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Lakshana Sharvani Mundil

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# Deconstructing Power Dynamics in Public Sector Governance: a Foucauldian Perspective

Lakshana Sharvani MUNDIL

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### Abstract:

*A growing stream of research has focused on good governance of public sector organizations, identifying power dynamics as a key theoretical concept worthy of scientific investigation. While considerable theoretical progress has been achieved to-date, two literature gaps can be identified. First, the study of power in the literature on good governance has been largely influenced by the theoretical perspectives originally conceived to study the concept in private sector organizations. Second, the majority of studies on power in governance is influenced by the positivistic paradigm that has long dominated social science research, leading to an oversimplification of the complex nature of power. Both these limitations pose several challenges for theory development, which this study attempts to address. The aim of this research is to broaden our understanding of power in public sector governance and it do so by adopting the Foucauldian analytical perspective of power to analyze the interview findings and draw inferences. Theoretically, this study broadens our theoretical understanding of power relationship in public sector governance. While, the traditional theoretical underpinnings of corporate governance are supportive of a structural form of power, this study shifts from structures to appreciate systems of meanings and signification.*

### Résumé :

*Un nombre croissant de recherches s'est concentré sur la bonne gouvernance des organisations du secteur public, identifiant la dynamique du pouvoir comme un concept théorique clé digne d'une enquête scientifique. Bien que des progrès théoriques considérables aient été réalisés à ce jour, deux lacunes dans la littérature peuvent être identifiées. Premièrement, l'étude du pouvoir dans la littérature sur la bonne gouvernance a été largement influencée par les*

*perspectives théoriques conçues à l'origine pour étudier le concept dans les organisations du secteur privé. Deuxièmement, la majorité des études sur le pouvoir dans la gouvernance est influencée par le paradigme positiviste qui a longtemps dominé la recherche en sciences sociales, conduisant à une simplification excessive de la nature complexe du pouvoir. Ces deux limitations posent plusieurs défis pour le développement de la théorie, que cette étude tente de résoudre. L'objectif de cette recherche est d'élargir notre compréhension du pouvoir dans la gouvernance du secteur public et ce, en adoptant la perspective analytique foucaldienne du pouvoir pour analyser les résultats des entretiens et tirer des conclusions. Cette étude élargit notre compréhension théorique de la relation de pouvoir dans la gouvernance du secteur public. Alors que les fondements théoriques traditionnels de la gouvernance d'entreprise soutiennent une forme structurelle de pouvoir, cette étude passe des structures à l'appréciation des systèmes de sens et de signification*

# I. Introduction

## A. Research Background

Since the 1990s, many countries have implemented reforms programs that have led to a reconfiguration of the traditional roles of their government. Such changes have been driven by the quest to improve policy and program implementation, with clear accountability<sup>1</sup>. Like several developing countries, Mauritius also embarked on a meticulous re-evaluation of its civil service. The transformation of the public sector was marked by an increased focus on ‘governance’<sup>2</sup>. Such an ideological shift from the notion of government to that of governance, has gained considerable prominence among researchers and policy-makers. Broadly speaking, governance is concerned with the steering of a society with the aim to achieve collective objectives. Underpinned by the fundamental principles of accountability, responsibility, transparency, integrity, effectiveness and efficiency, governance refers to the processes and systems by which institutions are directed and controlled<sup>3</sup>. Jessop provides a more comprehensive definition of governance<sup>4</sup>. For him, governance is “*the reflective self-organization of actors involved in complex relations of reciprocal inter-dependence, with such self-organization being based on continuing dialogue and resource sharing to develop mutually beneficial joint projects and to manage the contradictions and dilemmas inevitably involved in such situations*”. Governance influences the relationship between public sector actors, their capacity to act, and the ways in which public policies are defined and formulated.

## B. Research Problem

The shift from government to governance has engendered a restructuring of public sector institutions with the introduction of New Public Management (NPM) as a new organizational movement. NPM as an approach, refers to the

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<sup>1</sup> M. MOULLIN, “Improving and evaluating performance with the Public Sector Scorecard”, *International Journal of Productivity and Performance Management*, 2017, 66(4), pp. 442-458; K. NEWCOMER – S. CAUDLE, “Public Performance Management Systems”, *Public Performance & Management Review*, 2011, 35(1), pp.108-132.

<sup>2</sup> G. BERGER, “Reflections on Governance: Power Relations and Policy Making in Regional Sustainable Development”, *Journal of Environmental Policy & Planning*, 2003, 5(3), pp.219-234; O.J. SENDING – I.B. NEUMANN, “Governance to Governmentality: Analyzing NGOs, States, and Power”, *International Studies Quarterly*, 2006, 50(3), pp.651–672.

<sup>3</sup> A. CADBURY, “Cadbury report: The financial aspects of corporate governance” *Tech report*, HMG, London, 1992.

<sup>4</sup> B. JESSOP, “Governance and meta-governance: on reflexivity, requisite variety and requisite irony”, *Governance as social and political communication*, 2003, pp.101-116.

reorganization of the public sector bodies<sup>5</sup>. Inherent to the NPM concept, are the techniques and management methods of private profit-oriented businesses. Corporate Governance (CG), that has its roots in private business practices, has seen its way into public sector management as part of the NPM<sup>6</sup>. To-date, a growing stream of research focuses on public sector governance in various countries<sup>7</sup>.

