

Barriers to the implementation of Cost-Effective in Spanish local authorities

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Abstract: This paper aims to analyze the main barriers to the forms of institutional work that have been developed to the implementation of Cost-Effective of Services in Local Governments (CESEL, in Spanish) in the Spanish local governments. The research methodology has consisted of a longitudinal case study conducted in the City Council of Seville that has extended in the period 2012-2018. The results have been interpreted according to the arguments of New Institutional Sociology. This paper contributes to the previous literature by proposing a theoretical model in which the institutional pressures of the context, the forms of institutional work carried out, the main barriers, the mediating factors and the actions of institutional work adopted by various actors are identified and related. As a consequence, the new cost system was configured as an instrument for improving the transparency, although with an almost null impact in the public services management.

Keywords: Cost-Effective, Spanish local government, New Institutional Sociology, Institutional work.

JEL Classification: H72, M48.

1. Introduction

In recent decades, Spain's public administration has carried out various reforms in order to increase transparency and efficiency in public sector management (Brusca, 2010). One of the most recent changes introduced for Local Authorities (hereinafter LAs) is the obligation to calculate CESEL (Cost-Effective of Local Authority Services), which is the sum of actual direct and indirect costs for public services carried out according to expenditure data (Rationalization and Sustainability of Local Administration Law, LRSAL, 2013).

Previous research into Public Sector Management Accounting, predominantly utilizing the theoretical approach of New Institutional Sociology (Helden, 2005; Modell, 2009; Jacobs, 2012), has shown that on many occasions, local governments implement

cost systems in order to achieve the appearance of streamlining and efficiency, while in reality they have little impact on internal operations (Geiger and Ittner, 1996; Jackson and Lapsley, 2003; Verbeeten, 2011; Carvalho et al., 2012). Within New Institutional Sociology (NIS) theory, the term *Institutional Work* has been coined, defined as “*the purposive action of individuals and organizations aimed at creating, maintaining, and disrupting institutions*” (Lawrence and Suddaby, 2006, p.215). Although several studies have used this concept to analyze the configuration of certain management practices in the public sector (Chiwamit et al., 2014; Cloutier et al., 2016), they have not carried out any in-depth analysis of the barriers that the different types of institutional work may face, and which can prevent said practices from achieving their objectives.

The aforementioned aspects, together with the introduction of CESEL in Spain’s local public administration, represent the motivation behind this paper, which aims to analyze principal barriers to the forms of institutional work developed for the implementation of CESEL, which in turn may prevent CESEL from achieving the objectives for which it was designed, namely to improve levels of transparency and efficiency of local public management (LRSAL, 2013). To this end, a longitudinal and exploratory case study was undertaken in Seville City Council, which had implemented CESEL in 2014. The fact that this City Council is one of the largest in Spain, managing a high level of resources as well as the maximum level of public services, means that it is suitable for in-depth study.

This paper contributes to the previous literature in three ways. Firstly, by identifying and analyzing the main barriers to the forms of institutional work, an issue which the previous literature has barely considered hitherto, focusing as it has on the forms of institutional work that facilitate change (Lawrence and Suddaby, 2006; Lawrence et al., 2009). Secondly, by proposing a theoretical model to improve our

understanding of the implementation and institutionalization process of a costing tool in the local public sector. This model details the different types of institutional work; principal barriers; mediating factors in the process; and resulting actions which may limit its usefulness. And thirdly, by responding to the literature's calls for further in-depth studies on public sector cost management systems to be undertaken (Verbeeten, 2011; Mättö and Sippola, 2016), which allow to improve their design and implementation (Bogt, 2008; Jacobs and Cuganesan, 2014).

The remainder of the paper is structured as follows. The second section presents the theoretical perspective of NIS, focusing on the concept of institutional work and reviewing potential barriers to the implementation of management practices in the public sector. The third section sets forth the main technical aspects of CESEL, differentiating it from the provision cost. The fourth section describes the research methodology used, while the fifth section presents the results of the case study, which are subsequently discussed in section six. Finally, the seventh section sets out the main conclusions reached, including the practical implications for public management, as well as potential lines of further research.

2. Theoretical framework

This section firstly provides a brief summary of the evolution of NIS up to and including the concept of institutional work, describes the latter's characteristics and typology, and outlines the literature's main conclusions concerning said concept. Subsequently, reference is made to the barriers detected by certain authors during the implementation of management practices in the public sector, and which may hinder the development of institutional work.

2.1. Institutional work in New Institutional Sociology

In Neoclassical Economics, actors – be they individuals or organizations – have been predominantly characterized as being oriented towards maximizing economic efficiency. This vision has been reflected in Management Accounting research, which was dominated by a functionalist approach until the late 1980s, thereby adopting a more technical and rational perspective (Araújo, 2003).

Given the importance of organizational and social factors in better understanding the change in management accounting systems and practices (Tsamenyi et al., 2006), this paper adopts the NIS perspective, according to which the institutional context influences the behavior of actors who, in this way, do not seek economic efficiency alone, but also to adapt to the institutional pressures of their environment (Meyer and Rowan, 1977; DiMaggio and Powell, 1983), since they can assist them in maintaining institutional power and legitimacy (Suchman, 1995).

In addition to competitive pressures, NIS maintains that organizations sharing a specific institutional context are subject to the same institutional pressures (Scott, 1995), thus facilitating isomorphism, understood as the process in which an organization's structure and behavior tend to resemble those of others within the same context. DiMaggio and Powell (1983) identified three types of institutional isomorphism (coercive, normative and mimetic), which were respectively associated by Scott (1995) with each of the three components or pillars of the institutional context: regulative, which refers to explicit regulatory processes involving the establishment of rules, the monitoring of compliance thereof, and the application of sanctions in order to influence future behavior; normative, which refers to norms, values and assumptions concerning human nature and behavior shared by individuals; and cognitive-cultural, which refers to the shared concepts that underlie the nature of social reality and which influence the way in which a phenomenon may be interpreted. The pressures exerted by these pillars may be

the reason behind the marked tendency towards the standardization of management accounting practices as observed in organizations belonging to industrialized countries (Araújo, 2003), which are able to either foster or delay changes in their management accounting structures and systems.

In the 1980s and 1990s, NIS concentrated predominantly on the study of the different types of isomorphism, and was criticized for thus focusing on organizational stability and homogeneity (Greenwood et al., 2008). By the 2000s, research on institutional change was attracting greater levels of attention, and now considered that institutions change over time; that such change usually occurs gradually; and that it is the product of both exogenous and endogenous factors (Torres, 2015).

Similarly, NIS has been criticized for neglecting the influence of factors such as interests, power, conflicts and agency in the configuration of organizational action (Seo and Creed, 2002; Lawrence, 2008), which underlies the idea that actors behave as stipulated by the institutions in their environment. The recognition of institutional complexity, understood as the situation in which organizations face incompatible requirements from multiple institutional logics (Lounsbury, 2007; Greenwood et al., 2011), contributes to overcoming this vision of actors as “*institutional automatons*” (Battilana and D'Aunno, 2009) by allowing the possibility of conflict between actors in pursuit of their own interests, based on different institutional logics, to come under consideration.

Along the same lines, the concept of *Institutional Work* (Lawrence and Suddaby, 2006) aims to include agency within the framework of NIS (Battilana and D'Aunno, 2009). In this way, the purposive action or reflexive intentionality of individual and collective actors constitute one of their defining characteristics (Lawrence et al., 2013),

together with the need for endeavors on the part of the actors in order to affect institutions (Lawrence et al., 2011).

Lawrence and Suddaby (2006) defined an initial typology with regard to forms of institutional work, in which they referred to institutions' creation (advocacy, defining, constructing identities, etc.); maintenance (enabling work, deterring, mythologizing, etc.); and disrupting (disconnecting sanctions, dissociating moral foundations, etc.). Subsequently, Perkmann and Spicer (2008) placed these forms of institutional work into groups, and distinguished three types: (1) political work, related to the establishment of the regulatory framework, to actors' negotiations with regard to the requirements imposed, and to the mobilization of social support for the management practice or tool; (2) technical work, which refers to the development of detailed models as to how the management practice functions, specifying technical aspects such as concepts, measurements, calculations, etc.; and (3) cultural work, which mainly consists of the use of discourse to promote the management technique to other actors, bringing together the different interpretations surrounding the technique as a means of achieving objectives.

Perkmann and Spicer (2008) concluded that these types of institutional work can support or contradict each other during the process of institutional change, although there is a greater probability of a management practice becoming institutionalized when the three types of work are combined and developed cumulatively.

Chiwamit et al. (2014) used the aforementioned typology of institutional work to analyze the institutionalization process of the Economic Value Added management practice within state-owned companies in China and Thailand. The authors concluded that political work and cultural work undertaken by different actors were necessary for the technical work carried out during the institutionalization process, and that for certain

actors, a management practice's relevance can only be achieved by making concessions to other actors with partially divergent interests.

More recently, Cloutier et al. (2016) used institutional work analysis in order to study reforms in Canada's public health sector. They concluded that the reforms involved a complex set of interactions between the different types of institutional work (structural, conceptual, operational and relational), within which the definition of organizations' structures and roles, together with the establishment of new belief systems consistent with said reforms, were the first actions to be undertaken. Conversely, the implementation of specific actions designed to affect day-to-day organizational behavior began later, continuing throughout the process of trust building and collaboration between those involved.

