

The Effects of Politicization in Public Organizations

by

Javier Fuenzalida

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## ABSTRACT

The politicization of the civil service is one of the most analyzed and debated issues of public management over the last two decades. Regardless of all the institutional reforms implemented by governments to control this phenomenon, politicization continues jeopardizing the governance and public management of countries, especially those underdeveloped and developing countries.

Several studies have inquired into the macro-effects of politicization comparing countries while others have confirmed the negative consequences politicization has on organizational performance. However, how such effects start at agencies, at the micro-level of public administration remains elusive. The purpose of this doctoral dissertation is to further inquiry into the effects that politicization has *in* public agencies. The driving question of this dissertation is what the effects of politicization into public organizations are. The notion of politicization has regularly been associated to the appointments of people in organizations; I examined the consequences of other notions of politicization, such as the influence exerted by political advisors into public agencies, as well as the pressures received by civil servants to manipulate objective information.

To inquire into the effects of politicization in public agencies I first used qualitative data from 16 case studies and 70 interviews, which helped to explore the effects managerial politicization— or, alternatively, meritocratic recruitment of senior executives— has in public agencies, as well as to identify other broader manifestations of the phenomenon, beyond its conventional notion of appointing people due to political reasons. The qualitative stages informed the design of a survey distributed in Chile that contained four experiments

testing the effects of different expressions of politicization of agencies such as the conventional appointment of managers, the influence of political advisors on administrative decisions as well as the manipulation of objective information.

The results of this dissertation confirm that managerial politicization and other forms of politicization produce negative effects on the attitudes and the behavior of public personnel, as well as on other organizational features. The results confirmed a negative impact on the job satisfaction of civil servants, their work motivation and their organizational commitment. The findings also confirm that politicization causes a decline in the distributive justice and the workplace trust of bureaucrats.

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## CHAPTER 1. INTRODUCTION

### **Motivation**

The politicization of the civil service is one of the most analyzed and debated issues of public management over the last two decades. Moreover, international agencies have strongly advocated for a more professional civil service via stronger merit-based human resource management and several studies have inquired into the progress countries have achieved on this bureaucratic professionalization agenda (see, for example Cortázar, Lafuente y Sanginés, 2014; Echebarría, 2006; Matheson, Weber, Manning & Arnould, 2007). Nevertheless, despite all the institutional reforms implemented by governments to control this phenomenon, politicization continues jeopardizing the governance and public management of countries (Geddes, 1994; Grindle, 2010 & 2012; Peters & Pierre, 2004).

An important body of literature has analyzed the macro-effects of politicization on the development of countries by comparing them on specific features of Weberian bureaucracies: meritocratic recruitment, competitive salaries, tenure protection and formal rules for the promotion. These research have indeed confirmed the positive effect “Weberianess”—as opposed to politicization—has on rates of child mortality and tuberculosis prevalence (Cingolani, Thomsson, & de Crombrugghe, 2015), economic growth (Evans & Rauch, 1999), poverty reduction (Henderson, Hulme, Jalilian & Phillips, 2003), control of corruption (Dahlström, Lapuente & Teorell, 2011), business regulation quality (Nistokaya & Cingolani, 2015), bureaucratic performance (Rauch & Evans, 2000), and the reliability of policy knowledge (Borang, Cornell, Grimes & Schuster, 2016).

Several studies have examined the micro-level effects of politicization in public organizations, which have centered on the consequences politically-appointed managers have on the performance of agencies. Various contributions have examined this phenomenon by considering U.S. agencies and relying on administrative data from the Program Assessment and Rating Tool (PART)<sup>1</sup> (Gilmour & Lewis, 2006; Gallo & Lewis, 2012, Lewis, 2007 & 2008; Miller, 2015). Controlling by several administrative, political and financial features, results from this group of research supports a higher performance of organizations led by career officials than those run by political appointees. Other studies have analyzed the organizational effects of civil service reforms aimed at controlling politicization and improving merit standards for the recruitment of public managers. Lira (2012) assessed the impact of implementing the Senior Executive Service System (SES) on the performance of public hospitals from health services in Chile and confirmed the positive impact this reform had on several indicators of efficiency and quality of hospitals. Morales (2014) also found that those organizations with a higher rate of professional employees and led by SES managers in Chile are more efficient at executing their budget.

Other important research has further advanced the understanding of more specific consequences of politicization at organizational and individual levels. They have focused on the repercussions of the political influence when promoting and especially staffing ordinary officials. Cooper (2018) uses data from the Public Service Employee Survey (PSES) in Canada to conclude that meritocracy positively affects bureaucrats' voice by reducing their fear to

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<sup>1</sup> The PART was fostered to evaluate the performance of U.S. federal programs from 2002 to 2008. Each assessed program was evaluated on four dimensions: purpose and design (20%), strategic planning (10%), management (20%) and results and accountability (50%). These dimensions can be evaluated by the Office of Management and Budget (OMB) through a structured instrument, where answers transform into scores in a 0 to 100 scale. For more information, see Gilmour (2007) or Gueorguieva et al. (2009).

reprisals when offering dissenting advice to their superiors. Borang, Cornell, Grimes & Schuster (2016) conduct a case study in Argentina—besides to cross-country comparisons—to confirm the susceptibility of politicized bureaucracies to bias government statistics reported to the citizenry to benefit incumbents. Meyer-Sahling & Mikkelsen (2016) used survey data from Serbia, Montenegro, Poland, Latvia, and Croatia to show the positive and negative effects politicization and meritocracy respectively have on corruption. This last variable was measured by individuals' perception of rumors of kickbacks at their ministries. Likewise, Oliveros and Schuster (2018) conducted an online conjoint experiment to Dominican officials and found that merit recruitment of officials leads them to higher political neutrality and work motivation, as well as to lower likelihood of engaging in corrupt behavior. Finally, Meyer-Sahling, Schuster & Mikkelsen (2018) used survey results from 23,000 civil servants in several countries in Africa, Asia, Eastern Europe, and Latin America to test the effects of politicization on various attitudes and behavior of officials. Their results show politicization negatively affects the work motivation, job satisfaction, public service motivation, (self-assessed) performance, organizational commitment, and the integrity of public-sector employees. The authors measured politicization by the importance of having political connections in respondents' selection, promotion and pay rises.

In general, important literature has contributed to understanding further the substantial macro-jeopardies of politicization in countries by either inquiring into the effects of managerial politicization on agencies' performance or examining more specific (organizational or individual) repercussions of the political influence when regular staffing personnel in the public sector. Nonetheless, the mechanisms whereby the recruitment of public managers—via political appointments or merit-based procedures—produce a difference in the outcomes of the agencies they lead remains elusive. In other words, we do

know meritocratically-selected executives yield better results in agencies compared to their politically-appointed counterparts, but we do know precisely why.

The underlying notion of politicization in most of the literature aimed at understanding its effects relies on the traditional idea of politically-driven appointments. Nonetheless, despite the proven ubiquity and impact of this manifestation of politicization in the public sector, other expressions may reach similar prevalence and influence. They might even emerge as a response to institutional reforms aimed at curbing political appointments, which ultimately controls this problem but also shift the way politicization is channeled. Furthermore, resilience is one acknowledged feature of politicization, and therefore countries whose appointments seem relatively restricted do not necessarily have lesser degrees of political control at their bureaucracies (see Schuster, 2017; Grindle, 2012).

Westminster-type governments are acknowledged by having strict regulations as well as a meritocratic and non-partisan bureaucratic tradition. However, they rely intensively on political advisors who have a great deal of influence on policy and administrative issues in public agencies and on quasi-autonomous non-governmental organizations (quangos) or think tanks (Eichbaum & Shaw, 2007; 2008; Sausman & Locke, 2004; Gregory, 2004). These agencies are less regulated and allow more political control than the civil service, and thus political authorities have moved the policy decision-making from the traditional public administration to these areas. Likewise, several cases in Australia have even illustrated politicized behavior by bureaucrats due to direct or indirect political pressures, such as compliant advice to leaders and distortion of policy information to the citizenry (Mulgan, 2007).

Most Asian bureaucracies are acknowledged by a long tradition of rigorous entrance examinations and have established more recent institutions, rules, and procedures for protecting merit in the staffing of officials (Poocharoen & Brillantes, 2013; Cheung, 2005). Nevertheless, politicians still take advantage of loopholes to continue biasing officials' recruitment but also other personnel management practices. These include requiring prospects to affiliate the ruling political party before joining the civil service, abusing from the high significance of recommendations for this purpose, intervening in the promotion of bureaucrats and transferring civil servants due to political reasons (Poocharoen & Brillantes, 2013; Samararatunge, Alam & Teicher, 2008).

More hybrid civil services—whose senior officials' staffing allow some political control—also experience other forms of *functional* politicization, which occurs when bureaucrats perform a politically-responsive behavior by anticipating and assimilating relevant political tasks in their regular functions (Hustedt & Salomonsen, 2014).<sup>2</sup> German senior executives play *de facto* political roles as they have low predominance over the agenda-setting and policy formulation in a political environment dominated by parliamentary and federal states politicians. Thus, their job profiles, capacities, and roles of senior executives turn out to be focused on coordination and negotiation, and their functions are closely associated with political parties (Schröter, 2004). Similarly, French ministerial cabinets have strengthened the extension and influence of political networks whom the civil service have to work during the policy-making process, and hence senior officials in this country allege increasing administrative subordination and requirements of explicit political commitment in this process (Rouban, 2004). In Belgium, the irruption of large cabinets satisfied the loyalty

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<sup>2</sup> Please see Pollitt & Bouckaert (2011) and Matheson, *et al.* (2007) for a more detailed comparative analysis about the institutions governing the relationships between politicians and civil servants as well as the influence of the latter on staffing of the former.

demanding from ministers, which led initially to the marginalization of neutral civil servants from the policy-making networks and then to politicized attitudes as their tactical response to this relegation (Dierickx, 2003).

Finally, in countries known by their reliance on political appointments other forms of politicization coexist. An additional strategy followed by U.S. authorities has been the manipulation of neutral policy information produced by federal agencies through the regulation of media access to government scientists, the neglect of technical advice by staffs when it conflicted with their political preferences and the distortion of information presented in official reports (Moynihan & Roberts, 2010). Russian regional governments have also illustrated how performance data manipulation might be motivated by the compliance of reporting agents to implicit or explicit expectations from political principals (Kalgin, 2016).

In sum, two main deficits in the literature about politicization motivate this dissertation. To begin with, the remaining elusiveness of the mechanisms by which the political appointment of executives (managerial politicization) deteriorates the performance of the public agencies they lead. Additionally, the elusiveness of other expressions of politicization—beyond its conventional notion of appointments of regular employees and managers—in previous studies inquiring into its organizational and individual effects.

### **Purpose and research questions**

The general purpose of this doctoral dissertation is to further inquiry into the effects politicization has on public agencies and their employees. This endeavor can be divided into two specific objectives. The first one is examining the consequences of managerial

politicization—the staffing of executives via political appointments—to better understand how this phenomenon inhibits organizational performance. The second aim of this research is identifying other unexplored manifestations of politicization and studying their organizational and individual effects.

The purposes identified above lead to two main research questions, which in turn comprise more detailed inquiries.

- What are the effects of managerial politicization in public agencies?
  - What are the consequences of managerial politicization on the attitudes and behavior of personnel?
  - What are other unexplored organizational effects produced by managerial politicization?
  - How are all these effects produced?
- What are the effects of other unconventional manifestations of politicization in public agencies?
  - Besides the appointment of people, how is politicization expressed in public agencies?
  - How do these unconventional manifestations affect the attitudes and behavior of personnel?
  - What are the organizational effects produced by these expressions of politicization?



## **Significance of the study**

The foremost contribution of this dissertation is closing important gaps in the literature that motivates the study: the elusiveness of the causes whereby managerial politicization deteriorates the performance of the agencies headed by the appointed executives and the absence of other notions of politicization—besides political appointments—when studying its effects. Further inquiring into consequences of managerial politicization that precede the effect of performance decrease is important as studies so far have focused on attributes of the managers selected—via merit-based recruitment or appointment—to understand the differences on the outcomes they produce at agencies. In this vein, Lewis (2008) found that U.S. career managers tend to be specialists and to have previous work experience in the public organization they manage and more public management experience and to serve for longer periods in the agencies they lead. On the contrary, appointments have a more diverse background based on previous work experience outside the agency they run, more private or nonprofit management experience as well as higher levels of education. They also experience more turnover. From all these differences, only those that matter to explain the gap between careerists and appointments are the length of the tenure and previous bureaucratic experience.

The variances on the attributes of the senior officials staffed may not be enough to explain the gaps in organizational performance achieved between managers recruited on a merit-based procedure and those politically-appointed. Furthermore, some effects produced when a manager is either appointed by political motivations or selected through a meritocratic process may trigger regardless of the characteristics of subject recruited. Thus, the mere

staffing method—meritocratic or politicized—may produce substantial differences in public agencies, especially when focusing on attitudes and behavior of their personnel. The dissertation leverages on this idea to provide a broader perspective when examining the impact of managerial politicization. Indeed, the problem cannot be reduced to recruiting qualified or unqualified people for a senior government position.

In addition, this research addresses previous calls for a more comprehensive and complex notion of politicization (Eichbaum & Shaw, 2007, 2008; Mulgan, 1998) as it identifies other unexplored representations of politicization that go beyond the idea of political appointments and then examines the consequences of such manifestations. Other fairly regular conditions at public agencies such as the influence of political advisors on decision-making processes at public agencies and informal pressures by political stakeholders neglect the rationality and neutrality that should drive the bureaucracy are also expressions of politicization leading to poor performance. Moreover, explicit manifestations are not even necessary to trigger politicization's organizational and individual consequences, since civil servants may react based on how they perceive this phenomenon in their institutional environments and therefore think and behave accordingly (see Hustedt & Salomonsen, 2014).

Studying the effects of politicization centering on its precedent consequences rather than the outcomes it produces (e.g., public agencies performance or country-level impacts such as corruption, economic development, to name a few) may offer more plausible alternatives to deal with the problem to decision-makers and practitioners. Furthermore, major institutional reforms or policies to control politicization in the bureaucracy are not always possible or—when established—there is a long way to go before their real adoption by organizations (see

Schuster, 2017; Grindle, 2012). This is especially the case for underdeveloped and developing countries.

Finally, this dissertation expands existing research into the effects of politicization in lesser-developed countries (e.g., Borang, *et al.*, 2016; Meyer-Sahling & Mikkelsen, 2016; Oliveros & Schuster, 2018; Meyer-Sahling, Schuster & Mikkelsen, 2018). This phenomenon persists as a deleterious influence over the governance and public management of countries, and particularly those from less privileged contexts (Grindle, 2010 & 2012; Peters & Pierre, 2004). Indeed, those civil services have more fragile institutions, which might exacerbate the negative effects of politicization and their personnel management systems are less effective in controlling the problem (Berman 2015; McCourt 2001).

### **Outline of the dissertation**

After this first chapter, this dissertation discusses the revision of the literature, especially the main definitions, the motivations and the types of politicization, as well as its consequences and other manifestations of the phenomena. In the third chapter, I present the research design and introduce the research setting of this study. The fourth chapter discusses in detail characteristics of the Chilean and the Peruvian bureaucracies, and the major reforms those countries have fostered to control managerial politicization. In chapter five, the dissertation presents the methods used for the case studies and analyzes the findings from this qualitative stage. The sixth chapter discusses the methods and the results of the four experimental studies conducted in this dissertation. Finally, chapter seven offer the conclusions of this research project. A summary of the results from this dissertation is presented, as well as their theoretical and practical implications, their limitations and future research possibilities.



## CHAPTER 2. REVIEW OF THE LITERATURE

### **Definitions, drivers and types of politicization**

Elected officials exhibit a powerful desire to control the bureaucracy and guarantee the swift implementation of the policy agenda they compromised (Grindle, 2012; Wood & Waterman, 1991). On the other hand, objective technical standards in policy-making and the know-how of officials are foundational principles of the public administration, as well as the merit-based personnel norms of public servants, their professionalization and their tenured protection (Goodnow, 1900; Wilson, 1887; Kaufman, 1956; Weber, 1978). The key dilemma is how can authorities exert adequate degrees of bureaucratic control but, at the same time, the civil service preserves its capacity, professional values and performance standards to serve the citizenry (Svara, 2001; Aberbach & Rockman, 1994). The tension produced in pursuing both interests has increased increases because democratic accountability has evolved from focusing on the process of producing public goods and services for citizens towards centering on government performance. Thus, the incentives for tightening the bureaucratic control are much higher (Behn, 2001; Peters & Pierre, 2004).

Politicization is one of the main mechanisms in the quest for bureaucratic control. The concept broadly refers to the substitution of the neutral criteria and technical expertise of the civil service due to political or even personal biases. Moreover, the phenomenon has been mainly defined as opposed to the “Weberian” essence of bureaucracies (Weber, 1978). More particularly, many scholars have viewed politicization alluding to this replacement criterion in public-sector personnel management and especially in the recruitment and selection of professionals and managers (Ingraham, Thompson, & Eisenberg, 1995; Perry & Miller, 1991;

Lewis, 2008; Grindle, 2012). Peters & Pierre (2004) defines politicization as “...the substitution of political criteria for merit-based criteria in the selection, retention, promotion, rewards, and disciplining of members of the public service” (p. 2).

Although patronage could also be conceived as a bureaucratic control mechanism and share similar features than politicization (when manifested through appointments), they differ in their primary motivations. Patronage refers to the way party politicians (*patrons*) exchange public jobs or special favors in exchange for electoral support (Weingrod 1968; Bearfield, 2009). According to Lewis (2009), these different drives behind patronage and politicization produce very different appointment structures. Furthermore, patronage systems usually operate as pyramids of tacit contracts in which jobs (the appointments) flows downwards while political loyalty flows upward (Grindle, 2012).

In this vein, Peters (2013) has conceived politicization a broader way and also acknowledged other expressions of this phenomena. He continues distinguishing *direct politicization* as recruiting party loyalists through political appointments rather than staffing officials via merit-based procedures or relying on the existent bureaucrats. The author also refers to *professional politicization* to refer to those civil servants who are politically loyal but also have a professional career in the public service. When a government transition occurs, these professional teams are replaced by others as professionals as their predecessors but loyal of their incoming authorities. Rather than substituting people or positions to control decisions and actions of civil servants politically, authorities may also use or create additional organizational structures, such as the ministerial cabinets or special delegates who intervene agencies in the name of presidents. This is what Peters (2013) calls *redundant politicization*. In addition, he uses the concept of *anticipatory politicization*, which embodies the tendency

of bureaucrats to avert limitations on their performance due to political controls and hence they may be dissuaded to join the civil service or to leave the public sector when changes of government take place. *Dual politicization* is when the political control is not only exerted by the executive power but also by the legislative branch, and therefore there is not a unique pattern of politicization. Finally, Peters introduces the concept of *social politicization*, which emerges when actors in a society control and influence bureaucracy through networks.

Hustedt and Salomonsen (2014) also propose and empirically test a typology of politicization. They distinguish *formal*, *functional* and *administrative* politicization. The *formal politicization* represents a legal and legitimate staffing practice of appointing (top) civil service positions such as managers, advisors or other senior professionals. The motivation of authorities behind this recruitment mode is political or party loyalty but also the need for particular professional qualifications or other personal preferences (personalization). The formality of this politicization mode does not encompass appointments violating formal rules or administrative traditions to preserve the neutrality of officials. *Functional politicization* is a tactic response of bureaucrats, who read their institutional environment and anticipate and integrate politically-relevant aspects in their regular tasks and roles. One major example is the change in the nature of an advice given from civil servants to their authorities, which is no longer purely technical, and they are “...required to have knowledge of ‘how politics works’ to supplement their neutral competencies and to assist in navigating politically risky situations ...” (p. 750). Finally, *administrative politicization* understands the relationship between civil service and ministerial advisers. They mediate the relationship between ministers and bureaucrats and therefore may politicize by restricting the access of the former to give free, frank and fearless advice to the latter or by simply intervening the advice.

Finally, Mulgan (1998) distinguishes *partisan politicization*, *policy-related politicization*, and *managerial politicization*. The first type is the appointment of people with well-known partisan preferences who would not accept a future alternative government. The second mode of politicization occurs when senior officials are appointed because their policy preferences match those of the ruling government, and hence they might not accept different policy directions by other mandates. Third, managerial politicization is the replacement of incumbent public managers—neither because of their qualifications nor their performance—by other executives who will simplify the imposition of the government’s authority. This happens especially in changes of government.

In general, the most predominant approach in the literature when defining and studying politicization is the political control via misusing personnel management practices and especially by appointing people in significant roles at public organizations. Although some scholars have paid attention to the appointment of advisors and regulars officials, public managers—or *managerial politicization*—have prevailed (see Mulgan, 1998; Eichbaum & Shaw, 2007, 2008). In fact, many studies that examine the effects of politicization rely on this idea (e.g., Gilmour & Lewis, 2006; Gallo & Lewis, 2012, Lewis, 2007 & 2008; Miller, 2015). This dissertation will continue using the conventional and widely applied notion of managerial politicization to test unexplored individual and organizational effects of the phenomenon.

Other mechanisms—not related to personnel management practices and the appointment of people—may be used by political authorities to exercise bureaucratic control. In fact, according to Peters & Pierre (2004):



“...we should be careful not to think that so long as political leaders do not have the capacity to appoint whomever they wish to public bodies, there is no politicization of the public service. There are a variety of strategies that these political leaders can employ to produce much the same effect as was available in the more traditional forms of responsibility. Their alternative strategies have the great advantage that they are not so overt as the firing and hiring of personnel and hence are less likely to generate political controversy.” (p. 6)

Thus, such designations may be even unnecessary if elected officials can influence the decisions and behavior of bureaucrats by other less costly means. Also, those alternative bureaucratic control mechanisms of the could emerge as a response to stricter regulations for staffing subjects in the public sector. For instance, politicians can pressure civil servants to change their judgment on core tasks at public agencies to serve political or personal purposes and hence informally undermine their technical-based judgment. This may occur by ignoring bureaucrats’ technical advice or by simply manipulating the objective information they produce. Many cases alluded in the literature evince these practices in the U.S. public sector, particularly at the Immigration and Naturalization Service (INS), the Environmental Protection Agency (EPA), the Federal Emergency Management Office (FEMA), the Food and Drug Administration (FDA), and at the National Aeronautics and Space Administration [NASA] (see Lewis, 2008; Gilboy 1992; Moynihan and Roberts 2010; Wamsley, Schroeder, & Lane, 1996). Russian regional governments have also illustrated performance data manipulation of civil servants due to tacit or explicit expectations from political authorities (Kalgin, 2016).

Likewise, once advisors are part of public agencies, they can a very high influence on policy-making processes and administrative issues in public organizations, which may by far go

beyond the acceptable levels to not jeopardizing the effectiveness of agencies. This has been common in Westminster public administrations, where advisors have exceeded their delegated authority and blocked or intervened the technical advice offered from civil servants to politicians or have even acquired managerial responsibilities for bureaucrats (Sausman & Locke, 2004; Eichbaum & Shaw, 2007, 2008). Similarly, French and Belgian ministerial cabinets—institutionalized to offer policy and political advice and to mediate the relationship between political masters and the civil servants—have substantially increased the demands of administrative subordination and political commitment from bureaucrats (Rouban, 2004; Dierickx, 2003).

Another strategy followed by authorities is moving the grounds where decisions are made and therefore having more autonomy for political control. Indeed, the decision-making about some policies in the U.S. has been transferred to state or local governments when opportunities for more politically-aligned policy designs and implementations emerge (Peters & Pierre, 2004). Following similar motivations, British, New Zealanders, French and Dutch political authorities have increasingly relied in quasi-autonomous non-governmental organizations (quangos) or think tanks (Bouckaert & Peters, 2004; Bertelli, 2006; de Kruijf & van Thiel, 2018; Sausman & Locke, 2004; Gregory, 2004, Rouban, 2004). Also, as a response to the rise of political autonomy derived from the agencification in the Dutch public sector, authorities have strengthened the use of interdepartmental decision-making forums such as ministerial councils (van der Meer, 2004).

Moreover, politicization is not only the result of direct pressures by politicians. Some studies have focused on the tactical behavior of career officials and how it might be politicized, even without the intervention from authorities. Mulgan (2007) studied the politicization of the

advice of Australian civil servants, who anticipate the policy directions expected by their political superiors and therefore inform restricted by their fear of reprisals for dissenting advice. These anxieties could be significantly reduced in more meritocratic institutional environments (see Cooper, 2018). In addition, Rouban (2014) acknowledges the political nature of the civil servants since their role is structurally political: they do not merely follow political mandates and apply laws and economic regulations. The irruption of large cabinets in Belgium firstly led to a marginalization of civil servants from the policy-making networks, and they responded back with increasing politicized attitudes (Dierickx, 2003). Moreover, senior executives in Germany perform *de facto* political roles as a reaction to their low predominance over the agenda-setting and policy formulation in an environment highly dominated by other political figures. Thus, they have to work closely with political and hence their job profiles, capacities and functions tend to be shaped accordingly (Schröter, 2004). Similarly, European Commission officials seem to be very sensitive to the political aspects of their job (Bauer & Ege, 2012).

Rouban (2014) also points out that the bureaucracy may act as an autonomous political group, as their members could have an organized view around certain public affairs and they may publicly show it. Furthermore, the civil service might even reach important veto and voting power. Cases in Argentina, the United Kingdom, Spain, and Germany show how the consolidation of civil service associations turned them into important political forces in their respective countries (Grindle, 2014).