Governance in the public sector has been studied at two levels; macro and micro<sup>8</sup>. The macro level focuses on new techniques of governing by the state, whereas the micro level investigates practices, systems and processes at organizational level. However, there has been comparatively little research on the micro level of governance in public sector bodies<sup>9</sup>. Within this stream of research, power and its asymmetries figure as a key theoretical concept in the study of public sector governance processes<sup>10</sup>.

Given the prominence of power relations and their embedded inequalities, scholars have identified that power among actors has to be taken into consideration when examining micro-level governance in public sector. As such, it is argued that to understand the internal functioning of CG processes, practices and systems in public sector institutions, the issue of power should receive

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<sup>5</sup> G. BERGER, “Reflections on Governance: Power Relations and Policy Making in Regional Sustainable Development”, *ibid.*; P. DUNLEAVY – C. HOOD, “From old public administration to new public management”, *Public Money & Management*, 1994, 14(3), pp. 9-16; L.D. PARKER – K. JACOBS – J. SCHMITZ, “New public management and the rise of public sector performance audit”, *Accounting, Auditing & Accountability Journal*, 2019, 32(1), pp. 280-306.

<sup>6</sup> A. HINNA – E.-D. NITO – G. MANGIA, “Board of directors within public organizations: a literature review”, *International Journal of Business Governance and Ethics*, 2010, 5(3), p. 131.

<sup>7</sup> T. CHRISTENSEN – P. LÆGREID, “The Whole-of-Government Approach to Public Sector Reform”, *Public Administration Review*, 2007, 67(6), pp. 1059-1066; T. SCHILLEMANS – M. BOVENS, *The Challenge of Multiple Accountability. Accountable Governance: Problems and promises*, 2011, pp. 3-21.

<sup>8</sup> J. KOOIMAN, “Social-Political Governance”, *Public Management: An International Journal of Research and Theory*, 1999, 1(1), pp. 67-92.

<sup>9</sup> M. CLATWORTHY – H. MELLETT – M. PEEL, “Corporate Governance under ‘New Public Management’: an exemplification”, *Corporate Governance*, 2000, 8(2), pp. 166-176; C. CORNFORTH – C. EDWARDS, “Board Roles in the Strategic Management of Non-profit Organizations: Theory and Practice”, *Corporate Governance*, 1999, 7(4), pp. 346-362; C.M. FARRELL, “Governance in the UK Public Sector: The Involvement of the Governing Board”, *Public Administration*, 2005, 83(1), pp. 89-110; A. HINNA – E.-D. NITO – G. MANGIA, “Board of directors within public organizations: a literature review”, *ibid.*.

<sup>10</sup> T. BOVAIRD, “Public governance: Balancing stakeholder power in a network society”, *International review of administrative sciences*, 2005, 71(2), pp. 217-228; J.M. PURDY, “A Framework for Assessing Power in Collaborative Governance Processes”, *Public administration review*, 2012, 72(3), pp. 409-417; J. TORFING, “Collaborative Innovation in the Public Sector: The Argument”, *Public Management Review*, 2019, 21(1), pp. 1-11.

attention<sup>11</sup>. At the very outset, this study aims at explaining how power can inform governance models in public sector institutions. The Foucauldian perspective, with its notion that “*power relations are deeply rooted in the social nexus*”, provides an interesting theoretical lens for studying power relationships in governance<sup>12</sup>.

The transposition of private business CG models to public sector institutions has provoked wide debates about its suitability and relevance. As a matter of fact, the theoretical underpinnings of CG from the private sector have been retained with the implication that CG research in the public sector is still guided by the same traditional private sector- oriented theoretical perspectives<sup>13</sup>. As such, many scholars have attempted to alter traditional theoretical perspectives with the aim of finding an appropriate theoretical paradigm to study micro level governance in the public sector<sup>14</sup>. However, such an attempt may lead to a misfit of existing theoretical perspective on CG as contextual influences are not taken into consideration and as a consequence, some territories are left unexplored. Furthermore, the transposition of private sector CG principles to the public sector assumes that power dynamics and imbalances remain similar in both settings. In fact, this study argues that traditional theories of CG do not provide a full account of power and by extending such theories to Public Sector Governance (PSG), our understanding of the micro-level processes in the public sector institution may be oversimplified. Traditional CG theories are fraught with a parsimonious account of power. As such, adopting the same private theoretical underpinnings in public setting is likely to replicate the limited conceptualization of power.

### C. Aim of Research

Informed by the above theoretical discussion and literature gaps, the aim of this research is to broaden our understanding of power in public sector governance. This study moves away from the traditional conceptualization of power within traditional theoretical perspectives, which emphasize on a structural form of power, by proposing that the practices of power produce intended transformational effects in individuals. CG systems, practices and processes will be deconstructed to generate insights that can add explanatory value to the

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<sup>11</sup> G. BERGER, “Reflections on Governance: Power Relations and Policy Making in Regional Sustainable Development”, *ibid.*

<sup>12</sup> M. FOUCAULT, « Usage des plaisirs et techniques de soi », *Le Débat*, 1983, 27(5), p. 222.

