difficult and at times nearly impossible (Bannink and Resodihardjo 2006; Pressman and Wildavsky 1973). It also shows that the case of the SPC unsatisfactorily met contingencies like sufficient command over resources, support and effective rules.

<sup>3</sup> Budget (adjusted for inflation) allocated to the UHRP dropped by 42.9% from 2005 to 2006, and then again by 34.8% the next year. In 2008 and 2011 saw increments in comparison to 2007 and 2010: 16.8% and 72.9%, respectively. However, on average, UHRP budget declined yearly by 8.9% for the 2005-2012 period (data from: Secretaría de Hacienda y Crédito Público.).



Nevertheless, besides the manifold complications (see also Klingner and Arellano Gault 2006, or Pardo 2010), the SPC accomplishments are equally noteworthy. One could argue that its implementation continued despite the complications. For example, an evaluation by the Mexican Congress concluded: “After seven years since the enactment of the Professional Civil Service Act and four years since it was supposed to be integrated fully,<sup>4</sup> the Ministry of the Public Service together with the organizations of the federal administration, by 2010, established and implemented bases so that hiring of public servants is done in equality of opportunities [...]. It was also verified that out of the seven subsystems of the SPC, five [...] operate in the terms of applicable rules” (ASF 2012, 15). In addition, it reached several operational goals and (partial) control over operation of the SPC has been documented. For instance, since 2004, implementers enacted 135 regulations, of which about half remained fully enforceable by 2010. Successful implementation of the SPC was achieved in a critical 27% of the organizations that form part of the SPC, which represents 68.7% of all tenured positions (ASF 2012, 5-16). Further, important routines were developed for hiring and recruitment, for information management and most noticeably, for performance evaluation (SFP, 2012; OECD 2011).

We do not wish to imply that the SPC has achieved all its substantive goals. Recent studies by Grindle (2012) and the OECD (2011) cast doubt on whether the future of Mexico’s civil service is secured and on whether neo-Weberian reforms like the SPC have had the desired effect, particularly in terms of increased central control over public agencies and less discretionary power for bureaucratic leaders. However, any serious analysis of the available evidence must also recognize that the SPC reform has survived, if not well, since the enactment of the law in 2003, even

<sup>4</sup> The SPC Law established that the government had 180 days to decree a bylaw (trans. art. 1) and that the “system must operate fully in a period that will not exceed three years after the enactment of this law” (trans. art. 4).

in the face of scarcity of resources, weak support and faulty rules. As evidenced by other cases, these conditions crippled other efforts to change in Mexico (Pardo 2010) and elsewhere (Bovens and 't Hart 1996), and are antecedents of reforms going wrong (Caiden 1999). What then explains the survival of the SPC, given these unfavorable contingencies? We posit that part of the answer lies in the implementers' ability to redirect strategies to (re)gain control over implementation, both in response to failure of previous strategies and to contingencies.

### *Building enforcement capacity*

#### *Achieving compliance and coordination under uncertainty*

We take a processual stand on enforcement capacity by studying control strategies available to and applied by implementers through time at the micro level, and the overall pattern of (reform) enforcement that emerges from their application. We argue that achieving and sustaining enforcement capacity implies balancing a combination of goal congruence (compliance) and coordination among implementers and reform recipients. Once implementers devise and apply strategies, they are capable of evaluating whether compliance and/or coordination have been achieved (Steur and Wittek 2005). Implementers evaluate problems resulting from previous interventions and adjust their strategies accordingly.

Ours contrasts with the linear processes approach to reform implementation, where successful enforcement requires sufficient investments in time and resources to set up efficient incentive, monitoring and control structures (Van de Ven and Hargrave 2004). We consider that the non-linear nature of reforming is of, at least, equal importance, meaning that implementation is attempted under uncertainty and interdependence conditions, streaming from a complex and dynamic politico-

administrative environment (cf. Steur and Wittek 2005). This includes not only legal pressures and formal relations of dependence, but also changing political conditions, practical restrictions and administrative traditions (Grafton, Abernethy and Lillis 2011). For example, default settings (established by lawmakers) affect bureaucrats' room for maneuvering (Patashnik 2008); also, changes made at one level of the reform may trigger or require further changes at other levels (Brunsson and Olsen 1993; Toonen 2003). Further, given interdependence with the recipients of the reform (e.g., agencies and ministries), implementers will acquire information about the impact of their control strategies only gradually.

Building enforcement capacity in such circumstances refers to a branch process in that an implementers' strategy results from a progression of limited comparisons (Lindblom 1959; see also Thoenig 2003), where the goal is to attain and sustain compliance and coordination to successfully implement a reform. This process requires context-dependent adaptation to changing circumstances: if certain strategies produce negative effects (e.g., opposition by powerful groups) or are perceived as a failure, they will quickly lose legitimacy. As a result, control strategies must be repaired or adjusted to regain, maintain or increase legitimacy.

