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**Political administration**  
- Cultures of fragmentation behind goal-failure

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### **Abstract**

The seminal work of Herbert Kaufman claims that homogenous organizational cultures are crucial for goal achievement throughout organizations with a central-peripheral structure and a task-handling process which cannot be fully regulated through formal rules. In that vein, this article examines if fragmented organizational cultures can account for illegitimate variations in outcome in these types of organizations.

The analysis draws on data from a unique questionnaire study; of [the whole population](#) of public employees handling sick-leave benefits in the Swedish Social Insurance Agency (SSIA). Sweden represents an interesting case as its welfare system has a decentralized structure and its general and generous coverage needs high revenues and therefore relies on legitimacy from larger sets of the population.

The article shows that fragmented organizational culture does account for a considerable amount of regional variations in outcome. The main result is that employees with non-socialist political views contribute to lower levels of sick-leave benefits granted. The paper argues that public administration is politicized in ways not shown before, a pattern that is in violation of Constitutional rules in most countries. Further, the analysis shows an effect of two ethical orientations of employees on outcome; rule-orientation contributes to lower levels of sick-leave benefits granted and so does also care-orientation given a certain level of self-reported self-discipline among citizens. Finally, the analysis shows that higher levels of social capital among citizens correlate with higher benefits levels. This latter result suggests that social insurance administration might be an area where there is a limit for how much increasing levels of social capital improve results.

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## Introduction

A considerable amount of research, stretching several decades back, points to the importance of organizational culture for Public administration. The well-known studies of Selznick (1949) and Bernard (1938) highlight the general benefits of using norms or culture as steering tool in organizations and there is also abundant recent research on this matter (Miller 1993; Boin 2001).

In general, the advantages of steering through culture are regarded to increase when the tasks handled by the administration are of a complicated nature which require situational knowledge. A seminal example of such a task is warfare (Wilson 1989), but many social problems, found in much more peaceful settings, are complicated in the same sense and require situational knowledge of a client's circumstances to decide the best means to reach specified goals (Lipsky 1980).

Furthermore, it is often argued that specific types of organizational forms make steering through norms and culture especially convenient or sometimes even the only possible option. In his seminal work on the administration of US forestry Herbert Kaufman (1959) argued that homogenous organizational culture was the key to success of this organization. More generally, he claimed that organizations with a central-peripheral structure dispersed over a vast geographical area and where tasks cannot be fully regulated through rules must be governed through an organizational culture that emphasises the central goals of the administration, and incorporates all employees in all

parts of the organization. This hypothesis has also been confirmed in more recent studies comparing prison systems in the US and the Netherlands (Boin 2001).

This article contributes to this literature in two ways: first, instead of focusing on successful cases, I turn the argument upside down and examine the extent to which goal-failure can be attributed to fragmented organizational cultures. I argue that previous literature does not give any precise guidance as to how to understand goal-failure in these types of organizations. I therefore examine to what extent specific organizational cultures play a role in producing unwished-for results in the form of unexplained regional variations in outcome. Organizational culture is captured as aggregated employee attitudes.

Second, the article examines this problem in a type of administration that has a central-peripheral structure and where tasks cannot be fully specified through rules just as the organization that Kaufman studied, but one which operates in a totally different political area; the welfare state area. I argue that the problems that might arise in central-peripheral organizations are more severe in this area of politics since the amount of revenues handled by the welfare state administration widely exceeds the budgetary limits of most other political areas.

The case of the Swedish Social Insurance Administration (SSIA) has been chosen for analysis. As a social democratic or general welfare state (Esping Andersen 1990) Sweden represents a type of extensive welfare state that is dependent on very high revenues. As

such the government is heavily reliant on high and continuous legitimacy for how the it uses its revenues. Following, Esping-Andersen (1990), a general and generous welfare state cannot survive without the support of the middle-class. Further, the Swedish welfare state has a decentralized structure as the bulk of Swedish welfare state services are provided by the local communities. In the specific case of the SSIA, the administrative bodies at the regional level were formally independent until 2005, the same year that the data for this study was collected. This makes the SSIA an example of an organization with a central-peripheral structure. The rules that govern this area are however nationwide, thus rules should be implemented in the same way in all regions. Further, the tasks handled by the SSIA require considerable discretion, which makes it possible for organizational cultures to have an influence. In regards to outcome, the SSIA discloses considerable regional variation in sick-leave benefits granted, which has been exaggerated during the last decade. The analysis uses a unique material of an [analysis of the whole population](#) of employees handling sick-leave benefits in Sweden.

Three general conclusions can be drawn from the study.

First, the original hypothesis of Kaufman is confirmed. Three of the examined cultures have significant effect on the regional variations in outcome and can thus explain a considerable part of the regional variation of sick-leave benefits granted, after controlling for seven background factors: age, foreign born, university education 2 years, university education 3 years and over, unemployed, privately employed, publicly employed.