This dissertation argues that politicization is manifested not only through the appointment of professionals and managers into the civil service, but also by an excessive and influence of political advisors on policy and administrative issues, by pressures from elected officials to

manipulate objective policy or administrative information, or by moving relevant decision-making to arenas offering less regulated political control. This approach speaks to previous claims for a more comprehensive notion of politicization (Eichbaum & Shaw 2007, 2008; Mulgan, 1998). Likewise, it may lead to other unexplored individual and organizational effects. Thus, the hypotheses developed from the literature review in the next section will consider both notions: managerial politicization and broader ideas of the phenomenon.<sup>3</sup>

### **Effects of politicization on the performance of public organizations**

Several macro-effects of politicization are derived from cross-country comparisons on Weberian attributes of bureaucracies, namely, their meritocratic recruitment, competitive salaries, tenure protection and formal rules for the promotion. Rauch & Evans (2000) showed that Weberian civil services have a positive impact on bureaucratic performance, especially on the speed and efficiency of the public sector to process administrative procedures and on its technical expertise. Evans & Rauch (1999) confirmed that countries whose civil services rank higher in “Weberianess” achieve higher economic development, while Henderson et al. (2003) found they are more effective on reducing poverty. Nistokaya & Cingolani (2015) showed effects of meritocratic recruitment and tenure protection of bureaucracies on higher business entry rates, entrepreneurship indicators and business regulation quality. According to Dahlström, Lapuente & Teorell (2011), the merit-based staffing of officials also has a positive impact on the control of corruption. In a similar vein, Cingolani, Thomsson, & Crombrugghe (2015) showed that countries with higher bureaucratic autonomy and capacity have lower rates of child mortality and tuberculosis prevalence, and Borang *et al.* (2016)

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<sup>3</sup> To be sure, these manifestations of politicization will be further specified after the qualitative phases of this research.

confirmed that such impartiality of the public administration has a positive effect on the reliability of policy knowledge.

Theories and empirical research have addressed more micro-level effects of politicization in public organizations, although most of them have centered on the consequences of politically-motivated appointments of managers and regular officials. In any event, the assumptions and the results from the literature generally converge to a negative impact of politicization on agencies. The undue substitution of the neutral and technical criteria—which are pillars of the bureaucracy—by political biases distort the management of public organizations and therefore jeopardizes their effectiveness.

Perry and Miller (1991), drawing on data from the 1986 *Merit Principles Survey*, found a positive impact of personnel practices protecting employees from political interventions. In particular, they positively affected organizational performance, the individual competence of officials, and the public trust of bureaucracy. More contemporary research has continued examining the impact of managerial politicization on performance by comparing the scores organizations achieved on the Program Assessment and Rating Tool (PART).<sup>4</sup> Controlling by several administrative, political and financial characteristics, agencies managed by career officials exhibited consistently higher performance ratings than those run by political appointees (Gilmour & Lewis, 2006; Hollibaugh, 2015; Lewis, 2007; 2008). This negative effect is even more severe when the motivation behind the appointment of managers is patronage-driven, and therefore the designations are mainly due to previous work on

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<sup>4</sup> The PART was fostered to evaluate the performance of U.S. federal programs from 2002 to 2008. Each assessed program was evaluated on four dimensions: purpose and design (20%), strategic planning (10%), management (20%) and results and accountability (50%). These dimensions can be evaluated by the Office of Management and Budget (OMB) through a structured instrument, where answers transform into scores in a 0 to 100 scale. For more information, see Gilmour (2007) or Gueorguieva *et al.* (2009).

campaigns or party affiliation (Bearfield, 2009; Grindle, 2012). Organizations headed by patronage-driven appointees achieved lower performance than those led by other appointees, and still lower contrasted to those managed by career managers (Gallo & Lewis, 2012). These findings are consistent with studies examining the effect of temporary nominations such as the *recess appointments*, which do not require legislative confirmation, and hence Presidents tend to concentrate designations moved by patronage on this type of staffing mechanisms. The results showed that managers appointed under this recess appointments accomplished lower performance than non-recess appointments and careerists, respectively (Miller, 2015).

Other methods and sources confirm the negative effect of politicization on the management of public organizations. Lewis (2008) used data from the Federal Human Capital Survey (FHCS)<sup>5</sup> to confirm that agencies run by career managers were perceived by employees as better led and managed than those run by political appointees. They were also considered better places to work. Additionally, the Federal Emergency Management Agency (FEMA) has been often alluded in the literature to epitomize how the indiscriminate use of political appointments in senior positions has consistently produced management problems such as a shifting mission, low budgets, corruption, and inadequate training (Lewis, 2008; Moynihan & Roberts, 2010; Wamsley, Schroeder, & Lane, 1996). Moreover, these internal problems have frequently turned into public scandals when the organization has inappropriately responded to major natural disasters like hurricanes Hugo in 1989, Andrew in 1992 and Katrina in 2005. The Coalitional Provisional Authority (CPA) established in Iraq after its

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<sup>5</sup> In 2010 the name of the FHCS was changed to the Federal Employee Viewpoint Survey (FEVS). For further information please visit <https://www.opm.gov/fevs/about/>

invasion in 2013 has also been used to illustrate how politicization might result in large-scale policy failures (Moynihan & Roberts, 2010).

Hypothesis 1 (H1): Managerial politicization has a negative effect on the organizational performance of public agencies

### **Effects of politicization on attitudes, behavior, and culture in public organizations**

Several studies have shown show the repercussions of managerial politicization on the performance of public organizations. Nevertheless, the mechanisms by which the selection of public managers—via political appointments or merit-based procedures—produce a difference in the outcomes of the agencies they lead remains elusive. This means, we know meritocratically-selected executives yield better results in agencies compared to their politically-appointed counterparts, but we do know precisely why.

A body of research has tried to further analyze the effects of appointments by considering the motivational basis of people. Politicization hampers the attitudes, and the behavior of civil servants as appointees have different drives that seriously compromise the neutral and technical judgment that characterizes the civil service (Kaufman, 1956; Moynihan & Roberts, 2010). While performing their duties, they should keep complying with the personal or political loyalty that brought them to their positions (Grindle, 2012). Oliveros and Schuster (2018) conducted an online conjoint experiment to Dominican public employees and found that their merit-based recruitment leads them to higher political neutrality and work motivation. Likewise, Meyer-Sahling, Schuster & Mikkelsen (2018) showed that politicization deteriorates several officials' attitudes and behaviors of public-sector employees. In

particular, their work motivation, job satisfaction, public service motivation, (self-assessed) performance, organizational commitment, and integrity. The authors used survey results from 23,000 civil servants in various countries in Africa, Asia, Eastern Europe, and Latin America and measured politicization by the relevance of having political connections in respondents' selection, promotion and pay rises. Borang *et al.* (2016) confirm the negative impact of politicized bureaucracies on their trustworthiness since they are more prone to distort government statistics reported to the citizenry in order to benefit incumbents. Similarly, Cooper (2018) uses data from the Public Service Employee Survey (PSES) in Canada to conclude that meritocracy—as opposed to politicized personnel management—positively influence bureaucrats' voice to offer objective advice to their superiors, even if these recommendations contradict the preferences of their superiors.

When politicization is targeted at personnel management of agencies, it threatens its functional principle: “the right people will be in the right place doing the right things” (Guest, 1997, p. 268). In fact, an important factor explaining the negative effect of appointments at senior executive levels on organizational performance is their background. As opposed to career managers, they tend to have more education and work experience in business, nonprofits as well as political positions. Nevertheless, they lack public management experience, which seems crucial to lead agencies towards high-performance standards (Gallo & Lewis, 2012; Heclo, 1977; Lewis, 2007, 2008). Furthermore, careerists are inclined to be specialists in their respective professional areas after years working in the public sector, and even for the same organization they finally mandate. Needless to say, this does not mean that inexperienced managers cannot get such features, as the know-how can be acquired once the position is taken. Nevertheless, political appointments tend to work shorter periods of time,



which are insufficient to get the qualifications agencies generally need from them (Lewis, 2008; Hecl, 1977).

Thus far, the discussion around the impact of politicization on agencies has mainly centered on performance and how selection mechanisms might or might not successfully discriminate qualifications and motivations to work in the bureaucracy. The attributes on who are designated make a difference—for better or worse—when used to perform their duties at organizations, especially at the senior executive level. This poses an interesting question; besides determining the background and the incentives of those nominated, are there other effects associated with political appointments? This inquiry is relevant since staffing procedures intended to preserve high qualifications and appropriate incentives to work in the public sector would be enough to solve the problem, whatsoever the criteria used for this purpose. Some authors have even argued that appointments can be legitimately used by politicians to avoid the red-tape of formal personnel systems and to get the initiative, expertise and responsiveness they require from the civil service through a more flexible recruitment method (Grindle, 2012; Sundell, 2014).

There are important consequences on the political appointment of regular officials or managers in public organizations, and such implications go beyond the expertise and the incentives driving who is designated. In other words, there are still important implications to consider when someone brilliant and properly motivated is nominated rather than selected via merit-based procedures. Indeed, Lewis (2008) emphasizes this idea for the appointment of senior executives:

“maintaining a high number of appointees can hurt agency performance even if all of the appointees selected are consistent of high quality. Politicization creates predictable problems for organizational management that go deeper than the persons filling management positions at any given time. It makes difficult for agencies to recruit and retain high-quality civil servants; it reduces the incentives for careerists to develop expertise, and it leads to increased management turnover—three factors that can hurt performance even under the best of conditions” (p.143).

Furthermore, these consequences may not be intended or even noticed by designating political authorities and the appointed subjects. Rather, they represent an underlying problem at public organizations when political appointments are commonplace. Furthermore, some authors have coined this type of implications as the “hidden effects of politicization” on agencies (Gallo & Lewis, 2012; Lewis, 2008).

Most if not all of the “hidden” implications of political appointments are inherently attitudinal or behavioral because they alter the way people interpret their organizations and their individual and collective actions in public agencies. Politicization might deteriorate their most essential motivations and values, and therefore their work-related attitudes and behavior may also decline. Also, politicization may reconfigure collective (underlying) assumptions and shared values (e.g., principles, standards or goals) and explicit manifestations of these cultural changes. In consequence, organizational culture is also affected (see Schein 2010; Rainey, 2014).

Important research sheds light on the *direct* attitudinal and behavioral changes produced by politicized personnel management on civil servants (see Oliveros & Schuster, 2018; Meyer-

Sahling, Schuster & Mikkelsen, 2018; Borang *et al.*, 2016; Cooper, 2018), however, it remains elusive whether those consequences are extensible to other individuals of the agency seeing these practices taking place and whether they may affect the organizational culture. Furthermore, the hidden consequences of politicization may also be extended to other forms of politicization as similar harms may also be produced by manifestations of the phenomenon beyond its conventional notion of designating people under political criteria. Although a more general concept, organizational politics—which refers to normally unsanctioned actions that are strategically designed to satisfy self-interests at the expense of organizational goals<sup>6</sup>—has proven to have negative consequences on several attitudes and behavior or personnel (see Vigoda, 2000; Randall, Cropanzano, Bormann & Birjulin, 1999; Vigoda-Gadot & Kapun, 2005, Vigoda-Gadot & Meisler, 2010). Thus, this dissertation offers the hypotheses indicated below. To be sure, they are presented separately to distinguish the effects of politicization on individual attitudes and behavior of civil servants from their collective interpretation of assumptions and values at their agencies.

Hypothesis 2.1 (H2.1): Managerial politicization has a negative effect on attitudes and behavior of people in public organizations

Hypothesis 2.1 (H2.2): Other manifestations of politicization have a negative effect on attitudes and behavior of people in public organizations

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<sup>6</sup> For further information on the concept of *organizational politics* please see Ferris and Kacmar (1992) and Drory and Romm (1990).

Hypothesis 3.1 (H3.1): Managerial politicization has a negative effect on the organizational culture of public agencies

Hypothesis 3.2 (H3.2): Other manifestations of politicization have a negative effect on the organizational culture of public agencies

### **Effects of politicization on the procurement of public organizations**

Dahlström, Lapuente & Teorell (2011) compared country-level data and found that civil services are more prone to politicized staffing—as opposed to merit-based selection—are less effective in controlling corruption. Similarly, Meyer-Sahling & Mikkelsen (2016) used survey results from Serbia, Montenegro, Poland, Latvia, and Croatia to show the positive and negative effects politicization and meritocracy respectively have on corruption. This variable was determined by the individuals' perception of rumors of kickbacks at their ministries. Moreover, Oliveros and Schuster (2018) conducted an online conjoint experiment to officials in the Dominican Republic and confirmed that merit-based recruitment of officials leads them to lower likelihood of engaging in corrupt behavior.

More recent evidence has contributed to analyze further the politicization-corruption relationship in more specific areas, which might be more susceptible to incentives to dishonest conduct but—at the same time—falling into these temptations result in major public-sector performance failures. Charron, Dahlström, Fazekas and & Lapuente (2017) confirmed the negative impact of merit-based recruitment of bureaucrats on the risks of corruption on public procurement in 212 European regions. The authors measured meritocratic staffing by using survey data reflecting employees' perception of the importance

of hard work to succeed in their public-sector careers (in contrast with luck and political connections). Likewise, they designed an index to reflect the risk of corruption in public procurement, which considered several indications: the percentage of single-bidder contracts awarded, the use of non-open tendering procedures (e.g., invitation tenders) and subjective evaluation criteria, as well as the time of tender advertisement and evaluation periods of bids.

All in all, research about the repercussions of politically-driven personnel management on procurement has centered on corruption risks, while this evidence has been gathered from regional comparisons. Thus, the mechanisms whereby politicization affects public procurement remains elusive and particularly how these consequences occur *in* public agencies. Following the declared purposes of this dissertation, I will examine the effects of politicization on procurement practices in public organizations. By leveraging on the relevant literature discussed above, the following hypothesis is presented:

Hypothesis (H4): Politicization has a negative effect on the procurement of public organizations

## CHAPTER 3. RESEARCH DESIGN

### **Methodology**

This dissertation follows a *multiphase and exploratory mixed-methods* research design. Two initial stages of qualitative data collection and analysis informed a subsequent period of quantitative data gathering and processing (Creswell, 2014). The qualitative phases were very useful for having a progressively better understanding of politicization in public agencies and its effects, under both its traditional idea of appointments in agencies and broader notions of the phenomenon. This gradual approach particularly helped for designing better measurements of politicization and its consequences.

The first two qualitative stages used case studies. Limited consensus has been achieved in defining this research approach, although there is an extensive range of contributions on this area (for an exhaustive summary of these notions, see Blatter & Haverland, 2012; Gerring, 2007; Levy, 2008). Furthermore, one fundamental divergence when interpreting case studies is whether conceiving them as a methodology. Indeed, some authors have defined them just by the case or cases being inquired (Stake, 2005), as the exploratory phase of some other type of research methods (Abercrombie, Hill, & Turner, 1984), or as the fieldwork of other qualitative methodologies such as ethnographies (Nachmias & Nachmias, 1992). In this dissertation, I will use the case study as a methodology and comprehensive research strategy (Yin, 2014; Creswell, 2013).

Despite the several attributes defining case study research, for this dissertation, I considered three consistent characteristics of case study inquiry. This research method thoroughly

examines a current phenomenon (*case*) within its real-world setting, which is particularly useful when the limits between what is observed, and its context are not clearly defined (Yin, 2014). Likewise, case study research relies on multiple sources of evidence collected through a variety of procedures (Creswell, 2013; Yin, 2014). Finally, this methodology intends small-N research to generalize the results to a larger population of similar features to those attained by the cases selected (George & Bennet, 2005; Gerring, 2004; King, Keohane & Verba, 1994). Thus, the use of case studies for the initial stages of this dissertation is grounded in the contemporary nature of politicization, the complexity involved in controlling for other factors also affecting its influence over public organizations, and the number of cases I examined. Also, as it will be shown below, the case study approach followed by the two qualitative phases entailed the collection and analysis of various sources of data.

Although the qualitative stages follow the same methodology, they present some differences in their intended research questions and goals, and consequently on their research designs. Case study research is acknowledged as very useful for describing, exploring and explaining phenomena when used under appropriate methodological standards (Yin, 2014). More particularly, several authors highlight the value of case study inquiry for exploratory and explanatory purposes: building theories on how variables are related and causally inferring these connections (Creswell, 2013; Flyvbjerg, 2006; King, Keohane & Verba, 1994; Remler & Van Ryzin, 2010; Rohlfsing, 2012). Thus, the research design of the qualitative stages leverages on the value of case study research for such purposes. While the first case studies were *exploratory* to comprehend politicization and its consequences broadly, the second ones correspond to an *explanatory* approach since they mainly aimed at operationalizing politicization and its effects, as well as at examining causal links between them.

Acknowledging the predominance of the covariational and thereafter the causal-process tracing approaches have important implications on the way this case study inquiry is designed and conducted, particularly on the use of the theory, the sampling procedures, the data collection, and analysis techniques, as well as on the generalization of the results (Blatter & Haverland, 2013). For instance, when appropriate, I relied on theory along all phases of this research, specifically for hypothesizing on the expected influences of politicization on agencies, for testing such hypotheses, for selecting the cases, as well as for identifying rival explanations during the data analysis and conclusions (King, Keohane & Verba, 1994; Yin, 2014). Alternatively, more inductive inquiry strategies use case studies to build theories (i.e., grounded theory), and therefore the existing ones generally do not have a major role during the inquiry process (see Eisenhardt, 1989; Eisenhardt & Graebner, 2007).

Likewise, two modes of comparison were integrated into the data analysis. I used *inter-temporal* or *pre-post* comparison within each case, contrasting the management situation before the senior executive arrives and after she takes her position (Blatter & Haverland, 2012; Jensen & Rodgers, 2001). Moreover, such evolutions will be separately treated and consolidated during the research process to finally carry out a *cross-sectional* comparison across all cases (Gerring, 2004; Stake, 1995; Yin, 2014). The combination of these two approaches might resemble an experimental template (Blatter & Haverland, 2012).

I also used *pattern-matching*. Hence, the results (“patterns”) obtained from the 14 case studies were contrasted to those resulting from the empirical evidence available from the literature (Gerring, 2004; Yin, 2014). In addition, *explanation-building* or *process tracing* was also applied to further understand the causal mechanisms between politicization and its effects (Gerring, 2004; King, Keohane & Verba, 1994; Tansey, 2007).



The third quantitative phase followed an experimental design. Using the findings from the qualitative stages, I designed an online survey experiment that exposed participants to several combinations of treatments—or factorial designs—representing politicization in respondents' public agencies. These different treatments led to testing various effects of politicization on the organizational performance and culture as well as on work-related attitudes and behavior of officials.

More specifically, four vignette experiments were conducted. In such experiments, also called factorial surveys, respondents are requested to choose or judge a carefully constructed object, person or situation representing a systematic combination of features—the *vignette* (Alexander & Becker, 1978; Atzmüller & Steiner, 2010; Wallander, 2009). This technique is often used to inquiry into socially sensitive topics that presents some difficulties when examined by field experiments because they may produce important ethical dilemmas or produce heavy social desirability biases on respondents. Thus, the design of precise hypothetical scenarios capable of representing respondents' reality as close as possible helps to deal with these delicate matters (Aguinis & Bradley, 2014; Hainmueller, Hopkins & Yamamoto, 2014; Wallander, 2009). As politicization is indeed such a sensitive topic for bureaucrats, survey experiments emerged as the best option for testing the effects of this phenomena in public agencies.

The assessment of the constructed objects, persons or situations by individuals could be implicit or explicit, and therefore the survey experiment can be a *conjoint analysis* or a *paper people study*, respectively. In the former, subjects are usually requested to choose between the scenarios presented, and hence the experiment tacitly captures cognitive processes or

outcomes on them; while in the latter respondents directly judge the scenarios shown to them on specific dimensions (Aguinis & Bradley, 2014). The survey experiment of this dissertation employed these two types of survey experiments.

Chapters 5 and 6 discuss in further detail the specific features of the two qualitative phases of this dissertation and the following quantitative, respectively. Particularly, I address the samples as well as the data collection and analysis techniques used in each of them.

### **Research setting**

Two developing countries in Latin America were chosen as the research setting for this study: Chile and Peru. These countries were selected mainly due to two reasons. The first one is the sampling criteria for the qualitative phases of the research design (to be fully discussed in the following sections) since the selection of cases of this dissertation exploited the intertemporal and the cross-sectional variations of politicization in public agencies. As such, this dissertation required organizations where the independent variable (i.e., politicization) may have changed *systematically* across time and units, and such change to be *observable*. The Chilean and the Peruvian bureaucracies offer a unique chance as they are practically the only countries in the region that have recently designed and implemented merit-based systems for recruiting and selecting public managers.<sup>7</sup> The Senior Executive Service (SES) System of Chile [*Sistema de Alta Dirección Pública*] and the General Directorate of the Civil Service (DNSC), which is the agency responsible for its governance, were created in 2003 by the Law

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<sup>7</sup> A third similar system for selecting public managers in Latin America is the Excellence Managers Program [*Programa Ejecutivos de Excelencia*] in Ecuador, however, its recent foundation in 2013 does not allow enough scope for examining its effects. Also, it is important to note that other important reforms in the region have been to depoliticize the civil service. To get further details on these other reforms please see Cortázar, Lafuente & Sanginés (2014).

N° 19,882. Likewise, the National Civil Service Authority (SERVIR) and its Public Managers Cadre (PMC) in Peru [*Cuerpo de Gerentes Públicos*] were established in 2008 by the Decrees 1,023 and 1,024, respectively.<sup>8</sup> Then, public organizations in both countries started to adopt these systems gradually, and this means that--at some point in time--certain positions in agencies moved from the appointment of managers driven by political or personal loyalty to their staffing under a regulated merit-based procedure (*intertemporal variation*). Consequently, corresponding managerial positions in similar agencies across the Chilean and the Peruvian civil services, respectively, resulted as being recruited and selected by either a merit-based system or discretionary designations (*cross-sectional variation*).

A second important reason for the selection of Chile and Peru is the familiarity of the main researcher with the bureaucracies of both countries. This was crucial to prevent difficulties accessing the secondary data and collecting the primary data. Moreover, the dissertation required a lot of interaction with public managers and professionals not only during its fieldwork but also in several moments over its development. Also, these relations were motivated by the study of a very sensitive topic, and therefore other less-familiar research settings would have meant higher uncertainty in the access to the data and higher costs in their production, or even biased data due to a lack of confidence from the agencies and subjects under study on the main researcher (Berg, 2009).

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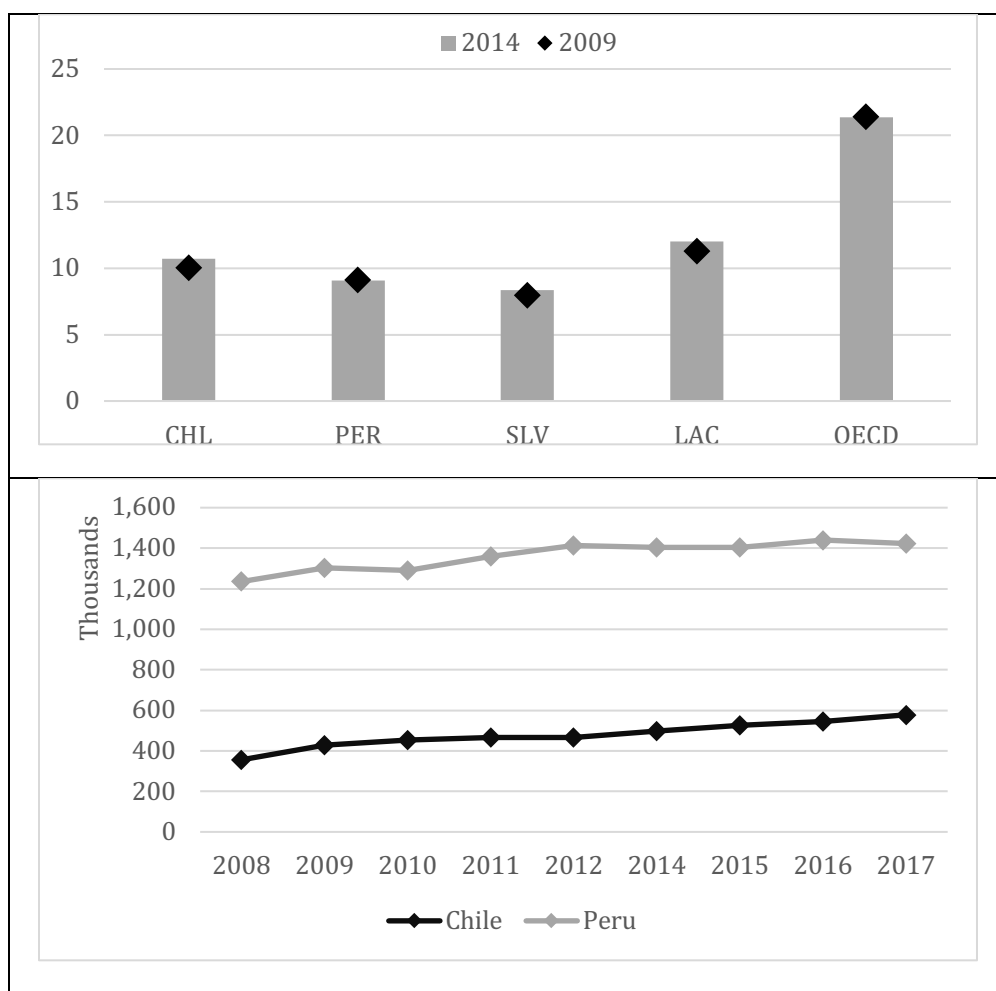
<sup>8</sup> Appendix B provides more detailed information on both systems, particularly about their creation and main characteristics, as well as on their achievements and challenges.