### *Three strategy types*

We expect implementers to proactively or reactively develop strategies that they deem legitimate means to enforce an enacted reform. To study these control strategies in the case of the SPC, we grouped them in three ideal-typical sets (cf. Scott 2008): regulatory, normative and procedural control strategies. We assume that implementers adaptively use combinations of these strategy sets and that multiple combinations may emerge within a given process of reform.

*Regulatory strategies.* Reforms involve rules, laws, standards and other formal constraints. Implementers can use strategies based on these rules, thereby using the power of legitimation, coercion and sanctioning (DiMaggio and Powell 1983; Powell 1996). Addressing formal constraints, for example, in the form of legal expediency, enables legitimacy (Dowling and Pfeffer 1975). Regulation guides the implementation of a reform and may confer legitimacy to control the extent that it is done according to a legal mandate. Regulatory strategies enable implementers' action by conferring them special powers and licenses (Scott 2008). Implementers accordingly make decisions and exert control based on the assumption of formal legitimation (Ouchi 1979). Regulatory strategies are characterized by commanding action. These strategies rely on expediency, verticality, and compulsion, and include actions like rule-making and formal contracting. Hupe and Klaasen (2000) draw the analogy to a CEO: implementers attempt to enforce a reform atop of the authoritative foundations provided by rules, laws and formal powers, and establish mechanisms of control accordingly (e.g., sanction systems or control panels).

*Normative strategies.* Norms specify valid forms of action and legitimate means (Scott 2008). Adapting to prevalent norms legitimates control and creates implementation opportunities; for example, by showing that a reform is desirable, ethical or compelling. Reforms build on normative ideas and guiding principles that infuse administrative changes with meaning (Christensen and Læg Reid 2003; Hood and Jackson 1991; Peters 2001; Selznick 1948). Hood and Jackson (1991) showed that different "doctrines" (e.g., the free selection of suppliers) provide normative bases for specific policy components (e.g., voucher systems). However, conflict between a reform and contextual norms may trigger resistance, tokenism or open confrontation. In such cases, achieving control becomes problematic unless implementers are able to adapt to or influence norms. Normative strategies are characterized by some form of persuasion (Majone 1989; Ouchi

1979). This includes strategies like endorsement, certification, accreditation, dissuasion and interpretation (Thoenig 2003). These strategies rely on appropriateness and inducement. Again, using Hupe and Klaasen’s (2000) analogies, implementers can be seen as chairmen using persuasive tactics like argumentation and conflict avoidance to enforce and implement change.

TABLE 3.1 *Strategies for building up enforcement capacity*

	<i>Foundation</i>	<i>Actions</i>	<i>Analogy</i>
<i>Regulatory</i>	Based on rules, formal sanctions and default design	Commanding: creating or modifying rules	Implementers as CEOs
<i>Normative</i>	Based on norms and values	Persuading: avoiding conflict, adapting to and exploiting norms	Implementers as chairmen
<i>Procedural</i>	Based on routines and prevalent techniques	Integrating: assimilating homegrown routines	Implementers as engineers

*Procedural strategies.* The final set relates to the influence of administrative practices and routines. Routines are patterns of activities realized customarily as taken-for-granted ways to accomplish organizational goals. The power of routines resides in their practical legitimacy: they are recurrent practices adopted by organizations (Feldman and Pentland 2003; Suchman 1995). Addressing them legitimizes control, for instance, by integrating new procedures to old ones, or by devising solutions that allow for homegrown routines to coexist with a reform. Conversely, failure to address routines increases the chances of paralysis and incomprehension. In general, strategies legitimized by practices and routines acquire the form of integrative actions. Here the analogy could be of implementers as engineers: enforcement

capacity is achieved on the basis of practical validity and the construction of solutions that allow reform recipients to perform. This includes control strategies such as integration of prevalent techniques and process reengineering. Table 3.1 summarizes this three-way heuristic on strategies that allow implementers to build and sustain enforcement capacity.

### *The SPC case*

#### *Method*

To unravel the process of building enforcement capacity, we opted for a qualitative case study design. This allows for process-tracing (Beach and Brun Pedersen 2013) that retains meaningful details of real-life events (George and Bennett 2005; Yin 2003).