In order to analyze the results of this paper, Perkmann and Spicer's (2008) institutional work typology was adopted for the following reasons: it is based on the original classification defined by Lawrence and Suddaby (2006), who were the precursors of the term institutional work; it is used by Chiwamitt et al. (2014) in order to study the implementation of an accounting tool, as in our case study, thus reinforcing its suitability; and it is easily comparable to other classifications, such as that of Cloutier et al. (2016). In this way, political work can be compared to structural work; technical work to conceptual and operational work; and finally, cultural work can be compared to relational work.

2.2. Barriers to the implementation of management practices in the public sector

NIS has been used for the analysis of management practices in the public sector, particularly cost calculation (Helden, 2005; Kuipers et al., 2014; Mättö and Sippola, 2016), while institutional work has received scant attention (Malsch and Gendron, 2013). Furthermore, the literature has mainly focused on institutional work undertaken in order

to facilitate reforms in the public sector, without a more in-depth analysis of the barriers to the different types of institutional work which can prevent objectives from being achieved. In this sense, for example, Brusca and Montesinos (2013) demonstrated that while Spanish LAs did use cost management tools for accountability, they rarely used them to support decision-making and to improve efficiency, despite the reforms that have been introduced for the purpose of achieving the latter. These results are along the same lines as those obtained by Carvalho et al. (2012) with regard to Portuguese LAs.

The specialized literature has identified various difficulties or barriers associated with reforms introducing new practices in Spain's local public sector, which prevent said reforms from achieving the objectives for which they were designed and implemented. Table 1 summarizes the results of the studies that have been reviewed, differentiating between those related to the Spanish context and those related to other international contexts, given the differences that may exist in their socio-political environments.

[INSERT HERE TABLE 1]

With regard to the barriers detailed in Table 1, this paper further examines those related to the development of the forms of institutional work, such as regulations and organizational context in the case of political work; existing management operations and their fit with the models proposed by the new practice in the case of technical work; and in the case of cultural work, the existence of conflicting interests and differences in interpretations concerning the practice in question.

Several elements have prompted the undertaking of this paper: the diversity of the barriers that may arise during the implementation of management practices in LAs, and the fact that they may hamper the development of institutional work; the importance of

recognizing and overcoming these barriers so that said practices are ultimately of use; and existing concern regarding the scant use of management practices to support decision-making processes and to improve efficiency (Geiger and Ittner, 1996; Verbeeten, 2011; Carvalho et al., 2012; Brusca and Montesinos, 2013; Mättö and Sippola, 2016).

Before presenting the results of the case study, which utilizes CESEL as the management practice to be reviewed, the following section outlines CESEL's main technical aspects, and how it differs from the provision cost.

3. Cost-effective and provision cost

CESEL is a costing tool for Spanish LAs, and it has been necessary to calculate it on an annual basis since 2015. From a technical standpoint, cost-effective of the services provided by local authorities, agencies and dependent companies subject to a limited budget, is calculated based on the data contained in the general budget settlement of the previous financial year. Additionally, in the case of dependent or related companies that apply the company's general accounting plan, its calculation is based on operating expenses included in the profit and loss account. Cost-effective takes into account both the direct and indirect costs of the services, which are identified with liabilities, including those liabilities yet to be applied to the budgets, in line with expenditure data contained in the general budget settlement, or in the profit and loss account where applicable.

Despite the fact that the requirement to calculate the so-called Provision Cost or Real Cost of local services (Carrasco et al., 2014) was also established in 2013 for municipalities with more than 50,000 inhabitants, its implementation was postponed until 2018 for accounts corresponding to financial year 2017. To date, therefore, it has not coexisted with CESEL to any degree, and its implementation is still in the initial stages. Figure 1 summarizes the main characteristics and the differences between the two concepts.

[INSERT HERE FIGURE 1]

CESEL and provision cost follow different models. The first is a model of its own, different to the ABC (*Activity Based Costing*) cost model on which provision cost is based. In this way, CESEL considers fewer cost concepts (for example, those of organizational structure); it contains less detail of the services; and it lacks indicators and offers more aggregated results (Salanova and Vivas, 2017). While CESEL aims to calculate the cost of services provided in the interest of transparency and efficiency, the aim of provision cost is to calculate the margins of activities financed under public tariffs and prices. Similarly, CESEL is not a real cost, unlike the provision cost of the activities, which is accompanied by the corresponding management indicators. Finally, the information sources also differ, technically speaking, since CESEL originates from liabilities recognized and operations pending application to the budget as reflected in the budgetary settlement, while provision cost uses the organization's various information systems which allow for the calculation of the real cost of the activities based on the consumption of associated resources.

4. Research methodology

This paper undertakes a longitudinal case study, which was carried out in Seville's City Council, covering the period from 2012 to 2018. The aim of this methodology is to gain a profound understanding of the phenomenon under review, which in this case is CESEL implementation, and to provide a credible and substantiated account thereof based on the information obtained and analyzed (Parker, 2012). In order to attain the aforementioned profound understanding of the subject matter, this paper's use of a case study has provided us with the following advantages (Yin, 1989; Scapens, 1990 and 2004; Diefenbach, 2009;

Woodside, 2010; Parker, 2012): (1) consideration of the organizational, social, economic and institutional contexts in which the phenomenon occurs, thus allowing us to better contextualize actors' perceptions; (2) holistic consideration of the process under analysis, understanding it as a whole and not as the sum of the effects of a set of previously defined variables; (3) detailed identification and analysis of various factors (e.g. types of institutional work, barriers, and mediating factors) in order to understand their influence on the process of change; (4) greater proximity to the actors involved in the process, thus improving the understanding of their views and perceptions; and (5) the use of different sources of information (chiefly semi-structured interviews, document review, and non-participant observation), which has enabled us to improve the validity of the results by means of triangulating of the information.

Thus, the use of a case study to analyze the implementation of CESEL has provided us with greater details as to why this phenomenon has occurred in the way in which it has; facilitated the development of the pattern followed by the process of change; and has allowed us to develop a more informed theory (Parker, 2012), as materialized by our proposed theoretical model. This last aspect also reinforces the external validity of the study (Woodside, 2010).

Within the context of the public sector, Kuipers et al. (2014) specifically recommend the use of case studies for the analysis of the processes of change in organizations. Brignall and Modell (2000) and Carvalho et al. (2012) also call for the undertaking of case studies, with particular consideration to cost management techniques, since this methodology helps to track the development routes of the process of change as well as its effects over time, and it also improves our understanding of public sector organizations' search for legitimacy through the use of cost management techniques.

Seville City Council was chosen as the subject matter since it had carried out CESEL implementation, and different types of institutional work were deployed and various barriers arose. Furthermore, the large number of entities constituting Seville's highly fragmented local public sector allows for greater depth when analyzing institutional work and the barriers thereto, since it is possible to consider the consolidation of the services provided by, among others, the main authority, autonomous agencies and municipal companies, which provides a greater wealth of information for the study. In this way, the case selected for the study complies with the objectives of the paper, and provides the relevant arguments and circumstances required for the appropriate analysis of the phenomenon under review (Diefenbach, 2009). Additionally, given that the use of case study does not require quantitative representativeness nor the objective selection of the organization under review (Diefenbach, 2009) – since the aim is not that of statistical generalization of the results – the choice of Seville City Council based on its appropriateness for the subject matter essentially justifies its selection. Further reasons bringing relevance to the case analyzed include the fact that Seville City Council is a large-scale authority (it provides services to the fourth largest population in Spain, with 689,434 inhabitants in 2017), which manages a significant level of public resources (the main authority's budget amounted to 820,556,046.78 € in 2018), along with the fact that it provides a wide range of services (urban public transport, the supply of household drinking water supply, management of subsidized housing, etc.) corresponding to the maximum level established by CESEL.

As recommended by Yin (1989) and Woodside (2010), several sources of information were used, namely: semi-structured interviews, document review, and non-participant observation. Although these sources were used between 2015 and 2018, the

information collected does cover the complete study period, which extends from 2012 to 2018 (Figure 2).

[INSERT HERE FIGURE 2]

Between December 2016 and February 2018, 26 semi-structured interviews were conducted, focusing on three information blocks (see Appendix 1): (1) the need for cost-effective and its advantages and disadvantages; (2) those responsible and the measures adopted for the implementation of cost-effective, identifying the barriers encountered; and (3) the use of cost-effective following its implementation. The people to be interviewed were fundamentally selected based on their participation in the implementation and development of CESEL, which was corroborated by the researchers by means of initial contacts made with the potential candidates. Of the 29 people selected from across the process of change, only 3 declined to be interviewed. In order to represent the various organizations and organizational levels, interviews were conducted with politicians; government bodies and executives; union representatives; and technical/administrative staff from municipal companies, autonomous agencies and consortiums who had to report their cost-effective to the City Council (Table 2).

[INSERT HERE TABLE 2]

The timing of the interviews was largely conditioned by the availability of the interviewees and the need to obtain fresh information as the investigation progressed. Additionally, the researchers sought to adapt the time of interview to the development of the facts. Thus, for example, certain interviews were arranged as and when the study

required the involvement of a particular area or superior level, or when relevant changes occurred in the organization. One aspect of note is that during 2015, the political party governing the City Council changed, meaning that the People's Party (Spanish abbreviation: PP) was in charge during in the stages of implementation and initial use, and the Spanish Socialist Workers Party (Spanish abbreviation: PSOE) took charge during the stages of development and subsequent usage. Given that the former focused on CESEL as a technical matter to be managed by the administrative services for the purpose of legal compliance, the continuity of the tasks already underway at the time of the abovementioned political change was a prevailing factor. This was demonstrated by the fact that all the calculations and the transmission of information were initiated by the General Controlling Board, which subsequently continued to carry out these tasks without the intervention of the new governing bodies/management.