<sup>13</sup> B. MULILI – P. WONG, “Corporate Governance Practices in Developing Countries: The Case for Kenya”, *International journal of business administration*, 2011, 2(1), p. 14; J. SHAOUL – A. STAFFORD – P. STAPLETON, “Accountability and corporate governance of public private partnerships”, *Critical Perspectives on Accounting*, 2012, 23(3), pp. 213-229.

<sup>14</sup> G.S. DAWSON – J.S. DENFORD – C.K. WILLIAMS – D. PRESTON – K.C. DESOUZA, “An Examination of Effective IT Governance in the Public Sector Using the Legal View of Agency Theory”. *Journal of Management Information Systems*, 2016, 33(4), pp.1180-1208.

literature on governance paradigms for the public sector. Power practices will be mapped and their subjective outcomes on individuals will be studied. The research moves beyond the study of causal relationship between power and its outcomes by looking at the influences of power using an interpretive approach. In fact, the literature suggests that any study of power in PSG using subjective approaches is an important research endeavour. Such approach to study productive power “*matches the quantum sphere rather than the Newtonian one*” (Ladkin and Probert, 2019, p.7).<sup>15</sup> This implies that the interactions and variables within the causal relationship of power practices and power outcomes are not measurable and predictable, hence the use of an inductive approach, carried out within the guiding principles of a naturalistic inquiry.

#### **D. Research Objectives**

The objectives of this study are:

- To map the modalities of power in CG within modern public institutions;
- To study the power outcomes of the power practices.

#### **E. Theoretical and methodological contribution**

This study extends the boundaries of disciplinary research on power given that the bulk of studies on the topic has been influenced by the positivistic paradigm that has long dominated social science research<sup>16</sup>. Positivistic approaches oversimplify the complex nature of power and adopt a reductionist approach to the concept, which poses several challenges for theory development. Thus, this study is informed by an interpretive research paradigm which goes beyond refining and testing what is already known. An interpretive study guided by the principles of naturalistic inquiry allows the researcher to use intuition and insights to study participants’ views on a phenomenon such as power relationships<sup>17</sup>. Power, which is socially and culturally constructed, is best studied using an approach that facilitates the study of such processes. Qualitative approach that allows conversations between researchers and their communities

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<sup>15</sup> D. LADKIN – J. PROBERT, “From Sovereign to Subject: Applying Foucault’s Conceptualization of Power to Leading and Studying Power Within Leadership”, *The Leadership Quarterly*, 2019 (32/4) – <https://doi.org/10.1016/j.leaqua.2019.101310>

<sup>16</sup> A.J. ONWUEGBUZIE – N.L. LEECH, “On Becoming a Pragmatic Researcher: The Importance of Combining Quantitative and Qualitative Research Methodologies”, *International Journal of Social Research Methodology*, 2005, 8(5), pp. 375-387.

<sup>17</sup> F. COALTER, “Leisure Sciences and Leisure Studies: The Challenge of Meaning”, *Leisure studies: Prospects for the twenty-first century*, 1999, pp. 507-519.

provide a basis for theory development as such conversations provide a means to go beyond the obvious parameters of the research context. Furthermore, a qualitative approach to research generates contextualized theoretical perspectives<sup>18</sup>.

Therefore, the findings generated using a qualitative approach broaden our theoretical understanding of power relationship in public sector governance. The traditional theoretical underpinnings of CG are supportive of a structural form of power. Conceptually, this study shifts from structures to appreciate systems of meanings and signification. This form of productive power is grounded in the analytics of power of Michel Foucault. Concurrently, it is the author's contention that a study of power at Board level generates additional insights that can contribute to a generation of a new theoretical perspective distinctively suited to the public sector governance, especially with the rise of NPM. By employing the distinctive power conceptualization of Michel Foucault, this study enables us to appreciate the power practices that are found in the mundane processes and activities of Board that are producing and reproducing power effects.

## II. Literature Review

### A. Definition of Corporate Governance

All corporate structures, including charities, non-profit-making organizations, academic institutions, partnerships, governmental institutions as well as public and private companies, have to be governed. In other words, they need to have a governing entity. For a company, the Board of Directors (BOD) acts as the governing body. Fundamentally, CG relates to the manner in which power is exercised over corporate bodies<sup>19</sup>. Although there are disagreements on the understanding and definitions of CG,<sup>20</sup> the most widely used definition is the one proposed by the UK Cadbury Report: “*CG is the system by which companies are directed and controlled*”<sup>21</sup>. The actors involved in CG are the managers, shareholders, and Board of Directors.

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<sup>18</sup> P. HIBBERT – J. SILLINCE – T. DIEFENBACH – A.L. CUNLIFFE, “Relationally Reflexive Practice”, *Organizational Research Methods*, 2014, 17(3), pp. 278-298; M. WENZEL – N.N. SENF – J. KOCH, “Exploring Complex Phenomena with Qualitative Research Methods: An Examination of Strategic Innovation Trajectories in Haute Cuisine”, *Complexity in Entrepreneurship, Innovation and Technology Research*, 2016, pp. 163-182.

<sup>19</sup> I. TRICKER, *Corporate governance: principles, policies, and practices*, Oxford – New York, Oxford University Press, 2019, 568 pp., spéc. p. 4.