TABLE 3.2 *Overview of interviewees*

<i>Gender</i>	<i>Age</i>	<i>Position</i>	<i>A</i>	<i>B</i>	<i>C</i>
M	44	Director General	2	18	No
M	57	Director General	2	25	No
F	49	DDG <sup>a</sup>	8	26	Yes
M	45	Director General	6	6	Yes
M	35	DDG	6	6	Yes
M	45	Director	8	16	Yes
M	62	Director	9	25	Yes
M	38	Director	9	13	Yes
M	57	Director	7	35	Yes
M	48	Director	9	10	Yes

NOTES:

A: Years working for the UHRP (up to 2012)

B: Years working for the public sector

C: Member of the SPC? (tenured)

<sup>a</sup> Deputy Director General

The research was conducted in Mexico City, from February to August 2012. Main methods of data collection were interviewing and document analysis. Ten in-depth interviews with

the highest officials of the Unit of Human Resources Policy (UHRP) of the Ministry of the Public Service were held (Table 3.2), based on their experience as implementers of the SPC between 2003 and 2012. We contacted UHRP officials in September 2011. After the goals and procedures were presented, UHRP officials agreed to participate in the study. Interviews were conducted in situ and in Spanish, and lasted on average 67 minutes each. In addition to interview data, we collected and consulted policy and legal documents that shed additional information and helped contextualizing informants' accounts (Table 3.3).

Interviews were recorded, transcribed and anonymized. Subsequently, two researchers coded transcripts using Atlas.ti (v.6.2). Although interview data is necessarily perceptual, we aimed at identifying common themes and connections by relating the interviews to our heuristic (see previous section). This helped us integrate events and experiences in a coherent analysis. Interview coding focused on indexing at the quotation level and identifying (regulatory, normative and/or procedural) strategies, as well as the context in which these were conceived and executed (see Appendix). The main goal of our analysis was to reconstruct the general history of enforcement of the SPC. Systematic comparisons allowed us to identify "critical stories" that we report in the next section (for a detailed methodological discussion, see Porrás 1987). We found evidence for three phases of enforcement capacity building for the SPC case (2003-2012), which we report in turn below.

### *Phase 1: rules and locks*

The first combination of strategies emerged in a context of high expectations and promising conditions for implementation. The new law granted the maneuvering room to create procedures and mechanisms of control. However, the law was also vague in its definitions and set challenging deadlines for implementation.

TABLE 3.3 Overview of consulted documents (SPC case study)

<i>Title<sup>a</sup></i>	<i>Source</i>	<i>Year</i>
1. Ley del Servicio Profesional de Carrera en la Administración Pública Federal		2003 <sup>b</sup>
2. Oficio SSFP USPC/412/007/2004	SFP	2004
3. Reglamento de la Ley del Servicio Profesional de Carrera en la Administración Pública Federal	SFP	2005
4. Oficio SSFP USPRH/408/022/2005	SFP	2005
5. Oficio SSFP USPRH /408/015/2005	SFP	2005
6. Programa para el Servicio Profesional de Carrera en la Administración Pública Federal 2004-2006	SFP	2005
7. Auditoría de desempeño 05-0-27100-07-130	ASF	2006
8. Reglamento de la Ley del Servicio Profesional de Carrera en la Administración Pública Federal	SFP	2007
9. Acuerdo por el que se da a conocer el Programa Operativo Anual del Sistema de Servicio Profesional de Carrera en la Administración Pública Federal Centralizada para el año 2007	SFP	2007
10. Oficio SSFP/408/008/2009	SFP	2009
11. Acuerdo por el que se levanta la suspensión de los plazos y términos relativos a la operación de todos los subsistemas del Servicio Profesional de Carrera, incluidos los términos y plazos correspondientes a las designaciones realizadas conforme a lo dispuesto por el artículo 34 de la Ley del Servicio Profesional de Carrera en la Administración Pública Federal	SFP	2009
12. Oficio SSFP/408/SPC/014/2009	SFP	2009
13. Reglamento Interior de la Secretaría de la Función Pública	SFP	2009 <sup>c</sup>
14. Manual Administrativo de Aplicación General en Materia de Recursos Humanos y Organización	SFP	2010 <sup>d</sup>
15. Oficio SSFP/408/003/2010	SFP	2010
16. Auditoría de Desempeño 10-0-27100-07-0102	ASF	2012

## NOTES:

<sup>a</sup> All documents are public and available from official websites: [www.normateca.gob.mx](http://www.normateca.gob.mx), [www.diputados.gob.mx](http://www.diputados.gob.mx), [www.funcionpublica.gob.mx](http://www.funcionpublica.gob.mx) and [www.asf.gob.mx](http://www.asf.gob.mx)

<sup>b</sup> Last reform published 09/01/2006

<sup>c</sup> Last reform published 03/08/2011



Despite this, implementers first enjoyed support from President Fox and external stakeholders (e.g., public intellectuals). The reform was integrated into the “Good Government Agenda” (*Agenda Presidencial de Buen Gobierno*), which was the main modernization project of the administration (Pardo 2010). This gathered support around the reform and facilitated enforcement:

“In the beginning there was much expectation. I believe that in general, the institutions expected something much more digestible [...]. I mean, in the beginning there was good synergy, a good dynamic, and they [the institutions] hoped they could deal with the challenge. I believe that we created many allies for the project. But then we made some mistakes... we created too many locks [...] to start up the project and we lost allies because we demanded more than what was possible” (Director General; 6 years with the UHRP).