## CHAPTER 4. RESEARCH SETTING: THE CIVIL SERVICE AND THE SENIOR EXECUTIVE (SES) SYSTEMS IN CHILE AND PERU

### **Features of the Chilean and the Peruvian bureaucracies**

The relative sizes of the Chilean and Peruvian bureaucracies are comparatively similar when considering other counterparts from Latin America and the Caribbean, although Chile has experienced significant growth of their public employment during the last years. Indeed, the public employment as a percentage of the total employment of this country increased from 10.04% to 10.71% from 2009 to 2014, while Peru slightly decreased from 9.10% to 9.09% over the same period. In any event, both ratios are comparatively lower than other Latin American and Caribbean countries, whose average is 11.28% and 12.03%; as well as than other OECD countries, whose average is 21.40% for 2009 and 21.35% for 2014. At first glance, the growth rate of the number of civil servants in Chile and Peru during the last decade has also been very similar. However, Chile averaged 5.7% and Peru 2% during this period. Chile increased from 355,918 public sector employees in 2008 to 577,920 officials in 2017, while in Peru this number moved from 1,235,379 to 1,474,814 (see Figures 4.1 and 4.2).

Figures 4.1 and 4.2. Growth of Peruvian and Chilean bureaucracies

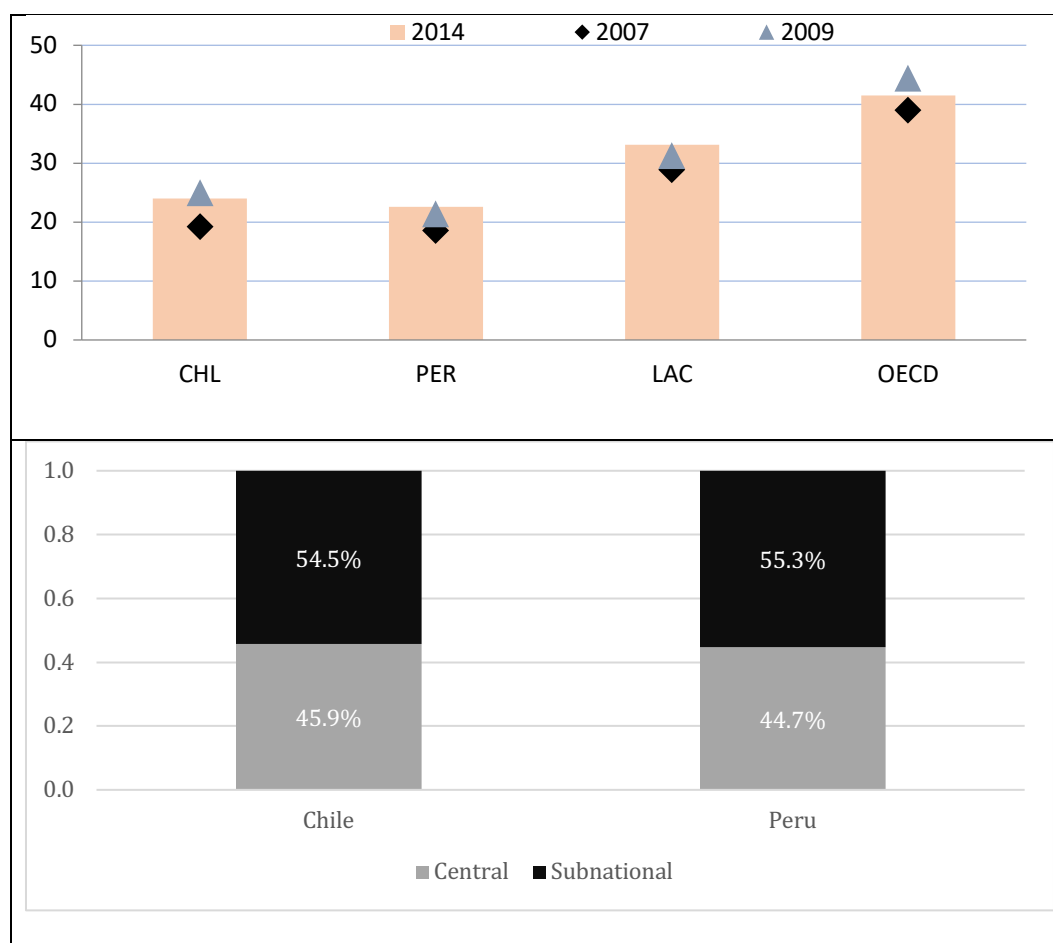


Source: Own elaboration from OECD (2016) and from data from the Ministry of Finance's Budget Office (DIPRES) in Chile and from the National Civil Service Authority (*SERVIR*) in Peru

Other similarities also emerge when comparing the public administration spending of each country as a percentage of the GDP. Considering the 2009-2014 period, Chile has spent a slightly higher percentage of the GDP on its public administration compared to Peru. Indeed, this indicator evolved from 19.3% in 2007 to 25% in 2009 and then to 24% in 2014. Likewise, Peru moved from 18.6% in 2007, to 21.4% in 2009 and later to 22.6% in 2014. Considering the same years, these ratios are again considerably lower than Latin American and Caribbean

and OECD counterparts, since they averaged 28.8%, 31.3%, and 33.1%; and 39% in 2007, 44.5% in 2009 and 41.5% in 2014, respectively.

Figures 4.3 and 4.4. Features of the Peruvian and Chilean bureaucracies



Source: Own elaboration using data from the Ministry of Finance's Budget Office (DIPRES)

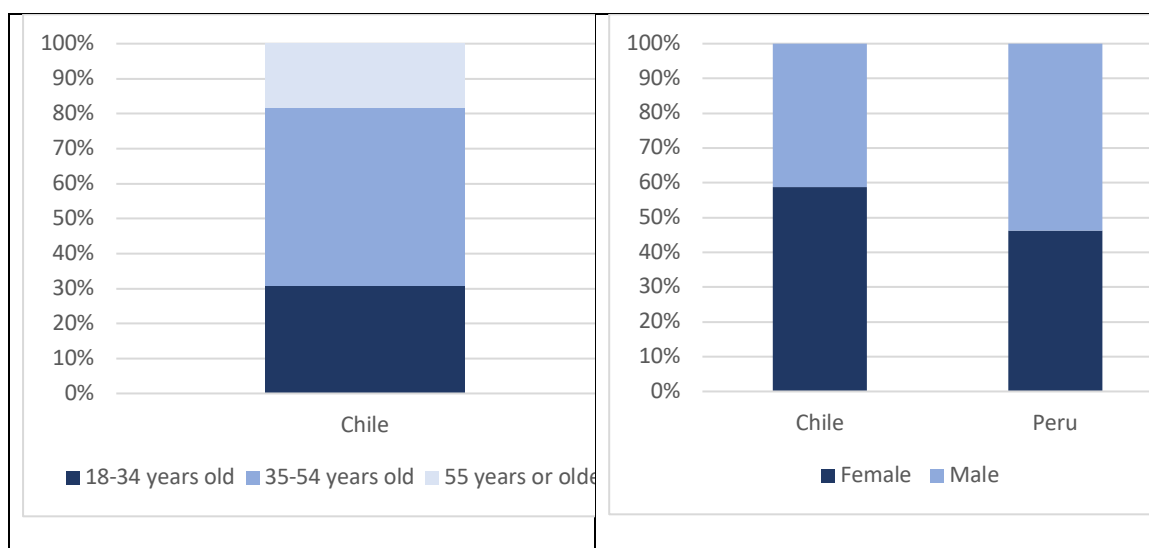
in Chile and from the National Civil Service Authority (*SERVIR*) in Peru

The distribution of Chilean and Peruvian civil servants across each country's levels of government (central and subnational) arises another distinction between them. Officials from Chile are significantly concentrated in central government (45.9%), while Peru has a very high percentage of subnational employees (61.6%). This is mainly explained by the

substantial difference in the decentralization degrees of each country. Peru is considered as one of the most decentralized states in Latin America, as a result of profound institutional reforms fostered since 2002, and Chile as one of the most centralized (Vial-Cossani, 2013). An eloquent manifestation of this decentralization gap between both countries is the formal administrative dependence of their subnational officials. Chile has two tiers of subnational governments—15 regions and 345 municipalities—but local governments are autonomous, and officials from regional governments are hierarchically dependent from the Subsecretariat for Regional and Administrative Development (SUBDERE) of the Ministry of Interior and Public Security. In contrast, Peru has 25 regions (24 regions and the constitutional province of Callao) and 1,866 municipalities (1671 district municipalities and 195 provincial municipalities), and both levels are politically, financially and administratively independent.

Figures 4.5 and 4.6 exhibit other relevant sociodemographic features of the Chilean and the Peruvian bureaucracies from 2017. The former has a more predominance of female employees (58.7%), while the latter has a higher proportion of male officials (53.7%%). Likewise, most employees in Chile are between 35-54 years old, whereas Peru has a younger public service workforce since 50% of its members are between 14-29 years old (the Peruvian case is not included in Figure 4.6 as the age categories are different).

Figures 4.5 and 4.6. Features of the Peruvian and Chilean bureaucracies



Source: Own elaboration using data from the Ministry of Finance's Budget Office (DIPRES)

in Chile and from the National Civil Service Authority (*SERVIR*) in Peru

The Inter-American Development Bank conducts systematic examinations to evaluate the quality of Latin American civil services. The first wave of inspections was in 2004, and they have been updated at least once for all countries in the region in 2011-2013, and subsequently, three countries (Paraguay, Ecuador, and Peru) have been scrutinized for the third time in 2015-2017. These examinations are conducted by civil service experts who assess the performance of the countries following a protocol of 33 items, which measures a variety of critical points of civil service development. Moreover, these critical points are rated from 0 to 5 following a structured criterion, and they depict five dimensions of civil service quality: efficiency, merit, structural consistency, functional capacity, and integrative capacity.<sup>9</sup>

<sup>9</sup> (5) Solid rules and technical instruments are available and applied in the majority of public organizations, with a high degree of institutionalization; (4) sufficient technical instruments are available, but coverage is not yet complete, or the degree of implementation has still not reached total institutionalization; (3) basic technical instruments are applied in a significant proportion of public organizations, with advanced implementation processes; (2) basic technical instruments are applied, but their application at an early stage and the implementation processes are still in the preliminary stages; (1) technical instruments are



Table 4.1. Features of the Peruvian and Chilean bureaucracies

<b>Quality index</b>	<b>Description</b>
Efficiency	Optimization of human capital investment in the public service system, especially considering each country's economic situation, fiscal policy, and labor markets
Merit	The degree to which the civil service system protects their policies and practices from arbitrariness, politicization, and rent-seeking by the promotion and the exercise of professionalism
Structural consistency	Systemic soundness and the integration degree of civil service policies, practices, and responsible agencies
Functional capacity	Civil service system's capacity to effectively influence the behavior of public employees and to induce the development of work practices aligned with organizational priorities and aimed at improving public service delivery
Integrative capacity	Efficacy of the civil service on reconciling the interests and expectations of different stakeholders such as authorities and employees, to promote a positive work climate, reduce conflicts and to inspire the compromise and belongingness of officials

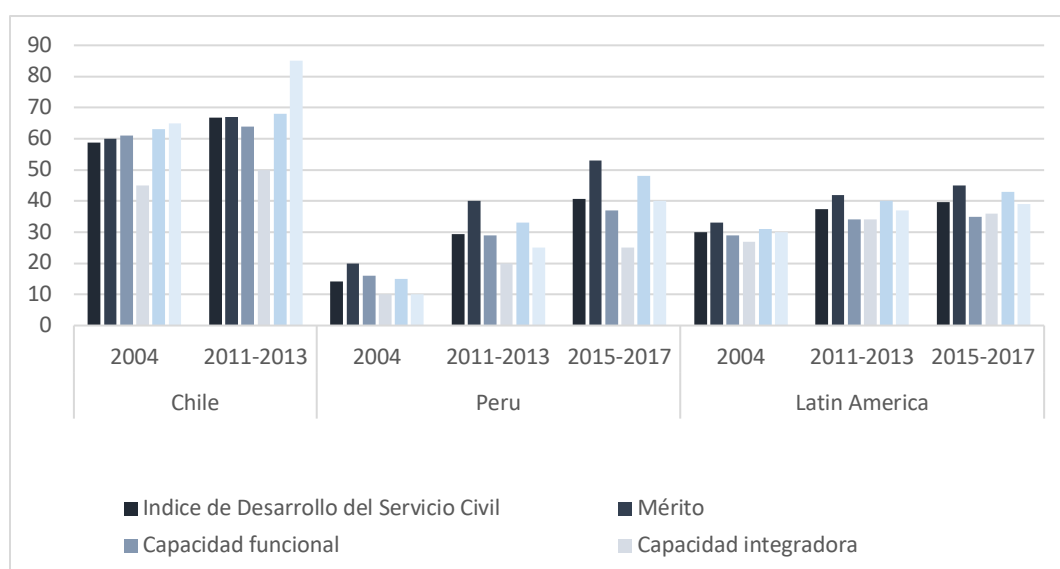
Source: Adapted from Cortázar, Lafuente & Sanginés (2014)

lacking, and they are applied only in isolated cases; (0) not even a minimum range of technical instruments has been established that would enable the described practice to be sustained.

These 33 items are also grouped around eight subsystems of the personnel systems in Latin American countries: planning, work organization, employment management, performance management, compensation management, development management, human and social relations management and organization of the HRM function. For updated data produced by subsequent diagnoses of Latin American civil services, please visit <https://mydata.iadb.org/Reform-Modernization-of-the-State/-ndice-de-Desarrollo-del-Servicio-Civil/ujmw-6ihh>.

According to the IDB evaluations of Latin American civil services, the Chilean and the Brazilian public administrations—followed by their Costa Rican, Colombian and Uruguayan counterparts—are the most advanced in Latin America. Peru is part of the second group of countries in terms of civil service development, along with Ecuador, Paraguay, and Mexico (Cortázar, Lafuente & Sanginés, 2014). However, they are still in an emerging stage. In fact, except for Mexico, the progress of these countries is explained by effective measures that have been implemented since 2004 (see Dumas, 2017; Iacovello, 2015; Strazza, 2015).

Figure 4.7. Results of Chile and Peru on IDB civil service assessments



Source: Adapted from Cortázar, Lafuente & Sanginés (2014)

### Civil service reforms in Chile and the Senior Executive Service (SES)

Important reforms and their effective implementation explain the progress of the Chilean and the Peruvian bureaucracy during the last 15 years. Chile enacted the Law 19.882 of New Labor Relations (*Ley 19.882 de Nuevo Trato Laboral*) in 2003, as a result of a political

agreement between the government and the opposition after an institutional crisis triggered by clandestine payments of bonuses to senior officials. This rule modified the Administrative Act (Law 18.834) that regulates the relationship between the government and its personnel in ministries, regional governments, and centralized and decentralized public agencies. Some changes were the further expansion of career tenure, the establishment of competitions for internal promotion, and the improvement of the recruitment and selection processes for employees (Llano, 2014). However, the two foremost changes introduced by the Law 19,882 were the creation of the Senior Executive Service (SES) System (*Sistema de Alta Dirección Pública*) and the agency responsible for its management: The General Directorate of the Civil Service (*Dirección Nacional de Servicio Civil--DNSC*). This Law mandated 98 out of the 141 Chilean public agencies--at that time--to be incorporated into the System.

Consequently, 48 organizations and 417 positions entered in 2004 and then had to join during 2006-2010 annually. Nonetheless, corruption scandals catalyzed this process, and hence all the institutions were finally included in 2007. Although other agencies did not have to adopt the System, they voluntarily started to register some of their posts as SES positions and to comply with all the procedures this staffing mechanism involves.

The SES System standardized the staffing procedure of first-level and second-level senior executives from the Chilean central government. The process begins with a job announcement, followed by a pre-selection of applicants by headhunter companies. Then, the Senior Executive Service (SES) Council (*Consejo de Alta Dirección Pública--CADP*) (for first-level positions) or a Selection Committee (for second-level positions) conduct interviews,<sup>10</sup> and they nominate a shortlist of three or five candidates, whence the President (for first-level

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<sup>10</sup> This Committee is composed by one representative of the SES Council, one representative of the Chief Administrative Officer of the respective public agency, and one representative of the Ministry.

positions) or the Chief Administrative Officer of the respective agency (for second-level positions) choose the final nominee. The SES managers sign a performance agreement before assuming their positions, whose attainment is linked to bonuses on their salaries. Likewise, the appointments are for three years and can be renewed up twice, without requiring a public competition.

SES public managers conform with the trust of the nominating authorities, and therefore they can be dismissed by such superiors. This limitation has resulted in a high turnover of SES officials, especially during government transitions when a new political coalition takes office. Indeed, since the beginning of the SES System in 2003, the first change from Bachelet to Piñera in 2010 led to a turnover of 67% of first-level SES positions and a 32% of second-level SES managers. The following presidential transition from Piñera to Bachelet in 2014 resulted in rates of 78% for first-level SES officials and 48% for second-level nominees.

Later civil service improvements include the extension of standardized procedures for the staffing of public school directors and the heads of Municipal Education Administration Departments (*Departamentos de Administración de Educación Municipal--DAEM*).<sup>11</sup> Then, although these are not formally SES positions, the System started to have a direct participation on their recruitment (for DAEMs from municipalities whose public education enrollment is 1,200 students or more) and an indirect involvement on the process (for all

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<sup>11</sup> Enabled by the Law 20.501 in 2011 (Quality and Equality of Education Law). The DAEM are currently the governing bodies at local levels for 64% of the 5,567 public schools in Chile, whereas the 36% of public schools are administratively managed by municipal corporations of education. This situation will gradually change due to the implementation of a recent educational reform (Law 21,040), which mandates the transfer of these governing responsibilities from both types of administration of public education at local levels to 70 new Local Services of Public Education (*Servicios Locales de Educación Pública-SLEP*). This transfer process will start in 2018 and finish in 2025 and has an intermediate evaluation with the possibility of extending the process to 2030.

public schools and DAEMs from municipalities with less than 1,200 students as public education enrollment). The selection procedure emulates the mechanism followed by second-level SES managers from central government.

Most importantly, reforms introduced in 2016 by the Law 20,955 attributed more responsibilities and power to the DNSC, such as the establishment of general norms for ministries and agencies related to public employment, personnel management, and public ethics and probity, as well as the coordination and supervision on these areas. This Law also included several measures to strengthen the SES System such as its further extension to 125 public agencies and 1,089 managerial positions, and other initiatives to increase the efficiency of its recruitment and selection process. Likewise, this legislation instituted a stricter control of SES public competitions eight months before the end of a presidential period and over the lay-offs of SES managers when a new administration takes office. In contrast, as a way to counterbalance these restrictions with the need of political responsiveness within civil service of incoming governments, the Law allows the presidents to discretionarily appoint 12 first-level managers of agencies, although these nominations have to be approved by the SES Council. Finally, a major change was the elimination of provisional and transitory positions into the SES System and the mandatory use of the respective legal deputy managers in agencies when there is an SES vacancy.<sup>12</sup> Some evidence from last presidential transition from Bachelet to Piñera in 2018 sheds light on the effectiveness of all these reforms, as 51% of turnover in first-level SES positions, and to a 17% in second-level SES managers.

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<sup>12</sup> This was a well-known trick used by political authorities to staff discretionary appointments and then confirm them via the SES System. Incoming governments usually dismiss SES managers and then recruited appointees under these figures without public competitions. After six months, as legally required, they had to open public competitions usually won precisely by those subjects already in those transition and provisional executive positions.

Today, the SES System selects 125 first-level and 997 second-level managerial positions, from 131 public agencies in central government. Moreover, this staffing mechanism has been voluntarily adopted for 258 first-level and 258 second-level positions in a total of 261 public sector organizations. In addition, 3,172 public schools and 294 Municipal Education Administration Departments recruits their directors by a merit-based process with direct and indirect involvement of the SES System.

### **Civil service reforms in Peru and the Public Managers Cadre (PMC)**

The reforms explaining the substantial progress of the Peruvian public administration during the last 15 years tend to be more recent than Chile, but they still have followed a similar path and tend to focus on akin issues. In 2008, Peru experienced a turning point from its previous history of failed or partially-effective ambitious civil service policies (see Cortázar, 2014; Iacovello, 2014). Due to the implementation of the free trade agreement with the U.S.A., the Law 29,157 enabled the delegation for 180 days of the legislative power of Congress to the Executive branch on several areas related to economic development, including public sector modernization. This entrustment was such a unique opportunity to advance further a civil service agenda characterized by its status quo and by powerful vetoes when progress was intended (Cortázar, 2014). Indeed, the political support by the cabinet and other political authorities was crucial, and this endorsement process was led by the Labor Minister and Inter-American Development Bank (IBD) public management specialists. Furthermore, an especially moderate and gradual approach shaped the changes designed this time, as a way to prevent the political tensions previously produced by more ambitious reforms.

As a result, a set of administrative and legislative-independent decrees--to facilitate the smooth processing of the remaining measures in case one is objected--was enacted in 2008. Such initiatives consist of the creation of norms and opportunities for training of officials and rules for their performance appraisal (Legislative Decree 1025), as well as a special regime for the modernization of subnational governments and regulations for the transfer of central government officials to regional and municipal governments (Legislative Decree 1026). Likewise, the Decree 1057 introduced the Administrative Service Contracts (*Contratación Administrativa de Servicios--CAS*), which aimed at substituting a very flexible but poorly regulated working-mode of many employees: Nonpersonal Services (*Servicios no Personales--SNP*). Thus, recognition of basic labor rights was achieved for many public servants.<sup>13</sup>

The foremost reforms in Peru were the foundation of the National Civil Service Authority (*Autoridad Nacional de Servicio Civil--SERVIR*) and the Public Managers Cadre (PMC) by the Legislative Decrees 1,023 and 1,024, respectively. The SERVIR is the ruling authority of the public personnel system in Peru and was commended for designing a new civil service model for the country. Although this agency was assigned to the Ministries' Council Presidency (*Presidencia del Consejo de Ministros--PCM*), it is functionally independent to act across all sectors (e.g., education, health, social welfare) and levels in government (i.e., regional and local). One of the main responsibilities of the SERVIR is the management of the PMC, which is a merit-based staffing mechanism for top and mid-level public managers from central, regional and local governments.

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<sup>13</sup> According to Echebarría and Cortázar (2007) this of type of contracts was anomalous and unrelated to any legal category in the Peruvian legislation and led to an uncontrolled growth of public workforce since 1993, as opposed as the results intended by downsizing measures implemented in early 1990s.

The PMC regularly launches national public job openings categorized per each specific managerial profile. The staffing process is led by SERVIR and follows two stages. In the first recruitment and selection phase applications are reviewed, and candidates are tested. In addition, preselected individuals are competency-based interviewed, and the backgrounds and references of those who qualify are verified. Subsequently, the best three evaluated applicants continue to a second stage known as *introductory course*: they pass through an assessment center, resolve and present a case and are interviewed by the Council of the SERVIR (Corrales 2014). All candidates who complete this last phase are finally selected into the PMC.

PMC members are part of a broader community of outstanding public managers in the Peruvian public sector. Indeed, this “sense of cadre” of the model has been widely acknowledged (Cortázar, Lafuente & Fuenzalida, 2016). This means candidates, apply for general public-sector managerial positions rather than titles of specific agencies. Once they are members of the PMC, agencies voluntarily request executives to SERVIR for specific positions. Since PMC members have higher salaries than regular senior executives, the gap between the ordinary wages offered by the positions available at organizations and those established for PMC officials are covered by the SERVIR.

Managers are assigned to agencies for three years and can be renewed twice, but they are on a probationary period for three months. They also sign a performance agreement that sets specific targets to be annually met and are still part of the PMC when they finish their administrations. Consequently, they can be directly reallocated to other managerial positions without reinitializing the selection process (Corrales, 2013).



The PMC involves first, second and third-level executive positions. First-level positions consist of general secretariats of public organizations—except ministries, general directors, as well as municipal and regional managers or similar positions. Second and third levels include directors, assistant directors, chiefs of offices, and similar positions. Up to 2014, there were 662 PMC executives: 71% were first-level managers, whereas the 29% were from second and third levels (Corrales, 2014). From those PMC members, 154 are assigned to an agency.

The legislative decrees, intended at addressing essential issues, were not only an institutional unlock of the obstructed status the Peruvian agenda on public-sector employment and personnel management, but they also laid the foundation for subsequent more structural and complex civil service reforms (Cortázar, Lafuente & Sanginés, 2014; Cortázar, 2014). Indeed, the SERVIR's National School of Public Administration was created in 2012 to train officials on public management. This School is specially targeted at regional and local employees on public ethics and service delivery. Likewise, the *National Policy of Public Management Modernization* aimed at improving public management for better delivery of public goods and services, and the development of the country (OECD, 2016). This guideline was approved in 2013 (Supreme Decree No. 004-2013-PCM), and one of its core strategies was achieving a merit-based civil service. This specifically meant establishing rights and responsibilities of employees and supervising their compliance, ensuring the relevant staffs for achieving government goals, and strengthening the public-sector personnel management system.