The interviews served as the cornerstone of the information sources (Yin, 1989; Woodside, 2010), and the following advantages of said interviews for this study may be highlighted: development of questions to further investigate the facts; knowledge of the principal actors' viewpoints; consideration of the different shades of meaning used by the interviewees; and, most of all, the possibility of allowing interviewees, through their narrative, to contribute coherence to the facts of the process of change, based on their perceptions (Horton et al., 2004; Marginson, 2004; Diefenbach, 2009).

Besides conducting interviews, both external and internal documents on CESEL and its implementation process were reviewed and then classified, according to content, into the following categories: Legislation; Local regulations; Manuals and notes on CESEL; City Council documents; Other documents, the latter chiefly including those prepared by external agents (see Appendix 2). Meanwhile, non-participant observation was carried out by the researchers, who attended Seville City Council internal meetings

on CESEL, as well as CESEL seminars in which members of Central Government, managers from municipal companies and LAs (including Seville City Council), policy-makers and consulting staff also participated.

Based on the theoretical perspective adopted, the information categories considered when we started to collect information were institutional pillars (regulatory, normative and cognitive-cultural); types of institutional work (political, technical and cultural); the purpose of the management practice or technique (legitimacy and efficiency); and barriers to institutional work. This last category, however, was left open since although we had a general idea with regard to barriers, based on the review of the literature, we did not specify in advance the exact types of barriers that might arise. While the interviews were carried out, the information obtained was completed with field notes from both the non-participant observation and the document review. Repeated references in this information to the established structure, conflicts with previous agreements, and to the confrontation between economic efficiency and social interest led us to consider these as the main barriers. Hence this paper focuses on these barriers and studies them in greater depth, using both theoretical works on NIS as well as papers that have employed this theory and undertaken case studies which revealed a degree of similarity to certain aspects identified in our study (conflicts with previous agreements, concessions, relaxation of regulation, etc.). This helped us to define the content of the information related to the different barriers, and also to identify and substantiate both the mediating factors between the types of institutional work and the barriers, as well as the actions that were ultimately carried out. Table 3 shows the categorization and coding of the information collected in the study, as well as the main references of the literature used in this coding process.

[INSERT HERE TABLE 3]

In order to reinforce internal validity, the triangulation of the researchers was carried out. Thus, each of the two authors of this paper separately undertook the categorization and coding of the information, which was then jointly considered (Woodside, 2010). The fact that the two researchers belong to different fields – one an academic and the other a professional – contributed to greater consistency at this stage of the research process (Patton, 2002). The discrepancies detected, which were few, were mainly due to the codification of actions as forms of institutional work. For example, the approval of a regulation may be considered as political work when developing the regulatory framework of the practice in question. However, it may also be considered as technical work if said regulation focuses on establishing the technical criteria for CESEL calculation, or even as cultural work if the objective of said regulation is the unification of interpretations related to the use and usefulness of the practice. Discrepancies were resolved through discussion between the researchers (in the case of the aforementioned example regarding what constituted the main focus of the regulation), thus reaching consensus agreements, and also by discussing our interpretations based on the coded information with certain interviewees (Yin, 1989; Patton, 2002). Furthermore, the interactions between forms of institutional work and barriers were analyzed, and the mediating factors of these relationships and their influence on organizational responses were identified. The results were discussed with several key informants, which helped to clarify certain interpretations, and finally the proposed theoretical model was also contrasted with them.

Several limitations have been attributed to the use of case study as a research methodology, of which we have resolved the major ones as follows (Diefenbach, 2009;

Parker, 2012): (1) researchers' subjectivity based on own assumptions – resolved by means of the explicit presentation of the theoretical foundations on which our interpretations are based; (2) method accuracy – resolved by specifying the main aspects of the research process (selection of subject matter, sources of information utilized, categorization and coding of information); (3) lack of objectivity in the selection of interviewees – resolved by providing information on those interviewed and the reasons for their selection; (4) absence of objective criteria for the selection and grouping of data – resolved by presenting the categorization and codification of the information, as supported by the previous literature, and by the triangulation of the researchers; and (5) the case study's inability to generalize the results – resolved by our proposal of theoretical model (Figure 3) for the theoretical generalization of the study's results.

[INSERT HERE FIGURE 3]

The following section presents the results of the case study, structured in subsections according to the different components of the aforementioned theoretical model (pressures, forms of institutional work, barriers, mediating factors and resulting actions) to which they refer. The presentation follows the time sequence in which the events occur, and is thus adapted to the natural development of the CESEL implementation process under review.

5. Results of the case study

This section begins by outlining the sources of information on which CESEL calculation is based, as well as the degree of development of provision cost in the organization under review. Subsequent subsections, focused solely on CESEL, present the factors that have

influenced the processes of emergence, implementation and development of CESEL in Seville City Council.

5.1. Cost-effective and provision cost in Seville City Council

It is worth noting that within the organization under review, several commercial companies participated in CESEL, namely municipal companies for housing (Spanish acronym: EMVISESA); water supply and sanitation (Spanish acronym: EMASESA); urban transport (Spanish acronym: TUSSAM); markets (Spanish acronym: Mercasevilla); and cleaning (Spanish acronym: LIPASAM), all of which provide highly important services. This meant obtaining and consolidating information concerning budget settlement in the case of the main authority and its autonomous agencies subject to budget limitations, as well as information on the profit and loss account in the case of municipal companies subject to the company's general accounting plan, whose operating expenses are included in the aforementioned accounting statement.

Thus, the information sources for the calculation of cost-effective in Seville City Council were the general budget settlement and the annual accounts approved by related or dependent organisms subject to the company's general accounting plan, with financial accounting being left out of this cost in the case of those bodies subject to budget limitations, the principal authority and autonomous agencies. Furthermore, Seville City Council imputed depreciation costs of assets associated with the services, since the Asset Management Program was in place, which allowed for said imputation.

With respect to provision cost, there was a significant delay in its implementation in Seville City Council, since the actions (e.g. model definition, analysis of activities, implementation of the information system) required for its entry into force in 2018 were not carried out during the adaptation period. This means that the information prepared to respond to the requirements of the regulation is somewhat diverse. Bodies not financed

under public tariffs and prices have not prepared any information, while other bodies that provide activities financed under public tariffs and prices (City Council, Autonomous Agencies, Municipal Companies) have made approximate calculations, mainly based on budgetary information. Furthermore, they have not provided any information on the remainder of their activities, and neither has applied the planned cost model. As was repeatedly indicated in the documents consulted, the City Council's General Controlling Board communicated to the relevant bodies in writing the need to initiate analytical accounting at the local level, at least for the activities established under the Instruction for the Normal Model of Local Accounting as approved by Order HAP/1781/2013 on 20th September.

5.2. Competitive and institutional pressures

Competitive pressure

The effects of the international economic and financial crisis which began in 2007 (Zafra et al., 2013; Campanale et al., 2014) had repercussions on the Spanish public sector, leading to significant adjustments in the financing of basic public services (Price Waterhouse Coopers, 2012; González, 2014). In the case of Seville City Council, its Contribution to State Revenues decreased from 283 million euros in 2007 to 171 million euros in 2009, and did not reach 2007 levels again until 2013. Furthermore, in the budget plan sent to the European Commission at the end of 2016, the Spanish Government warned that municipal companies with two years of financial imbalance would be closed, in accordance with legislation, leaving open the possibility for LAs to finance such companies with their own funds, or liquidate them (Maqueda, 2016). Seville City Council specifically liquidated the DeSevillaDigital and Sevilla Global companies, while other entities were put up for sale, transformation or liquidation.

Regulatory pressure

The regulatory context has also increased its pressure on public sector organizations (González et al., 2012). More specifically, two regulatory milestones which fostered CESEL implementation may be highlighted: (1) the reform of article 135 of the Spanish Constitution in 2011, which introduced the principle of budgetary stability (break-even status or structural surplus); and (2) the 2012 Organic Law on Budget Stability and Financial Sustainability (Spanish abbreviation: LOEPSF), which further developed the abovementioned reform, limiting the structural deficit of public administrations, as well as public debt, to the reference value of the Treaty on the Functioning of the European Union. The approval of LOEPSF also established corrective measures to which LAs – including Seville City Council – are subject should they fail to submit the information required by the Central Government. Thus, for example, authorities that do not comply with CESEL's information procedures will receive a formal notice of non-compliance, which if not addressed, will lead to the adoption of corrective measures including, among others, authorization on the part of the State or, where applicable, the Autonomous Region which exercises the financial guardianship of said authority, to arrange long-term borrowing operations.

Normative pressure

Over the last decade, the high number of corruption cases arising in Spanish public sector management has increased social concern and encouraged the need for greater transparency in management, which has in turn fostered the emergence of techniques such as CESEL. In Seville City Council in particular, several cases of corruption – such as Mercasevilla, Fitonovo and Fundación DeSevilla – increased social concern regarding public sector management, as reflected in the governmental programs of the two main

political parties, PSOE and PP, which respectively incorporated as their objectives “*responsible management of public services*” and “*transparent administration*”.