Implementers opted for regulatory control strategies based primarily on rule-making and standardization. There was a particularly strong emphasis on creating “locks”, inflexible and complex rules that in the implementers’ eyes would secure control and minimize slippages. A first strategy consisted of creating rules (established in the first bylaw) that concentrated authority and operation in the UHRP, which became not only policy coordinator, but also a globalizing bureau that designed procedures, operated them, and monitored their application across organizations. A second strategy was the creation of a human resource information system called “RHnet”. This system standardized SPC procedures and was designed as a single-entry portal in which every organization would load information about its human resources and operation of the SPC. External consultants designed the system, and implementers attempted to exploit this as a form of endorsement. However, the design and construction of RHnet

started before the operative rules were completed. Thus, many SPC components were not considered in the RHnet system. Because of the gap between new rules and the information system, implementers devised a third strategy based not on information actively provided by institutions, but on the verifiable administrative record. This strategy, known as MIDESPC (*Modelo Integral de Evaluación del Servicio Profesional de Carrera*) consisted of a series of indicators that help monitoring the execution of the SPC in each organization. It let implementers oversee the implementation of components and compare performance. However, to be effective, it relied on a network of auditors verifying compliance, which added to the complexity and costs.

After the first bylaw was adopted, several problems arose. Great expectations were not met. Ministries and agencies, confronted with new complex rules, resisted implementation. In particular, some maintained old practices by taking advantage of regulatory imprecisions or, in other cases, organizations made only perfunctory efforts to comply with the new rules (e.g., by simulating open competition to occupy vacancies, but in fact securing the hiring of pre-selected candidates). Support declined, both from administrative and political leaders. This situation worsened after the change of administration in 2006:

“The Unit and the SPC used to be regarded as the thing that was going to transform everything, you know? [...] In the beginning all the resources were placed in the Unit. It was a bit like the Unit, right? At that time we had fancy offices and all the resources [...]. But then when it [the SPC] stopped being [a] priority and the problems began overflowing us, bam! You have no fancy office anymore, you have to move, and you have to lay off personnel [...]” (Director General; 6 years with the UHRP).

Phase 1, characterized by reliance on regulatory strategies (centralizing rules and standardization in a single operative

framework) was effective in minimizing coordination problems to the extent that it homogenized procedures. However, it did not succeed in assuring compliance. Although organizations formally adopted similar policy tools and procedures, goals did not converge and resistance against reform intensified. Further, when support and resources for the reform began decreasing, centralization backfired. Rules could not be enforced effectively and complex processes that demanded personnel and money began to pile up in the UHRP.

Despite other alternatives available to implementers (e.g., more flexible regulation or even procedural integration), it seems that in the beginning they mostly relied on the assumption that strict regulation was a necessary and sufficient condition to enforce the reform. The effects of phase 1 included the loss of allies and a very complex operative system that “stressed” federal organizations. Also, emphasis on locks decreased the implementers’ room for maneuvering. The gap between rules and information system as well as large development costs created a need for constant repairs to RHnet, effectively creating a “policy lock-in effect” (Bannink and Resodihardjo 2006):

“When the construction of RHnet was already ongoing, it was pointed out that we had no rules yet. And then, suddenly, after we had a very expensive system [...], we needed to start making all sorts of adaptations to the system [...]. In fact, as a joke, people started calling it ‘patchnet’” (Director; 8 years with the UHRP).

Lack of understanding of new regulations created a “battle of definitions and translations” that permitted deviations from the original intentions of implementers, next to open resistance and tokenism (e.g., regarding new hiring rules or the exception criteria established in art.34 of the SPC law). According to interviewees, organizations interpreted rigid regulation with

suspicion and as an imposition over their internal procedures.<sup>5</sup> However, phase 1 set the basis for formal mechanisms of control based on outcomes and not on procedures (e.g., MIDESPC), creating an information system that later helped to contain centrifugal pressures arising from delegation. Moreover, it showed the limits of regulatory strategies:

“Setting rules is like cooking with a pressure cooker: if you take it to the limit and you haven’t really established other mechanisms of control and relief valves, well, it’s going to explode, even if you had the best intentions” (Dep. Director General; 8 years with the UHRP)

### *Phase 2: adapted rules*

Phase 2 begins with the adoption of a new bylaw in the context of a discredited implementation, lack of support, limited resources, a new administration skeptical of reform, and a new UHRP leadership that lacked experience and commitment:

“I believe that to the extent that politicians began understanding the new institution [...], less commitment and security were given to the reform [...]. And on the other hand, bad implementation led to frustration. Because if you create new strict structures and you pass them on to the organizations... I mean, human resource management is already complex and [when] you impose another model, the SPC, then you create two structures, you generate two areas, two forms of management, two objectives, and so on, rules expand and what was already complex becomes even more complex” (Director; 9 years with the UHRP).