Second, the analysis shows more in detail which organizational cultures contribute to goal achievement of the SSIA and which are contra-productive. Political orientation of the employees, on a socialist – non-socialist dimension demonstrates the greatest explanatory power on regional variations in sick-leave benefits granted after control for seven background factors. The analysis shows that in regions where non-socialist political views dominate among employees at the SSIA, sick leave benefits are considerably lower. Further, two ethical orientations of the employees; rule-orientation and care-orientation also affect the regional variation of sick-leave benefits granted. Both of these measurements have been derived from earlier research (Stensöta 2009). Rule-orientation corresponds to a traditional Weberian view of impartial handling of cases. The analysis highlights that it correlates with lower sick-leave benefit levels. Care-orientation represents a rather open and flexible attitude towards citizens. The analysis shows a general increasing effect of care-orientation on levels of sick-leave benefits granted, with two deviant cases. However, care-orientation also interacts with the level of self reported self-discipline among citizens, so that given a certain level of self-discipline, care-orientation among employees decrease sick-leave benefit levels.

Third, the study demonstrates that a higher level of social capital among citizens strongly correlates strongly with higher sick-leave benefit levels. Considering that higher levels of social capital usually produce better societal outcomes, this result must be regarded as unexpected. It is concluded that social insurance administration is potentially an area where there is a limit for the extent to which increases in social capital produce better outcomes.

### **Regional variations as a problem of legitimacy**

What makes the problem of goal-achievement captured as homogenous outcomes through central-peripheral organizations so interesting, is that it makes goal-failure to something more than a problem of efficiency. In a unitary organization goal-failure can lead to extra economic expenses, but this damage is usually limited to the organization in question. In contrast, goal-failure in organizations with a central-peripheral structure can potentially become a threat to the legitimacy of the state as a whole.

According to most constitutions, rules should be implemented impartially by the public administration. This ideal originates from Max Weber and is worldwide considered to be the basic device for public administration of good quality (Gerth and Mills 1946; Rothstein and Teorell 2008). The idea is that employees shall not pay attention to any circumstance which is not specified in the specific law governing the area. Because of its foundational character for public administration, violations to this principle can be comprehended as severe by the public. Thus, violations might not only lead to inefficiency and rise of costs, but also to withering legitimacy of the system.

Regional variations in outcome that are not mirrored by differences in factors that the policy should pay attention to can be regarded as severe threats to the legitimacy of the system. If the implementation of a program does not follow the rules expressed in the law, people in general might start to think that some people, or people in some regions, are granted benefits more generously than others. If a general suspicion of “cheating” is spreading, it might form the first step in a downward spiral of a more restricted welfare state. Several scholars regard this “threat from within” as a more severe threat towards

the general and generous welfare state, than threats from abroad through mechanisms like for instance, “globalisation” (Pierson 2001). Such malfunctioning can well be regarded as a form of corruption, and accordingly have similar devastating effects (Rothstein and Teorell 2008).

### **The case**

The regional variation of sick-leave benefits in Sweden is a clear example of regional variation in national programs that cannot be explained by factors that the employees are supposed to consider according to law. The Swedish social insurance system is a nationally regulated system and it is, supposed to be implemented impartially and through the same informal standards in all counties. This is formally expressed in the Swedish Foundational Law (§1.9). However, in reality, regional differences in sick-leave benefits granted vary a lot between different regions in Sweden. During the last decade regional variations in sick-leave benefits granted has increased tremendously. In the year of 2002 an average person in the Northern county Jämtland was on sick-leave 54 days a year, whereas an average person in the Southern Småland only was sick 38 days (Hogstedt et al. 2004). However, previous studies have shown that only about half of the actual variation is explained by factors that we know affect sickness; age, sex, social background etc. (Dutrieux 2003; Olsson 2004; Palmer 2006). There are also studies on sick-leave benefits granted in relation to specific diagnosis which show that there are considerable differences in terms of in the length of sick-leave benefit granted by the same diagnoses, for example sick-leave benefits in the last weeks of pregnancy (RFV analyserar 2004:12). Thus the variation in sick-leave benefits is only partly explained by

factors that have been shown to explain sickness. The remaining unexplained variation can be regarded as a threat to the legitimacy of the social insurance system as such.

### **Five hypothesis of organizational cultures**

The present analysis pinpoints the question of whether regional variation in outcome of the SSIA in the form of sick leave benefits granted can be explained by a fragmented organizational culture at the SSIA. Five suggestions for specific contents of organizational cultures are derived from earlier research and examined through a questionnaire directed to [the whole population](#) of employees handling sick-leave benefits in Sweden. This design of the study deviates from the approaches most frequently applied in the field in two important ways.

First, analysis of organizational culture is usually performed on the organizational level of analysis (March and Olsen 1989; Scott 2001). A general critique to this approach is that the theory is unclear about the mechanisms at the individual level that actually produce the results (Hedström and Swedberg 1998). From a methodological individualistic standpoint, every theory should specify how the mechanisms at the individual level is believed to occur, and as far as possible empirically assess these mechanisms or their observable implications of (Geddes 2003). This study suggests handling this problem by understanding organizational culture as an aggregate of employee attitudes. The same approach to organizational culture has previously been applied by Brehm and Gates (1999).