One of the major problems of the Peruvian public administration has been the variety of employment modalities, which has produced inequality and unfairness on the privileges and obligations across officials (i.e., same roles and tasks could have very different salaries and

benefits).<sup>14</sup> As a way to address this multiplicity, Peru has gradually moved towards the unification of contracts for sector workers from central, regional and local levels by the Law 30,057 (Civil Service Law). In turn, this resulted in several regulations and directives for personnel management and public employment.<sup>15</sup> Agencies have six years to complete the implementation of these legislations once they manifest their willingness to adopt them. This means, these new statuses rule their incoming employees, and their current workers may voluntarily decide whether to continue with their contracts or move to the reformed regime, which involves better work conditions and pay raises--as opposed to who do not transfer, since their salaries freeze (Iacovello, 2015). The Law establishes several initiatives on the rights and responsibilities of several types of government workers (i.e., officials, public managers, career-civil servant and servants for complementary activities), but one important measure is the acknowledgment of the PMC as one of the formal staffing methods for senior executives, and the mandate of opening job competitions for every managerial position after the final adoption of the reform by agencies. During 2013-2018, 412 public agencies have started to implement this new regime. Despite the important contribution of the Civil Service Law to organize a chaotic public employment regulation, there are still important challenges in this area (Iacovello, 2015).

### **Comparison between the PMC and the SES**

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<sup>14</sup> There are 14 labor regimes in the Peruvian public sector and their coexistence has been legally and judicially acknowledged (SERVIR & Ministry of Justice, 2016).

<sup>15</sup> Professors, public health professionals, military forces and the police, diplomats, judges and other special public servants were excluded by this new regulation and they kept the conditions of their previous special-career contract types. The regulation approximately affected 40% of the Peruvian public workforce (Iacovello, 2015).

Chile and Peru started from very different development stages when they respectively fostered substantial reforms on their public administrations. This initial gap partially explains the comprehensiveness and graduality of the Peruvian transformations, as they have affected more officials' positions (not only senior managers) and several human resource management areas (not only recruitment and selection). This approach contrasts to Chile, whose institutional changes have mostly centered on the design and strengthening of merit-based recruitment and selection mechanisms for senior executives. Furthermore, the Chilean civil service progress has been mainly driven by a few firm legal reforms that responded to specific institutional crises or corruption scandals.

In any event, Chile and Peru share important reforms on their recent civil service development. Indeed, the foundation of civil service agencies and merit-based systems for senior staffing executives are the foremost important initiatives when explaining the progress both countries have respectively achieved on the professionalization of their bureaucracy and the control over arbitrary designations driven by political or personal loyalty (Cortázar, Lafuente, & Sanginés, 2014). Furthermore, the Chilean SES System was a heavy influence for the design of the Peruvian PMC, such as the duration and renewal of executives, the participation of a council on late stages of the selection process, the inclusion of performance contracts, and the competency-based selection, just to name a few (Corrales, 2010). The consolidation of the DNSC and the expansion and strengthening of the SES System has positioned Chile as the most developed bureaucracy in Latin America (Cortázar, Lafuente, & Sanginés, 2014). Similarly, the creation and consolidation of the PMC and the SERVIR have been the flagship public administration reforms in Peru, which have resulted in the fastest progress of civil service in Latin America during the last 15 years (Iacovello, 2015; Cortázar, Lafuente, & Sanginés, 2014).

Table 4.2. Comparative analysis of the SES System and the PMC

	<b>SES Chile</b>	<b>PMC Peru</b>
Legal implementation strategy	Introduction of legal reforms since the beginning	Gradual approach, starting with measures politically and financially feasible
Directorate Council	Its responsibilities are limited to the nomination of the short list of three to five candidates during the selection process	Is the highest authority of the Peruvian civil service and. The power of this Council is beyond its role during the selection process
Public agencies participation	Mandatory for public agencies included by law	Voluntary. Public institutions request PMC members to SERVIR depending on their needs
Decentralization degree	Central and municipal level (education)	Central, regional and municipal levels
Levels of managers included	First and second levels	First, second and third levels, although the PMC is focused on third-level positions
Type of positions	Mainly responsible for the implementation of public policies	

Application procedure	Managers should apply every time there is a vacancy SES position	There is a “sense of cadre,” so candidates apply for being a member of the PMC. It is not necessary to reapply after an executive is part of the Cadre
Stakeholders of the staffing process	Initial stages of the selection process are contracted out to specialized agencies, and a council is responsible for the selection on final stages	
Power of political authorities during the selection process	SES positions serve the trust of political superiors. In fact, such authorities choose the final nominee among the short list of three or five candidates provided by the SES Council. In addition, the chief administrative officers play an active role in the elaboration of performance contracts, as well as on their monitoring and evaluation	Positions do not serve the trust of political authorities
Selection method	Selection by competencies	
Performance management	Performance agreement linked to monetary compensations	

Assistance, support, training	Limited role of the Civil Service on the monitoring and evaluation of public managers. The level of accomplishment of performance agreements by managers is just informed by the organizations to the Civil Service. Also, the training opportunities provided by the Civil Service are limited	Permanent assistance and monitoring by SERVIR over the management of PMC executives. In addition, the institution offers continuous training opportunities for managers and is the co-responsible (with the respective organization) of executives' evaluation
Powers of political authorities to dismiss public managers	SES managers can be dismissed at any time by political authorities, without a previous reason	Political authorities can dismiss a PMC executive only due to reasons related to their performance, discipline, and ethics. These reasons should be substantiated before SERVIR
Extension and renewal of public managers	Three years, which might be renewed twice	

Source: Cortázar, Fuenzalida & Lafuente (2015); Corrales (2010); Costa & Waissbluth (2007).

Table A1 exhibits the main similarities and differences between the SES System and the PMC. The type of positions considered in each model is similar, as in both mechanisms predominate positions whose responsibility is the implementation of public policies. Additionally, in both systems headhunting agencies and a council take part in the staffing process. Also, in both cases, the selection criteria are based on specific competency models, and the core qualifications required are similar too. Thus, not only education and work experience are considered. Finally, other similarities are the number of years that managers are appointed for their positions (three years), the number of times they can be renewed (2 times), and the signing of performance agreements once managers are selected in order to set, monitor and evaluate their results.

## CHAPTER 5. CASE STUDIES

### Sample

The purpose of the *exploratory* phase was to inquire into the effects of politicization in agencies, especially on their organizational performance and other management areas, as well as examining how these consequences are produced. When possible, the cases also informed about other manifestations of politicization in public sector organizations, beyond the conventional appointment of officials.

As previously mentioned, this stage exploits the *intertemporal* variation of politicization in agencies, which is manifested through the change in the staffing method for public managers. The Senior Executive Service (SES) System of Chile and the Public Managers Cadre (PMC) in Peru were respectively established in 2003 and 2008, and their gradual adoption by each bureaucracy means that the staffing of certain senior managerial positions in agencies turned from appointments to a standardized merit-based mechanism at some point in time. Thus, the idea was examining the effects of politicization by contrasting the managerial situation of organizations *before* and *after* executives started to be selected by these meritocratic systems, and by causally-tracing to what extent those eventual changes were produced by the transition on the senior officials' recruitment procedures.

Construing the time variation of politicization in agencies as their shift from the appointment to a merit-based selection of their managerial positions may seem counterintuitive with the goal of studying broader manifestations of this phenomenon, precisely beyond this notion. However, this traditional idea of politicization is preferable as a starting point—particularly



for sampling and approaching cases—since it is more tangible and therefore systematically comparable over time and across units of analysis. Thus, it was relatively simple to quickly distinguish potentially politicized versus non-politicized environments (i.e., positive and negative cases). This strategy may be conceived as a “hook” to get into the agencies and then exploring other phenomena embodying politicization. In fact, this purpose was pursued in all data collection and analysis procedures. Other manifestations of politicization would initially have been more difficult to observe without getting into organizations (e.g., the influence of advisors or data manipulation due to political motivations), and hence more problematic for selecting cases and contacting them to conduct the fieldwork. As civil service agencies intensively contributed during these stages, the concreteness and prevalence of the idea of politicization as appointment versus merit-based staffing also facilitated their tasks.

For the first phase, a purposive sample of eight cases ( $n = 8$ ) from the Peruvian and the Chilean public sector were used.<sup>16</sup> The data collection of such cases was conducted between July and August of 2015 due to my participation in a research project for the *Inter-American Development Bank*. The sampling units were executive positions in agencies that shifted from arbitrary designations to merit-based staffing, and their selection followed four general criteria. (i) Senior managerial positions (ii) with more executive than political responsibilities were prioritized, although this led to a prevalence of second-level servants or lower.<sup>17</sup> Also, (iii) merit-based managers holding their respective positions for two or more years were preferred, as the purpose was allowing them enough time after taking office to lead changes.

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<sup>16</sup> Although probability sampling was also possible here, this method is strongly discouraged for small-N research, since important cases exhibiting the phenomenon under study may not be considered in the selection, and therefore crucial information could be missed out (Maxwell, 2005; Seawright & Gerring; 2008; King, Keohane & Verba, 1994).

<sup>17</sup> The predominance of executive tasks, as opposed to political responsibilities, was also considered on the design of the SES System and the PMC and therefore they were targeted at these positions (see Table XX on p. XX).

Finally, (iv) data accessibility and availability for each case was also considered (Yin, 2014; Blatter & Haverland, 2012). Table 5.1 presents the description of the cases selected for this first qualitative stage.

Table 5.1. Cases and managerial positions sampled for stage 1

		<b>Case</b>	
<b>Country</b>	<b>Chile</b>	A1	Industrial property agency
		A2	Energy regulatory and supervisory agency
		A3	Division of planning of a social security agency
		A4	Division of customer service of a procurement agency
	<b>Peru</b>	B1	Office of the infrastructure of a penitentiary agency
		B2	Office of administration of a penitentiary agency
		B3	Office of administration of a local education management unit
		B4	Office of administration of a court of justice

The data for each case was collected through several sources of information: semi-structured interviews with officials historically related to the position taken by the incoming senior executive; the revision of administrative documents such as performance reports, formal evaluations of the organizations selected and news; and archival records, predominantly those databases related to budget and personnel management as well as to performance (Maxwell, 2005; Yin, 2014). All these pieces of information were gathered *resembling* a

longitudinal approach to inquiry into the organizational changes before and after the managerial staffing turned from appointments to a systematic merit-based procedure.<sup>18</sup>

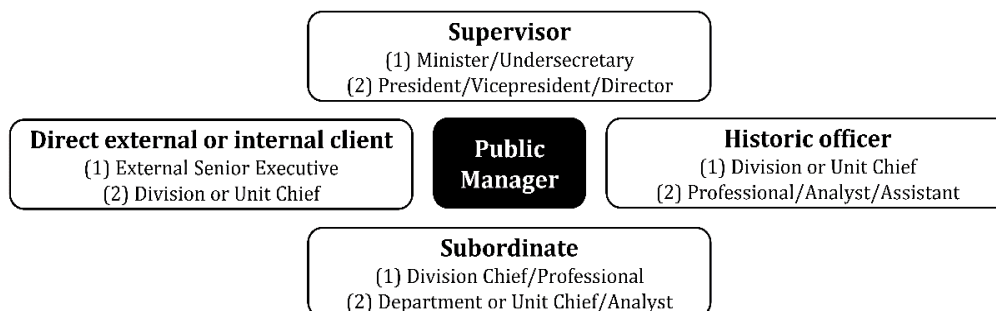
The longitudinal perspective on the data collection especially shaped the attributes of potential interviewees, as they were expected to have more two or more years of experience working at their respective agencies to preserve a long-term view on their judgments. For each case, the interviewees consisted at least of: the merit-based staffed subject who took the managerial position; the direct supervisor of the position; an immediate subordinate of the position; an external or internal client of the position; and a highly-experienced officer at the organizational unit managed by the position (see Figure 5.1). Although including the opinions of the previous appointed senior officials in each agency would have been ideal, this option had very low feasibility because in general, they were not reachable. This limitation was addressed by looking for a long-term perspective of interviews and other data sources. In summary, 36 interviews were conducted during this first stage—at least four per case. The full list of potential respondents was not possible to complete in some cases, especially when authorities such as sub-secretariats or ministers were the superiors of first-level executives.<sup>19</sup>

Figure 5.1. Profile of interviewees

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<sup>18</sup> To be sure, this was not a pure longitudinal approach as I did not collected evidence in two different points in time. Rather, the best proxy I had was to ask interviewees to place themselves before the arrival of the SES/PMC senior executive and then after she took her position.

<sup>19</sup> 36 interviews were attributed to the cases selected, but also one experienced member of Peru's PMC was also consulted: The Executive Secretary of the *Presidency of the Ministries Committee*.



The second stage also used purposive sampling (Maxwell, 2005; Seawright & Gerring; 2008; King, Keohane & Verba, 1994). Due to the *covariational* approach of this phase, one main criterion for case selection was keeping variation on the independent variable under examination across cases (politicization), while preserving similarity in all relevant control variables (King, Keohane & Verba, 1994; Blatter & Haverland, 2012). More specifically, I centered on the mission, goals and core tasks of the organizations, as well as on their budget and number of employees.

In the covariational phase, the sampling units were executive positions staffed by either arbitrary designations or merit-based mechanisms, which were embodied by the SES System in Chile and the PMC in Peru. Their selection obeyed four general criteria. (i) Second-level senior managerial positions were required, as choosing first-levels would have entailed high difficulties for finding comparable units of analysis. In other words, it is hard to find two agencies in the central government having the same mission and goals, and especially performing the same tasks. Also, the preference for second-level positions involved lower barriers for accessing the data. For instance, it was not possible to interview superiors from first-level positions—ministers or vice ministers—during the previous qualitative stage. Although the selection of second-level positions almost discharged them from formal political responsibilities, this condition was still reinforced by targeting at (ii) managers whose duties

are the planning, the finances and the administration of organizations. Likewise, (iii) executives with two or more years of experience at their agencies were preferred to keep their chances of producing changes there. Lastly, (iv) data accessibility and availability for each case was also looked for (Yin, 2014; Blatter & Haverland, 2012).

Table 5.2 shows the units selected for this second stage. Eight cases ( $n = 8$ ) were sampled from the Chilean and the Peruvian public administration: two sets of pairwise agencies were chosen in each country. Thus, organizations recruiting managerial positions through merit-based mechanisms such as PMC in Peru or the SES System in Chile were respectively matched to those fellow nationals relying on appointments. As a result, the following Peruvian agencies were sampled: two strategic planning departments from different psychiatric hospitals (located in Lima) and two administration departments from environmental agencies. Also, these agencies were selected in Chile: two departments of administration from agencies responsible for financial and market regulation and two departments of personnel and administration from taxes-related agencies. Table 5.2 exhibits all the pairs selected.

Table 5.2. Cases and managerial positions sampled for stage 2

Country		Cases	
		<i>Discretionary appointment</i>	<i>Merit-based selection</i>
		C1	C2
Chile		Division of Administration Financial and market regulatory agency	Division of Administration Financial and market regulatory agency
		D1 Division of Personnel	D2 Division of Administration

		Tax-related agency	Tax-related agency
	<b>Peru</b>	E1 Office of Administration Environment related agency	E2 Office of Administration Environment related agency
		F1 Office of Strategic Psychiatric hospital	F2 Office of Strategic Planning Psychiatric hospital

### Data collection and analyses

Data from the interviews, documents and archival records of cases were coded and analyzed using *direct content analysis* (Hsieh & Shannon, 2005). Therefore, I highlighted extracts from the interviews and then code them following predetermined categories from the case study protocol. Finally, these multiple sources of information were triangulated and synthesized in a brief report for each case, as suggested by several authors (Maxwell, 2005; Yin 2013; Rohlfs; 2012). The analysis of the qualitative information also followed a longitudinal approach, intending at extracting the evolution of agencies once their managerial positions turned to merit-based staffing

The use of pattern matching, explanation building, rival explanations, and acknowledging uncertainty during the data analysis was particularly important to strengthen the internal validity of this stage (King, Keohane, Verba, 1994; Yin, 2014). Moreover, the construct validity was preserved by using multiple sources of information and the triangulation among such sources, as well as by establishing chains of evidence for each case (Yin, 2014; Maxwell, 2005). Finally, the reliability of the study was safeguarded by utilizing strict case study and

interview protocols, and by the provision of detailed information about the methodological design on this dissertation (Yin, 2014).

Case study research for the second phase is *explanatory* and *covariational* (Blatter & Haverland, 2012; Gerring, 2004), because it essentially aims at answering whether politicization in agencies makes a difference on their management, particularly on their performance, work-related attitudes of their personnel and on specific features of their managers. The cases additionally served for *tracing the causal mechanisms* that explain how politicization and these consequences are linked (Blatter & Haverland, 2012; George & Bennet, 2005).

Following the covariational approach of these cases, and differently, from the previous stage, they were conducted exploiting *cross-sectional* comparisons of politicization in agencies. This stage also relied on the partial adoption of the Senior Executive Service (SES) System of Chile and the Public Managers Cadre (PMC) in Peru. As some organizations adopted these merit-based managerial staffing mechanisms, while others continued selecting their executives via appointments, it was possible to sample similar organizations on several characteristics except the selection procedures of their managerial positions. Indeed, this last feature was purposively contrasted to relatively represent less politicized institutions (managerial positions staffed by merit-based systems) and more politicized agencies (whose managerial positions are staffed via appointments).

Again, similarly to the first phase, symbolizing politicization on this second one as the recruitment mechanisms of executive positions in organizations might seem inconsistent to the purpose of studying broader notions of the phenomenon. However, the reasons of this

approach for the previous stage are also applicable here (please see p. 21), and therefore this methodological design is supported on the higher systematicness and feasibility it involves for sampling and approaching potential cases.

In the second phase, the gathering and synthesis of data mainly followed the same methods applied in the previous qualitative stage. Thus, I used various sources of information such as semi-structured interviews with officials professionally linked to the executive position sampled; administrative documents, especially performance reports, but also other formal evaluations of agencies and news; and archival records, particularly budget, employment and performance databases (Maxwell, 2005; Yin, 2014). Likewise, all qualitative data from the interviews, documents and archival records of cases were coded and analyzed using *direct content analysis* (Hsieh & Shannon, 2005), as well as triangulated and synthesized in a brief report per case (Maxwell, 2005; Yin 2014; Rohlfsing; 2012).

One major distinction from the first phase is the *cross-sectional* approach used when collecting and analyzing data since the goal here was to contrast more politicized and less politicized agencies in each country. This idea relaxed the requirement of experience on interviewees, as there was not necessary to emphasize a long-term perspective on their judgments. In any event, one year at the working organization or more was still indispensable, because the protocol asked several questions about some important explicit or tacit knowledge of the agency.

The profiles of the interviewees in this phase were also defined around the sampling units. Thus, each case considered at least the official taking the managerial position chosen for the study, the direct supervisor and an immediate subordinate of such title, an external or



internal client of the position; and a highly-experienced officer at the organizational unit managed by the position (see Figure 5.1). As a result, 39 interviews were developed, as the supervisor in one organization was impossible to contact.

I used similar measures to those applied in the first phase to safeguard the internal and construct validity. The former was addressed through pattern matching, explanation building, rival explanations, and recognizing uncertainty while analyzing the data (King, Keohane, Verba, 1994; Yin, 2014); whereas the latter by using chains of evidence and multiple sources of information and their triangulation (Yin, 2014; Maxwell, 2005). The external validity of this stage is more robust since it was informed by the results of the previous study and by theory to build observable implications before the data collection, but also because the number of cases examined was considerable (Gerring, 2004; Jensen & Rodgers, 2001; Rolhfig, 2012). The reliability was preserved by formal protocols and by providing as much methodological information as possible (Yin, 2014).

### **Findings from the case studies**

#### *Effects of managerial politicization and executives' meritocratic staffing on the organizational performance and management of public agencies*

To be sure, the *before-and-after* comparisons for each case selected from the first stage as well as the *cross-case* comparisons from the second phase must be carefully interpreted as the cases were neither immune to familiar circumstances in the public sector nor unaffected by other emerging conditions. For the first stage, the managerial positions that transited from appointments to merit-based staffing had been previously taken by members of the PMC in

some cases (B4, B3, B2) and hence it is important to note that they are not “clean” transitions. Moreover, some of these preceding PMC executives were removed from their positions due to conflicts with their superiors or even due to poor performance. In addition, the transition processes coincide with other structural reforms experienced by the agencies examined, as the taking of one SES manager occurred 10 months after his agency was created (A1), one agency achieved financial autonomy and started to manage an independent budget just some months before its PMC executive assumed his responsibilities (B4). Also, in one case, six months after the SES executive took her position the agency changed its Information Technology (IT) provider (A4). This was a major change considering that all the core operations of this agency require online support.

The cases collected for the second phase were neither exempt from unexpected events. In one case the discretionary appointment had previously worked in the agency for approximately four years in the same position (D1), and therefore his nomination could be interpreted as taking back his title. Also, in another case, the manager selected via the SES System had previously taken his position as a transitory and provisional senior executive, and he later applied for the job opening of this position via the SES System (C2). Similarly, in one case the PMC executive had worked appointed in his position for two and a half years and then officially applied to the same role under the PMC mechanism (F2).

There are several studies linking managerial capacity and organizational effectiveness and public service improvements, as executives usually may change leadership styles, organizational cultures, personnel management practices, strategies, structures or processes at agencies, as well as their relationship with the political environment of agencies (Brewer & Selden, 2000; Boyne 2003; Meier & O’Toole, 2002). Attributing all management

improvements at agencies to SES or PMC executives would be an overestimation of their influence. However, there is no question their arrival substantially contributed to those improvements, especially when comparing the previous situation in first-stage cases. In addition, as some changes were still developing, it was hard to tell whether they turned into (final) results of agencies such as more or better outputs or outcomes, more efficiency or equity, consumer satisfaction, or value for money (see Boyne, 2003).

Internal management is the dimension where managers from cases achieved major improvements, especially in those comparing the previous situation of appointees. These accomplishments are related to personnel management as well as organizational structures, systems, and administrative processes. Regarding personnel management, in some cases, improvements in monetary and non-monetary compensations for employees were substantially improved (B1, B2). This measure controlled the brain-drain loss due to below-market-level wages of personnel, and it also addressed widespread feelings of personnel demotivation and dissatisfaction. In addition, one agency started to put forth an intensive training policy that resulted in 80% of employees obtaining either a customer service diploma or a public management diploma (A2).

Likewise, the arrival of senior officials selected through merit-based systems changed the coordination and communications practices at agencies. In this context, SES managers and PMC members developed concrete coordination mechanisms, such as strategic weekly management committees (B1). These meetings were very helpful to buffer serious internal conflicts between the two areas. Other internal problems addressed by managers are related to significant wage differences between employees working at the same level (B3), or to a widespread sense of institutional instability crisis faced by the organization (A4). In all these

cases, the leadership styles of merit-based managers were highlighted as the foremost factor to address the problems. Another important feature of these executives when dealing with conflicts or institutional crises was their availability when they were required, especially in urgent situations.

*“He has an open-door policy, he is normally in the institution, and you easily find him. Sometimes, with previous bosses, if you had a serious problem and you did not find them. Of course, they had a busy agenda, but there were not accessible to solve things as they were unreachable here in the office and by phone. We did not really know where they were. Rather, in the case of [the PMC manager], you easily find him because he picks up the phone no matter what time it is.”*

(Long-serving official, B4)

Likewise, the arrival of public managers selected on merit led to relevant improvements in resource management, such as budget execution (B1, B2, B4). Also, the senior executives contributed to enhancing the facilities and technological infrastructure of organizations by providing more appropriate workspaces and the modernization the IT hardware and systems (A1, B1, B2, B3). In some cases, this was the consequence of through alliances with other institutions such as municipalities. But beyond their impact on the productivity and customer service of organizations, these changes also helped to address job dissatisfaction as they helped to address the discontent due to precarious workplace conditions.

*“What I have seen previously seen here, from the antecedents I have collected, is that people had arrived by friendship or because the President [of the institution] was closed to them. Someone came for five months, and was changed, another person for seven months and was also changed. Everyone wanted to do things on her own ways, and the institution did not progress. There was high turnover, and the office was neglected, which is the most important thing. There were never*

*trucks (which I bought), there was no furniture, or the furniture available was very very old. People worked under terrible conditions... the chairs, the tables, the whiteboards, everything... The illumination, for instance... you came to work, and from 40 fluorescent tubes, only 10 were working. All the others were dead. So, all the workplace conditions were never addressed, precisely because people did not care about this."*

(Manager, B1)

The process management of agencies was also improved, as managers established protocols for procedures which were previously carried out by contingency. This means, based on the criteria of the responsible official. The lack of standardization had caused the inefficient execution of several internal processes, especially in administrative offices. Indeed, this deficiency was a barrier to management control and nurtured administrative misconduct (B2, B3). At the same time, this disorder also had deteriorated the image of these offices to other areas of organizations, since the processing of administrative requests (e.g., hiring procedures, travel allowances, per diem payments, etc.) was perceived as inefficient and a true bureaucratic burden (B2, B3).

There were also cases in which reorientation of deliverables by public agencies' redesign of organizational deliverables demanded a redesign and formalization of their internal work processes. While B4 formalized its administrative procedures to efficiently and timely satisfy the Court's needs, A3 had to transform its organizational management model to serve its internal customers better. Therefore, in this last case, a specific executive was assigned to each area of the organization. The customer-driven reorientation of A3 even required changes on the spatial disposition of the office's layout. On the other hand, it implied

obtaining ISO certification, which—in turn—required even more standardization and formalization of internal procedures.

How are these improvements linked to the transition from political appointments to merit-based staffing of managerial positions? One main cause explanation of the general poor organizational performance of political-appointed managers that preceded their merit-based counterparts is the high turnover induced by appointments. This led to a continuous situation of organizational instability, as any new incoming manager meant new ideas, policies, managerial practices and especially new teams. Indeed, the turnover of managers cascaded down in their respective organizational units, as appointed managers came with “their people,” and this led to more turnover. As a result, the structural problems of agencies remained unaddressed. This, in turn, led to an important sense of dissatisfaction among employees as they were the people who had to stay and deal with the negative consequences of not solving the long-existent problems of public organizations.