Cultural-Cognitive Pressure

Finally, the emergence of CESEL has also occurred in a context characterized by a greater social awareness of the fact that public services have a cost, and are financed with public funds that are not unlimited (Price Waterhouse Coopers, 2012). Thus, as specifically regards Andalusia for example, which constitutes the closest environment to Seville City Council, the Regional Ministry of Health approved, from 2011 onwards, hospitals’ informing patients of the cost of their care in order to raise citizens’ awareness as to the real value of the services provided, with the aim of achieving a more rational use of said services (Rincón, 2010).

5.3. Types of institutional work

Political work

The concept of CESEL was introduced for the first time in 2013 when the Rationalization and Sustainability of Local Administration Law (LRSAL) was passed. As stated in the Preamble, this Law mainly sought to rationalize the organizational structure of Local Administration in line with the principles of financial efficiency, stability and sustainability, and to ensure more stringent financial and budgetary control, thus contributing to greater transparency. The Commission for the Reform of Public Administrations (Spanish abbreviation: CORA), created in 2012, initially appealed for political commitment to the transformation of public administration, and requested support for the implementation of tools such as CESEL, “*Administrations are not transformed overnight. There is an overriding priority to procure political responsibility*

and commitment, not only to undertake change, but also to maintain momentum over time” (CORA, 2013, p. 36).

Following the conceptualization of CESEL, the Central Government approved Orders HAP/2075/and HAP/2082/2014 for delivery of the technical aspects of this costing tool. The first regulation established CESEL’s entry into force in 2014 and indicated technical criteria for its calculation, empowering the Ministry of Finance and Public Administration (Spanish abbreviation: MHAP) with its application and execution. The second regulation established the obligation for LAs to provide information related to CESEL.

Following these Orders, the General Secretariat of Autonomous and Local Coordination, a body dependent on the Central Government, issued a Resolution specifying the reference units mentioned in Order HAP/2075/2014 for the calculation of CESEL. Meanwhile, in 2015, Seville City Council approved the Organic Regulation for the Legal System applicable to Coordinators-General and Directorates-General, who are responsible for the efficient use of resources. Similarly, the Ordinance for Transparency and Information Access specifically introduced the obligation to report the cost of services financed under public tariffs and prices.

Cultural work

In addition to the development of the abovementioned regulation, note should be made of the Report prepared and circulated by CORA (2013), which included a detailed analysis of the public sector situation, and which established a total of 217 proposals for measures aimed at transforming public administration. It also outlined those organizations affected, included scheduled deadlines, and estimated the costs and savings to be derived from the implementation of said proposals. Among the measures put forward was the proposal for public services to be budgeted in line with efficiency

standards. This Report was used to justify the need for tools such as CESEL in order to improve efficiency in the management of public services and, thus, solve the problems hitherto identified in public administration.

The Central Government also further motivated the need for CESEL to improve efficiency based on a document prepared by the Institute of Fiscal Studies entitled “*Report on potential savings due to the establishment of a standard cost for the provision of services at the local level and due to limitations on public initiatives for the development of Municipalities’ economic activities*”. This document showed that the average total expenditure of minimum services in municipalities of fewer than 5,000 inhabitants was triple that of the same services in municipalities with more than 100,000 inhabitants, despite the fact that recent studies have shown that the cost of public lighting is the only service to decrease as the population increases (Regional Finance Ministry, 2018). This Report proposed that if the cost was higher and the competition was unsuitable, then the service should be eliminated, while in the case of minimum services, Provincial Councils should assume the services of municipalities with fewer than 20,000 inhabitants.

After having justified the need for CESEL, the Central Government sought to combine interpretations concerning this costing tool in order to achieve its objective. In this regard, it is worth noting the publication in 2014 by the Central Government of an explanatory document pertaining to the usefulness of CESEL for reform at the local level, which indicated that cost-effective helped to track municipalities’ costs and that it constituted a measure of the efficiency and transparency of public management.

Technical work

Initially, the Spanish Federation of Municipalities and Provinces (Spanish abbreviation: FEMP), which represents and defends the interests of Spanish LAs and acted as an interlocutor with the Central Government, made several calls for certain technical aspects

of CESEL to be introduced into the regulation, such as the consideration of other variables for its calculation (e.g. population, orography, area of the municipality); the recognition of other direct costs of public services; and the use of the proportional calculation method for direct costs where costs were shared by different services.

Subsequently, following the approval of Order HAP/2075/2014, technical work on the part of experts (principally academics and specialists in the field) facilitated the development of detailed models pertaining to the operation and calculation of CESEL. Noteworthy among the contributions made, due to its wide circulation, was the publication of the manual *“Real Cost versus Cost-Effective of Local Services”* (Carrasco et al., 2014), which specified models for the calculation of CESEL.

In the final stage of CESEL’s implementation, the technical work adopted different forms and was developed by several actors, focusing on the greater specificity of the technical aspects. The following may be highlighted among the forms of technical work deployed: the publication of the *“Practical Manual for the Calculation of Cost-Effective”* by the College of Financial Controllers and Treasurers of Local Administration (Spanish abbreviation: COSITAL) (Merino and Ortega, 2015), which included the technical aspects and models necessary for the calculation of CESEL and which constituted a basic reference manual for Seville City Council; the publication of *“Guides – Cost-Effective”* (2014-2017) and *“Issues relating to the provision of CESEL information”* (2015, 2016 and 2018) by the General Sub-Directorate for Studies and Financing of Local Entities, dependent on the Central Government, which helped to clarify the large number of queries arising during CESEL calculation; and the various seminars and courses focused on the technical aspects of CESEL held by different associations (e.g. *“The Calculation of Cost-Effective in Municipal Public Service Companies”*, organized by the Network of Local Companies of General Interest, and

“*Calculation and Publication of Cost-Effective of Local Public Services*”, conducted by COSITAL and which was attended by managers from Seville City Council).

5.4. Barriers to institutional work

Barrier to political work

As mentioned by the majority of the interviewees, the structure of the organization under review in fact made CESEL implementation more difficult. As a municipality with a large population, Seville City Council’s structure consisted of an executive body – the Mayor's Office – and a political organization comprised of nine major Government Areas, headed by their respective Delegations. These areas had the support of the Coordinators- and Directorates-General, on which the administrative structure rested, organized into different Services. This organizational structure also contained bodies responsible for internal control and audits, as well as bodies responsible for economic-financial and budgetary management. As one of the managers interviewed stated:

This organizational structure corresponds to an organic model, focused on Areas and Delegations, whose main task is bureaucratic management as opposed to efficiency management. CESEL, for its part, is a functional model, based on expenses and services provided, theoretically oriented towards improving efficiency. In this sense, the existing organizational structure has hindered the implementation of CESEL as driven by regulation.

During the interviews, it was revealed that the aforementioned structure was not adapted to the provision of municipal services as included in CESEL. Thus, several interviewees argued that the management of the different Services was carried out in isolation, with practically non-existent communication and coordination between the

internal units of the City Council. Furthermore, the provision of certain services was carried out by dependent bodies such as municipal companies and autonomous agencies, which had more highly developed accounting systems and procedures which required the reworking of information for CESEL calculation. Similarly, some interviewees revealed that the role of managers was not suited to CESEL requirements. As one manager stated:

CESEL focuses on the cost and management of public services and not on the organic structure. This tool needs professionals who are familiar with public service management, while the majority of managers are bureaucracy professionals, whose main activity is essentially to process “documents”. This has led to CESEL’s being focused on as a bureaucratic issue, related to the provision of information required by the General Controlling Board of the City Council, and not seen as a real management tool that serves to evaluate the efficiency of public services.

Barrier to cultural work

The Central Government’s promotion of CESEL as a tool for the improvement of economic efficiency in public services management clearly came into conflict with social interests defended by other actors such as political parties and LAs themselves. In this regard, a representative of the City Council’s governing team stated, *“This cost just tries to show that public administration is expensive. Its main objective is to demonstrate to citizens that municipalities are expensive, and that they squander resources, thus justifying the reform”*.

Based on the interviews, the defense of economic efficiency stemmed from the high cost of municipalities; the need for more stringent financial and budgetary controls; the need to resize public administration, reducing the number of municipalities and suppressing the provision of unprofitable public services; and from the use of mechanisms

for evaluating the provision of public services based on quantitative aspects, such as CESEL, due to the “*objectivity of numbers*”. Meanwhile social interest, as defended by LAs and political parties, implied the recognition of local autonomy; the social function of municipalities; the provision of necessary public services, even if they were unprofitable or outside their area of competence; and a level of proximity to citizens, improving their well-being through the provision of public services. In this regard, as stated in interview by a politician:

The process of public administration reforms, including CESEL, implies an attack on constitutionally recognized local autonomy, an attempt to divest powers, and a desire to resize the local status quo without involving the bodies responsible for the reforms.

Similarly, regarding the quantitative evaluation of the provision of public services, one of the managers stated:

We reject the requirement for municipalities to provide services from a quantitative perspective if the needs and obligations of providing services to the community are not taken into account, if costs and quality are not compared, and if the social function fulfilled by local administrations is not considered.

Barrier to technical work

Prior agreements regarding management based on budget execution greatly limited the implementation of new agreements based on CESEL. In this way, the City Council was subject to the public accounting regime, and its management complied with the annual budget which incorporated estimated provisions for the undertaking of the governing team's policies. The budget was limited and binding and, as one of the managers interviewed stated, “*It is the management tool used by public administrations. It indicates*

the origin of the provisions, i.e. who is spending; their goal, i.e. why they are spent; and their nature, i.e. on what they are spent, thus permitting expense control to be carried out". According to another of the managers interviewed, *"Budgeting is not based on efficiency criteria, on the ceiling of expenditure and on the allocation of provisions to different spending policies, the main concern in the negotiations"*. Furthermore, the interviewees stressed that budgetary information was requested by various agents, and was validated by the internal and external control bodies of the City Council.