<sup>5</sup> NB: At the time some interviewees worked in federal agencies covered by the SPC and thus experienced this model of enforcement as “reform recipients”.

Firstly, in response to resistance and rule imprecisions, implementers devised a new strategy based as before on regulatory changes. However, whereas centralization was the emphasis of phase 1, phase 2, tried control through delegation. At the center of the strategy was the enactment of a new bylaw (2007) that transferred most of the operation to ministries and agencies, while the UHRP pulled back into a supervisory role (retaining regulatory powers). Delegation, however, did not mean much flexibility: many procedures remained uniform to a significant degree. Although there were important changes (e.g., hiring rules), some SPC procedures established in the first bylaw were consolidated in the second (e.g., performance evaluation). The difference, however, was that the new bylaw delegated several operational details and their implementation to organizations, especially regarding hiring and recruitment.

Yet, there was an important movement toward flexibility. This strategy involved making the law's exclusion criteria (art. 34) and hiring procedures more lenient. Since the enactment of the law, SPC hiring procedures had been the most controversial part of the reform. According to interviewees, organizations were concerned by the standardized hiring procedures, which both reduced their discretion and ignored differences in the kind of personnel needed in each organization. The new strategy was intended to regain support from the agencies by yielding to the customary discretion each agency had enjoyed over their hiring procedures. Implementers' strategy consisted of adapting to strong administrative traditions regarding control over hiring, avoiding conflict by delegating design and operation of operative routines to the ministries and agencies, and focusing instead on monitoring outcomes. Similarly, implementers developed a new control and evaluation strategy based on "control panels". It recovered lessons learned from the MIDESPC system in that emphasis was placed on outcomes, but it not only relied on monitoring by auditors or on the administrative record, instead it also ex-

ploited information that organizations regularly reported to the UHRP. Nonetheless, lack of organizational capabilities, bad timing,<sup>6</sup> and new obligations (e.g., design of assessment tools for hiring) contained centrifugal movements started by the new control strategies:

“You have to relativize this whole issue of decentralization [...]. Ultimately, what really happened was that institutions did not complain that much about centralization; although, now many agencies demand that we centralize some tools because otherwise they cannot handle [the] operation” (Dep. Director General, 8 years with the UHRP).

Phase 2 echoed the emphasis of phase 1 on regulatory strategies. However, phase 2 also included strategies of conflict avoidance, adaptation to prevalent norms and, in comparison to phase 1, privileged voluntary compliance over sanctioning. This could be considered a move toward normative strategies. Avoidance of conflict also implied that the long-term goals of the reform (e.g., hiring on the bases of professional merit) became subject to a logic that privileged short-term goals (e.g., creation of new tools for hiring and assessment of candidates). Although compliance improved only slightly according to interviewees, pulling back allowed implementers to notice specific differences among the organizations that participated in the reform, as well as the need for integration of particular organizational needs. Differentiation, however, led to diminished coordination.

<sup>6</sup> The enactment of the new bylaw took place after the federal budget had been approved, thus federal agencies did not have additional resources to deal with their new responsibilities.

*Phase 3: persuading and integrating*

The third and final phase occurred during the last years of President Felipe Calderón's administration, driven mainly by a new UHRP leadership interested in revitalizing the SPC. Political support and resources remained low, but much had been learned in the previous years. Phase 3 was characterized by a shift in emphasis from regulatory strategies to normative and procedural ones. This shift can also be seen as resulting from earlier phases; particularly regulatory strategies and large investments in policy tools (e.g., RHnet) limited the implementers' freedom in phase 3:

“When I came here I expected to make fundamental changes [...], and I found that the room, my degree of freedom was very limited, and that in fact my job was mostly to oversee informational flows [...] and the informational system. I realized that in reality I had bumped into a wall” (Director General, 2 years with the UHRP).