*“In our institution, recently, there was not a career position, which meant that a person could take a position just because she was designated for such a position, and this caused total chaos. When this appointed person left the agency, everything came to the original stage and started all over again. This was such a demoralizing situation to the officials of the agency.”*

(Manager, B4)

And this high turnover produced a substantial deterioration on the services offered by agencies. The problem was that users normally tended to blame those bureaucrats who continue working on the organization. In other words, they must pay the reputational costs from this managerial turnover (motivated by political appointments).

*“...at the end, the perception of the public is not ‘person X is corrupt and does not do his job’; rather, people will say that ‘our agency is not doing its job and is corrupt.’ And they see that I am the guy who is here in front of them”.*

(Long-serving official, B3)

When analyzing the before-and-after cases as well as the cross-case comparisons, the most important and salient attribute of merit-based staffed managers, as opposed to their appointed predecessors, is their technical capacity and experience. There was not any case where interviewees did not highlight this distinction. Perhaps in the Peruvian cases, this contrast is even more salient. The superior technical expertise of SES executives or PMC members was acquired in several ways. The educational background, in general, was not a major difference, while the cross-case comparisons from the Chilean experiences somehow agree with Lewis’ results (2008) that appointments tend to have more educational background than those managers recruited by meritocratic mechanisms. More importantly, almost all managers staffed by a merit-based system had previous working experience in a very close area, and therefore they were specialists in their jobs. Some had previously worked for the same agency they finally managed (A2, A3, A4), or worked leading for similar divisions or departments in other public agencies (B2, B3, B4, E1), or had gotten their experience from the private sector but performing the same managerial role (B1, C2, D2) or working as a senior professional in international agencies in the same field of the agency they headed (A1).

This technical capacity and experience meant an immediate change on the legitimacy of managers once they arrived at their agencies. It is important to note this legitimacy is fungible and may easily vanish; however, the selection via merit-based systems endorses and

important quote of status to the selected managers. This is an important legitimacy stock that helps to start their respective periods. In contrast, politically-appointed managers did not have this legitimacy, and they had to spend considerable time creating it. Legitimacy also meant more initial trust as well. "They are here for something."

Que llegó con su equipo, no en alta dirección a puestos incluso más bajos en tecnologías... quiero a esa persona como jefe en segunda línea... debajo de las jefaturas puso gente de su equipo y eso mermó las confianzas que habían y aquí una respuesta a la pregunta que veo yo cuando hay un proceso por mérito de selección más amplio, yo al menos siento que la persona que llega, no llega gastándose en tener que validarse y demostrar que "yo estoy aquí por mis méritos", y allí hay una diferencia importante... yo cuando llegué acá no sentí que estuviera bajo la lupa, no me sentí cuestionado en ningún momento, yo sé que cuando pasó el tema de Roberto Pinedo... que fue su gente, esa gente que llegó cuestionada.

*"When someone arrives due to a discretionary appointment she has to start validating herself, why her and no other person. Rather, when someone arrives because a technical criterion, through a competitive process, you say: 'if this is the person was chosen by this meritocratic mechanism is the best we can get'"*

(Subordinate, A4)

*The fact that one managerial position is staffed via a meritocratic process gives the notion of transparency. Of course, there will always be complaints such as 'how this person was awarded the position,' but you still understand that is a competitive process. The stages of the recruitment [when offered via a public competition] are known by everyone, and everyone knows who can and who cannot apply. So, the public competition of managerial positions gives initial legitimacy*



*of those people selected. Otherwise, people start saying 'how this person got here?', 'whom did he win to get here'? When you get here via meritocratic recruitment, these questions are easily answered: 'well he beat all the other people who participate in the public competition.'*

(Subordinate, D1)

*Other effects of managerial politicization and executives' meritocratic staffing in public agencies*

As Lewis (2009) points out, politicization creates predictable problems for organizational management that go beyond the motivations and the qualifications of the persons filling management positions. According to the author, politicization makes it difficult for agencies to recruit and retain high-quality civil servants; it reduces incentives for bureaucrats to develop expertise, and also managerial turnover increases. All these underlying consequences of managerial politicization lead to various problems in work-related attitudes and the behavior of personnel.

The high turnover meant confusion for the subordinates not only because of the short serving periods of political appointees but also because of the high rates of dismissals and substitutions resulted in periods where organizations were headless. This substantially affected the motivation of bureaucrats and led them to think in also leaving the organization.

*"Before the arrival of an SES manager, you did not know who your boss was. So, not knowing who was going to be your boss because of high turnover... So, I was always worried about the person who was finally going to take the position. That produced high demotivation. And I also felt demotivation, as I started to look for other jobs and well I finally tried to leave the agency.*

*However, the agency made me a better offer, and I stayed. In any event, I felt very unpleasant about not knowing what was expected from me, where our unit was heading to, who was your direct supervisor if the incoming guy was going to stay longer than a month. So, I did not know anything, and yes, this produced high demotivation."*

(Subordinate, D2)

Moreover, before agencies changed from being led by appointed managers to being headed by managers selected via merit-based mechanisms, there was a sense of uncontrolled discretion across personnel. Civil servants generally did not understand and accept the rationale behind the appointments, and they even perceived there were not clear rules guiding personnel management practices. This sense produced important levels of dissatisfaction and a general feeling of anger and injustice and unfairness at agencies. Also, people perceived some colleagues were not treated fairly while others received the benefits of favoritism. This happened in one case when the PMC manager started by re-establishing personnel management practices that were equal to everyone in the organization.

*"Previously, you saw people who were... that in generally produced anger to many officials, as they did a little bit what they wanted [in the organization] with the previous system [political-appointments] and with this does not happen with this one [SES System]. It brought more fairness for everyone. Now the agency tries to be very objective. For instance, if there is a course or a promotion opportunity we now open a mini internal competition, we specify the qualifications, and then we are as much fair and transparent as possible. We actually publish the decision we made to promote someone or to assign a place for a course."*

(Long-serving official, A1)

*I do not know if I made myself clear some minutes ago... There was not possible to sanction some people because we depended... Now, in turn, when the arrival of [PMC executive] some people with very poor performance was laid off. These people did not have any respect for no one, even for their boss. They did not come to work, and the personnel management area could not do anything because they were protected. When the [PMC executive] arrived, the respect prevails, and the layoff of these underperformers was a symbol of this change. Then, good examples of these underperformers were*

(Subordinate, B4)

Likewise, meritocratic and open recruitment procedures offered a sense of justice to employees in the organization. First, it gave them the chance to apply for positions and being promoted. On the other hand, political appointments, regardless the background and the education of the person hired, had a symbolic meaning to bureaucrats as they could not even compete and see the value of their knowledge and expertise. This could also affect the motivation of people, as they see they had a glass ceiling on their careers at public agencies.

*"I tell you directly: I am 'blocked' in this agency. I do not have the chance of being promoted. I could work in the two technical areas of this division and be the chief there or here. [...] It is unlikely for me to be the chief of the division. I think is very difficult to be promoted here. If that position had opened for public competition, I would have applied."*

(Subordinate, C2)

*"Well, generally the executives here bring their people, while we have personnel here who are capable of taking these positions. No one is a prophet in one's own land."*

(Long-serving official, F1)

*Other manifestations of politicization and their effects on public organizations*

It is worth noting that most of the interviewees did not acknowledge facing direct manifestations of politicization at their working organizations. Thus, this was somehow problematic in the interviews to further ask questions about the consequences of these unconventional manifestations of politicization. It was not possible to ask how they felt about situations and realities they did not experience directly. In any event, several representations of politicization were acknowledged by interviewees, especially regarding the influence of advisors, the political influence on how to execute the budget and the relationships.

Perhaps the most important representation of politicization, besides the appointment of people, is the influence of advisors. To be sure, people, in general, recognized the value of their work, but the problems emerged when they exceeded their powers and responsibilities, and this restricted the way the organization worked. In some cases, advisors generated distrust among staff, as people interpreted their role as a 'spy' of the authorities they represented.

*"It is a very unpleasant moment when you have to talk something private in a meeting, but you also have someone sit on the table who introduces himself as the director's advisor. [...] When you have the director's friends in a meeting is different."*

(Subordinate, A4)

Sometimes the excessive power of advisors led to more direct damage to bureaucrats because they made personnel decisions and even transferred people who were not aligned with the

authority they represented. Furthermore, some advisors had some misconducts, and they were never sanctioned due to their power.

*“Some bosses have been dismissed because of these advisors. In fact, they have been laid off. There was a manager here in the same position of [SES manager], and he was requested to do a certain job. It seems he did not do what was mandated by the advisors and they told him they were going to send him away. This is like firing you, without firing you. These destinations are humiliating.”*

(Subordinate, D2)

Another important manifestation of politicization is the rearrangement of the importance of projects and programs due to political reasons. This happened especially in environmental agencies (E1, E2) since they somehow experienced more frequently and more intensively the tension between the political interests behind certain projects and the neutral rationale that should guide their implementation. In any event, certain projects had naturally technical importance according to the mission and the goals of public organizations, however, this relevance was sometimes dramatically altered due to political motivations. This practice sometimes went beyond the natural role of politics in the civil service and produced negative effects at public agencies.

*“There is an issue of not giving priority to projects that should be prioritized during the presidential period. There is a lot of political influence which prefers to save projects for later, waiting for a political opportunity. For instance, if in this period we are finishing with the current president, so the politicians organize themselves, their congress representatives, and*

*reserve the projects until the new election of their leaders. This harms the organization and the rest of the country.”*

(Subordinate, E1)

*“Usually, several things [pressures] can come, because sometimes other particular ministers like the Ministry of [...], which has more than the 65% of its public infrastructure under our evaluation, tells you: ‘this highway of more than 600 km. has to be approved really quick’. Then, E2 is pressured to approve this very quickly, but an environmental approval must be carefully taken, especially when the highway passes over a protected area.”*

(Long-serving official, E2)

A third important manifestation of politicization was declared by managers in charge of administrative offices. They pointed out that sometimes the spending priorities were politically driven, and they had to resist pressures to keep the budget under what is planned. This poses an interesting question about the meritocratic protection mechanisms offer for authorities and managers under undue pressures. For instance, a person who received political pressures to include an unspecified item into the procurement of the agency did not have the chance to resist this pressure and remain in the agency because of her condition as a discretionary appointment.

*“We were in an electoral period, and they needed money without a specific purpose, and the usually the procurement expenses there were high. We were talking about USD\$ 1 million, and I simply said no. I am here to do my job, if you want another type of people, I leave”. [...] I was told to prepare my resignation letter, and I left that agency.”*

(Manager, E2)

## CHAPTER 6. EXPERIMENTAL STUDIES

### Experimental design

After analyzing the data from these two stages, four experiments were designed and distributed to Chilean officials. Two of the experiments are vignettes, while the remaining two are conjoint experiments. Regarding the purpose and the research questions of my dissertation, this last method is useful since it helps to identify, estimate and compare independent effects of several attributes of public managers, including their staffing mechanism (Hainmueller, Hopkins & Yamamoto, 2014). The use of this method is especially important since one of the purposes of this research is to isolate the general effects produced by the staffing mechanism—of managers or officials—from the attributes of the selected people, such as their education, background, experience, etc. Although the use of this method is very common in political science research to examine people’s attitudes toward profiles of immigrants or political candidates (see Hainmueller, Hopkins & Yamamoto, 2014; Hainmueller & Hopkins, 2015), it has not been very common in public administration research. In any event, recent public administration studies have used this method for testing the prioritization of users by street-level bureaucrats (see Jilke & Tummers, 2018), and—more importantly considering the objectives of this dissertation—for testing whether Weberian administrative structures (e.g. formal examinations, job stability and tenure, etc.) influence employees’ tendency to offer political services and to behave corruptively (Oliveros & Schuster, 2018).

I then design four experiments embedded in one survey. *Experiment A* was a conjoint experiment whose purpose was to test a variety of profiles of potential supervisors, on

several work-related attitudes and behavior of respondents, as well as on some other organizational effects related to the culture of the agencies participants worked for. *Experiment B* was a vignette experiment where subjects were exposed to three hypothetical situations where politicization was represented through political pressures to distort bad performance results. *Experiment C* was also conjoint, but in this case procurement officials' profiles were exhibited to participants in order to test the procurement bias, efficiency, and trust they produce when performing their job. Finally, *Experiment D* was also vignette that examined the same effects of Experiment B, but in this case, the politicization was represented through the influence of political advisors on administrative decisions of agencies. The order of these experiments was randomly assigned to participants in the survey to prevent order bias. The only limitation was that I tried to alternate the order between the vignette and conjoint experiments since the latter is more (cognitively) demanding than the former. Basically, the random order used prevented respondents from responding to two conjoint experiments in a row.

### *Sample*

Participants of the experiment were Chilean public service employees listed in a database of the Center for Public Systems of the University of Chile as well as students and alumni from the Masters' in Public Policy and Management Program, also offered at the University of Chile. The characteristics of respondents are shown in Table 6.1.

Table 6.1. Descriptive statistics from the sample

	n	%		n	%
Gender	Position				



Male	286	48.3%	Political advisor	2	0.3%
Female	306	51.7%	Manager or supervisor	192	32.4%
	592	100.0%	Professional or technical responsibilities	380	64.2%
			Administrative support	8	1.4%
<b>Age</b>			Other	10	1.7%
20-29	55	9.3%		592	100.0%
30-39	209	35.3%			
40-49	187	31.6%	<b>Employment</b>		
50-59	103	17.4%	Central government	418	52.0%
60-69	38	6.4%	Regional government	47	5.8%
	592	100.0%	Municipalities	160	19.9%
			Public universities	24	3.0%
<b>Race</b>			Public enterprises	29	3.6%
White	110	71.9%	Armed Forces	24	3.0%
Black	24	15.7%	Other	102	12.7%
Hispanic	9	5.9%		804	
Asian	4	2.6%			
Other	6	3.9%	<b>Education</b>		
	153	100.0%	PhD	11	1.9%
			Master's degree	239	40.4%
<b>Political identification</b>			Bachelor's degree	331	55.9%
1 -- Left	33	5.7%	Vocational degree	10	1.7%
2	52	9.0%	High school	1	0.2%
3	113	19.4%		592	100.0%
4	88	15.1%			
5	152	26.2%	<b>Contract</b>		

6	65	11.2%	Civil servants ( <i>planta</i> )	105	17.7%
7	41	7.1%	Contractual staff ( <i>contrata</i> )	360	60.8%
8	23	4.0%	Fee-for-service contracts ( <i>honorarios</i> )	91	15.4%
9	7	1.2%	Private-sector-type contract	27	4.6%
10 -- Right	7	1.2%	Other	9	1.5%
	581	100.0%		592	100.0%

### ***Experiment A. Public manager experiment***

Respondents were exposed to four profiles of public managers built from various random combinations of attributes, namely, their education, main previous work-experience, managerial experience, political identification, gender, and finally the staffing method. The inclusion of education, managerial experience, main previous work-experience was included as attributes since the idea was to isolate as much as possible the effects of the recruitment method from the background of managers. In particular, two categories were included in the staffing method attribute: political appointment and SES System. People working in the Chilean public sector are very familiar with this system, and it is widely acknowledged as a meritocratic recruitment mechanism for managers. Table 6.2 shows the full list of attributes and categories.

Table 6.2. Attributes and categories that will be randomly presented to respondents

<b>Attributes</b>	<b>Categories</b>	
<i>Education</i>	Bachelor's degree	Master's degree

<i>Political identification</i>	Center-left		Center-right	
<i>Managerial experience</i>	10 years of managerial experience	5 years of managerial experience	Without managerial experience	
<i>Staffing method</i>	Political appointment	SES System		
<i>Gender</i>	Male		Female	
<i>Main previous work-experience</i>	Other public-sector organizations	Other private-sector organizations	The same organization you work for	

Immediately, each pairwise comparison of profiles was presented to respondents; they were asked seven questions—in random order—testing their preference for one profile shown regarding their job satisfaction, work motivation, organizational commitment, and the distribute justice working under the managerial profiles. I also asked for three additional questions that looked for the judgment of respondents regarding the innovation and risk-taking the manager would bring to their agencies, the networking and positioning of their units under the managerial profiles exhibited, and the organizational performance under their leadership.

Table 6.3 presents the phrasing of all questions examined after each pairwise comparisons. The phrasing of the questions from each item was taken from questions used in previous

surveys used by public administration scholars as well as by well-known surveys such as the Federal Employee Viewpoint Survey and the International Social Survey. As these questions were originally in English, they were translated into Spanish and then several focus groups were conducted to test them cognitively.

Table 6.3. Questions examining managerial profiles

Measure	Question	Source
Job satisfaction	Under which manager would you work more satisfied?  <i>¿Bajo qué directivo usted trabajaría más satisfecho/a?</i>	Federal Employee Viewpoint Survey
Work motivation	Under which manager you would be more motivated to put forth your best effort to get the job done?  <i>¿Bajo qué directivo usted estaría más motivado a dar su mayor esfuerzo para hacer su trabajo?</i>	(Wright, 2004)
Organizational commitment	Under which manager would you be more committed to staying in [Agency] if you are offered a better-paid-job in another place?  <i>¿Bajo qué directivo estaría más comprometido/a a permanecer en [Agencia] si le ofrecieran otro trabajo con un sueldo suficientemente más alto?</i>	International Social Survey Program
Distributive justice	Under which manager would you be more fairly rewarded for work you have done well?	(Price & Mueller, 1986)

	<i>¿Bajo qué directivo público sería recompensado/a de manera más justa por un buen desempeño en [Agencia]?</i>	
Transformational leadership, risk-taking, and innovation	Which public manager would be more willing to take risks to foster new and better encourage to a larger extent risk-taking as well as new and better ways of doing things in your organizational unit?  <i>¿Qué directivo público estimularía en mayor medida la adopción de riesgos, así como también nuevas y mejores formas de hacer las cosas en su unidad organizacional?</i>	Federal Employee Viewpoint Survey
Political skills, spokesperson skills, and networking ability	Which public manager would better position and connect your organizational unit to other divisions, regional directorates and the national directorate of [Agency], as well as to other key stakeholders and institutions external to the organization?  <i>¿Qué directivo posicionaría y conectaría mejor su unidad organizacional con otras divisiones, direcciones regionales y la dirección nacional de [Agencia], así como con otros actores e instituciones clave externas a la organización?</i>	(Esteve, 2018)
Organizational unit performance	Which public manager would lead your organizational unit to achieve sustainable better performance?	Federal Employee Viewpoint Survey

	¿Qué directivo llevaría su unidad organizacional a lograr un mejor desempeño sostenible en el tiempo?	
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***Experiment B. Distortion of performance results due to political motivations***

This question presented two hypothetical situations to respondents, exposing them to risks of distortion of performance results at their respective agencies. I used a very common result for all public services in Chile: the results reported into the *Comprehensive Management Assessment Reports (Balances de Gestión Integral)* that agencies had to annually present to Congress.

In brief, the experiment started presenting the participants a hypothetical scenario occurring at their agencies: the unit of management control and planning (a very common organizational unit for Chilean public agencies) were requested to distort bad performance results, represented by the decrease in the percentage of target achievements and the decrease in the percentage of citizen satisfaction. In two situations the treatment was accepting the political pressure, while the control was resisting the political pressure. This means, for the experimental design considered three arms (treatment-control or control-treatment, control-control, treatment-treatment).

In each situation, either the decrease in citizen satisfaction or the decrease in the achievement of performance targets were presented. The order in which the indicators were presented was randomly assigned. Also, the percentages of decrease in both indicators were 2.5% or

10%, to represent different values of bad performance. The decreasing percentages were also randomly assigned. The full experiment presented to respondents is shown in Table 6.4

Table 6.4. Wording and situations of Experiment B

Please suppose the following situations happen at [Agency]	
<i>Situation 1</i>	
The Unit of Management Control and Planning, who prepares the <i>Comprehensive Management Assessments</i> reports [ <i>"Balances de Gestión Integral"</i> ] that [Agency] has to annually present to Congress, alerts the respective authorities this year a key performance result, the [performance indicator 1], decreased by [2.5% / 10%].	
However, [control/treatment]	
<i>Control</i>	<i>Treatment</i>
the <i>Comprehensive Management Assessment</i> is reported with the actual results, including this negative outcome	due to political pressures on the Unit of Management Control and Planning, the <i>Comprehensive Management Assessment</i> is adjusted, and this negative result is distorted
<i>[Situation 2]</i>	
One year later, although the performance of the [performance indicator 1] improves, another key performance result, the [performance indicator 2], decreases by [10% / 2.5%].	

However, [ <i>control/treatment</i> ]	
<i>Control</i>	<i>Treatment</i>
[ <i>again/this time</i> ], the <i>Comprehensive Management Assessment</i> is reported with the actual results, including this negative outcome	[ <i>again/this time</i> ], due to political pressures on the Unit of Management Control and Planning, the <i>Comprehensive Management Assessment</i> is adjusted, and this negative result is distorted

After both situations were presented and —considering the scenarios presented— people were then asked to indicate their level of agreement with a set of statements about their attitudes and behavior, as well as about the organizational culture of their agencies. The levels of agreement ranged from 1 (strongly disagree) to 5 (strongly agree). It is worth noting that the questions, explicitly asked respondents to think in their agencies and assumed that both situations would have occurred there. Table 6.5 presents the questions about attitudes and behavior and about the organizational culture. All of them were taken from other surveys designed for public administration research or from well-known surveys such as the Federal Employee Viewpoint Survey and the International Social Survey Program and the World Value Survey. As the original wording of all questions is in English, they were translated into Spanish, and several focus groups with Chilean colleagues were conducted to test the cognitive validity of the questionnaire. Table 6.5 shows all the posttreatment questions included in the experiment and the original source.

Table 6.5. Questions testing individuals and organizational effects after the vignettes

Effect	Source	Question
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Work motivation	Wright (2004)	I would be motivated to give my best effort to get my job done in [Agency] <i>Estaría motivado/a a dar mi mayor esfuerzo para hacer mi trabajo</i>
Job satisfaction	Wright (2004)	I would be very satisfied working in [Agency] <i>Estaría muy satisfecho/a trabajando en [Agencia]</i>
Public Service Motivation	Federal Employee Viewpoint Survey (2017)	I would consider leaving the public sector to work for the private sector or NGOs <i>Consideraría dejar el sector público y trabajar para el sector privado u organizaciones sin fines de lucro</i>
	Perry (1991)	Meaningful public service would be very important to me <i>El servicio público sería muy importante para mí</i>
Distributive Justice	Price & Mueller (1986)	I would be fairly rewarded if I achieve outstanding performance in [Agency] <i>Sería recompensado/a de manera justa si lograra un buen desempeño</i>
Organizational commitment	Mowday, Steers, & Porter (1979)	I would find that my values and the [Agency]'s values are very similar <i>Mis valores y los valores de la [Agencia] serían muy similares</i>
	Mowday, Steers, & Porter (1979)	I would be proud to tell others that I am part of de [Agency]

		<i>Estaría orgulloso/a de decirle a otras personas que soy parte de [Agency]</i>
	International Social Survey Program (2015)	I would be committed to staying [Agency] if I am offered a little better-paid job in another government agency  <i>Estaría comprometido/a a permanecer en [Agencia] si me ofrecieran otro trabajo con un sueldo suficientemente más alto</i>
Workplace trust	World Value Survey	Most colleagues in [Agency] could be trusted, and I would not take too many safeguards in dealing with them  <i>Confiaría en la mayoría de mis colegas en [Agencia] y no tomaría demasiados resguardos al tratar con ellos/as</i>

### ***Experiment C. Public manager experiment***

This experiment followed the same structure of Experiment A. However, in this case, the four pairwise profiles presented described attributes and categories of candidates for the position of public procurement official at the organization of each respondent. The attributes considered in this case were very similar to those included for Experiment a. This means, the profiles exhibited information about the education of the candidate (Bachelor's degree/Professional diploma), the political identification of the candidate (Center-left/Center-right), the procurement and acquisition experience (10 years of procurement and

acquisition experience/5 years of procurement and acquisition experience/Without procurement and acquisition experience), the staffing method (appointment/public competition), the gender (male/female), and the candidate's main previous work experience (other public-sector organizations/other private-sector organizations/the same organization you work for). Table 6.6 exhibits the full list of attributes and categories per attribute.

Table 6.6. Attributes and categories that will be randomly presented to respondents

<b>Attributes</b>	<b>Categories</b>		
<i>Education</i>	Bachelor's degree	Professional diploma	
<i>Political identification</i>	Center-left	Center-right	
<i>Procurement and acquisition experience</i>	10 years of procurement and acquisition experience	5 years of procurement and acquisition experience	Without procurement and acquisition experience
<i>Staffing method</i>	Appointment	Public competition	
<i>Gender</i>	Male	Female	
<i>Main previous work-experience</i>	Other public-sector organizations	Other private-sector organizations	The same organization you work for

After each pairwise comparison of profiles for the position of public procurement official was exhibited, the participants were requested to choose one profile from each pair of profiles

presented regarding their performance on public procurement. More particularly, one question asked about the likelihood of undue intervention of profiles on public procurement. Another question asked which profile would be more trustworthy for an important procurement requirement from respondents' units. Finally, participants were asked to select the profile that would achieve higher efficiency (better prices) on the procurement of their agencies. Table 6.7 the full list of questions presented after the pairwise comparisons of profiles were exhibited. The questions were randomly presented.