For its part, CESEL is based on the economic concept of cost, and aims to strengthen compliance with the principles of efficiency and transparency in public management. As well as not being binding by nature, the information published relating to CESEL had not been validated by any organism, either from the City Council or from Central Government, and disproportionate data was evident. The interviews conducted revealed different technical difficulties of CESEL, such as the ambiguity of the concept and its calculation; confusion surrounding its concepts, such as expense and cost; the absence of similarity with pre-existing cost calculations; public tariffs and prices, consolidated annual accounts and CESEL; the information's lack of homogeneity; accrual calculations; the lack of details regarding the allocation of depreciation to local public services; and the exclusion of some general expenses in the calculations. By way of example, a manager from a public company stated that:

The calculation of cost-effective of the service did not include significant costs such as lighting, telephony, office supplies and municipal laboratories, which are contained in the general administration program and which were distributed proportionally according to the accumulated cost of the service prior to secondary allocation. This contaminates the service costs obtained and prevents their homogeneity.

5.5. Mediating factors and subsequent actions of institutional work

Relaxation of the regulation – Decoupling

The relaxing of regulation contributed to the overcoming of the barrier imposed by the established structure of the organization under review. In this sense, Seville City Council limited itself to meeting deadlines set for sending CESEL information, since no major consequences were expected. Thus, for example, just as non-compliance with the average payment period for suppliers had not been subject to all the corrective and coercive measures provided for in the legislation – despite its importance – it was assumed that neither would CESEL be subject to them. In this sense, as one of the managers interviewed stated:

The State Tax Administration Agency immediately imposes sanctions when the information is not provided within the established deadlines. The same occurs, for example, when unjustified subsidies are received, which implies their return, interest on late payments and even the denial of new subsidies. Only when sanctions are imposed are matters taken seriously.

The lack of validation with regard to CESEL information also pointed to the relaxation of regulation. As one of the technicians interviewed stated:

The validating of information is not carried out, nor is there any concern regarding its content – costs, reference units, distribution of general administration expenditure programs – since there are no consequences for the organization.

Other aspects reflecting the relaxing of regulation were the absence of effects on the financing of the City Council; the non-limitation of the provision of public services

based on CESEL; the lack of specifications pertaining to a homogeneous procedure and to the bodies responsible for CESEL calculation; and its non-submission to municipal governing bodies. As stated by one of the managers interviewed:

The reason why CESEL was not submitted to municipal bodies is that, first of all, this requirement is not stipulated in the regulations, and secondly, a procedure requiring accountability to the governing bodies has not been defined, as has already been argued by FEMP, COSITAL and the General Financial Controller of the City Council itself. The absence of a procedure does not prevent the remittance of accounts to said bodies, but it remains at the discretion of the governing bodies, and they do not consider it necessary since they view it as a technical and bureaucratic aspect.

The relaxing of regulation facilitated the decoupling between the City Council's day-to-day operations and the regulatory requirements for CESEL as a management tool. Seville City Council did not make any changes to its processes as a result of CESEL, incorporating it as yet another bureaucratic burden imposed by the General Controlling Board of the City Council. As one of the managers interviewed said, "*The regulation's requirement for the provision of information is complied with, but internal management operations are not affected. The sending of the information within the stipulated time is sufficient*". Similarly, another interviewee demonstrated this by stating that all actions related to CESEL were carried out in a very short period of time, and that no further action took place until the next fiscal year.

Personal interest - Concession

With respect to the conflict between economic efficiency and social interest during CESEL implementation, actors' own interests mediated and finally the Central

Government conceded to LAs, which entailed the configuration of CESEL as a measure of transparency and not as a tool for improving efficiency in the management of local public services, allowing public policies to be evaluated and as a consequence their financing established. More specifically, interviewees from the City Council emphasized its proximity to its citizens, which in turn puts greater pressure on public officials to meet their demands. As one of the interviewees stated, *“The superior and governing bodies of the City Council are very sensitive to citizens’ demands since, if they are not met, their survival is compromised.”* Thus, even if CESEL did reveal the economic inefficiency of a particular public service, it would be very difficult to eliminate it due to the citizens’ pressure. This was also expressed by one of the politicians interviewed as follows:

CESEL cannot constitute a limitation on the provision of services, since these depend on the will of the local governments that have been directly elected by their community. Not only should quantitative aspects be taken into account, but also aspects of a political nature, of convenience and of opportunity, functions which are attributed to political representatives.

Concessions on the part of the Central Government to LAs in order to mitigate the conflict between economic efficiency and social interest were pointed out by one of the managers interviewed:

The about-turn of the Central Government as regards the consideration of CESEL as an instrument of transparency were evident in MHAP’s references to it, which from then on began to insist that CESEL did not replace other established cost models supporting current management.

Interviewees also stressed that MHAP had not encouraged institutional collaboration, nor had it been receptive to said degree of proximity between city councils and citizens.

Detached technical work - Integration

The “*detached*” nature of technical work, which involves the weakness that exists between design and the reality faced by people carrying out their tasks, was mainly demonstrated by the difficulties in implementing CESEL as identified by the interviewees. One of these difficulties was, for example, the way in which certain expenses that made up the cost of services were included in the budget. In this regard, one of the managers interviewed referred to expenses pertaining to the supply of electricity as budgeted for in the General Administration program 92012 Municipal Buildings, amounting to 4,970,974 € (2018), which corresponded to the supply of electricity for the majority of the services provided (Cemeteries, Civil Protection, etc.). In this way, the budgeting and execution of expenditure within a general administration program facilitated the legal management of expenditure (hiring, billing, conformities etc.). However, if this were to be processed according to each of the specific services, the paperwork would be significantly multiplied, leading to delays and unrealistic workloads. Also by way of example, a further difficulty appeared when using CESEL to compare the costs of services provided by different municipalities. As explained by one of the managers interviewed:

The fact that two services are said to be the same does not mean they are the same. One service can be provided completely differently by several Municipalities; the cost of the services is determined by the technical specifications that establish their content – frequency, staff, materials – and therefore by what these cost. Comparing

the costs of two services without considering their content is not an acceptable criterion and is an issue that has not been resolved.

Similarly, some interviewees revealed that the availability of certain information necessary for the development of CESEL had not been taken into account, such as the Survey of Infrastructures and Local Equipment (which was not mandatory for the City Council); personnel costs for services; and the allocation of assets to services for depreciation costs.

The problems encountered with regard to the implementation of CESEL meant that it was finally integrated into already existing City Council operations. In this way, CESEL was not incorporated into Services management processes, but rather was integrated as a new information request pertaining to the remit of the General Controlling Board of the City Council. In this regard, one manager stated in interview that, "*CESEL has adapted itself to existing practices, ultimately resulting in a new workload that has not had any effect on the management of local public services.*" Similarly, another of the managers interviewed stated that:

The Central Government imposed a new methodology on municipalities, based on cost management, but without relinquishing the existing bureaucratic methodology and budgetary management. Therefore CESEL was adopted, but the old methodology for the management of public services continued to exist.

6. Discussion of results

Pressures of the context

As the results show, competitive pressures and those arising from the institutional context (DiMaggio and Powell, 1983; Scott, 1995) fostered the emergence and implementation

of CESEL, which was designed by the main actor (Central Government) to respond to the demands of said pressures, mainly related to greater transparency and efficiency in the management of local public services (Brusca and Montesinos, 2013). The relevance of the pressures of the context, and the relevant role of the government in the emergence of new management practices in the public sector has also been demonstrated in previous studies (e.g. Geiger and Ittner, 1996; Jackson and Lapsley, 2003; Modell, 2009; Akbar et al., 2015; Järvinen, 2016).

Public sector organizations are increasingly subject to greater financial pressure (Ridder et al., 2005). In this sense, the most recent international economic and financial crisis (Zafra et al., 2013; Campanale et al., 2014), particularly led to significant adjustments in the financing of basic public services in Spain, and considerably increased concern over the pursuit of economic efficiency (Price Waterhouse Coopers, 2012), still current today due to the Spanish State's volume of public debt and deficit. Regulatory institutional pressure has progressed in line with this greater competitive pressure in the public sector, with concern over the calculation of service costs going back several decades (González et al., 2012).

Similarly, the most recent management reforms of Spanish LAs have also sought to increase the transparency and accountability of governments (Brusca and Montesinos, 2013), thus identifying with "*the right thing to do*" that characterizes the regulatory institutional pillar (Scott, 1995). This aspect has been heightened by the cases of corruption within Spain's Public Administration. Thus, the barometer released at the end of 2014 by the Center for Sociological Research showed that corruption was considered by Spaniards to be the country's second most important problem, and it has remained in this position until today (Center for Sociological Research, 2017). In this context, and given that transparency contributes to tackling corruption (Lehman and Thorne, 2015),

CESEL has also been promoted as a measure to increase transparency in the management of public services.

For its part, greater social awareness regarding the costs of public services, which can be identified with cognitive-cultural institutional pressure, also facilitated the emergence of CESEL. Certain governmental measures have also contributed to said greater social awareness and changes regarding the concept of the cost of public services, such as the implementation of co-payments in health services or the increase in the enrollment costs of State education, and the publication and dissemination of studies that have analyzed the management and efficiency thereof have also made a contribution (e.g. Carrasco et al., 2007; Rubia et al., 2011).