A new bundle of control strategies consisted of taking emphasis away from changing and implementing rules to achieving control by persuading organizations and building coalitions. Strategies built on the decentralized system already in place. This meant that implementers reinterpreted the role of the UHRP from a one-sided regulator to a reciprocal client-supplier, with organizations held responsible for the operation and the development of specific procedures, while the UHRP monitored performance and suggested improvements:

“What we are doing now is only discretionary, really [...]. Trying to redirect the SPC to a different model, well, is only a proposal that the agencies can or [can]not adopt; it is not really mandatory” (Director General; 2 years with the UHRP).

“The approach now is more focused on... on our clients. [Changes] have allowed us, on one hand, to have more knowledge, internally, but also about the institutions. And it’s also a way of addressing the needs of the institutions, because instead of asking us, they go directly to the website and consult themselves. It’s like the fable of the fisherman. You know it? You don’t need to give them the fish. Instead you tell them: ‘look here are all the fish, which one you want?’ What we are doing now is to improve the pond” (Director; 9 years with the UHRP).

The UHRP did not give up its regulatory powers, and strategies conceived in phase 2 continued to be implemented in phase 3 (e.g., control panels were consolidated and improved). However, changes in phase 3 did imply, firstly, a shift from specific emphasis on the SPC to a more general concern with the “professionalization of the public service”. For instance, the publication of a *General Administrative Manual on Human Resources and Organization* in 2010 (*Manual Administrativo de Aplicación General en Materia de Recursos Humanos y Organización*) is a direct result of this change in approach. After enactment of the Manual, the operation of the SPC became part of a more general HRM framework, with regulations that apply not only to tenured officials in some organizations but to all federal personnel. Changing specific SPC regulations to more general regulations applicable to all federal agencies permitted the simplification of rules and lowered redundancies (e.g., by creating common definitions, as well as clarifying general responsibilities of HRM departments), as well as the integration of prevalent HRM procedures under the legal umbrella provided by the Manual. Finally, some in-house routines changed and new procedures for data management and client support were developed. These also echoed an approach that highlighted the specific HRM needs of each organization, as well as voluntary compliance instead of sanction and coercive control. But they meant that new repairs needed to



be done to the information system. Overall, it seems that these strategies (integration of the SPC into a broader HRM framework; simplifying rules; integrating prevalent HRM procedures and practices; adapting in-house routines) paid off in improved compliance:

“Even though the desired procedures have not been established completely, at least the institutions are thinking in a different way [...]. They are thinking about this [the SPC]. Now, they know that things cannot be done as they please but that they need to have some control, and that’s important” (Director; 8 years with the UHRP).

Persuading agencies to comply with SPC procedures also took the form of informal talks with resisters and the symbolic management of accomplishments and accreditations. A new strategy made use of incoming information, reframing it in order to encourage best practices and promote achievements:

“Another issue is that we realized that we needed to promote short-term achievements of the institutions [...]. One must cackle the eggs [sic], otherwise results go unnoticed. Because change can take long time [...], but creating awareness of short-term achievements helps maintain a sort of inertia toward change” (Dep. Director General; 6 years with the UHRP).

In addition, the UHRP attempted to compensate for lack of support from political leaders, by looking for tenured civil servants’ endorsement. New allies were found in international organizations too (World Bank and OECD). This increased credibility, while international commitments legitimized the continuity of the enforcement strategy. Although the new strategies devised and pursued in phase 3 paid off in increased compliance, they also led to important coordination problems. Procedural strate-

gies based on autonomy implied that many demands needed to be brought together into an already complex system. Some problems remained unsolved: integration created a need for constant repairs of ongoing processes (particularly data management), and mismatches between the UHRP's expectations and agencies' operations—although legal and in line with the goals of the SPC:

“Now the problem, the challenge is to create more coordination options with the organizations. We were left like, like very disconnected, not... I mean when we call them, they come, and we tell them how to operate and that's it, but we could work better if we were all, well, better coordinated” (Director, 8 years with the UHRP).

*General patterns: patching and diversification*

From the account above we observe two general patterns. First, throughout the period, implementers needed to make constant adjustments to costly control systems (e.g., RHnet). “Patching” became more prominent when the regulation changed in phase 2 and continued to be an issue after implementers opted for integration-based procedural strategies. Financial investments in policy tools and past regulatory decisions constrained their capacities in later phases. Patching seems to be driven by this form of path-dependence and policy lock-in (see Bannink and Resodihardjo 2006; Knill 1999).

Second, all together, we observe strategy diversification. When implementation conditions were promising (i.e., support and resources for implementers) and despite imprecisions in the law, implementers mostly relied on control strategies based on rule-making. Later, when regulatory strategies stopped working and enforcement capacity and legitimacy diminished, implementers used rule-making once again, but the emphasis changed from central regulation to delegation. Additionally, yielding to some norms (e.g., hiring) reduced conflict and resistance. In

phase 3, implementers retained some regulatory strategies (e.g., delegation) but decreased their relative importance (e.g., by promoting deregulation). Also, normative strategies based on persuasion and endorsement, and procedural strategies based on integration of homegrown routines and demands became more prominent. Thus, the repertoire of strategies expanded throughout the period, both quantitatively (number of strategies) and qualitatively (type of strategies). Some strategies were abandoned (e.g., first bylaw), but in general we observe that as implementers presumably acquired more experience, old strategies were complemented by new ones.