Second, the study examines the extent to which predefined organizational cultures are present at the SSIA. Previous organizational literature is used to specify hypothesis on which organizational cultures might affect outcome at the SSIA. More precisely, the following organizational cultures are tested:

1. **“Critiques”**: the extent to which employees identify themselves against the organization. This idea is derived from Akerlof (2004) and partly has its roots in game-theory (Miller 1993), but similar ideas are also found in other theoretical strands (Wilson 1989). The basic idea is that employees can develop an inside or an outside identity towards the goal of the organization. Generally, an outside identity is expected to work against the goals of the organization.

2. **Functional engagement**: the extent to which employees feel functionally engaged in their worktasks. This orientation is treated as a form of identification with the goals of the organization, not grounded in personal winnings but in the nature of the tasks themselves. Thus it is the flip-side of the first culture. The idea is rooted in previous organisational research of different strands. Derthick (1979) has for example showed that the general support among employees for the goals of the social security administration was a major reason behind the success of this administration. This support was grounded in their educational background. Further, Rothstein (1986) has showed that ideological commitment to the ideals of social democracy was a major reason behind the success of Social-democratic labour-market politics. Rothstein concluded that ideological support was a necessary condition for the success of social democratic reform politics.

Additionally, Brehm and Gates (1999) examined functional engagement as attitudes of public employees. The operationalizations of both the first and second organizational culture are derived from the study of Brehm and Gates (1999).

**3. Rule-orientation.** Two different ethical orientations are examined. The general idea that public ethics is a necessary feature of public administration has received a lot of attention during the last decades. This drive can partly be regarded as a reaction against the trends of New Public Management, which, according to many scholars, has resulted in a one-sided interest in issues of efficiency whereas issues of values and ethics have been neglected (Brady 2003; Chapman and O'Toole 1995; Cooper 2004; Frederickson 1999; Macaulay and Lawton 2006). Several scholars argue that an ethics of rule is necessary to secure a well-functioning public administration (Lundquist 1997; Denhart and Denhart 2000; Goss 1996). An ethics of rule corresponds to Weberian ideals of impartiality. Note that it is treated as a culture, meaning that I measure the extent to which the attitudes of employees express support for impartiality. Thus, I neither measure the existence of ethical codes of conduct, nor the actual violation of rules, but the attitudes among the personnel towards Weberian ideals.

**4. Care-orientation:** There is reason to believe that Weberian ideals alone do not solve the ethical demands on contemporary administration, especially if welfare state administration is discussed. The flip-side of Weberian impartiality is often claimed to be technocratic and inhuman treatment of clients. In previous research it has been suggested that an ethics of care forms a suitable complement to the ethics of rule in public

administration (Davidsson 2001) and this idea has also been sustained empirically showing the presence of both rule-orientation and care-orientation in welfare state administration (Stensota 2009). The idea of an ethics of care was originally elaborated from the ethics of care literature in psychology (Gilligan 1980), philosophy (Walker 1999) and political science (Tronto 1995; Engster 2007; Stensota 2004). The care-orientation puts the client in the centre and approaches him or her in a trustful and flexible way not expecting him or her to change preferences or adapt to the system. Both ethical orientations are measured as indexes of several questions derived from earlier research (Stensota 2009). For details on operationalizations see table 2.

**5. Political orientation** examines the personal political orientation of employees along a socialist- non-socialist dimension. Political orientation has been shown to be a forceful variable in explaining a variety of phenomena related to the size and scope of the welfare state (Holmberg and Oscarsson 2004). However, it is not a common variable in organizational or public administration analysis. One reason behind this might be that public administration is not supposed to be political in this sense, which is actually stated in the constitution of most countries. In this analysis political orientation is measured as the personal political opinion of the employees between socialist and non-socialist views.

The table below summarizes the hypothesis as well as the theoretical mechanisms on the individual level and the expected effect on levels of sick-leave benefits.

TABLE 1 ABOUT HERE

In were infused in all employees in all parts of the organization. This way of treating the issue of norms in organizations can be traced to sociological institutionalism (Powell and DiMaggio 1991; Scott 2001). Thus the distinction of the dependent variable in this literature is between homogenous goals or heterogeneous goals. In the table above, the effect of each culture is expressed in relation to levels of sick-leave benefits, which is the dependent variable of this study. Thus, the outcome specified in the table below represents higher (+) or lower (-) sick leave benefits levels. The cultures could also be related to goal-achievement. In this case a lowering of sick-leave benefit levels is an important present goal of the SSIA.