Development of the forms of institutional work

During the implementation of new management practices, the main actor simultaneously undertakes different forms of institutional work (Lawrence and Suddaby, 2006; Kuipers et al., 2014), albeit that political and cultural work tend to precede technical work (Perkmann and Spicer, 2008; Cloutier et al., 2016). In the case under review, political work prevailed during the emergence of CESEL, and constituted the main driver behind the change. This paper has focused on the development of regulation to enforce the implementation of the new costing technique, which was carried out by the Central Government and its dependent bodies, principally MHAP and CORA. As the implementation process progressed, the political work on the part of the Central Government decreased, and it was subsequently developed at the LA level.

Using regulation as a reference, technical work was deployed throughout the implementation process, predominantly in the final stages when cost-effective began to require greater specification and operability. For its part, cultural work, which seeks to build trust and collaboration between the actors involved in the implementation of the

new tool, and which is considered crucial for the development of other forms of institutional work (Perkmann and Spicer, 2008; Coule and Patmore, 2013; Cloutier et al., 2016; Hampel et al., 2017), began in the early stages of CESEL implementation, although it did also slightly reinforce the abovementioned forms of institutional work. This aspect is demonstrated by the fact that the Central Government and its dependent bodies scarcely made use of discourse to promote CESEL and its advantages to other actors. In this regard, Carvalho et al. (2012) indicate that the success of management tools depends on adequate political support during the implementation process. Similarly, Cloutier et al. (2016) argue that without inspiring discourse, change in technical tools is unlikely to occur, resulting in differences between design and reality (Malsch and Gendron, 2013).

Barriers, mediating factors and resulting actions

For analytical purposes, Figure 3 details the main barrier faced by each type of institutional work, as well as the mediating factor that influences the action finally taken in order to resolve the conflicts that have arisen. Thus, the established structure (Meyer and Rowan, 1977; DiMaggio and Powell, 1983), which in the local authority studied corresponded to an organic model focused on Areas and Delegations and oriented towards bureaucratic management, constituted an important barrier to the development of political work, which promoted a functional model aimed at improving the efficiency of service management. The relaxation of regulation on the part of the main actor (Yang and Modell, 2013; Chiwamit et al., 2014; Canning and O'Dwyer, 2016; Perner and Skjolsvik, 2018), as demonstrated in our case, for example, by the non-application of sanctions provided for and the lack of verification of the information prepared for CESEL resulted in decoupling (Boxenbaum and Jonsson, 2008; Hirsch and Bermiss, 2009), which consisted of manifesting compliance with the requirements, but without implementing the planned changes in the organization's day-to-day operations.

With regard to the relaxation of regulation, it is worth noting that in 2016, of a total of 12,973 LAs, only 5,148 (39.6%) sent CESEL information to MHAP (Regional Finance Ministry, 2018, p. 2), without any sanctions or corrective measures being applied.

The main barrier encountered as regards cultural work was that of institutional complexity, resulting from the existence of competing institutional logics (Lounsbury, 2007; Greenwood et al., 2011; Coule and Patmore, 2013; Smets and Jarzabkowski, 2013; Järvinen, 2016; Perner and Skjolsvik, 2018), namely two: the logic of economic efficiency, promoted by the cultural work developed by the Central Government and dependent bodies, and the logic of social interest, sustained by political parties and the City Council. In this case, the interests of both Seville City Council (defending its autonomy and powers), and the Central Government (avoiding confrontation with local public administration), facilitated the latter's concession to the former by considering CESEL as a tool for transparency and not for improving the efficiency of service management. At the LA level in Spain, two facts further contributed to this concession. Firstly, the fact that more than 2,400 municipalities contemplated confrontation with LRSAL in order to defend their local autonomy, arguing that the new regulation entailed the divestment of their powers. And secondly, the Opinion of the Council of State which concluded that sufficient legal grounds did exist to contemplate conflict with the aim of defending local autonomy, based on the impact made by "cost-effective of the service" when used as the sole determining criterion for the assumption of municipal services by the Provincial Councils.

Concessions on the part of the main actor to other actors in order to accommodate the latter's interests and to reach agreement with regard to the new practice have also been demonstrated by Chiwamit et al. (2014). More specifically, these authors point out that the relevance of management accounting practices, in our case CESEL, can only be

achieved through commitments and concessions on the part of certain actors to others, otherwise said practices may be considered to be an instrument serving a dominant category of interests at the expense of other interest groups, negatively affecting their relevance.

Meanwhile, the main barrier to technical work consisted of the existence of prior institutional agreements (Seo and Creed, 2002; Cloutier et al., 2016) related to the concept of budgetary expenditure and management based on budgetary execution, which formed the basis for the local authority's day-to-day internal operations. CESEL, however, introduced concepts of historical cost and of management focused on the improvement of efficiency. The "*detached*" nature that usually characterizes technical work (Cloutier et al., 2016) was demonstrated in this case study by the difficulties encountered in CESEL's development, such as the lack of homogeneity of the information required, or difficulties in the allocation of certain expenses, such as electricity supply, to services. And this "*detached*" nature resulted in those involved in CESEL's development tending to incorporate its requirements as yet another burden of bureaucratic work, but without any implications for service management. Along these lines, a recent study has demonstrated the decoupling that exists between regulating politicians and professionals who implement accounting practices, as a consequence of the innovation's lack of value-added (Labrador and Olmo, 2019).

Following CESEL implementation, the management of the local authority continues to be based on budgetary execution, even though it is mandatory to provide cost-effective for the purpose of greater transparency. As also shown by Smets and Jarzabkowski (2013) and Cloutier et al. (2016), conflicts between prior institutional agreements and ideas for reform usually give rise to a hybrid form of transformation, in

which the elements proposed by the reform are inserted into pre-existing institutionalized agreements.

By way of a summary, Table 4 reflects the principal difficulties to the development of the different types of institutional work intended for the implementation and use of CESEL encountered during this case study. Certain of these difficulties have been disclosed in the previous literature with regard to other practices that have been implemented in the public sector, and are not therefore exclusive to CESEL, for example: the predominance of bureaucratic structures (Navarro et al., 2008); management focus on the control of legality (Brusca and Montesinos, 2013; Ibarloza et al., 2017); conflicting interests (Brusca and Montesinos, 2013); the lack of procedures (Navarro et al., 2008); technical difficulties as regards utilization (Brusca and Montesinos, 2013); and low levels of motivation with regard to application (Prado and García, 2006; Navarro et al., 2008; Brusca and Montesinos, 2013).

[INSERT HERE TABLE 4]

As a consequence of the decoupling, concession, and integration resulting from the confrontation between the different types of institutional work and the barriers thereto, and from the influence of the mediating factors identified, the costing tool finally implemented in the organization under review was different to that originally designed (Geiger and Ittner, 1996; Lee, 2008; Malsch and Gendron, 2013). This thus affected the fulfillment of its objectives: CESEL was ultimately established as an instrument for improving transparency and, in turn, for obtaining legitimacy, but had little impact on improving the efficiency of local public services. In this regard, the previous literature mostly suggests that public sector organizations tend to introduce changes in cost

management primarily to increase their legitimacy (Brignall and Modell, 2000; Geiger and Ittner, 1996; Verbeeten, 2011; Akbar et al., 2015), and rarely make internal use of the cost techniques implemented in the decision-making process (Bogt, 2008; Carvalho et al., 2012), given that managers' needs are more oriented towards regulatory compliance and budgetary control than to the management of services (Ibarloza et al., 2017).

To conclude this subsection, and with this case study having identified the principal difficulties for the implementation and use of CESEL, Table 5 sets out a series of measures which may contribute to overcoming said difficulties, grouped according to the type of institutional work each would affect.

[INSERT HERE TABLE 5]

Proposed theoretical model

Based on the results of this in-depth case study regarding the implementation of a costing tool (CESEL) in a Spanish local authority, a theoretical model was inductively constructed (Figure 3) with the aim of achieving a better understanding of the barriers to the forms of institutional work deployed during this type of process of change within the public sector. More specifically, the model maintains that both competitive and institutional pressures of the environment foster the emergence of the new tool. For the purpose of its implementation, different actors, predominantly the Central Government, deploy political, cultural and technical institutional work, albeit that the last of these commences at a later stage since it needs to be supported by the previous two. The organization's pre-existing structure, which corresponds to an organic model maintaining bureaucratic management, makes political work difficult; competing institutional logics at the central (economic efficiency) and local (social interest) levels complicate cultural work; and prior agreements supporting existing management practices, based on budget

execution, hinder technical work. In order to overcome these barriers to the different forms of institutional work, a series of mediating factors come into play. Thus, the relaxation of regulation mediates in the barrier to political work, leading to decoupling between the organization's requirements and the local authority's day-to-day operations. The pursuit of their own interests by the actors involved plays its part in overcoming the barrier to cultural work, giving rise to concessions between said actors. For its part, the "*detached*" nature of the technical work deployed facilitates the overcoming of the conflict with the organization's pre-existing agreements, which leads to the integration of the costing tool into existing operations. The influence exercised by these mediating factors contributes to overcoming the barriers to the different forms of institutional work, although it also results in lessening the usefulness of the tool for the purpose for which it was designed. Thus CESEL can facilitate the obtaining of legitimacy on the part of the local authority, giving an image of greater transparency, but its impact on its economic efficiency is very limited.