<sup>20</sup> T. STEGER, “Corporate Governance”, *Wiley Encyclopedia of Management*, 2015, pp.1-4.

<sup>21</sup> A. CADBURY, “Cadbury report: The financial aspects of corporate governance”, *ibid.*, p. 15.



## B. Historical Evolution of Corporate Governance

According to Calder, CG has its roots in the conduct of activities of the Dutch East India Company, formed in 1601<sup>22</sup>. Business activities were managed by the Governor-General, who was in turn subjected to control by the Council of the Indies. It has been propounded that is difficult to observe CG from a historical lens, because of its vastness<sup>23</sup>. Jackson and Carter argued that the proliferation of academic interest in CG sprang from concerns in the corporate arena over well-publicized corporate excesses<sup>24</sup>. While those excesses were not completely illegal, their propriety were questioned. New structures had to be put in place to suppress reoccurrence, which could take two forms: either the enactment of new laws or self-regulation of the corporate entities. Self-regulation was preferred over the enactment of laws. Although CG gained greater prominence after the publication of the Cadbury Report in 1992, over the years, academic and practical interest in the concept has been fueled by high-profile bankruptcies such as the failure of Enron<sup>25</sup>.

## C. Public Sector Governance

As discussed in the outset of the study, many developing countries including Mauritius embarked on a re-evaluation of its civil service. Such a transformation of the public sector was marked by an increased focus on 'governance'.<sup>26</sup> The governance literature is split into two strands of research; governance as a structure and governance as a process. The former refers to institutional arrangements and the interplay of actors in such setting, whilst the latter refers to the interactions within the structures<sup>27</sup>. Interestingly, a prominent governance structure that emerged in the 1990s was the NPM<sup>28</sup>.

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<sup>22</sup> A. CALDER, *Corporate governance: A practical guide to the legal frameworks and international codes of practice*, Kogan Page Publishers, 2008, 288 pp.

<sup>23</sup> B.R. CHEFFINS, "The history of corporate governance", *The Oxford handbook of corporate governance*, 2013, pp. 46-64.

<sup>24</sup> N. JACKSON – P. CARTER, "Organizational Chiaroscuro: Throwing Light on the Concept of Corporate Governance", *Human Relations*, 1995, 48(8), pp. 875-889.

<sup>25</sup> M.J. STEIN, "Beyond the boardroom: governmental perspectives on corporate governance", *Accounting, Auditing & Accountability Journal*, 2008, 21(7), pp.1001-1025.

<sup>26</sup> G. BERGER, "Reflections on Governance: Power Relations and Policy Making in Regional Sustainable Development", *ibid.*; O.-J. SENDING – I.-B. NEUMANN, "Governance to Governmentality: Analyzing NGOs, States, and Power", *ibid.*

<sup>27</sup> J. PIERRE – B.G. PETERS, *Governance, politics and the state*, Red Globe Press, 2018, 211 pp.

<sup>28</sup> R.A.W. RHODES, "The New Governance: Governing without Government", *Political Studies*, 1996, 44(4), pp. 652-667 (p. 655).

NPM has inherently adopted techniques and management methods of private profit-oriented businesses. CG which has its roots in private business practices, has seen its way into the public sector. Consequently, the transposition of private business CG models to the public sector has been followed by the transposition of the theoretical underpinnings, which was welcomed with skepticism. For instance, who are the shareholders in the public sector? The applicability and the suitability of conventional theories of private CG were questioned. However, there is comparatively little research at the micro level of governance in public sector bodies<sup>29</sup>. Governance research has focused mainly on the relationship between public institutions and the State. Furthermore, NPM represents new techniques, structures and mechanisms of governing. As such, the study of power in PSG is considered important to enhance our understanding of the concept.

#### **D. Premising power in Corporate governance research**

The field of CG is theoretically and empirically well-established in the literature and is considered to have reached a stage of maturity<sup>30</sup>. Yet, the concept has been investigated mainly using positivist approaches, with the implication that our understanding relates mostly to objective corporate variables such as profitability, firm's value, level of innovation, corporate social responsibility, amongst others<sup>31</sup>. Moreover, these traditional objective constructs informing board research have been criticized<sup>32</sup>. It was posited that traditional constructs informing board research are parsimonious in nature, easily accessible and measurable. Research in CG has long been hegemonized by the culture of empiricism<sup>33</sup>. Reflection has been casted over subjects of inquiry in CG and it has

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<sup>29</sup> M. CLATWORTHY – H. MELLETT – M. PEEL, “Corporate Governance under ‘New Public Management’: an exemplification”, *ibid.*; C.M. FARRELL, “Governance in the UK Public Sector: The Involvement of the Governing Board”, *ibid.*; A. HINNA – E.-D. NITO – G. MANGIA, “Board of directors within public organizations: a literature review”, *ibid.*

<sup>30</sup> P. KUMAR – A. ZATTONI, “Ownership, Managerial Entrenchment, and Corporate Performance”, *Corporate Governance: An International Review*, 2014, 22(1), pp. 1-3.

<sup>31</sup> R. AGGARWAL – J.D. SCHLOETZER – R. WILLIAMSON, “Do corporate governance mandates impact long-term firm value and governance culture?”, *Journal of Corporate Finance*, 2016, 59, pp. 202-217; I. CIFTCI – E. TATOGLU – G. WOOD – M. DEMIRBAG – S. ZAIM, “Corporate governance and firm performance in emerging markets: Evidence from Turkey”, *International Business Review*, 2019, 28(1), pp. 90-103.