### **Methodological considerations and operationalizations**

In this analysis organizational culture is measured through attitudes of the employees. Generally, studies emphasizing the importance of organizational culture use other methods usually situated on the organizational level (March and Olsen 1989). Here, the measurement of organizational culture consists of aggregated data on employee attitudes. A similar design was used in a study by Brehm and Gates (1999), which has served as one point of inspiration for this study. From the individual level regional means of each attitude are assessed and tested against sick-leave benefit levels under control for seven background factors. There are two reasons why the relationship is tested on the regional level. One reason is practical; it is not possible to assess levels of sick-leave for individual employees in the SSIA. Second, there is a historical reason for why it can be expected that different organizational cultures have developed on the regional level. Historically, the SSIA builds on two different organizational roots: (1) a local heritage

building on trust and bonds between people and social mechanisms for control, and (2) a more traditional bureaucratic heritage (Lindqvist, 1990). This regional independence persisted from the first half of the 20<sup>th</sup> century until 2005, when it was abolished and the organization was formally centralized (SOU 1996:64; Government Bill 2003/04:152). I expect that this long history of regional independency for the SSIA makes it possible, or even likely, that different cultures have developed at this level. As the data for the study is gathered in 2005 and 2006 that is just after the centralization I further expect that such regional cultures might still persist.

The empirical examination has been conducted within the administration of sick-leave benefits in Sweden, the Swedish Social Insurance Agency (*Försäkringskassan*). The SSIA is a nation wide and centralized agency with a uniform body of rules. Previously the organization consisted of independent agencies at the regional level, but this was abolished in 2005 when the organization was nationalized in order to strengthen the rule-boundedness and the equal treatment of clients (SOU 1996:64). In the landscape of contemporary reform efforts, the SSIA can thus be regarded as a case of recent centralization where efforts have been undertaken to standardize the handling of cases.

In an international comparison Swedish central agencies are relatively independent from politics, since they do not answer to a specific department or minister. Furthermore, the work assignments performed by the SSIA can generally be described as not entirely rule-bound, but providing many opportunities for policy making. Typically, employees make calculations of the level of sick-leave benefits for individuals and decisions about whether a specific demand for sick-leave benefit should be granted or not. They further decide on assistance for rehabilitation to go back to work after sickness and perform

assessments of early retirement. The latter assignments are somewhat akin to social workers. There is no specific academic training leading to this type of work and therefore the educational background of the staff varies a lot. Further, the staff is heavily dominated by women (around 80 percent of the sample). Turnover rates are generally low; the average number of years in office is 15.

The questionnaire was distributed in December 2005 to [the whole population](#) of public employees at the Swedish Social Insurance Agency who work with the handling of sick-leave benefits. The questionnaire was included in a research project aimed specifically at measuring the impact of norms on sick-leave benefit handling, including different groups of respondents; public employees, citizens, medical doctors and representatives of work-sites (Palmer 2006). In the analysis below sick-leave benefit levels are controlled for seven factors as mentioned above. The figures used have been calculated through a residual analysis (Palmer 2006).

### **Fragmented cultures in the Swedish Social Insurance Administration**

In the following section the empirical analysis is presented. The first table presents the distribution of organizational cultures in the organization as a whole. It also shows how each culture is operationalized.

#### TABLE 3 ABOUT HERE

Table 3 shows that the dominant culture in the organization of the SSIA as a whole is functional engagement for worktasks. About one third of the respondents totally agree on the propositions and the mean reaches 8 on a scale between 0 and 10. Rule- and care-

orientation also receive lots of support. With regard to political views the average employee seems to stand in the middle, between socialist and non-socialist views.

Subsequently, correlations between regional means of these cultures and levels of sick-leave benefits were examined. The analysis revealed that three cultures had significant effect on levels of sick-leave benefits. Political orientation among employees, the variable not at all common in the study of administrative cultures, had the greatest effect.

#### SCATTERPLOT 1 ABOUT HERE

Scatterplot 1 shows the effect of political orientation on sick leave benefits granted, on regional level controlling for seven background factors. This organizational culture has the largest impact on regional variations of sick-leave benefit levels. The scatterplot clearly shows that the more non-socialist the employees claim to be, the lower the sick leave benefit levels are in that region. The longer fitted line shows the relationship when all cases are included. The shorter fitted line shows the effect on the non-socialist side of the model where the effect is the strongest. As is shown in scatterplot 1, it is rather non-socialist employee culture that lowers sick-leave benefit levels, than it is socialist employees that make them rise. If the socialist side of the model is examined, no significant relationship emerges.

This result breaks new ground. According to the constitution of most countries, including the Swedish, politics is supposed to be restricted to the input sphere of the political system, parties, and interest organizations. In contrast, political orientation

should not affect the output sphere. This is the basic idea of the Weberian bureaucratic model, which claims that public administration should only implement what politicians have decided.

Previous research has shown that modern public administration, especially in welfare state areas are political in the sense that they are involved in the authoritative allocation of values (Easton, 1953), is well founded in research on public administration (Wildawsky 1973). In addition to this, ver, my study shows that personal political orientation of the employees, along a socialist – non-socialist scale, have effect on the outcome of the administration at the regional level. That public administration is political in this sense has to my knowledge never been shown before.

The fact that most constitutions state that politics should be restricted to the input sphere of the political system makes this finding very interesting. That political views of public employees affect outcomes is, clearly speaking, against the law.