Table 6.7. Questions examining procurement officials' profiles

Measure	Question
Public procurement bias	Which officer would be more likely to intervene a procurement process to favor a specific provider? <i>¿Qué funcionario sería más propenso a ajustar un proceso de compra pública para favorecer a un proveedor específico?</i>
Public procurement trust	If you had an important procurement need for your organizational unit, which officer would you trust the procurement process? <i>¿Si usted tuviera un requerimiento de compra importante para su unidad organizacional, a qué funcionario le confiaría el proceso de compra?</i>
Public procurement efficiency	Which officer would achieve more efficient prices for [Agency] in public procurement processes? <i>¿Qué funcionario lograría precios más eficientes para [Agencia] en sus compras públicas?</i>

***Experiment D. Influence of political advisors on administrative decisions***

This vignette experiment follows a very similar structure than Experiment B. Two hypothetical situations were presented to respondents, and then, requesting to have these situations in mind, a set of posttreatment questions related to respondents' work-related attitudes and behavior, and to the culture of their organizations were presented.

The two situations that respondents were artificially exposed to represented politicization by the exceeding influence of political advisors on the administrative management of public agencies. More particularly, the situations reflected a politically-motivated change in the priorities of strategic projects of agencies. The change is a suggestion of a cabinet of advisors. Thus, each situation has a treatment (the politically-motivated change in the priority of strategic projects takes place) and control (the politically-motivated change in the priority of strategic projects does not take place). As two situations were presented, the experiment was constituted by three arms (control-treatment or treatment-control, control-control, treatment, treatment).

Table 6.8. Questions examining procurement officials' profiles

Please suppose the following situations happen at your organization

*Situation 1*

The Chief of the Planning and Management Control Unit is designing the Strategic Plan for 2019, which is revised and approved by the cabinet of advisors of [Agency]. The cabinet suggests substituting one strategic project from [Agency] by another one that is less important for the achievement of [Agency]'s mission but more aligned with the government policy agenda. The Chief of the Planning and Management Control Unit disagrees with this advice because it does not have a technical rationale.

Finally, *[treatment/control]*

<i>Control</i>	<i>Treatment</i>
the Strategic Plan stays as it is, without including the substitution of projects suggested by the cabinet of advisors	the Strategic Plan changes, including the substitution of projects suggested by the cabinet of advisors

*[Situation 2]*

Six months later, the cabinet of advisors of *[Agency]* suggests the downgrading of one third-level manager because of his lack of political alignment. The Chief of the Division of Personnel disagrees with this advice since it is not based on the performance of the manager.

Finally, *[treatment/control]*

<i>Control</i>	<i>Treatment</i>
the manager is kept on his position, without following the downgrading suggested by the cabinet of advisors	The manager is downgraded, following the suggestion by the cabinet of advisors

After both situations were presented, people were then asked to indicate their level of agreement with a set of statements (the same from Experiment B) about their attitudes and behavior, as well as about the organizational culture of their agencies. Similarly to Experiment B, the levels of agreement ranged from 1 (strongly disagree) to 5 (strongly agree)

and the questions explicitly asked respondents to think in their agencies and assumed that both situations would have occurred there. The full list of questions is presented in Table 6.5.

## Findings

### *Experiment A. Public managers' conjoint*

The results from the public managers' conjoint experiment are shown in Table 6.8, and the visual representations of the relevant categories for each attribute are presented in Figures 6.1-6.4. All the results confirm the hypotheses presented in Chapter 3. This means, managerial politicization negatively affects organizational performance (H1) as well as the attitudes and behavior of people in public agencies (H2.1). Also, there are negative consequences of managerial politicization that affect the organizational culture of agencies (H2.2)

The staffing mechanism of the managerial profiles shown to respondents produces a substantial difference in their preferences over all the dimensions measured. This means, profiles showing politically-appointed managers, as opposed to managers selected by the SES System, were less likely to be chosen in all work-related attitudes and behaviors examined: 28% for job satisfaction ( $\beta = -0.28$ ), 29% for work motivation ( $\beta = -0.29$ ) and 28% for organizational commitment ( $\beta = 0.28$ ). Also, when testing the managerial profiles in relation to specific organizational features of respondents' agencies, such as the distributive justice, the innovation and risk-adoption and their performance, the staffing mechanism was again the most important attribute and highly significant. In particular, managers recruited via political appointments were 27% less likely to be chosen when bureaucrats were asked about

their capacity to bring distributive justice to their agencies ( $\beta = -0.27$ ). Likewise, they were also 23% less likely to promote innovative and risk-taking organizational culture ( $\beta = -0.23$ ). This is contrary to other relevant research suggesting that political appointments would foster more innovative work practices at their workplaces (see Krause, Lewis & Douglas, 2006). In the same vein, somehow contrary to my expectations, political appointments were 18% less likely to be selected in their capacity to position and connect their agencies ( $\beta = -0.18$ ). However, this attribute was less predominant than all the other coefficients as they are higher than 23%.

Albeit significant, the coefficients of all the other control variables such as political identification and gender, were below 0.1 (see Table 6.10). The attributes that are relevant to officials' preferences are those representing managerial experience: profiles with 10 years of managerial experience were consistently more likely to be chosen than those without managerial experience. Indeed, this rate was 20% considering the job satisfaction of individuals ( $\beta = 0.2$ ); 18% considering their work motivation ( $\beta = 0.18$ ); and 18% when asking by respondents' organizational commitment ( $\beta = 0.18$ ). The likelihoods for 5 years of managerial experience were lower but still considerable: 16%, 15%, and 14%, respectively. Managerial experience is even more important when subjects are asked about organizational performance, as profiles with 10 years of managerial experience were 22% more likely to be chosen than those profiles without managerial experience ( $\beta = 0.22$ ), and profiles with 5 years of experience were 16% more likely than those without managerial experience ( $\beta = 0.16$ ).

In fact, having a masters' degree, as opposed to just having a bachelor's degree, was an important predictor of officials' preferences on almost all attitudinal and behavioral



questions as well as those questions asking about organizational performance and culture. Except for distributive justice (9% more likely), in all of them, senior executives with a masters' degree were 10% more likely to be preferred than those having a bachelor's degree.

Table 6.9. Regression results from Experiment A.

Regression							
results	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
	Job satisfacti on	Work motivati on	Organiz ational commit ment	Distribu tive justice	Innovati on and risk- adoptio n	Networki ng	Organizatio nal performanc e
<i>Staffing</i>							
<i>mechanism</i>							
Political		-	-	-	-		
appointment	-0.283*** (0.016)	0.287*** (0.016)	0.283*** (0.016)	0.268*** (0.016)	0.227*** (0.017)	-0.182*** (0.017)	-0.283*** (0.016)
<i>Managerial</i>							
<i>experience</i>							
10 years of managerial experience	0.198*** (0.02)	0.176*** (0.02)	0.181*** (0.02)	0.182*** (0.02)	0.119*** (0.021)	0.236*** (0.02)	0.222*** (0.02)
5 years of managerial experience	0.164*** (0.019)	0.154*** (0.019)	0.141*** (0.02)	0.128*** (0.019)	0.109*** (0.019)	0.168*** (0.019)	0.155*** (0.019)

*Political**identification*

-

0.037\*\*\*

Center-Right	-0.056**	-0.054**	-0.048*	*	-0.015	-0.026	-0.023***
	(0.017)	(0.017)	(0.017)	(0.017)	(0.018)	(0.017)	(0.017)

*Gender*

0.055\*\*\*

Female	0.064***	0.067***	0.074***	*	0.053**	0.051**	0.068***
	(0.017)	(0.067)	(0.016)	(0.017)	(0.017)	(0.017)	(0.017)

*Education*

## Master's

degree	0.1***	0.09***	0.096***	0.089***	0.113***	0.107***	0.111***
	(0.016)	(0.016)	(0.016)	(0.016)	(0.017)	(0.017)	(0.017)

*Main previous**work-**experience*

## The public

## organization

you work for	0.098***	0.083***	0.113***	0.096***	-0.012	0.133***	0.105***
	(0.02)	(0.02)	(0.02)	(0.021)	(0.021)	(0.021)	(0.02)

## Other public-

## sector

organizations	0.053*	0.05*	0.056**	0.04	-0.01	0.091***	0.058**
	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)

Constant	0.404***	0.422	0.398	0.413	0.455	0.307	0.369
	(0.023)	(0.023)	(0.023)	(0.024)	(0.024)	(0.024)	(0.023)

R squared	0.134	0.127	0.131	0.114	0.079	0.1	0.14
F-statistic	79.41	76.55	71.66	64.7	38.81	52.12	87.13
N	3778						
Clustered	655						
responses							
*p<0.01, **p<0.005, ***p<0.001							

One important result from these results is that lead us to separate the effects of the staffing mechanism of managers from other attributes that are usually confounded. Indeed, one important result from Lewis (2009) when examining why career managers achieve better results from their appointed counterparts when leading public sector agencies is the public-sector work experience is that career managers have more public -service work experience. The results in this dissertation account not only for this potential confounding (staffing mechanism-experience) but also for other attributes such as education, the main previous work-experience of managers as well their gender and their political identification.

Figure 6.1. Effects of managerial profiles on job satisfaction and work motivation of respondents

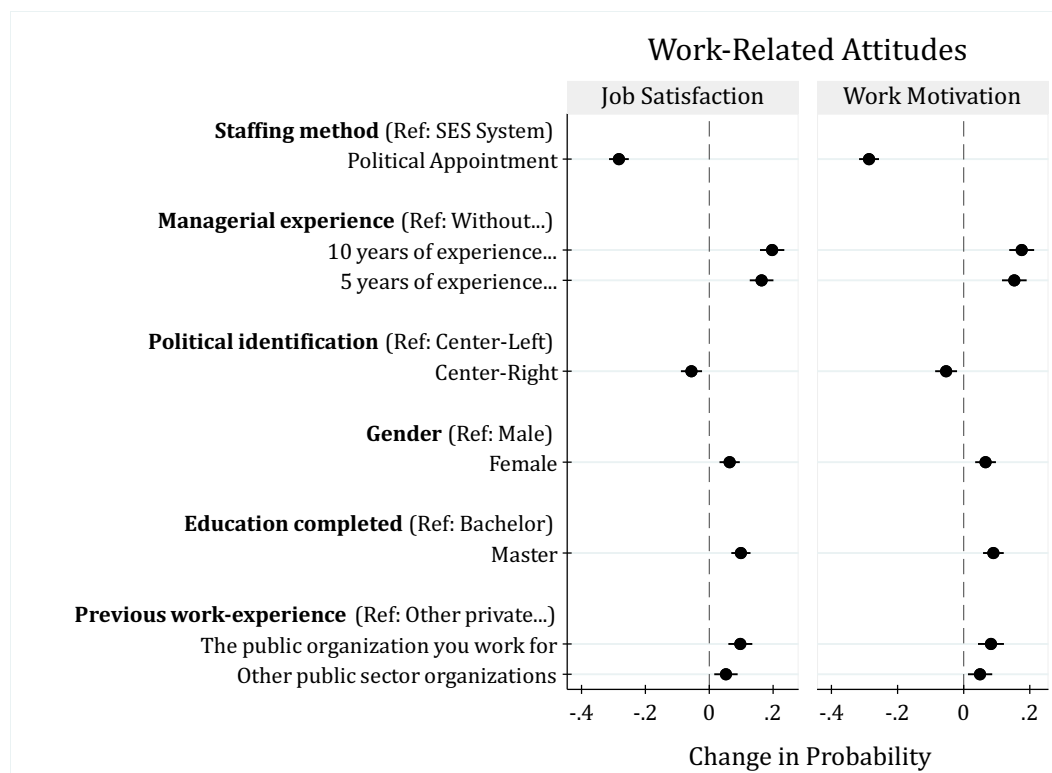


Figure 6.2. Effects of managerial profiles on organizational commitment or respondents and organizational distributive justice

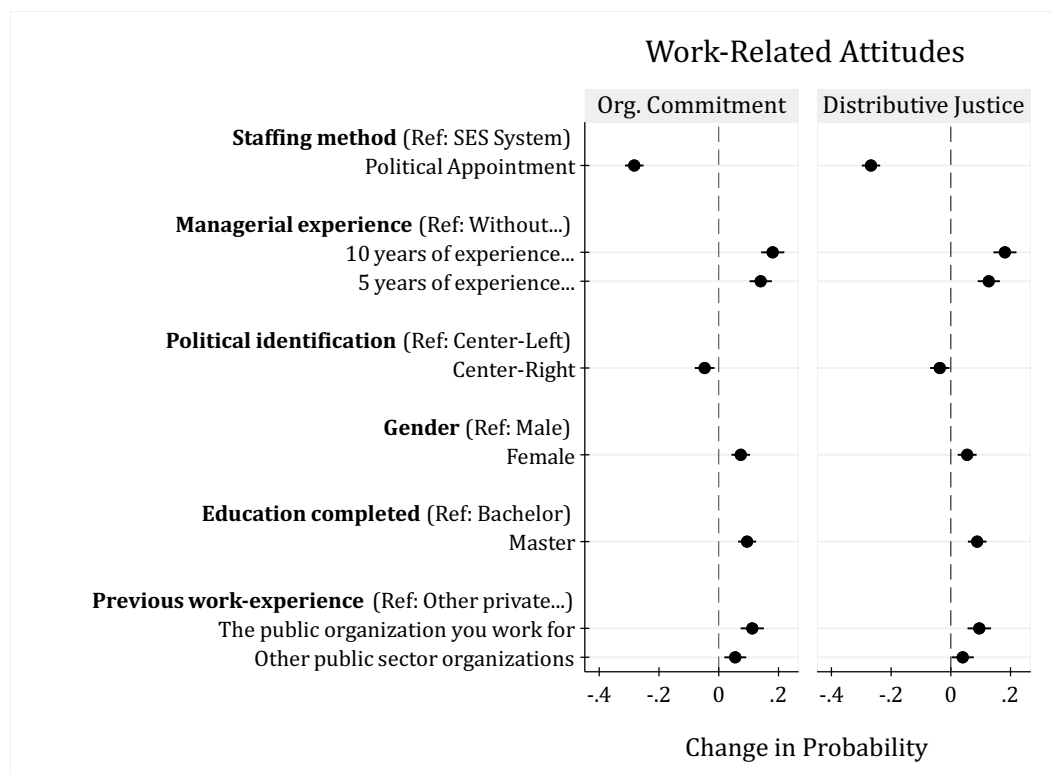


Figure 6.3. Effects of managerial profiles on organizational innovation and risk-taking and networking and positioning

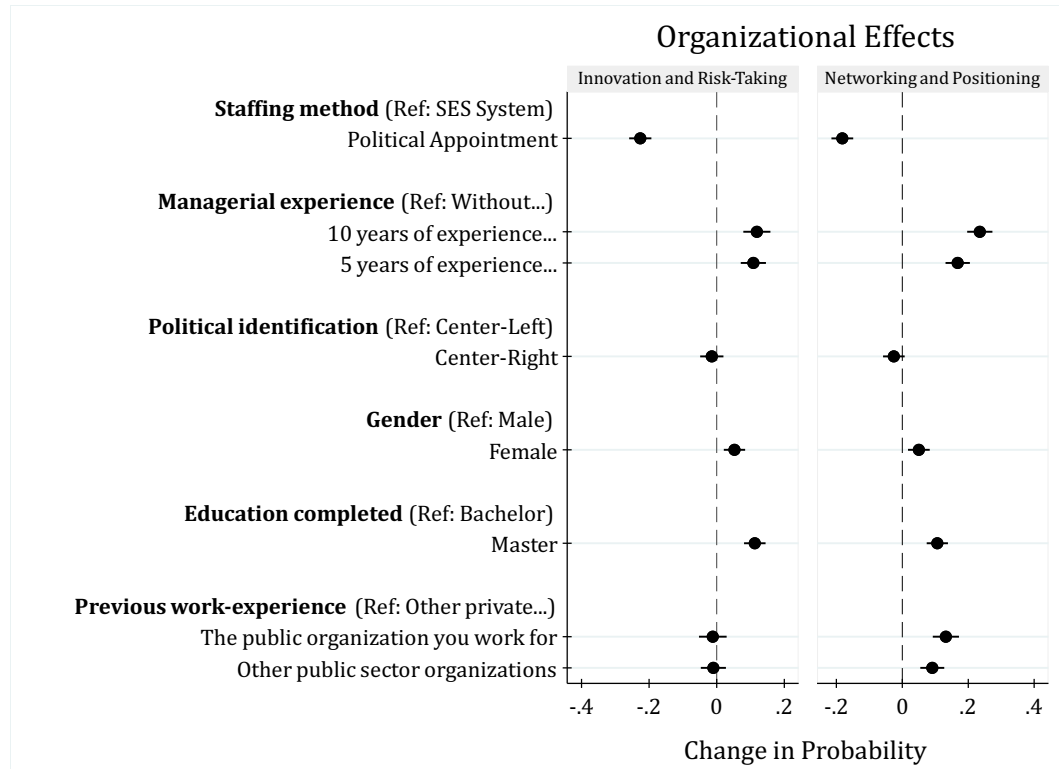
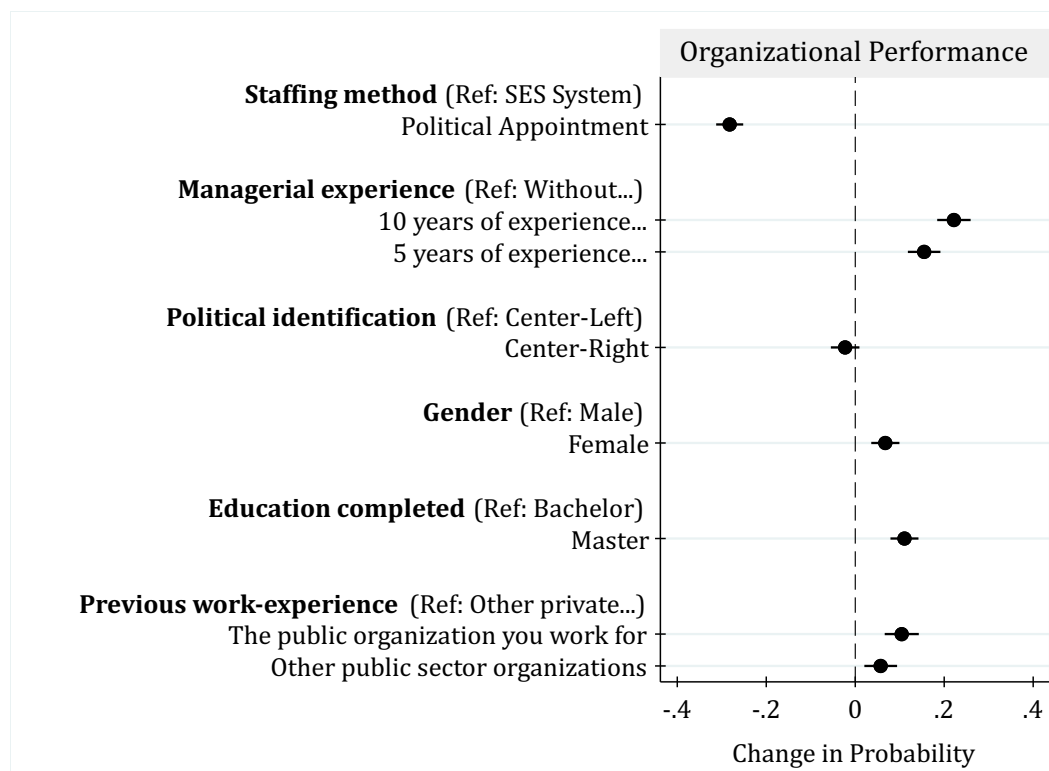


Figure 6.4. Effects of managerial profiles on organizational performance



#### *Robustness checks for Experiment A*

The sample corresponds to public-service managers and professionals listed in databases of a research center at the University of Chile and a master's program in public policy and management at the same university, respectively. Thus, this sample is not representation from the target population of all officials in Chile, and hence potential biases may affect the results. Several robustness checks were conducted to test potential biases in their responses. More specifically, I reestimated the results by subgrouping the sample across several sociodemographic characteristics and also by their position at their agencies. Overall, more than 42 analyses were conducted sociodemographic characteristics, and in 39 of them, the results hold. The robustness checks are somehow more problematic to interpret when

subgrouping by the position of respondents, as in four out of seven cases the results substantially changed when comparing managerial versus nonmanagerial positions.

I first checked for the tendency of respondents to have more favorable preferences for profiles that shared their features. Several sociodemographic characteristics susceptible to this bias were identified: gender (male/female), education level completed (master's or higher/lower master's), political ideology (left/right), work experience in the private sector (more than 10 years/10 years or less), work experience in the public sector (more than 10 years /10 years or less), work experience in the current public agency they are employed (more than 10 years /10 years or less) and their position (managerial/non-managerial). Then, I reestimated the coefficients for all the depending variables measuring attitudes and behavior of respondents (i.e., job satisfaction, work motivation, and organizational commitment) as well as those rating organizational effects (distributive justice, innovation, and risk-taking culture, networking and positioning, and performance). To be sure, the biases would be effective if subgrouping the respondents by these characteristics changes substantially their preferences about the staffing method of executives. This means, people's valuation of this attribute and therefore its coefficient would differ significantly when comparing all the subgroups mentioned above.

Considering all the sociodemographic characteristics except the position of respondents, only three comparisons (out of 42) were not effective to check against halo effects, one involving the gender of participants while other two considering their political ideology. The effect of manager's recruitment on organizational networking and positioning is much higher for men than women (-22.1% compared to -15.1%,  $p = 0.03$ ). Also, the effect of executives' political appointments is much lower for those people declaring right political sympathy than those



declaring a left political sensitivity (-24.5% compared to -30.7%,  $p = 0.09$ ). Finally, political ideology also affected respondents' preferences as the effect of politicization on left political supporters is much higher than on right political supporters (-29.2% compared to 22.8%,  $p = 0.09$ ).

More importantly, the position of respondents is indeed a variable affecting their preferences. The effects of political appointments on work motivation is much higher for attitudinal and behavioral variables such as work motivation (-33.9 versus -27.2%,  $p = 0.04$ ) and organizational commitment, (-33.7% compared to -26.6%,  $p = 0.04$ ) as well as for those organizational effects such as innovation and risk-adoption (-29.2 versus -20.3%,  $p = 0.01$ ) and networking and positioning (-22.8 compared to -16.7%,  $p = 0.1$ ). These differences could be explained at least for two reasons. First, people working in managerial roles are more susceptible to political appointments than people in lower positions, as they are more exposed to the political environment and its contingencies. A second reason is that people who are in managerial roles could have been selected by the SES System and this supports the idea that respondents preferred much more those managers selected by their same staffing mechanism. It is difficult to further distinguish between these two reasons as one limitation of the study is that participants were not asked about their staffing method (i.e., how their agencies recruited them).

#### *Experiment B. Distortion of performance results*

In Experiment, B respondents were exposed to several combinations of hypothetical situations when bad performance results at their agencies were (or not) distorted due to political motivations. The results from this experiment confirm that other manifestations of

politicization also deteriorate the attitudes and behavior of public personnel, as well as the organizational culture. Thus, the hypotheses 3.1 and 3.2, which were introduced in Chapter 3, are supported.

Table 6.10 and 6.11 and the figures 6.5-6.7 represent the effects of these three different scenarios on respondents' work-related attitudes and behaviors, as well as their judgments on the distributive justice and workplace trust of their organizations after the experimental manipulation. It is important to note that the arms treatment-control and control-treatment were grouped into one category (control-treatment).

Table 6.10. Means of dependent variables tested in Experiment B.