<sup>32</sup> C.M. DAILY – D.R. DALTON – A.A. CANNELLA, “Corporate Governance: Decades of Dialogue and Data”, *Academy of Management Review*, 2003, 28(3), pp. 371-82; T. STEGER, “Corporate Governance”, *ibid.*

<sup>33</sup> P. BANSAL, “Inducing Frame-Breaking Insights through Qualitative Research”, *Corporate Governance: An International Review*, 2012, 21(2), pp. 127-130; S. BHAGAT – B. BLACK, “The Non-Correlation Between Board Independence and Long-Term Firm Performance” *SSRN Electronic Journal*, 1998, 27, p. 231; T. MCNULTY – A. ZATTONI – T. DOUGLAS,

been found that there is a dearth of knowledge on intricate and complex constructs; power being one of them. The inattention to such constructs in CG research is likely to provide a naïve and uncritical insight on CG processes<sup>34</sup>.

Expressing the necessity to expand the conceptual understanding of CG, several researchers have called for studies that uncover new constructs to complement existing theories.<sup>35</sup> Bansal metaphorically argued that the uncovering of new constructs will represent an opportunity to “*find new clothes for the emperor*”<sup>36</sup>. Scholars have been calling for more research on subjective variables such as relationships, processes, behaviors, and power structures that embed CG. In particular, the concept of power has been identified as a dynamic attribute with great explanatory and predictive capacity.

As mentioned above, power has been one of the subjective variables that is incentivized in CG research. For instance, Clegg et al. (2006)<sup>37</sup> propounded that power is a central tenet of organizational theory. The grounding of power in CG, as a social phenomenon, is supported by the articulation of Bertrand Russel (2008, p.4)<sup>38</sup> who expressed the following: “*Power is a foundational notion in social science ... in the same way energy is the foundational notion in physics*”. In line with this contemplation, power, as an explanatory concept is premised in this study with the aim to broaden the theoretical span of PSG.

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“Developing Corporate Governance Research through Qualitative Methods: A Review of Previous Studies”, *Corporate Governance: An International Review*, 2012, 21(2), pp. 183-198.

<sup>34</sup> P. BANSAL, “Inducing Frame-Breaking Insights through Qualitative Research”, *ibid.*; B. CUTTING – A. KOUZMIN, “The emerging patterns of power in corporate governance – Back to the future in improving corporate decision making”, *Journal of Managerial Psychology*, 2000, 15(5), pp. 477-507; K.L. FLORCZAK, “Power Relations”, *Nursing Science Quarterly*, 2016, 29(3), pp.192–196; T. MCNULTY – A. ZATTONI – T. DOUGLAS, “Developing Corporate Governance Research through Qualitative Methods: A Review of Previous Studies”, *ibid.*; T. MENGE, “The role of power in social explanation”, *European Journal of Social Theory*, 2017, 21(1), pp. 22-38; T. STEGER, “Corporate Governance”, *ibid.*

<sup>35</sup> P. MCCOLGAN, “Agency theory and corporate governance: a review of the literature from a UK perspective”, *Department of Accounting and Finance working paper*, 2001; T. MCNULTY – A. ZATTONI – T. DOUGLAS, “Developing Corporate Governance Research through Qualitative Methods: A Review of Previous Studies”, *ibid.*; T. STEGER, “Corporate Governance”, *ibid.*; M.J. STEIN, “Beyond the boardroom: governmental perspectives on corporate governance”, *ibid.*

<sup>36</sup> P. BANSAL, “Inducing Frame-Breaking Insights through Qualitative Research”, *ibid.*

<sup>37</sup> S.R. CLEGG – D. COURPASSON – N. PHILLIPS, *Power and organizations*, Sage, 2006, 472 pp.

<sup>38</sup> B. RUSSELL, *Power: A New Social Analysis*, Routledge, 2004, 285 pp.

## E. The study of power through theoretical triangulation

The author intends to enlighten the unexplored micro level of PSG through the study of power. Power has long been advocated in social sciences to contribute to an understanding of social phenomena. It has played an explanatory role in describing behavior, social structures, and social interaction<sup>39</sup>. However, such a study cannot be carried out without a framework. In line with this thought, the author proceeds to disentangle power from traditional private sector CG theories through theoretical triangulation. Following theoretical triangulation, the extracted conceptualizations of power are evaluated. Table 2.1 summarizes the conventional view of power by the theories informing CG.

### 1. Theoretical triangulation

Having set the premise for the study of power, the author is starting on the presumption that power studies in CG are scattered and multifaceted, owing to the divergent disciplines that have been employed to theorize CG, ranging from economics to sociology. Furthermore, the study of power in those theoretical paradigms employs different methodologies and are underpinned by diverse assumptions. In an aim to investigate power within existing CG research, this research makes the use of “*theoretical triangulation*”. This approach, also known as “*theoretical pluralism*” informs research by looking at the same phenomenon through multiple theoretical lenses. Theoretical triangulation is opted for this particular research because power permeates the numerous theories explaining CG which are the Agency Theory (AT), the Stakeholder Theory (ST) and the Resource Dependence Theory (RDT). Moreover, the author has employed theoretical triangulation because there is no single theory which explains power in CG. Hence power has to be extracted from the existing theories of CG. Moreover, it is argued that the use of single perspective does not allow an exhaustive examination of power within CG. One of the espoused benefits of theoretical triangulation is that it contributes to a holistic understanding of the phenomenon being studied. Additionally, theoretical pluralism will enable the author to make a rich and coherent assessment of power studies within the main streams of theories informing CG research<sup>40</sup>.