How can this correlation be understood? Previous research has abundantly shown support for socialist political views correlating with positive views on more extensive welfare solutions and non-socialist political views correlating with views preferring more restricted welfare states. This correlation has been well established both in international comparison (Esping-Andersen 1990; 1999; Korpi 2000) and within the Swedish context (Lewin et al. 2006). The relationship found in this study therefore seems reasonable. If public employees handling sick-leave benefits would let their personal political views

influence their treatment of cases, it would most likely affect the outcomes as shown in this analysis.

Even though the relationship is established on the regional level, there is, no empirical support for interpreting the relationship on the individual level. Therefore, I interpret the correlation on the organizational level. This means, that in some regions a majority of non-socialist employees have contributed to create a non-socialist organizational culture that move all employees in that region to judge cases of sick-leave benefit granting more restrictive, even if their own political views tie elsewhere.

The second culture with significant effect on the variation of sick leave benefits is rule-orientation, which this analysis shows has a decreasing effect on levels of sick-leave benefits. Rule orientation consists of an index of five items (see table 2) and it has the second strongest effect on sick-leave benefit levels (unstandardized regression coefficient is  $-6.37^*$  and the explained variance ( $R^2$ ) is 11 percent). This relationship is not shown as a plot. The decreasing effect of rule-orientation on levels of sick-leave benefits granted can be understood in the following way: When employees follow the rules, fewer exceptions are made and as a result, regional variations after controlling for seven background factors are more limited. This result supports the general idea that more rule-orientation improves the quality of public administration.

The third organizational culture with significant importance for outcomes of sick leave benefits is care-orientation. As specified in table 2, it consists of an aggregate index of six items. The scatterplot below shows their effect on sick-leave benefit levels.

#### SCATTERPLOT 2 ABOUT HERE

Scatterplot 2 shows a non-significant slightly negative relationship between care-orientation and sick-leave benefit levels (controlled) when all regions are examined, however two clear outliers appear in the lower right corner of the plot. They both deviate more than two standard deviations from the fitted line. If these two cases are excluded, a significant increasing effect of care-orientation on sick-leave benefit levels emerges. I conclude that care-orientation has a general increasing effect on levels of sick-leave benefits, but that two regions deviate from this pattern.

This increasing effect on sick-leave benefit levels is interpreted as follows: Care-orientation consists of an employee attitude that is fairly open to the preferences of the clients. Thus, if the clients prefer to be granted sick-leave, it is expected that a care-oriented employee easier allows the clients to have it their way which would result in higher sick-leave levels. This could also explain the deviant case of Jönköping. The attitudes of people in Jönköping is generally regarded as deviating from general Swedish patterns in several ways, for example very many people are religious and unemployment

is very low. The case of Gotland was rejected as measurement failure since the number of respondents in this region was very low.

The conclusion that the effect of care-orientation among employees interact with the attitudes of the clients leads me to examine the interaction between levels of care-orientation among employees and levels of self reported self-discipline among citizens. Data on this was gathered by one of the questionnaires included in the Ska-dataset collected in 2005 by Försäkringskassan, Sweden. Table 3 below shows the analysis.

#### TABLE 3 ABOUT HERE

Table 3 shows an interaction effect between the examined items. It can be interpreted as if care-orientation has a decreasing effect on sick-leave benefits given a certain level of self-discipline among the population. The regions are ordered according to the level of self reported self-discipline. The table shows that for the region Dalarna (in the top) an increase of care-orientation among employees would entail an increase in the number of days an average person is on sick-leave per year with ten days. Further, it shows that in Jönköping (in the bottom) a similar increase in care-orientation would result in a decrease in the number of days an average person is on sick-leave with seven days.

This result gives an initial answer to the question of whether a public ethics of care impedes efficiency as has been raised in previous research (Stensöta 2009). The result suggest that a public ethics of care increases efficiency in social insurance administration

if the level of self-discipline lies above a certain level. Self-discipline can stand for many things, for example an ambition to go back to work after sick-leave or to keep on working as much as one can even if one's possibility to perform has decreased as a result of, for example age.

In the final model the effect of all five organizational cultures and two attitudes among the population on the regional variation of sick-leave benefits granted are examined.

The reason behind including two public attitudes was originally empirical; it grew out of the analysis that showed that the case of Jönköping deviated from the general pattern with regards to care-orientation. Two of the most dominating features of Jönköping region, as disclosed by previous research, are its big religious community and its low level of unemployment. The religious influence is interpreted as a stronger protestant ethic and measured through the level of self reported self-discipline. The lower levels of unemployment are regarded as a form of social capital. The "entrepreneur-spirit" of Jönköping has been discussed as a result of elaborated networks between people, which resembles ideas on what social capital stands for. The final assessment is shown in table 4. As before, the levels of sick-leave benefits are standardized for seven background factors.

#### TABLE 4 ABOUT HERE

Table 4 shows the bivariate regression coefficients of the examined organizational cultures as well as two attitudes among the population. The second column shows that

two cultures have significant decreasing effect on the levels of sick-leave benefits granted as was also shown in the scatterplots. The third column shows that social capital has an increasing effect on levels of sick-leave benefits, although the effect is not significant. The fourth column shows the final model including all variables. As can be seen only political orientation has a significant effect in the final model. In the column at the far right only the variables with the single strongest effects are put together in one model. This last model is also the model that reaches the highest level of explained variance.