7. Conclusions

The aim of this paper was to analyze barriers to the implementation of CESEL in Spanish local public administration. The research methodology used was that of a longitudinal case study conducted in Seville City Council, and adopted NIS as the theoretical perspective and, in particular, its developments regarding the concept of institutional work (Lawrence and Suddaby, 2006; Hampel et al., 2017).

A theoretical model was proposed based on the results obtained (see Figure 3) in order to improve the analysis and understanding of the implementation process. More specifically, the model includes the competitive and institutional pressures that foster the emergence of the costing tool, as well as outlining the main barriers to the different forms of institutional work developed for its implementation. It also identifies those factors that

have proved influential in overcoming said barriers, giving rise to other forms of institutional work which have eventually led to a disassociation between the costing technique designed and the one finally implemented. Consequently, although CESEL was designed to improve the efficiency of both local public services management and transparency, ultimately it has been utilized as an instrument for the purpose of improving transparency, thus contributing to the achievement of legitimacy on the part of the organization, while its impact on the management of services has proved virtually non-existent.

This paper also further contributes also to the previous literature by analyzing aspects of social and organizational behavior implicit in the implementation process of costing tools (Tsamenyi et to the., 2006), thus responding to calls for studies to be carried out on cost management systems in the public sector, so as to permit a better understanding of their implementation and usage (Jacobs and Cuganesan, 2014; Mättö and Sippola, 2016). In line with suggestions from Modell (2009) and Kuipers et al. (2014), this paper has considered the roles and interests of different actors participating in the process of change, as well as the forms of institutional work deployed, which has allowed us to improve our knowledge as regards how CESEL was ultimately configured.

The results of this study may be relevant for both regulators and politicians, as well as for managers of LAs, since they provide a reference framework on which to base proposals for improvements in the implementation and use of cost management tools in the local public sector. Thus, for example, measures such as the greater supervision of the implementation process, development and use of CESEL may be considered, along with the more stringent application of the corresponding sanctions or corrective actions provided for in the regulation, which would contribute to a reduction in the decoupling between the day-to-day operations of LA management and regulatory. Likewise, taking

steps in advance with the aim of achieving greater consensus among the interests of the different actors involved may contribute to the avoidance of subsequent conflicts of interest which give rise to concessions that over-relax the initial objectives of the technique implemented. Also, greater participation and involvement on the part of LA personnel with regard to the design of costing criteria and models underlying the new tool could help to minimize the “*detached*” nature of the technical work which could contribute to greater acceptance and usage.

In addition to the proposed measures that may contribute to overcoming the barriers identified in this paper (see Table 5), and in line with Ibarloza et al. (2017), we understand that CESEL, on the one hand, should not challenge or invalidate political decisions, but rather incorporate useful information so that the LA’s governing bodies, managers and personnel can evaluate their management, in addition to present and future consequences of their decisions. Furthermore, it should provide management and quality indicators, as well as indicators for the evaluation of public policies and their effect on the population.

The analysis of one single case does not allow for the generalization of the results, due to, among other reasons, the idiosyncrasies that it may exhibit. In this sense, as regards Seville City Council, the following should be taken into consideration: it is a City Council with a large population, hence it is subject to a special regime which differs from councils with smaller populations; in 2015, the political party governing the City Council changed, which might condition the governance of the institutions due to the pressures that may arise during the exercise of power (Navarro et al., 2010); the main authority is highly fragmented and possesses a complex organizational structure; it is subject to a higher level of pressure due to the amount of resources available to manage and to the number and variety of stakeholders with interests in its operations; and it provides the

maximum level of services supplied. However, although only one organization has been considered, the use of case study has allowed for an in-depth analysis, facilitating the proposal of a theoretical model which constitutes the theoretical generalization sought by this qualitative research methodology (Yin, 1989; Woodside, 2010). It should also be noted that the vast majority of LAs in Spain, and even in other European countries, share the characteristics of the institutional environment under analysis and the actions carried out by the main actor, the Central Government, thus constituting a solid reference.

The performance of similar case studies would allow for comparison between results, facilitating the analysis of differences occurring in the interrelation of the forms of institutional work deployed. This aspect is considered relevant for the development of the theoretical perspective of NIS (Lawrence and Suddaby, 2006; Lawrence et al., 2013). Similarly, such studies might disclose further principal barriers to institutional work along with different mediating factors, whose influence may give rise to different forms of institutional work and yield different results of the implementation and use of the practice implemented. Together, these would contribute to developing and perfecting the proposed theoretical model. Given that over the coming years, Spanish LAs will have to undertake the implementation of cost accounting systems, there are ample opportunities for further research in this area.

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Table 1. Barriers to the implementation of new practices in local entities

Spanish context			
Authors	Practice	Field of research	Identified barriers
Prado and García (2006)	Strategic planning and performance measures	Public services provided by Spanish municipalities with more than 50,000 inhabitants	Passive attitude of managers due to the possibility of reducing their prestige, as inefficiencies in their management can be evidenced.
Navarro et al. (2008)	Standardized performance indicators	Safety in public spaces service and on fire-fighting and prevention service in the nine largest municipalities in Andalusia	Obstacles related to the organizational context (e.g. heterogeneity of the jurisdictions, bureaucratic structures), the human factor (e.g. low levels of motivation, diversity in the training) and the cost culture (e.g. low quality of information, absence of standardized procedures).
Cárcaba and García (2008)	Disclosure of financial information on the Internet	Spanish municipalities with more than 20,000 inhabitants	Negative influence of the notoriety of the municipality (greater media pressure) on the level of disclosure. Users face greater obstacles than in the private sector. Lack of regulation. Heterogeneity of information. High weight in public opinion of negative news about finance.
Navarro et al. (2010)	Disclosure of corporate social responsibility information	Spanish local entities of large cities	Absence of regulations that support corporate social responsibility practices.
Brusca and Montesinos (2013)	Tools for Financial and Performance Management (Cost Accounting, Performance indicators, Balanced scorecard, Participative budgets, etc.)	Spanish local governments	Difficulties in their use. Unintended consequences of the measurement. Contradictory interests. Uncertainties, paradoxes and ambivalences. Difficult measurement of efficiency. Focus of managers in legal control. Absence of suitable systems. Low level of experience and lack of motivation. Shortage of committed leaders.
Alcaide et al. (2014)	e-Government	Areas of transparency of information, delivery of public services and participation of citizens in public administration (including Spain).	Vagueness in the definition of e-Government. Absence of analysis of the restrictions that citizens face.
Ibarloza et al. (2017)	Cooperative methodology for calculating costs	Local entities from Gipuzkoa	Real demand is reduced. Low influence for decision making. Managers with a profile oriented to regulatory compliance. Absence of updated inventory. Weak definition of activities. Outsourced significant services.
Salanova and Vivas (2017)	ABC (Activity Based Costing)	City Council of Barcelona	Different amounts considered by the ABC and CESEL models. CESEL is oriented to the citizen while ABC is oriented to the production. The results of both models may cause interpretative mistakes.
Fresneda and Hernández (2018)	New local public accounting instruction 2010	Spanish local governments	Need for resources (information systems and training) as well as political support.
Labrador and Olmo (2019)	Cost-Effective	Spanish local governments	Top-down legally-driven innovation, but local government managers are not involved in designing it. The generated information is not used. Absence of alliances between legislators, politicians and practitioners.
Another international contexts			
Authors	Practice	Field of research	Identified barriers
Carvalho et al. (2012)	Cost accounting systems	Portuguese local government	No penalties applied to non-adopters. Difficulties for the collection of quantifiable and objective data. Insufficient training of employees on cost systems. Cost information decoupled with the reward system.

Akbar et al. (2015)	Performance measurement systems	Indonesian local government	Lack of commitment of political leaders. Low motivation and lack of employee skills.
Mättö and Sippola (2016)	Cost management projects	Finnish public sector	Managers underestimate the implementation problems and overestimate the technical functionalities of the management accounting tool. The tool is not used for support the decision-making.

Table 2. Information on interviews

Interviewees typology	Position interviewed	Organization	Duration (min.)
Politician	Member of political group	Political group IULV	60
	Councillor of political group	Political group Participa	65
Governing body and manager	General coordinator of City Hall – Director of PSOE in the City Council of Seville	Political group PSOE	60
Governing body and manager – Technician / Administrative	Head of Parks and Gardens Service (previously, General Director of Public Finances and Budget Management)	City Council	75
	Head of Cooperation to Development Service (previously, General Director of Family and Health)	City Council	50
Union	Union representative CSIF	City Council	75
Technician / Administrative	Head of Planning and Programs Coordination Service	City Council	70
	Manager of Budget Management and Administration	Tourism Consortium	45
	Head of Financial Control and Accounting	Planning Department	65
	Head of Financial Control Service – Delegated Controller	Municipal Sports Institute	90
	Financial Director	Lipasam	65
	Financial and Commercial Director	Emasesa	45
	Economic-Financial Director	Tussam	50
	Head of Budgets and Software Applications Section	City Council	80
	Senior Economist Technician	City Council	70
	Head of Administrative, Economic and Cultural Management Service	Institute of Culture and Arts of Seville (ICAs)	45
	Financial Director	Urban Parking of Seville (Aussa)	60
	Vice-Financial Controller	City Council	75
	Head of Financial Control Service	City Council	90
	Economic Area Technician – Economic Area Coordinator	Emvisesa	70
	Head of Legal Support for Local Police, Civil Protection and Firefighters	City Council	50
	Head of Cemetery Service	City Council	55
	Budget Management Technician	City Council	90
	General Financial Controller	City Council	60
	Head of Human Resources Service	City Council	70
	Technician of General Financial Control	City Council	80