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<sup>39</sup> T. MENGE, “The role of power in social explanation”, *ibid.*

<sup>40</sup> T. AHRENS – C.S. CHAPMAN, “Doing Qualitative Field Research in Management Accounting: Positioning Data to Contribute to Theory”, *Handbooks of Management Research*, 2006, 1, pp. 299-318 ; Z.A. HOQUE – M.A. COVALESKI – T.N. GOONERATNE, “Theoretical triangulation and pluralism in research methods in organizational and accounting research”, *Accounting, Auditing & Accountability Journal*, 2013, 26(7), pp. 1170-1198; K.A. MERCHANT – W.A. VAN DER STEDE, “Field-Based Research in Accounting: Accomplishments and Prospects”, *Behavioral Research in Accounting*, 2006, 18(1), pp.117-134; K. ORMIN, “Triangulation Approaches in Accounting Research: Concerns, Implications,

To enable the study of power through theoretical triangulation, an explanation of the three theoretical underpinnings of CG is provided in the section below.

## 2. Theoretical underpinnings of Corporate Governance

CG is a field of study that has been marked by theoretical debates, with some scholars claiming superiority of their theories over others<sup>41</sup>. Indeed, it can be very difficult to capture all competing theories owing to the different ways in which they can be classified<sup>42</sup>. Owing to these reasons, this part aims at investigating and reviewing the literature on the most prominent theoretical paradigms explaining CG. This section delves into the explanation of the AT, ST and RDT. These theories were chosen over others because of their high level of contribution to power research in CG.

## 3. Agency Theory

Rooted in economics theory and emanating from the works of Berle and Means,<sup>43</sup> AT has been identified as the most influential theoretical paradigm to explain CG. The focus of AT is the agency relationship between the principal and the agent. The agency relationship is a relationship whereby an agent engaged and directed by the principal, carry out work on behalf of the latter. The agency relationship is fulfilled by delegating the decision-making capacity to the agent. Another inherent characteristic of the agency relationship is the divergence of interests between the principal and the agent. The agency relationship is underpinned by the assumption that the interests of its actors are dichotomized. Hence, the AT also investigates the mechanisms and methods that provides for the resolution of the agent-principal dilemma. CG is one of the mechanisms that provides for the alignment of interests<sup>44</sup>.

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and Resolutions”, *Applied Social Science Approaches to Mixed Methods Research*, 2020, pp. 186-200.

<sup>41</sup> J. KIRKBRIDE – S. LETZA – X. SUN – C. SMALLMAN, “The Boundaries of Governance in the Post-Modern World”, *Northern Ireland Legal Quarterly*, 2008, p. 161.

<sup>42</sup> S. BAINBRIDGE, *The New Corporate Governance in Theory and Practice*, Oxford University Press, 2008, 260 pp.

<sup>43</sup> A.A. BERLE – G.G.C. MEANS, *The modern corporation and private property*, Transaction publishers, 1991, 460 pp.

<sup>44</sup> A.A. BERLE – G.G.C. MEANS, *The modern corporation and private property*, *op. cit.*; L. BONAZZI – S.M.N. ISLAM, “Agency theory and corporate governance”, *Journal of Modelling in Management*, 2007, 2(1), pp. 7-23; K.M. EISENHARDT, “Agency Theory: An Assessment and Review”, *Academy of Management Review*, 1989, 14(1), pp. 57-74; M.C. JENSEN – W.H. MECKLING, “Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure”, *Economics Social Institutions*, 1979, pp. 163-231; G.T. PAYNE – O.V. PETRENKO, Agency Theory in Business and Management Research. *Oxford Research Encyclopedia of Business and Management*, 2019, pp. 63-72; W.G. SANDERS – D.C.

As explained above, CG, with a particular emphasis on the Board of Directors, aims at curbing the utility-maximizing nature of agents. Vigorously explained in the Seminal paper ‘Theory of the firm’ by Jensen and Meckling<sup>45</sup>, the Board acts as a mechanism to monitor the actions of the agent, which are perceived as agency costs to the firm. Hence, the mitigation of the agency costs is substituted by monitoring costs. Through the surveillance by the Board, the shareholders are given the assurance that the agent’s self-interested nature and its discretion are restrained. Fama and Jensen also inspected separation of ownership from control<sup>46</sup>. They hypothesized that agency costs incurred because CEOs do not own the business and do not bear the ramifications of their decisions. Hence, board control and oversight will curb agent opportunistic behaviors<sup>47</sup>.