## **Conclusion**

Five separate conclusions can be drawn from the analysis.

First, the analysis confirms the general hypothesis that organizational cultures can account for variations in outcome. Thus, fragmented cultures clearly explain why the outcome of the SSIA shows so strong regional variations after controlling for seven background factors usually regarded to explain variations in sickness and sick-leave.

Second, and more in detail, the analysis shows that two organizational cultures have significant reducing effect on the outcome of social insurance administration. Political orientation of public employees has the strongest decreasing effect. Political attitudes are measured as socialist/non-socialist orientation which clearly have bearing on issues of the welfare state. The analysis shows that in regions where non-socialist employees are in majority, sick-leave benefit levels are lower. Taken alone, political orientation explains 38 percent of the variation in sick-leave benefits ( $R^2$ ) after controlling for seven contextual factors generally regarded as affecting sickness.

This result is interesting not only with regards to organizational culture, but also since it shows the importance of political attitudes in a totally new area. According to the constitution in Sweden, as in most other democratic countries, politics is supposed to be limited to the so-called input side of the political system, to parties, interest organizations, parliament, and government. In contrast, public administration should not be involved in politics, but neutrally implement the political will of the elected bodies. Within public administration studies, it has previously been shown that administration is involved in politics by being involved in the authoritative allocation of values. According to my knowledge, no study has previously shown that the personal political views of the employees affect outcome. Thus, this analysis breaks new ground when it shows that the political attitudes of public employees in social insurance administration do affect the level of sick-leave benefits, thus the outcomes and generosity of the welfare state. As the relationship is established on regional level, it is not possible to argue that political employees let their political ideals influence their handling of cases. The data supports an interpretation that specific organizational cultures mirroring the political attitudes of a majority of the employees have developed in specific regions in the SSIA.

The second culture with significant decreasing effect on sick-leave was rule-orientation. Rule-orientation includes values generally defended in bureaucracy, such as keeping to the rules and not paying attention to circumstances not specified in these rules. This finding supports general ideas that emphasize the importance of impartiality in order to

achieve legitimacy for a political system (Rothstein and Teorell 2008), a prerequisite of a general and generous welfare state.

Third, the analysis reveals that care-orientation of employees has a general increasing effect on sick-leave benefit levels, but further analyses show more in detail that care-orientation among employees interacts with the level of self reported self-discipline among the people. Care-orientation is comprehended as a public ethic which makes the employees fairly open to the demands of the client. Thus, it is logical that its effect depend on the attitudes of the population. This analysis has shown one dynamic between care-orientation and levels of self reported self-discipline among the public. The following general conclusion can be drawn: given a certain level of self reported self-discipline among the public, care-orientation increases effectiveness in social insurance administration.

Fourth, the analysis shows that the level of social capital among the public has an effect on sick-leave benefits. Social capital has become a very interesting issue in social science, partly because of the tremendous positive effects that previous research has accounted to it. Accordingly of this I would have expected social capital to have a decreasing effect on sick-leave benefit levels. My results indicate that social insurance administration does not seem to improve unconditionally with higher levels of social capital. With regards to social insurance administration there seems to be a limit for the positive effects of ever higher levels of social capital.

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Table 1: Five organizational cultures, their expected effect on organizational outcome and the hypothetical mechanism producing the effect.