Diversification reflects both limitations and opportunities for building enforcement capacity. For instance, throughout the implementation of the SPC, several veto points appeared (e.g., agencies opposing implementation), presenting opportunities and often forcing changes in strategy (e.g., a new bylaw). Whereas implementers initially relied on strict and centralizing regulatory strategies, later, when veto points became abundant, implementers explored additional strategies.

This pattern further highlights a trade-off between compliance and coordination. When regulatory strategies “took the forestage” (especially standardizing rules), costs associated with coordination dropped. To the extent that homogenizing rules were adopted, implementers needed to invest little on coordination efforts. However, the same emphasis on common rules and locks increased the costs of (securing) compliance; namely, because general mechanisms of monitoring and control were needed to assure that reform recipients would comply with the rules. Conversely, when enforcement switched to integrative and normative strategies, the cost of securing compliance reduced. This reflects the interdependence and transfer of responsibilities from the enforcing agency to the recipients of the reform. Compliance in this case is secured by integrating multiple demands and by making rules flexible. However, this shift also implied that implementers needed to spend more on coordinating very dif-

ferent (and often contradictory) demands. That is, in the studied period, costs associated with coordination increased at the expense of obtaining compliance (Figure 3.1).

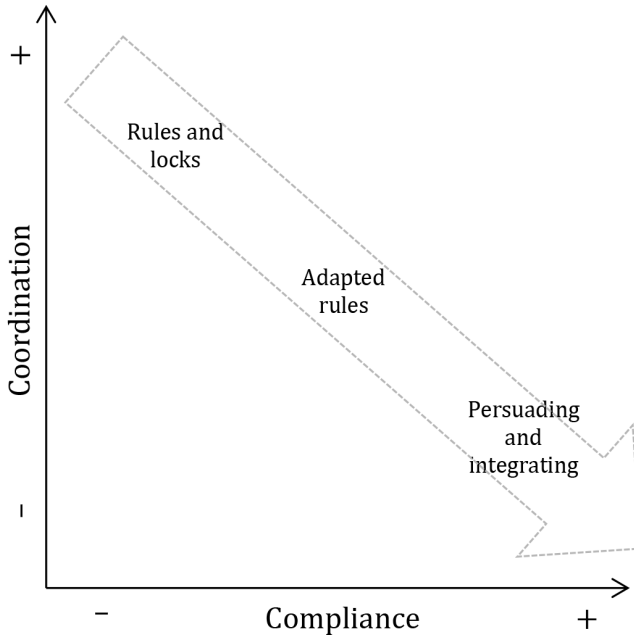


FIGURE 3.1 — *Trade-off between coordination and compliance*

### *Discussion*

In this chapter we asked how implementers managed to build enforcement capacity for the SPC case. Our analysis of the evidence leads us to the following conclusions. First, although the distinction between regulatory, normative and procedural strategies a priori says little about their relative effectiveness (in terms of enforcement capacity), the case study does show an overall combinatory process by which strategies are repaired or

adjusted in order to regain, maintain or increase legitimacy. To the extent that resources and political support were plentiful, control was sought through commanding. When these strategies stopped working, implementers were forced to devise alternatives that reflected a better balance between direct control and interdependence.

As the case study shows, control strategies initially fell short of balancing demands for autonomy (coming from resisters). This explains some of the problems reported in the interviews, such as tokenism and simulation, for example, in applying new recruitment procedures (CIDE 2007). Phase 3 reflects a different approach to attaining control, based on increased autonomy and flexibility. Thus, the process of building enforcement capacity in this case shows a shift from control attempted through commanding alone to a model based on persuasion and integration. This movement reduced the cost of (securing) compliance yet increased the cost of achieving coordination. In the case of the SPC, lack of coordination was the price of compliance and thus key to reform survival. While integrating local demands into the system seemed the most effective solution in terms of control (given decreasing support), the solution created coordination diseconomies due to interdependence and flexibility. This trade-off further helps to explain why, as Grindle noted (2012), the SPC reform did not appear to curb the discretionary powers of local bureaucratic leaders: overcoming resistance against reform demanded the preservation of some norms and practices that allowed agencies to reclaim turf (particularly regarding hiring and recruitment). In this sense, the process of building enforcement capacity affected the outcome of the reform, deviating thus from lawmakers' original intentions, which aimed at the creation of stable and uniform cadres of tenured officials. Instead, integration of local demands provided organizations with the opportunity to set policy exceptions and limit the influence of the enforcing ministry on certain HRM processes, such as hiring.