Power within the agency theory has been established within a dyad, where there is a power asymmetry in favor of the Board. The dyadic relationship is between the CEO and the Board. Power as explained by AT is synonymous to domination, since the Board imposes its will on the agent. Under the AT, power is exerted by the Board over passive agents. Paralleled to Dahl’s conception of power<sup>48</sup> to the agency relationship, the principal (P) has power over the agent (A) to the extent that P can get the A to do something that he would not have otherwise chosen to do. Under the agency theory, without the control of the Board, the agents would continue to act in an opportunistic manner.

Power as conceptualized by AT is a form of domination as the Board engages in enforcing the behavior of the agent. From Hobbes’ Leviathan<sup>49</sup> power of the Board is representative of the power of the sovereign, who possesses the legitimate capacity to sanction behavior of the agent. The Hobbesian perspective

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HAMBRICK, “Swinging for the Fences: The Effects of CEO Stock Options on Company Risk Taking and Performance” *Academy of Management Journal*, 2007, 50(5), pp. 1055-1078.

<sup>45</sup> M.C. JENSEN – W.H. MECKLING, “Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure”, *ibid.*

<sup>46</sup> E. FAMA – M.C. JENSEN, “Separation of Ownership and Control”, *Journal of Law and Economics*, 1983, 26(2), pp. 327-349.

<sup>47</sup> R.V. AGUILERA – K. DESENDER – M.K. BEDNAR – J.H. LEE, “Connecting the Dots: Bringing External Corporate Governance into the Corporate Governance Puzzle”, *The Academy of Management Annals*, 2015, 9(1), pp.483-573; L. BONAZZI – S.M.N. ISLAM, “Agency theory and corporate governance”, *ibid.*; E. FAMA – M.C. JENSEN, “Separation of Ownership and Control”, *ibid.*; N. FLIGSTEIN – R. FREELAND, “Theoretical and Comparative Perspectives on Corporate Organization”, *Annual Review of Sociology*, 1995, 21(1), pp.21-43; P. MCCOLGAN, “Agency theory and corporate governance: a review of the literature from a UK perspective”, *ibid.*; A. MERENDINO – R. MELVILLE, “The board of directors and firm performance: empirical evidence from listed companies”, *Corporate Governance: The international journal of business in society*, 2019, 19(3), pp. 508-551; G.T. PAYNE – O.V. PETRENKO, “Agency Theory in Business and Management Research”, *ibid.*

<sup>48</sup> R.A. DAHL, “The concept of power”, *Behavioral science*, 1957, 2(3), pp. 201-215.

<sup>49</sup> T. HOBBS – E. CURLEY, *Leviathan: with selected variants from the Latin edition of 1668*, Hackett Publishing, (Vol. 8348), 1994.

of power extrapolated to the agency relationship suggests that the power of the Board on the agent can be conceptualized as ‘power over’. Furthermore, drawing from the works of Mills<sup>50</sup>, power in the agency relationship is perceived as a concentration in the Board<sup>51</sup>. It can be inferred from this conceptualization, that power is unidirectional, mechanistic and constituted within a dyad.

#### 4. Stakeholder theory

The ST expanded by Freeman has received considerable attention as a theoretical lens for studying CG<sup>52</sup>. From the ST perspective, firms are considered as social entities with social duties towards the stakeholders. Freeman defined stakeholders as “any person or group of persons who affect or can be affected by the activities of the firm”<sup>53</sup>. These stakeholders which include employees, customers, trade unions, society or government at large, are considered to have a moral right on the corporation. The proposition of the ST is that the success of the organization is contingent on its ability to sustain enduring and successful bonding with its stakeholders. Through the inclusion of the interests of stakeholders at different level of the organizations, the latter ensures its survival through value creation<sup>54</sup>. Furthermore, two approaches have been established to explain the reasons for taking into account the interests of stakeholders. The first one is the normative perspective which enunciates that the claims of stakeholders possess intrinsic value and hence the organization has a duty to fulfil those legitimate demands. Secondly, the instrumental perspective pronounces that the degree of responsibility towards stakeholders is commensurate to the firm’s profitability.

Under the ST, CG from a broader perspective is bound to be inclusive of the relationships the firm share with its array of stakeholders. The stakeholder perspective marks a great shift in the conventional role of the Board to safeguard the interests of the shareholders. Now, the role of the Board extends to catering

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<sup>50</sup> T.C. MILLS, *Time series techniques for economists*, Cambridge University Press, 1991.

<sup>51</sup> P.C. BENTLEY, Objectification of the subject through the exercise of power: an ethnographical inquiry of power in an American policing organization, *Arizona State University*, 2013; D. LADKIN – J. PROBERT, “From Sovereign to Subject: Applying Foucault’s Conceptualization of Power to Leading and Studying Power Within Leadership”, *ibid.*; T. MENGE, “The role of power in social explanation”, *ibid.*

<sup>52</sup> E. FREEMAN, *Strategic Management: A Stakeholder Approach*, 1984, Pitman Publishing, 244 pp.

<sup>53</sup> *Idem*, p. 46.