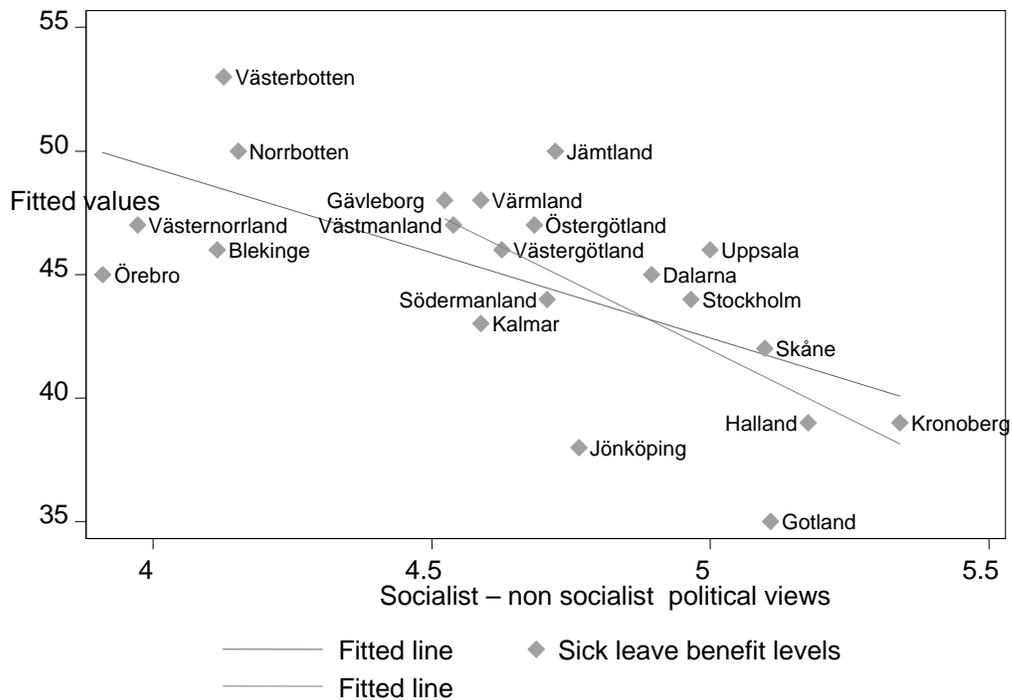
Organisational culture	Expected effect on levels of sick leave benefits granted	Hypothetical mechanism on the individual level
”Critiques”	+	Critical employees disapprove of how tasks are handled at the agency and have developed an outside identity. This makes the organization less effective which leads to higher sick leave benefits granted.
Functional engagement	-	Functionally engaged employee’s puts lots of effort in work which leads to lower sick leave benefits.
Rule orientation	-	Rule oriented employees do not pay attention to circumstances other than the ones specified in the rules, this leads to less exceptions and lower levels of sick-leave benefits.
Care-orientation	+	Care-oriented employees are fairly flexible, trustful and understanding to the demands of the clients, which leads to more frequent granting of sick-leaves in cases where the client wishes this
Political orientation	-	Non-socialist employees are politically in favour of a more limited welfare system, which leads to more restrictive granting of sick-leave benefits.

Table 2: Distribution of organizational cultures at Swedish Social Insurance Administration (SSIA)

Culture	Operationalization	Mean	Std	n
Functional engagement	(Index 2 items) "What I achieve at work is important to me" and "To perform good at work makes me feel good as a person".	8.32	1.97	3666
Rule-orientation	(Index 5 items) "I keep to the rules", "It does not happen that I make exceptions from the rules" "I do pay attention to keep myself neutral to the clients", "I only consider circumstances of the clients relevant according to the rules"	7.89	1.41	1676
Care-orientation	(Index 6 items) "I am flexible in my handling of cases" "I trust the good intentions of the clients", "I mostly use oral communication with the clients", "The clients do not need to learn that one should fulfill ones duties", "The clients need not to improve their work-ethic", "I do not use sanctions against the clients"	6.25	1.36	1620
Political orientation	0=socialist 10= non-socialist	4.72	2.68	3601
"Critiques"	"If me and my colleagues could decide for ourselves work-assignments on this agency would be performed differently"	4.77	3.03	3653

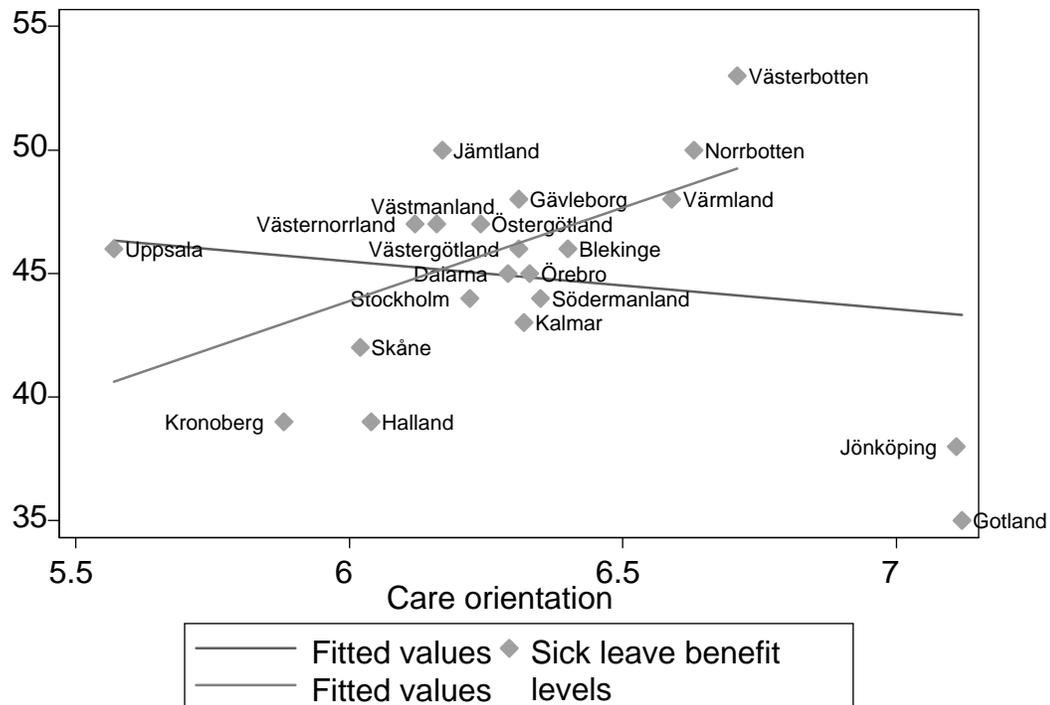
Comments: All items have been rescaled from 0 to 10. Alpha coefficient for rule-orientation: 0.53, for care-orientation 0.61. Source for these two indexes: Metodundersökningen 2006, Försäkringskassan. Source all other items; Ska-undersökningen 2005, Försäkringskassan.