Second, the case study shows that the effectiveness of regulatory strategies may depend on the one hand, on the availability of resources and political leverage. Once these conditions weaken, enforcement through regulatory strategies in isolation becomes problematic (cf. Meyer and Rowan 1977). On the other hand, it suggests that implementation based solely on regulatory strategies is likely to be less effective, given interdependence with reform recipients and uncertainty about their performance. That is, due to information asymmetry, effectiveness of regulation depends on the reform recipients' willingness to comply and convey information on their behavior and performance. Without additional measures directed at increasing compliance or the quality of information reaching implementers, reform enforcement becomes ineffective. However, regulatory strategies remain important for reform enforcement. As seen above, implementers did not give up regulatory powers and regulation was a precondition for other strategies. For example, changes in rules during phase 2 served as the basis for integration in phase 3. By allowing delegation, rules also gave implementers an opportunity to legitimately integrate local demands into the SPC. This also stresses the point that rules tend to breed path-dependencies (Peters 2001).

Third, our study highlights the importance of integrative and persuasive strategies for enforcement capacity, particularly when resources and leverage of the enforcing agency are low (see also, Chapter 4). Strategies that addressed prevalent traditions and preexisting routines seemed to increase compliance with the reform. Conversely, actions that ignored normative procedural nuances reduced compliance in that they increased goal misalignment and resistance. This supports Grindle and Hilderbrand's (1995) observation that better performance is more often driven by effective communication and cooperation than by rules and regulations.

Before concluding, three limitations need to be acknowledged. First, the study relied mostly on interview data and the

implementers' recollections. We wanted to reconstruct the process of enforcement and so we needed to rely on insider information. Our informants were selected because they were the main actors in this process. However, this methodological choice implies that our observations are subject to bias in the interviewees' accounts. We tried to control bias by contrasting our observations with documents and records. A related issue is that we did not collect interview data on the side of the reform recipients. Since we were mainly interested in the strategies devised by implementers, we limited our analyses to their side of the story, which means that reform recipients' strategies of resistance or acquiescence were interpreted mainly through the mirror provided by implementers' accounts.

Second, the particularities of the case are important to recognize. The SPC reform concerns a range of governmental organizations. Transversal implementation implies that successful reform not only depends on the efficacy of the enforcing agency (therefore on its enforcing capacity), but on the actions of a bundle of stakeholders (Hill and Hupe 2002). This implies specific reform contingencies. For instance, the presence of large number of actors with veto capacity implies a relatively more complex and risky execution (Knill 1999; Merino 2006). Also, the reform was implemented in the Mexican administrative system, which resembles other Latin American and Eastern European systems in its legalism, centralized-vertical structure and little separation between political and top bureaucratic roles. However, it differs considerably from other cases (e.g., Asian and African parliamentary systems). In the strict sense our conclusions are restricted to the Mexican case. However, we aimed at deriving conclusions that could be tested and applied to additional units of analysis, whether in other countries or to different reforms. For instance, our observation on the trade-off between compliance and coordination in the context of developing enforcement capacity could be tested in other contexts. Also, other cases may illustrate different combinatory processes and, most interestingly, processes

that lead to high compliance and high coordination, a combination not identified in the SPC case.

Finally, in the SPC case, there is a tension between reform design and enforcement (contradictions between decentralized rules and centralized operation). Put differently, the case lends itself to the study of enforcement capacity building but succumbs to the problems of reform design. For instance, from the analysis of the interviews one might speculate whether implementers would have had fewer complications if the law had contemplated permissible timeframes, or if imprecisions would have been resolved in advance. Another interesting possibility would be to compare implementation processes (and strategies used to build enforcement capacity) across time. For example, one may ask to what extent do current efforts to build enforcement capacity reproduce recipes that worked in the past (see Pardo 2005). Future research on the SPC and other reforms could address these additional questions.

Despite the limitations, this chapter suggests important lessons. The findings highlight the relevance of studying combinations of strategies for understanding how implementers achieve control after the enactment of a reform. We showed that attaining control in the SPC case was characterized by patching and strategy diversification, that using regulatory strategies in isolation was ineffective, and that normative and procedural strategies reduced the costs of compliance but intensified the coordination costs. These points support the idea that although laws may bestow implementers with the formal capacity to punish those who do not comply or support change, in practice this power may be ineffective and needs to be facilitated and maintained. This may lead to alterations to the lawmakers' envisioned reform path, which helps explain the mix of a degree of reform success and the lack of results and adverse outcomes.