	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>	<b>Model 4</b>	<b>Model 5</b>	<b>Model 6</b>	<b>Model 7</b>
Means	Work motivati on	Job Satisfacti on	Organiz ational commit ment	Intention to leave the public sector	Public service motivati on	Distribut ive justice	Workplac e trust
Control-	3.859	2.958	3.132	2.617	4.344	2.725	2.919
Control	1.098	1.077	0.868	1.243	0.903	1.078	1.046
Control-	3.262	2.433	2.443	2.967	4.275	2.524	2.367
Treatme nt	1.288	1.019	0.915	1.184	0.922	0.994	0.935
Treatme nt-	3.151	2.178	2.175	3.234	4.237	2.288	2.225
Treatme nt	1.355	1.008	0.908	1.290	1.000	1.052	0.993

Table 6.11. ANOVA results from all the dependent variables tested in Experiment B

Analysis of Variance		SS	df	MS	F	Prob > F
Work motivation	Between					
	groups	61.6572	2	30.83	19.69	0.000
	Within					
	groups	989.54	632	1.57		
Total		1051.197	634	1.63		
Job Satisfaction	Between					
	groups	67.022	2	33.511	31.28	0.000
	Within					
	groups	674.90	630	1.071		
Total		741.918	632	1.174		
Organizational commitment	Between					
	groups	103.621	2	51.811	64.33	0.000
	Within					
	groups	509.850	633	0.805		
Total		613.472	635	0.966		
Intention to leave the public sector	Between					
	groups	40.375	2	20.187	13.13	0.000
	Within					
	groups	968.462	630	1.537		
Total		1008.837	632	1.596		
Public service motivation	Between					
	groups	1.252	2	0.626	0.7	0.495
	Within					
	groups	557.319	627	0.889		

	Total	558.571	629	0.888		
Distributive justice	Between					
	groups	20.275	2	10.138	9.34	0.000
	Within					
	groups	683.886	630	1.086		
	Total	704.161	632	1.114		
Workplace trust	Between					
	groups	56.914	2	28.457	28.89	0.000
	Within					
	groups	621.580	631	0.985		
	Total	678.494	633	1.072		

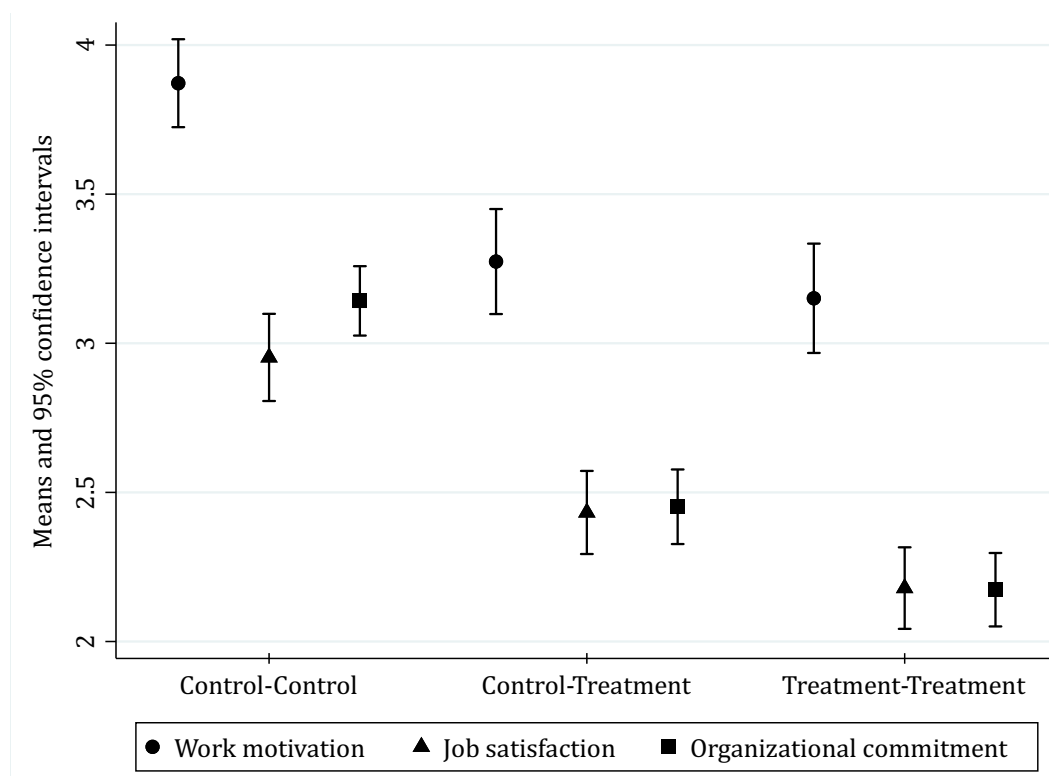
After an ANOVA was conducted to compare the three scenarios, there was an important and statistically significant difference between all three groups in terms of subjects' job satisfaction, work motivation, and organizational commitment. More specifically the mean work motivation for all three groups were significant ( $p < 0.000$ ) as well as the differences between the totally politicized scenarios and the non-politicized scenarios ( $MD = -0.71, p < 0.000$ ), and the partial politicization compared to the non-politicized scenario scenarios ( $MD = -0.6, p < 0.000$ ). The mean difference of respondents' work motivation between the totally politicized situation and the partial politicization is low and non-significant ( $MD = -0.11$  ).

Similarly, the differences between the mean job satisfaction for all three groups are significant ( $p < 0.000$ ), and the mean job satisfaction of the total politicized scenario and the partial politicization are lower compared to the non-politicized scenario ( $MD = -0.78, p <$

0.000;  $MD = -0.52, p < 0.000$ ). In this case, the totally politicized scenario leads to a lower job satisfaction than the partial politicization ( $MD = -0.25, p < 0.05$ ).

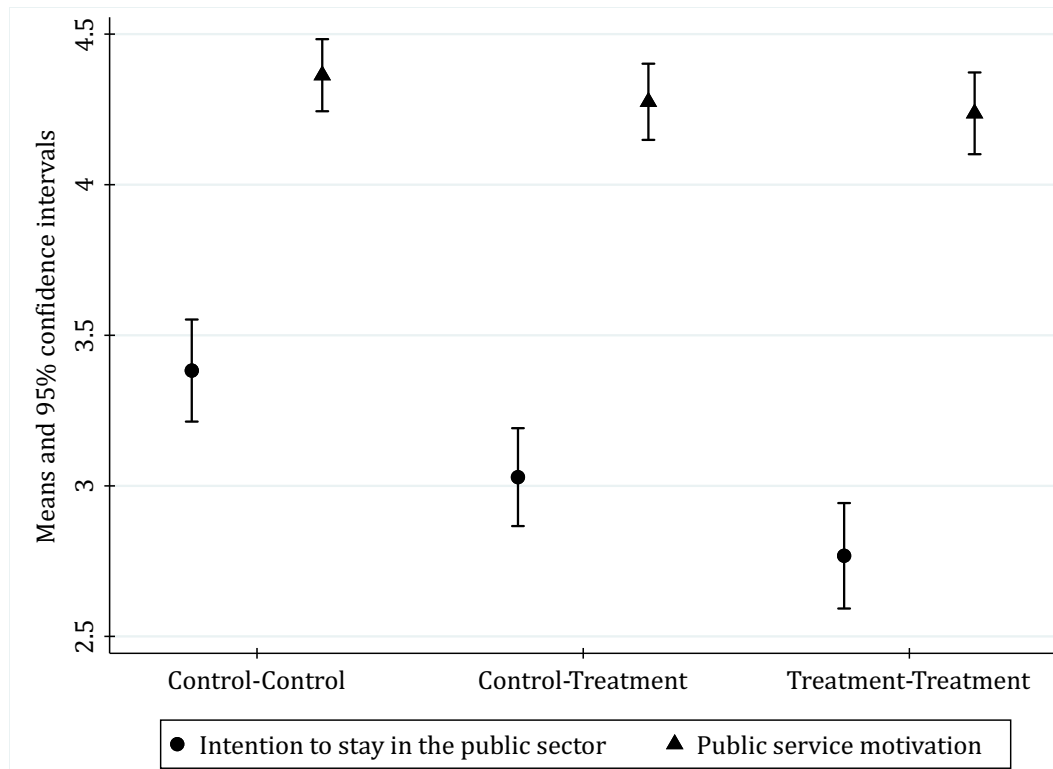
Finally, the differences between the mean organizational commitment for all three groups are also significant ( $p < 0.000$ ), and the organizational commitment mean of the group representing a totally-politicized situation is lower than those groups compared to the non-politicized scenario ( $MD = -0.96, p < 0.000$ ;  $MD = -0.69, p < 0.000$ ). Also, the mean of the organizational commitment of the group exposed to a total manipulation of results due to political motivations is significantly lower than those groups exposed to partial manipulation ( $MD = -0.27, p < 0.05$ ).

Figure 6.5. Effects of politicization on work motivation, job satisfaction, and organizational commitment



Regarding the intention to leave the public sector, similar results were obtained. The group exposed to a double politicized scenario manifested a significantly higher intention to leave the public sector than the group when this distortion did not happen ( $MD = 0.62, p < 0.000$ ). This also happened when comparing the partially politicized to the non-politicized scenario ( $MD = 0.35, p < 0.05$ ) and the totally politicized scenario to the group representing partial politicization ( $MD = 0.26, p < 0.1$ ). The differences in means of respondents' public service motivation when comparing the three groups were not significant, although the differences between the means are in the expected direction ( $nonpoliticized = 4.24 < partially politicized = 4.28 < totally politicized = 4.34$ ).

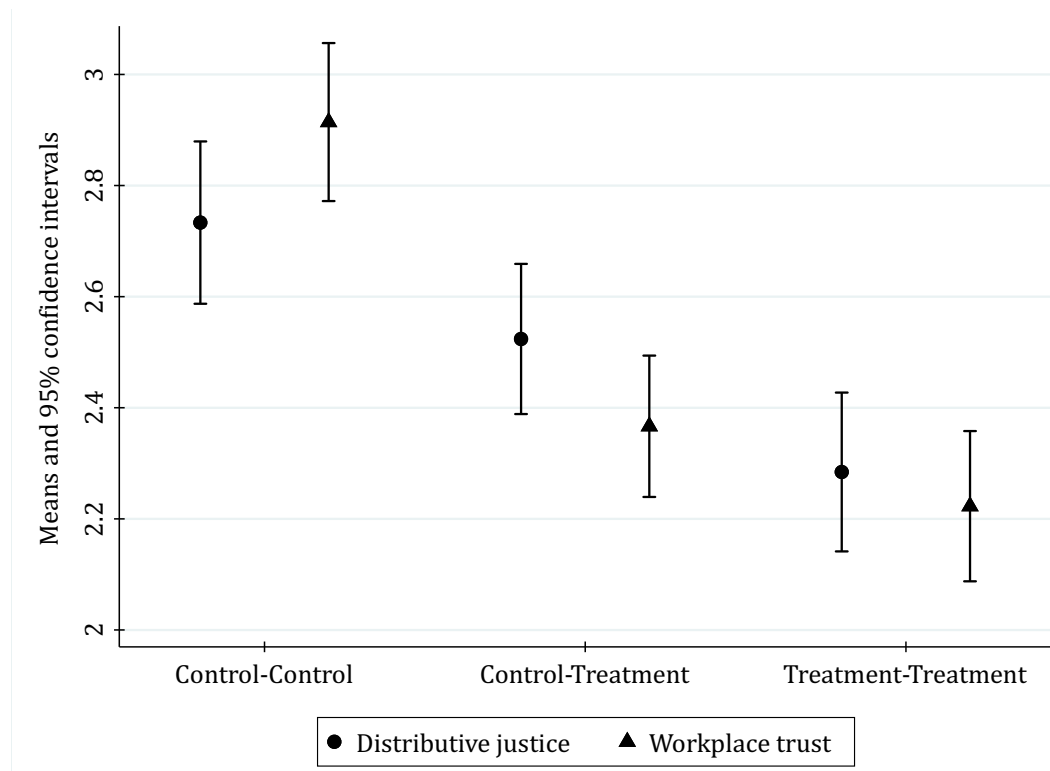
Figure 6.6. Effects of politicization on the intention to leave the public sector and public service motivation



The results are a little bit different when contrasting the means of distributive justice and workplace trust. The mean differences of distributive justice of respondents' agencies are different and statistically significant ( $p < 0.000$ ). The differences between the mean of the group exposed to double manipulation of results (totally politicized) compared to those where distortion did not happen (nonpoliticized) is significant ( $MD = -0.48$ ,  $p < 0.000$ ), whereas a similar result holds when comparing the totally-politized scenario to the partially-politized scenario ( $MD = 0.24$ ,  $p < 0.1$ ). Albeit in the expected direction, there was not a significative difference between the means of the group exposed to partial distortion of bad performance (partially politicized) and the group where no distortion happened ( $MD = -0.2$ ). Likewise, the judged workplace trust on the agencies of respondents are highly sensitive to politicization, as the mean differences of workplace trust of respondents' agencies are different and statistically significant ( $p < 0.000$ ). The differences between the

mean of the group exposed to double manipulation of results (totally politicized) compared to those where distortion did not happen is significant ( $MD = -0.69$ ,  $p < 0.000$ ), whereas a similar result holds when comparing the totally politicized to the partially-politized, and the former to the nonpoliticized scenario ( $MD = -0.55$ ,  $p < 0.00$ ). There was not a significative difference between the means of the group exposed to partial distortion of bad performance and the group where no distortion happened ( $MD = -0.14$ ).

Figure 6.7. Effects of politicization on distributive justice and workplace trust at agencies



#### *Experiment C. Procurement officials' conjoint*

The findings from the public-procurement officials' conjoint experiment support Hypothesis 4 (H4), as politicization deteriorates the public procurement processes at agencies. The



results are shown in Table 6.12, and the effects of the categories for each attribute are presented in Figures 6.8 and 6.9. The staffing mechanism of the profiles shown to respondents produced a substantial difference in their preferences over all the procurement areas examined. According to respondents' preferences, profiles showing appointed public procurement officials rather than those staffed by public competitions were 24% more likely to intervene procurement processes to arbitrarily favor one specific provider ( $\beta = -0.24$ ). Similarly, they were 25% less likely to be trusted an important procurement process for respondents' units ( $\beta = -0.25$ ), and 21% less likely when respondents judged the capacity of profiles to achieve more efficient procurements ( $\beta = -0.21$ ). Albeit significant, all the other control attributes (e.g. procurement and acquisition experience, political identification, education, etc.) were not important in predicting respondents' preferences regarding procurement bias, trust and efficiency.

Table 6.12. Regression results from Experiment C.

Regression results	Model 1	Model 2	Model 3	Model 4
	Procurement bias (profiles)	Procurement trust	Procurement efficiency	Procurement bias (ratings)
<i>Staffing mechanism</i>				
Appointment	0.239***	-0.245***	-0.204***	1.038***
	0.016	0.016	0.016	0.092
<i>Procurement experience</i>				
10 years of experience in procurement and acquisition	-0.062**	0.318***	0.33***	-0.135
	0.021	0.019	0.019	0.108
	-0.038**	0.278***	0.265***	-0.222**

5 years of experience in procurement and acquisition	0.02	0.018	0.019	0.105
<i>Political identification</i>				
Center-Right	0.042**	-0.033**	-0.017	0.344***
	0.017	0.016	0.016	0.084
<i>Gender</i>				
Female	-0.089***	0.077***	0.053***	-0.39***
	0.016	0.015	0.015	0.08
<i>Education</i>				
Professional Diploma	-0.036**	0.056***	0.078***	0.022
	0.016	0.016	0.016	0.074
<i>Main previous work- experience</i>				
The public organization you work for	-0.09***	0.106***	0.02	-0.217**
	0.02	0.019	0.02	0.106
Other public-sector organizations	-0.072***	0.074***	-0.017	-0.298**
	0.02	0.019	0.019	0.101
Constant	0.482***	0.302***	0.325***	4.623***
	0.024	0.022	0.022	0.129
R squared	0.078	0.163	0.138	0.06
F-statistic	41.57	125.29	91.1	24.65
N	3920	3920	3920	3866
Clustered responses	679	679	679	673
*p<0.01, **p<0.05, ***p<0.001				

As a robustness check, Model 4 presents the results of respondents’ ratings of profiles in terms of their likelihood of intervening and biasing a public procurement (10 = *very likely*; 1 = *very unlikely*). The effects of the attributes in this Model are very similar to those found in Model 1, when just the profiles’ preferences were estimated.

Figure 6.8. Effects of officials’ profiles on risks of procurement corruption and procurement efficiency

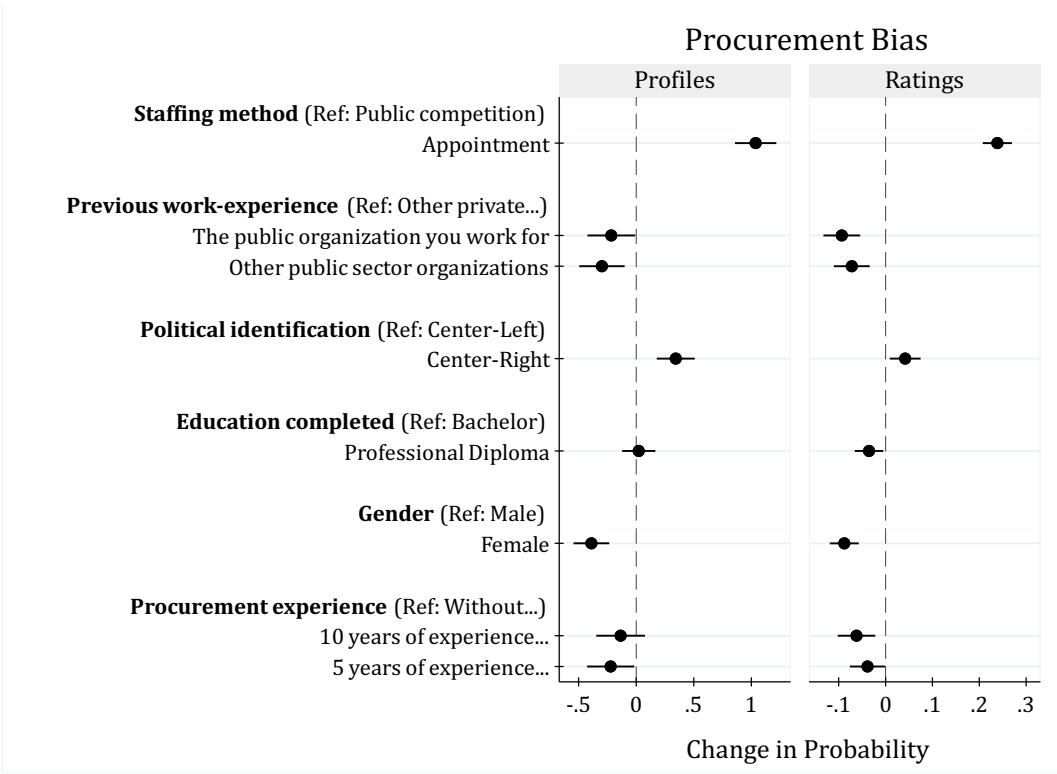
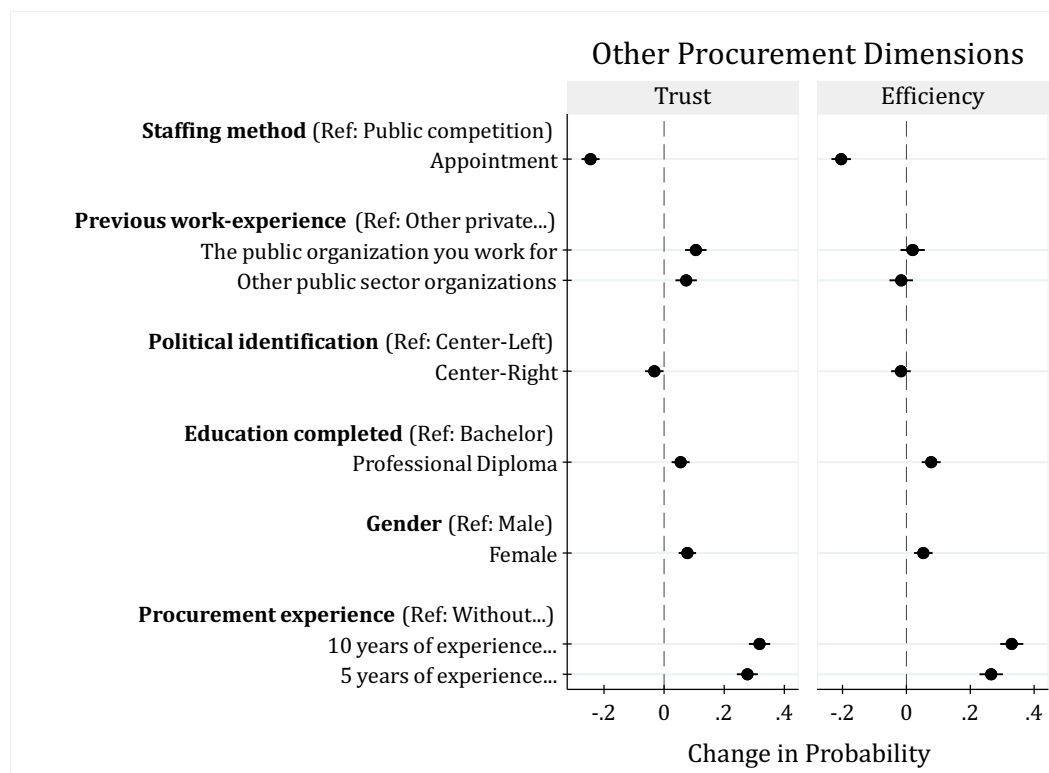


Figure 6.9. Effects of officials’ profiles on procurement trust and efficiency



### *Robustness checks for Experiment C*

Following the same reasoning from Experiment A, the sample was taken from databases of a research center at the University of Chile and a master's program in public policy and management at the same university, respectively. Thus, the sample is not representative of the target population of the Chilean bureaucracy, and potential biases may affect the results. For this reason, several robustness checks were conducted to test potential biases on from people. I followed the same strategy applied for Experiment A. This means, I reestimated the results by subgrouping the sample across several sociodemographic characteristics of respondents. Overall, 18 analyses were conducted, and in 14 of them, the results remain robust.

I checked for the tendency of participants to have more favorable preferences for profiles that shared their features. The following sociodemographic characteristics susceptible to this bias were identified: gender (male/female), education level completed (master's or higher/lower master's), political ideology (left/right), work experience in the private sector (more than 10 years/10 years or less), work experience in the public sector (more than 10 years /10 years or less), work experience in the current public agency they are employed (more than 10 years /10 years or less) and their position (managerial/non-managerial). I reestimated the coefficients for all the depending variables measuring procurement bias, procurement trust, and procurement efficiency. Again, the biases in these analyses would be effective if subgrouping the respondents by these characteristics changes substantially their preferences about the staffing method of public procurement officials. In other words, the valuation respondents give to this attribute—and therefore to its coefficient—would differ significantly when comparing all the subgroups mentioned above.

Considering all the sociodemographic characteristics except the position of respondents, only four comparisons (out of 18) were not effective to check against halo effects. Two of them refer to the education of respondents. The effect of official's recruitment on procurement bias is much higher for people with a master's degree or higher than those civil servants with lower educational degrees (-27.8% compared to -21.4%,  $p = 0.06$ ). Something similar happened when people were asked to judge the capacity of procurement officials in terms of their procurement effectiveness (-25.8% compared to -18.1%,  $p = 0.02$ ). Also, the effect of official' recruitment on procurement efficiency was much higher for people with more than a decade working in the public sector than those with a decade or less working there (-25.4% compared to -16.6%,  $p = 0.007$ ). Finally, the negative effect of the appointment for procurement efficiency was much higher for those bureaucrats with more than a decade

working in their organizations than those with less than 10 years of work experience at their organizations (-25.4% compared to -19.2%,  $p = 0.07$ ).

*Experiment D. Influence of political advisors on administrative decisions*

In Experiment D respondents were exposed to one of three arms representing different levels of influence of political advisors on administrative decisions at respondents' public agencies. Thus, three groups are compared for this analysis: the totally politicized scenario was embodied through the intervention of advisors on dismissals as well as on the prioritization of strategic projects at agencies; the partially-politized scenario was represented by the intervention of advisors in just one of those two areas; and the nonpoliticized scenario represented situations where the intervention of advisors on these issues were not effective.

The findings from Experiment D somehow reaffirms the results from Experiment B. Other manifestations of politicization—such as the undue influence of political advisors on administrative decisions at public organizations—have negative consequences on the attitudes and behavior of personnel as well as on the organizational culture of public agencies. Consequently, Hypotheses 3.1 (H3.1) and 3.2 (H3.2) are also supported by the results of this experiment. Tables 6.13 and 6.14, and the Figures 6.10 to 6.12 represent the effects of these three different scenarios on respondents' work-related attitudes and behaviors, as well as on their judgment on the distributive justice and workplace trust at their organizations after the experimental manipulation.

Table 6.13. Means of the dependent variables tested in Experiment D.

Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
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Means	Work motivati on	Job Satisfacti on	Organizat ional commitm ent	Intentio n to leave the public sector	Public service motivati on	Distribut ive justice	Workpla ce trust
Control-	4.071	3.818	3.644	2.553	4.440	3.234	3.314
Control	1.012	1.007	0.919	1.182	0.745	1.100	1.029
Control-	3.390	2.919	2.876	2.968	4.271	2.727	2.674
Treatmen t	1.157	1.067	0.885	1.154	0.873	1.009	0.992
Treatmen t-	2.697	2.105	2.229	3.233	4.110	2.289	2.264
Treatmen t	1.321	1.016	0.965	1.267	1.116	1.077	1.051

Table 6.14. ANOVA results from Experiment D.