Scatterplot 1: Dependent variable, regional variation of sick-leave benefits granted. Effect of employee political views along the socialist- non-socialist dimension under control for seven contextual factors. Regional level.



Comment: Effect of socialist non-socialist political views of the employees as regional average on levels of sick-leave benefits. Political views is coded from socialist (0) to non-socialist (10). Source: Ska-undersökningen 2005, Försäkringskassan. Levels of sick-leave benefits granted controlled for seven contextual factors (Olsson 2006). Fitted line of all 19 cases shows:  $-6.89^{**}$  (unstandardized regressionscoefficient) och  $R^2=0.41$ . Analysis of the non-socialist side of the model:  $+11.16^{**}$  (unstandardized regressionscoefficient) och  $R^2=0.45$ . Levels of Significance:  $*** \leq 0,001$ ;  $** \leq 0,01$ ;  $* \leq 0,05$ .

Scatterplot 2: Dependent variable sick-leave benefit levels, controlled for seven background factors. Effect of care-orientation. Regional level. Analysis of the whole population and with two deviant cases excluded (Jönköping och Gotland).



Kommentar: Regional level. Source: Metodundersökning 2006 and Ska-undersökningen 2005, Swedish Social Insurance Administration. Total sample:  $R^2=0.03$ . B-värde  $-1.99$  (unstandardized regressionscoefficient). With two outliers excluded:  $R^2=0.32$ . B-värde  $+7.57^*$  (unstandardized regressionscoefficient). Levels of significance:  $***\leq 0,001$ ;  $**\leq 0,01$ ;  $*\leq 0,05$ .

Table 3: Interaction effect between care-orientation of employees and self reported self-discipline among the citizens. Regional level. Real figures for sick level benefit levels (controlled for seven background factors) and predicted sick level benefit levels if care-orientation increases (+1).

Region	Self-discipline (mean)	Care-orientation (mean)	Real sick-leave benefit levels (controlled)	Sick leave benefit levels according to original model	Predicted sick-leave benefit levels if care-orientation increases +1	Effect
Dalarna	6.52	7.29	45	47	57	+10
Uppsala	6.64	6.57	46	41	49	+8
Kronoberg	6.72	6.88	39	44	51	+7
Västmanland	6.87	7.16	47	46	50	+4
Kalmar	6.97	7.32	43	46	49	+3
Västergötland	7.01	7.31	46	46	48	+3
Norrbottn	7.11	7.63	50	46	46	0
Jämtland	7.11	7.17	50	46	46	0
Värmland	7.12	7.59	48	46	45	- 1
Stockholm	7.15	7.22	44	46	45	- 1
Örebro	7.17	7.33	45	46	44	- 2
Västerbotten	7.18	7.71	53	45	44	- 1
Skåne	7.22	7.02	42	46	44	- 2
Västernorrland	7.25	7.12	47	46	43	- 3
Halland	7.26	7.04	39	46	43	- 3
Södermanland	7.28	7.35	44	45	42	- 3
Gävleborg	7.30	7.32	48	45	42	- 3
Gotland	7.35	8.12	35	42	38	- 4
Blekinge	7.41	7.40	46	44	39	- 5
Östergötland	7.51	7.24	47	45	38	- 7
Jönköping	7.55	8.11	38	38	31	- 7

Kommentar: Source: Metodundersökningen 2006, Ska-undersökningen 2005, Swedish Social Insurance Agency. Controlled figures for sick-leave benefit levels (Olsson 2006).

Table 4. Effect of five organizational cultures and two citizen attitudes on sick leave benefit levels controlled for seven background factors. Regional level.

	Bivariate effects	Organizational culture	Attitudes in the population	Organizational culture and attitudes in the population	Final model
Socialist – non-socialist (employees)	-6.89**	-7.72**	-	-6.92**	-6.08**
Care-orientation (employees)	-1.94	-3.02	-	-3.59	
Rule orientation (employees)	-6.37*	-4.84*	-	-4.10	-4.78*
Functional engagement (employees)	-.04	-2.00	-	+1.50	-
”critiques” (employees)	+.22	+1.18	-	+0.45	-
Social capital (population)	4.18*	-	+4.10	+3.57	+3.06*
Self-discipline (population)	-1.92	-	-0.57	+0.00	
N	-	21	21	21	21
R2 (adj.)	-	.50	.06	.53	.59
Konstant	-	146**	+25.28	+94.31*	+90.16**

Comment: Sources: Metodundersökningen 2006, Ska-undersökningen 2005, Swedish Social Insurance Agency. Controlled figures for sick-leave benefit levels (Olsson 2006). Levels of Significance: \*\*\* <=0,001; \*\* <=0,01; \* <=0,05.