Table 3. Categorization and coding of information

Information categories	Codes	Description of the information content (sub-codes)	Theoretical references
Institutional pillars	Regulative	Laws, rules, sanctions related to costs of local entities	DiMaggio and Powell (1983), Scott (1995), Phillips and Malhotra (2008), Järvenpää (2009)
	Normative	Norms, values, expectations on how local entities should act in the public services management	
	Cultural-cognitive	Common beliefs, awareness and shared assumptions on the public services management of local entities	
Types of institutional work	Political	Regulatory framework of CESEL, negotiation between actors on requirements, mobilization of social support (e.g. coalitions, networks)	Lawrence and Suddaby (2006), Perkmann and Spicer (2008), Chiwamit et al. (2014), Cloutier et al. (2016), Hampel et al. (2017)
	Technical	Operating models of CESEL, technical aspects (concepts, calculations, measurements, procedures)	
	Cultural	Promotion of CESEL (advantages it brings, problems it solves, reasons for its need), unification of interpretations about practice	
Main barriers	Established structure	Organic model, functional model	Meyer and Rowan (1977), DiMaggio and Powell (1983), Navarro et al. (2008), Ibarloza et al. (2017)
	Conflicts with previous arrangements	Management based on budget execution, management based on historical cost	Seo and Creed (2002), Pache and Santos (2010), Brusca and Montesinos (2013), Cloutier et al. (2016), Ibarloza et al. (2017), Perner and Skjolsvik (2018)
	Logics in competition	Economic efficiency, social interest	Lounsbury (2007), Pache and Santos (2010), Greenwood et al. (2011), Brusca and Montesinos (2013), Coule and Patmore (2013), Järvinen (2016), Perner and Skjolsvik (2018)
Mediating factors	Relaxation of regulation	Information is not supervised, sanctions are not applied	Navarro et al. (2010), Carvalho et al. (2012), Canning and O'Dwyer (2016), Perner and Skjolsvik (2018)
	Detached technical work	Differences between the technique design and the internal operation	Cloutier et al. (2016), Navarro et al. (2008), Brusca and Montesinos (2013), Alcaide et al. (2014), Labrador and Olmo (2019)
	Own interests	Interests of local entities (autonomy, service provision, proximity of citizenship), interests of the central government (rationalization, improvement of management, avoidance of confrontation with local entities)	Prado and García (2006), Brusca and Montesinos (2013), Coule and Patmore (2013), Chiwamit et al. (2014)
Resulting actions	Decoupling	Changes in internal operation, decision-making based on CESEL, bureaucratic tasks	Lapsley and Pallot (2000), Boxenbaum and Jonsson (2008), Hirsch and Bermiss (2009)
	Integration	Incorporation of CESEL in internal operation (integration, substitution or complementation)	Smets and Jarzabkowski (2013). Cloutier et al. (2016)
	Concession	Reduction of the central government's claims regarding the utility and employment of CESEL	Chiwamit et al. (2014), Chenhall et al. (2013)
Aim	Legitimacy	Social adequacy, transparency of management	Meyer and Rowan (1977), DiMaggio and Powell (1983), Suchman (1995), Carvalho et al. (2012)
	Efficiency	Economic adequacy, measurement and assessment of performance	

Table 4. Difficulties for the implementation and use of the cost-effective

Institutional work	Evidenced difficulties
<i>Political</i>	<ul style="list-style-type: none">- Consolidated organic model of organizational structure- Bureaucratic management, bureaucracy managers- Services management carried out in an isolated way- Diversity of accounting systems and procedures in the units participating in CESEL- No application of corrective measures- No specification of the procedure and persons in charge- Identification of CESEL as another bureaucratic task
<i>Technical</i>	<ul style="list-style-type: none">- Technical difficulties for applying CESEL (e.g. ambiguity of concepts, non-homogeneous information...)- Consolidated management based on budget execution- No validation of the prepared information- Difficulty for comparing information between city councils, what decreases the functionality of CESEL- Unavailability of necessary information- Incorporation of CESEL in the bureaucratic management
<i>Cultural</i>	<ul style="list-style-type: none">- Conflict between social interest and economic efficiency- Very limited justification of the reform- Consideration of mainly quantitative aspects- Competences divestment- Higher pressure on City Council due to the proximity of citizenship- Consideration of CESEL as exclusively transparency measure- Lack of promotion of the institutional collaboration

Table 5. Proposal of measures

	Barriers	Proposed measures
Political work	Organic structure versus a functional model (CESEL)	<ul style="list-style-type: none">- Supervision of the implementation process, preparation and use- Political support from governing bodies, managers and services headquarters- Creation of a specific body for the promotion and coordination- Definition of the procedure and persons in charge of the preparation of CESEL- Application of established corrective measures and incentives to its use
Technical work	Budget management (legality control) versus program management (transparency and efficiency)	<ul style="list-style-type: none">- Participation and involvement of people in the design of the model- Validation of the prepared information- Interconnection of budget information and costs systems- Incorporation of CESEL information to the budget elaboration process- Organization staff training
Cultural work	Social interest versus rationality of economic efficiency	<ul style="list-style-type: none">- Previous search for consensus between existing interests- Elaboration of a discourse for the promotion of CESEL- Specification and diffusion of advantages of CESEL as well as the problems that it resolves- Promotion of collaboration between involved actors

Figure 1. Cost-Effective and Provision Cost

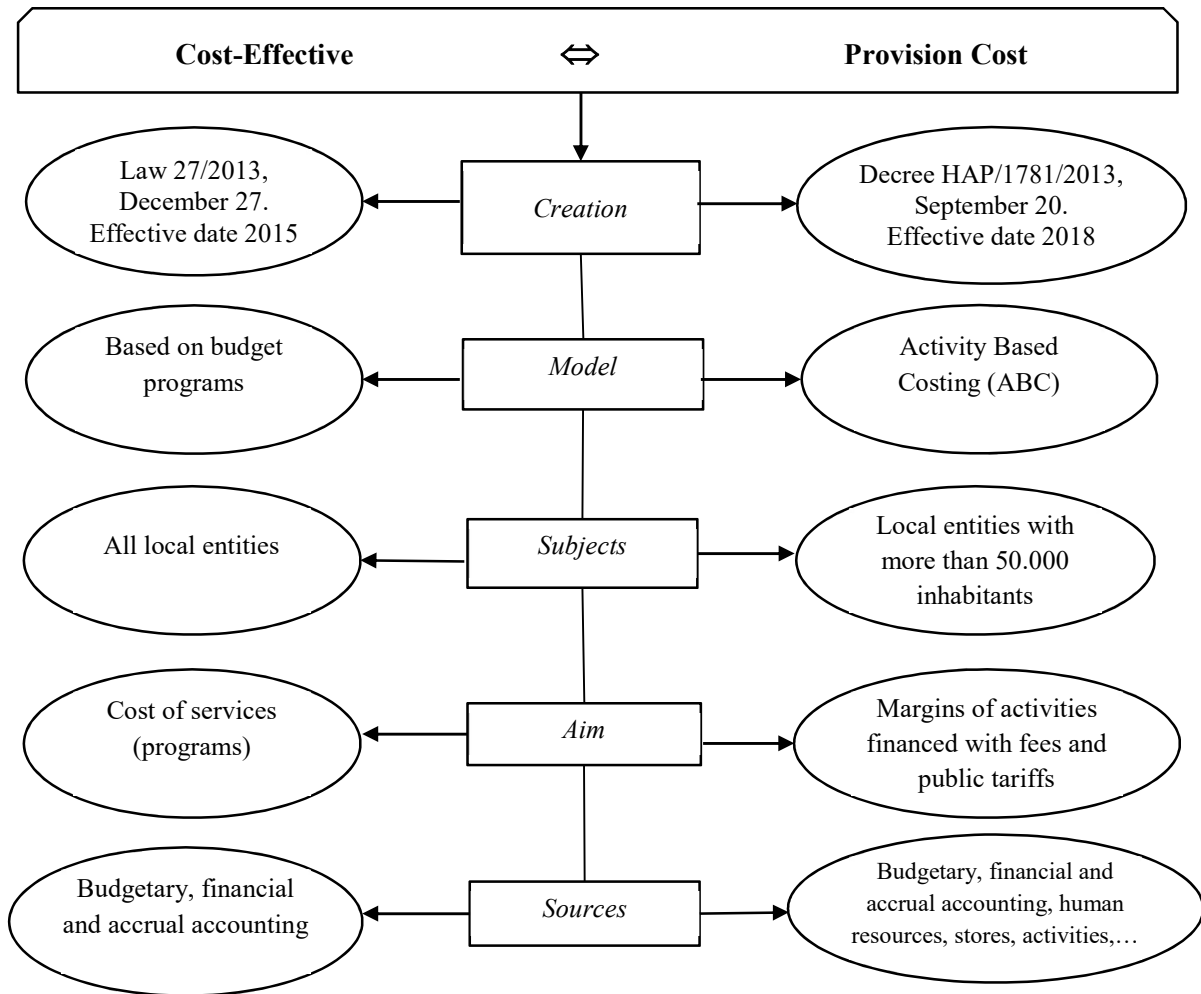


Figure 2. Information sources used



Figure 3. Theoretical model proposed