Analysis of Variance		SS	df	MS	F	Prob > F
Work motivation	Between groups	198.922	641	1.37	72.65	0.000
	Within groups	877.575				
	Total	1076.497	643	1.67		
Job Satisfaction	Between groups	307.766	2	153.883	145	0.000
	Within groups	677.320	637	1.063		
	Total	985.086	639	1.542		
Between groups		211.662	2	105.831	124.19	0.000

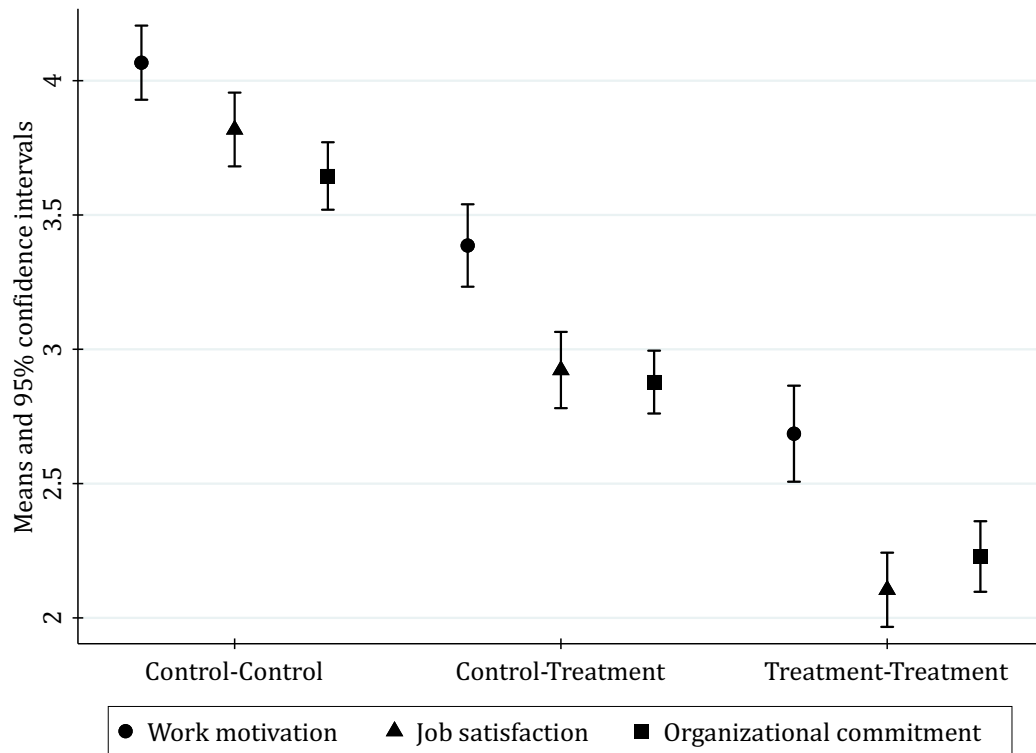
Organizational commitment	Within groups	546.248	641	0.852		
	Total	757.909	643	1.179		
Intention to stay in the public sector	Between groups	49.166	2	24.583	17.04	0.000
	Within groups	917.763	636	1.443		
	Total	966.930	638	1.516		
Public service motivation	Between groups	11.455	2	5.727	6.71	0.001
	Within groups	543.694	637	0.854		
	Total	555.148	639	0.869		
Distributive justice	Between groups	93.987	2	46.994	41.68	0.000
	Within groups	713.761	633	1.128		
	Total	807.748	635	1.272		
Workplace trust	Between groups	118.177	2	59.089	56.36	0.000
	Within groups	671.008	640	1.048		
	Total	789.185	642	1.229		

There was an important and statistically significant difference between all three groups in terms of officials' job satisfaction, work motivation and organizational commitment ( $p < 0.000$ ). The mean of the work motivation for the totally-politicized scenario is substantially lower and significant compared to the non-politicized scenario ( $MD = -1.37, p < 0.000$ ) and the partially-politicized scenario ( $MD = -0.69, p < 0.000$ ). Also, the mean work motivation is lower for the partially-politicized scenario than the non-politicized scenario ( $MD = -0.68, p < 0.000$ ). These differences are similar when considering the organizational commitment of officials (respectively:  $MD = -1.41, p < 0.000$ ;  $MD = -0.65, p < 0.000$ ;  $MD = -0.76, p < 0.000$ ). However, much more substantial differences



were found when contrasting the officials' job satisfaction (respectively:  $MD = -1.71, p < 0.000$ ;  $MD = -0.89, p < 0.000$ ;  $MD = -0.9, p < 0.000$ ).

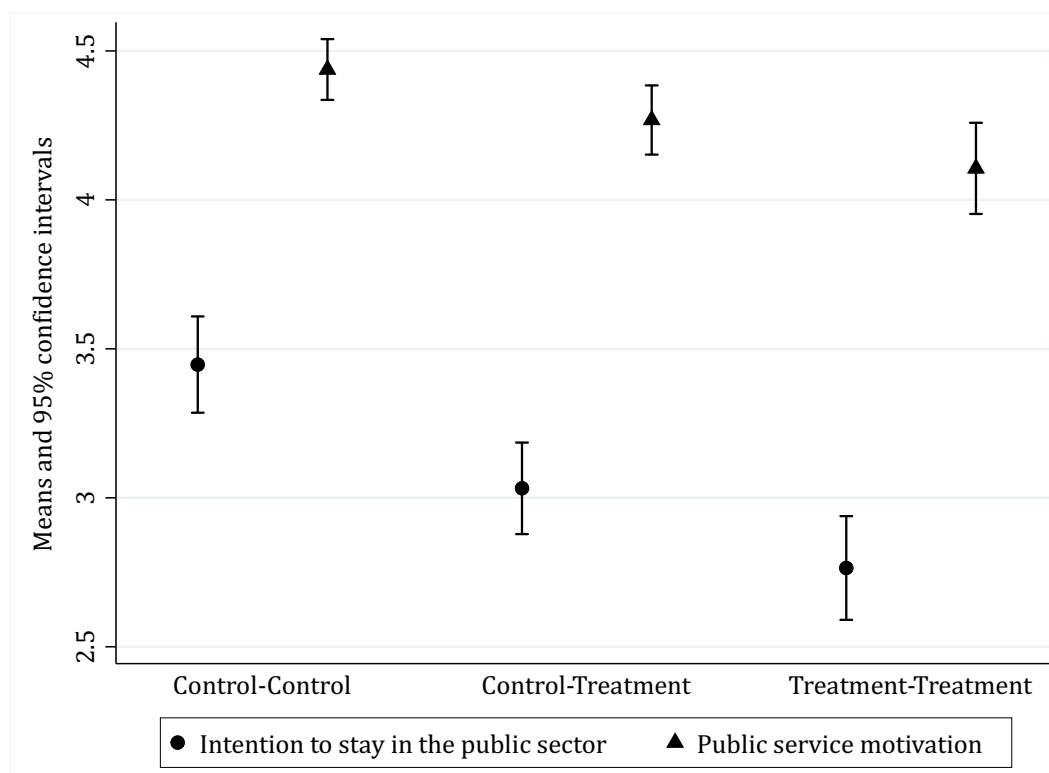
Figure 6.10. Effects of politicization on officials' work motivation, job satisfaction, and organizational commitment



The results for the intention to leave the public sector and the public service motivation of officials are presented in Figure 6.11. More specifically, the respondents exposed to a totally-politicized manipulation were substantially more willing to leave versus those exposed to non-politicized scenarios ( $MD = 0.68, p < 0.000$ ) and to those shown partially-politicized scenarios ( $MD = 0.27, p < 0.07$ ). Almost representing a linear relationship, the mean of respondents' intention to leave the public sector was also higher when comparing the partially-politicized vignettes than those without politicization ( $MD = 0.42, p < 0.000$ ).

Differently from experiment B, in this case, the public service motivation was affected by politicization—as the influence of political advisors on administrative decisions. Indeed, the differences between the mean of the three groups was significant ( $p < 0.005$ ), and the comparison of the PSM of the totally-politicized groups is substantially lower than the non-politicized group. The differences between the other groups are as expected, although such differences are not significant ( $4.44 < 4.27 < 4.11$ ).

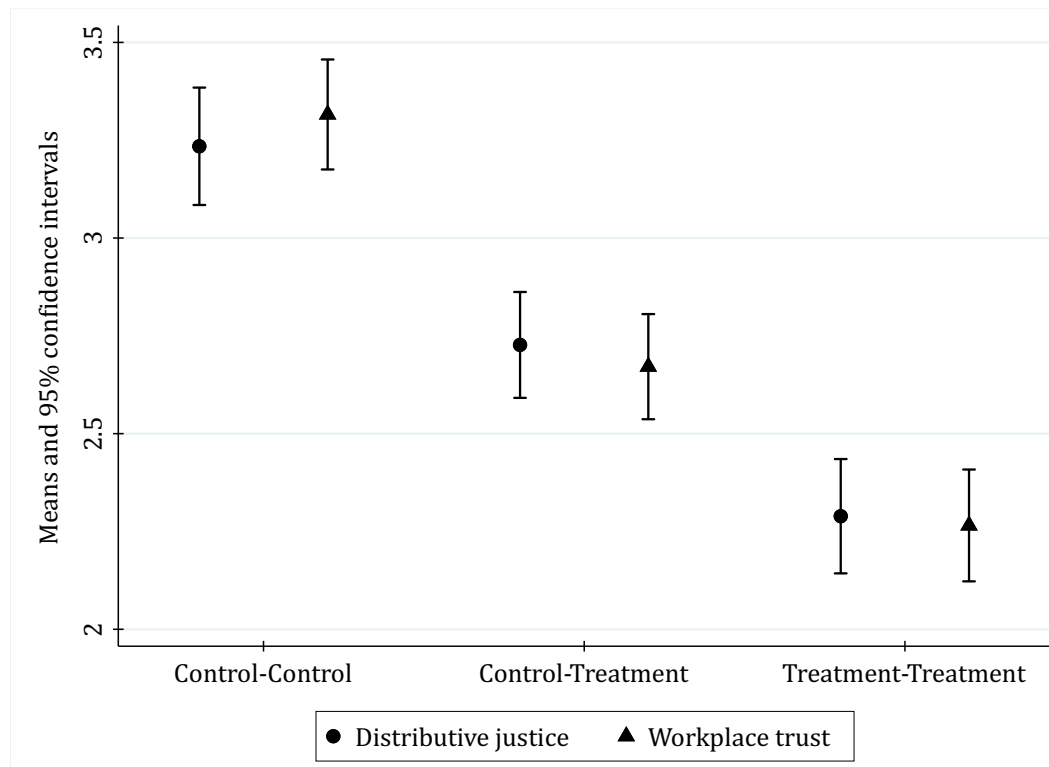
Figure 6.11. Effects of politicization on officials' intention to leave the public sector and their public service motivation



The results when contrasting the means of groups around distributive justice and workplace trust are represented in Figure 6.12. The difference between the mean distributive justice of the group exposed to total politicization compared to those where no politicization is represented is considerable and significant ( $MD = -0.95$ ,  $p < 0.000$ ), whereas a similar

result holds when comparing the partially-politized scenario to the non-politicized scenario ( $MD = -51$ ,  $p < 0.000$ ), and when comparing the former to total politicization ( $MD = -0.44$ ,  $p < 0.000$ ). Likewise, the workplace trust on the agencies of respondents are affected by politicization, especially when this phenomenon is represented by the influence of political advisors. The differences between the mean of the group exposed to double effective intervention of advisors contrasted to those where the intervention was not considered is significant ( $MD = -1.1$ ,  $p < 0.000$ ), whereas a similar result holds when comparing the partially-politized scenario to the non-politicized scenario ( $MD = -0.64$ ,  $p < 0.00$ ) and the total and partial politicization vignettes ( $MD = -0.41$ ,  $p < 0.000$ ).

Figure 6.12. Effects of politicization on distributive justice and workplace trust at agencies



## CHAPTER 6. CONCLUSIONS

The main purpose of this doctoral dissertation was to further study the effects politicization on public agencies. This objective was divided into two other specific goals: (i) analyzing the consequences of managerial politicization (the staffing of executives via political appointments), and (ii) identifying other unexplored manifestations of politicization and studying their organizational and individual effects. These specific purposes are motivated by two main deficits in the literature about politicization. The first one is the remaining elusiveness of the mechanisms by which the political appointment of executives (managerial politicization) deteriorates the performance of the public agencies they lead. The second motive is the lack of other expressions of politicization—beyond its conventional notion of appointments of regular employees and managers—in previous studies.

The results of this dissertation help to further understand the effects of politicization in public agencies. The qualitative results helped to distinguish other unexplored and unexamined manifestations of politicization—which were subsequently tested using experimental methods— and also contributed to shed light on the effects politicization produces in public agencies, especially on the attitudes and behavior of people and on the organizational culture. From the cases analyzed, several other manifestations emerged, that match with some of the representations highlighted in the literature: influence of political advisors or pressures for jeopardizing the rational criteria that govern the public administration. These findings somehow address previous calls for a more comprehensive and complex notion of politicization that go beyond the idea of political appointments (Eichbaum & Shaw, 2007, 2008; Mulgan, 1998; Hustedt & Salomonsen, 2014). These unconventional representations of

politicization were subsequently incorporated in the experimental designed of this dissertation.

The quantitative results, obtained from four different survey experiments, confirmed that managerial politicization as well as other expressions of this phenomenon—such as an excessive influence of political advisors on administrative decisions in public agencies, or the manipulation of objective performance data due to political motivations— have negative consequences on the attitudes and the behavior of public employees and on the organizational culture of agencies in the public sector. More specifically, there are negative consequences on the job satisfaction of civil servants, their organizational commitment, their work motivation and their intention to leave the public sector. These results confirm other previous research testing similar effects (see, for example, Oliveros and Schuster, 2018; Meyer-Sahling, Schuster & Mikkelsen, 2018), but including one important distinction: this study consider the attitudes, behavior and the perception on organizational effects of those civil servants who are *witnesses* of politicization. Indeed, most of the questions on the interview protocols (see Appendix A), as well as on the survey experiments (except Experiment C) asked people to report their own perceptions and work-related attitudes regarding one politicization manifestation *happening* at their agencies (see Tables 6.5 and 6.5). Likewise, the quantitative results from one conjoint experiment (Experiment C) helped to understand further how politicization may affect the public procurement of agencies, as they confirmed that politicization—when conceived as political appointments—not only produced more risks of corruption in procurement but also deteriorated the efficiency and the trust on its processes. Finally, the quantitative results of this dissertation are aligned with previous research confirming the negative results of politicization on organizational performance (e.g., Gilmour & Lewis, 2006; Hollibaugh, 2015; Lewis, 2007; 2008).

Lewis (2008) found some important managerial features of managers staffed via meritocratic mechanisms, in contrast to politically-appointed executives, that help to explain the negative impact of managerial politicization on organizational performance. Careers managers tend to be specialists and have more public management experience, which is normally acquired in the public organization they lead. They also serve for longer periods in the agencies they manage. On the other hand, appointed executives have a more diverse background, which is obtained from previous work experience outside the agency they run, especially in private or nonprofit managerial experiences. They also have higher levels of education and work for shorter periods in their managerial positions. These personal characteristics of the manager who is finally selected—either via meritocratic procedures or political criteria—contributed to explaining why managerial politicization deteriorate performance. This research not only confirms Lewis' results (2008) but also confirms that the effect of managerial politicization goes beyond the characteristics of the recruited executive. Indeed, it is also possible that a candidate with long public service experience—even acquired in the same agency they intend to lead—but recruited by political reasons still, produce negative consequences in the management of the organizations.

The variances on the attributes of the senior officials staffed may not be enough to explain the gaps in organizational performance achieved between managers recruited on a merit-based procedure and those politically-appointed. Furthermore, some effects produced when a manager is either appointed by political motivations or selected through a meritocratic process may trigger regardless of the characteristics of subject recruited. Thus, the mere staffing method—meritocratic or politicized—may produce substantial differences in public agencies, especially when focusing on attitudes and behavior of their personnel. The

dissertation leverages on this idea to provide a broader perspective when examining the impact of managerial politicization. Indeed, the problem cannot be reduced to recruiting qualified or unqualified people for a senior government position.

From a more practical perspective, this dissertation studied the effects of politicization not centering on the final outcomes it produces (e.g., public agencies performance or country-level impacts such as corruption, economic development, to name a few). Rather, the purpose and the research questions followed back the trace of the negative impact of politicization on performance and examined other precedent consequences. Thus, the findings of this research may offer more plausible and short-term ways to deal with politicization to decision-makers and practitioners experiencing politicization in public agencies. This is particularly important for developed and developing countries since major institutional reforms or policies to control politicization in the civil service are not always plausible solutions there. Likewise, when they are finally established, there is a long way to go before their real adoption by agencies (see Schuster, 2017; Grindle, 2012).

There are some limitations to the study. The first limitation is the representativeness of the sample used for both the case studies and the survey. Regarding the qualitative stages of this dissertation, the cases were purposely sampled, and therefore their results do not pretend to be generalizable. Rather, they just aimed at shedding light in the effects that politicization produces in public agencies, especially on their performance and the attitudes and behavior of their personnel. Also, the qualitative evidence contributed to identifying other manifestations of politicization that were later examined by the experimental studies. In addition, survey respondents were mainly public managers and professionals who were listed in a database of a university research center, or students or alumni from a masters'

program in public policy and management. It is important to note, however, that the majority of the results from the conjoint experiments (Experiment A and Experiment C) remained robust after several checks were conducted.

Another limitation is the representation of politicization in Experiment A and in Experiment C: appointment versus meritocratic recruitment. Sometimes the Chilean bureaucracy has some in-between staffing methods. Indeed, as discussed in Chapter 4, the Senior Executive Service (SES) System is a mixed method to recruit senior executives in Chile, which combines very meritocratic procedures in the first stages of the selection processes with a discretionary nomination from an authority in the last stage of the recruitment process. There is no question that is comparatively much more meritocratic than a political appointment but still is not purely meritocratic. Something similar occurs in Peru with the Public Managers Cadre (PMC).

More specifically, the categories of selection mechanisms that appeared in the profiles of Experiment C may have captured not only politicization but also other staffing motivations. Indeed, it is possible that subjects who participated in this experiment not only thought in political appointments versus meritocratic recruitments when exposed to the label “appointment” in the pairwise profiles of procurement officials. They could have interpreted this category just as discretionary appointments that are not necessarily motivated by a political reason. Additional robustness checks may help to shed light on the precise interpretations of respondents when exposed to this conjoint experiment. In any event, the comparison between meritocratic recruitment versus discretionary appointment—which considers those motivated by political reasons—is still valid. Also, participants may have interpreted that people recruited under meritocratic criteria may have better job security



than appointments and hence they responded based on these assumptions. Further analyses of the data may address these limitations.

Finally, future research should analyze in more detail the results for each attitude and behavior that resulted affected by politicization. This implies specifying in the literature how each of all the dependent variables examined in this dissertation may individually relate to politicization, and also to exploit the qualitative evidence for this purpose. The use of the qualitative evidence from the case studies may help to find more detailed causal mechanisms linking each attitude and behavior from the manifestations of politicization. For instance, the meritocratic recruitment of public managers, as opposed to their staffing by politicized criteria, may generate different managerial styles on the executives selected. In part, these different managerial styles—and the exposure or bureaucrats to them—may explain the differences in the attitudes and behavior of personnel produced by politicization.

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## Appendix A. Interview protocol

This interview will inform my doctoral dissertation, and it is supported by the Inter-American Development Bank and the General Directorate of the Civil Service (DNSC)/National Civil Service Authority (SERVIR) [depending on the country] <sup>20</sup>. The purpose of this research project is to inquire into the effects politicization has on public agencies or, alternatively, on the effects the implementation merit-based systems has in public agencies, namely, the SES/PMC.

This interview will take 45 minutes approximately. Your participation is voluntary and your identity and the information you will provide is strictly confidential. They will be used only for academic purposes.

### *Profile of the interviewee*

1. For how long have you worked here?
2. What is your current position? Could you briefly describe your responsibilities?

### *Manager-interviewee professional relationship*

3. For how long have you worked with [name of the public manager]?

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<sup>20</sup> The information contained into brackets ("[]") will be known only by the interviewer. This is a common technique for qualitative research, particularly during the data analysis (see Berg & Lune, 2012).

The management dimensions represented in the table, are inspired by the analytical framework provided by Rainey (2010).

4. Hierarchically speaking, what is your professional relationship with [name of the public manager]?

Public manager [herself]	
Supervisor	
Subordinate	
Direct external or internal client	
Historic officer	
Other (please specify)	

5. What is your professional relationship with [name of the public manager] in practice?

*Changes produced by the manager*

6. In general, *how was the organizational context of before the [name of the manager] took her position? How did this situation change after the arrival of [name of the public manager]*?

Organizational performance and effectiveness	
People ( <i>teamwork, coordination, collaboration, competencies, motivation, job satisfaction, organizational commitment, coordination</i> )	
Culture and values	
Environmental relationships	
Resource management	

<i>(infrastructure, technology, and budget)</i>	
Strategy Mission and vision, goals, organizational values	
Organizational structures and processes (Organizational chart, rules and regulations, power relationships, decision making, <i>personnel policies, and processes</i> )	
Other	

7. In general, what was the role of [name of the public manager] in those changes? Could you please provide concrete examples of how [name of the manager] contributed to produce these changes at your organization?

Organizational performance and effectiveness	
People ( <i>teamwork, coordination, collaboration, competencies, motivation, job satisfaction, organizational commitment, coordination</i> )	
Culture and values	
Environmental relationships	
Resource management ( <i>infrastructure, technology, and budget</i> )	
Strategy Mission and vision, goals, organizational values	
Organizational structures and processes	

(Organizational chart, rules and regulations, power relationships, decision making, <i>personnel policies, and processes</i> )	
Other	

8. In general, what skills, managerial practices or other attributes of [name of the manager] were key to lead those changes?
9. What would have happened if the manager who took the position at your agency had been a political appointee?
10. In general, how would you compare the characteristics of [name of the manager] to other managers you know who are political appointees? How these features are related to the selection mechanism of [name of the manager]? How did these characteristics help to improve performance at public agencies?

*Effects of merit-based systems on the agency*

11. Besides [name of the public manager] have this agency fully adopted the SES System?  
How?
12. How do you think the adoption of merit-based systems affected (would affect) your organization?

*Closure*

Would you like to add something else that you consider important for this interview?

## **Appendix B. Description of the merit-based systems in Chile and Peru<sup>21</sup>**

### *The Senior Executive Service System of Chile*

The Senior Executive Service (SES) System of Chile was created in 2003 by the Law N° 19,882. This rule emerged from a political agreement between the government and the opposition, which was intended to solve an institutional crisis produced by clandestine payments of bonuses to senior officials. Although the formal origin of the System was triggered by these complex circumstances, there was a previous technical consensus about the need of modernizing the Chilean bureaucracy on this area, and also about the strategies to accomplish this objective. Such consensus had been reached due to governmental initiatives like the Inter-Ministerial Committee for Public Management that took place by the mid of the 1990s, and recommendations of think tanks such as the *Centro de Estudios Públicos* (Costa & Waissbluth, 2007). Besides establishing the SES System, the Law N° 19,882 also founded the agency responsible for its management: The General Directorate of the Civil Service.

According to the Law, 98 out of the 141 Chilean public agencies should be incorporated into the System. Therefore, 48 organizations entered in 2004, and 10 had to annually join during the 2006-2010 period. Nevertheless, corruption scandals catalyze this incorporation process, and therefore all the institutions were finally included in 2007.

Thus, the selection of first-level and second-level senior executives began to follow a standardized process. This staffing procedure starts with a job announcement, followed by a

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<sup>21</sup> This appendix is offered to briefly describe the merit-based systems for the selection of public managers in Chile and Peru. A more detailed version of this section is available on Cortázar, Fuenzalida & Lafuente (2016).

pre-selection of applicants by headhunter companies. Then, the SES Council (for first-level positions) or a Selection Committee<sup>22</sup> (for second-level positions) conduct interviews, and they nominate a short list of three or five candidates. Thereafter, the President (for first-level positions) or the Chief Administrative Officer of the respective agency (for second-level positions) choose the final nominee from the shortlist. Before assuming their positions, the SES managers sign a performance agreement whose attainment is linked to bonuses. Also, the appointments are for three years and they can be renewed up to two times, without requiring a reapplication.

SES public managers serve the trust of the nominating political authority and they can also be dismissed by such superiors. Although this characteristic has entailed high turnover of SES managers, especially during government transitions, it is a main feature of the System flexibility and has contributed to its sustainability over time.<sup>23</sup>

#### *The Public Managers Cadre of Peru*

The previous context of the Public Managers Cadre (PMC) was somewhat paradoxical. While there was extensive awareness about the complexity involved on the efficient implementation of public policies, the institutions of the Peruvian civil service to attract, train, and retain public managers did not match such challenge (Corrales, 2014).

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<sup>22</sup> This Committee is composed by one representative of the SES Council, one representative of the Chief Administrative Officer of the respective public agency, and one representative of the Ministry.

<sup>23</sup> On average, 65% of first-level executives and 40% of second-level executive have been removed on presidential transitions of 2010 and 2014.

The Public Managers Cadre (PMC) and the National Civil Service Authority (SERVIR) were founded in 2008 by the Decrees 1,024 and 1,023, respectively. The creation of the PMC is mainly explained by three essential antecedents: (i) an opportunity emerged due to the Free Trade Agreement with the U.S., because the Congress gave legislative power to the executive branch for issues such as the bureaucratic modernization; (ii) the PMC reform was projected under the notion of “civil service” rather than “public employment” (this latter had been resisted by the executive branch due to its budget and policy implications); and (iii) the foundation of the PMC was promoted by important political stakeholders (e.g. Labor Ministry and IBD specialists), who contributed to disentangle a context of permanent veto and status quo for previous measures with similar purposes (Cortázar, 2014).

The second and third circumstances explain the relevance of the gradual implementation strategy of the PMC. In fact, the PMC is only the first phase of a major reform. As earlier initiatives resulted blocked by their “reformist” nature, the policymakers responsible for the PMC understood that this first step should just consider the essential aspects, and then addressing more complex and structural issues (Cortázar, Lafuente & Sanginés, 2014; Cortázar, 2014). Following this gradual implementation, in 2013 the PMC was established by the Civil Service Law N° 30,057. This rule was designed considering the knowledge and experience from five previous years of the PMC operation.

Who wants to be a member of the PMC applies for national openings which are categorized per each specific managerial profile. This process is led by the SERVIR. Then, applicants pass through two stages: the recruitment and selection, and the following phase is called *introductory course*. The first stage might be —totally or partially— contracted out to headhunters, but, in the selection procedure, a standard competency model for each position

is used for each position. In the second phase, the candidates resolve and present a case, and they pass through an assessment center and are interviewed by the Council of the SERVIR.

The standardization of positions available for application is related to the “sense of cadre” of the model: who is selected in the PMC is part of a broader community of outstanding public managers in the Peruvian public sector. Thus, applicants do not apply for positions of agencies; rather--once they are members of the PMC, public agencies voluntarily request executives to SERVIR for specific positions. Such demands are incentivized by the total coverage by SERVIR of the gap produced by the higher salaries PMC members. Although the flexibility of the PMC model is one of its main features, such flexibility might be also interpreted as a weakness as the expansion of the PMC heavily depends on the willingness of political authorities to have PMC senior officials at their agencies.

Once managers are assigned to agencies, they are on a probationary period for three months, and they also sign a performance agreement that sets specific goals to be annually attained. When managers finish their administrations, as they are part of the PMC, they can be directly assigned to other managerial positions without reinitializing the selection process (Corrales, 2014).