<sup>54</sup> D. CAMPA – E.W.A. ZIJLMANS, “Corporate social responsibility recognition and support for the arts: Evidence from European financial institutions. *European Management Journal*, 2019, 37(6), pp. 818-827; L. FERKINS – D. SHILBURY – I. O’BOYLE, “Leadership in governance: Exploring collective board leadership in sport governance systems”, *Sport Management Review*, 2018, 21(3), pp. 221-231; V. NACITI, “Corporate governance and board of directors: The effect of a board composition on firm sustainability performance”, *Journal of Cleaner Production*, 2019, 237 – <https://doi.org/10.1016/j.jclepro.2019.117727>.

for the needs of the numerous stakeholders along with committing to Corporate Social Responsibility. Board strategies are formulated by taking into account the interests and welfare of stakeholders. Moreover, the ST identifies that the role of Board is to maintain a fair equilibrium in the interests of the stakeholders. Furthermore, the Board is responsible in ensuring that participants within the firm are internalizing the wellbeing of the stakeholder groups. Through the alignment of interests, wealth creation is maximized. In so doing, the Board is required to promote productive negotiation, enhance cooperation as well as play an active role in conflict resolution. Situating ST within the fabric of CG implies the identification of a theory that provides for the exercise of oversight of people or groups with legitimate claim on the business<sup>55</sup>.

Power has been used as a construct to capture the mechanics of the stakeholder-organization interactions. The study of power within ST has propelled the development of several models such as ‘Stakeholder Salience Model’ which aims at identifying the stakeholders who are most likely to have power over the activities of the firm. Power in ST has been looked at as the potential to have an influence over the policies, decisions and strategies of the entity. Stakeholder power analysis has been defined as the ability to use persuasion or coercion to engage the Board or other participants to take a decision or to choose a particular course of action. Under this conception, power can be traced to a particular point of origin and is an attribute that can be possessed by the individual<sup>56</sup>.

This type of power that is perceived as a capacity and an ability that can be wielded is reflective of the account of power by French and Raven<sup>57</sup>. The latter have developed six bases of power which can be employed to change behaviour. Their works also presuppose a dyad between the influencing agent and the target; the influencing agent being the stakeholders and the target being the Board. The sources of power as identified by French and Raven are as follows: (1) reward

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<sup>55</sup> S. AYUSO – A. ARGANDOÑA, “Responsible corporate governance: towards a stakeholder board of directors?”, *IESE Business School Working Paper*, 701, 2009, pp. 1-20; E. ELIJIDOTEN, “Applying stakeholder theory to analyze corporate environmental performance”, *Asian Review of Accounting*, 2007, 15(2), pp. 164-184; V. NACITI, “Corporate governance and board of directors: The effect of a board composition on firm sustainability performance”, *ibid.*; S. TURNBULL, “Corporate governance: Its scope, concerns and theories”, *Corporate Governance: An International Review*, 1997, 5(4), pp. 180-205; J. WANG – H.D. DEWHIRST, “Boards of directors and stakeholder orientation”, *Journal of Business Ethics*, 1992, 11(2), pp. 115-123; D. WHEELER – R. DAVIES, “Gaining goodwill: developing stakeholder approaches to corporate governance”, *Journal of General Management*, 2004, 30(2), pp. 51-74.

<sup>56</sup> P. MYLLYKANGAS – J. KUJALA – H. LEHTIMÄKI, “Analyzing the Essence of Stakeholder Relationships: What do we Need in Addition to Power, Legitimacy, and Urgency?”, *Journal of Business Ethics*, 2010, 96(S1), pp. 65-72.

<sup>57</sup> J.R. FRENCH – B. RAVEN – D. CARTWRIGHT, “The bases of social power”, *Classics of organization theory*, 1959, 7, pp. 311-320.



power, (2) coercive power, (3) informational power, (4) legitimate power, (5) expert power and (6) referent power<sup>58</sup>. The account of power within ST views power as a latent potential and a commodity that can be possessed and transferred.

## 5. Resource Dependence Theory

RDT characterizes the organization as an open system that is contingent on external environmental conditions. It is propounded by RDT that the ecology of the corporation influences behavior within the organization. The dependence on external factors causes the corporation to face risks and uncertainties. This theory suggests that those risks arising out of environmental factors can be overcome by engaging in exchanges. Transactions and exchanges are an excellent way to secure significant resources. This theory has been widely used to explain CG, with a particular focus on the Board of Directors<sup>59</sup>.

A review of the literature suggests that the use of RDT is gaining prominence over other theoretical perspectives to inform research on the Board of Directors, which is one of the central mechanisms of CG<sup>60</sup>. RDT acknowledges that the role of the Board as resource providers will ultimately reduce risks and environmental uncertainty arising from the dependence of the entity on external factors. Essentially, the Board establishes the needed linkage between the corporation and the external environment. Furthermore, RDT asserts that the ability to secure vital resources by the Board contributes to sustained value creation, enhanced legitimacy and improved performance<sup>61</sup>. Additionally, Pfeffer

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<sup>58</sup> *Idem.*

<sup>59</sup> A. ALHARES – A.A. ELAMER – I. ALSHBILI – M.W. MOUSTAFA, (2020). “Board structure and corporate R&D intensity: evidence from Forbes global 2000”, *International Journal of Accounting & Information Management*, 2020, pp. 445-463; F. BRAVO – N. REGUERA-ALVARADO, “The effect of board of directors on R&D intensity: board tenure and multiple directorships”, *R&D Management*, 2017, 47(5), pp. 701-714; J.C. CHEN – R.W. ROBERTS, “Toward a More Coherent Understanding of the Organization–Society Relationship: A Theoretical Consideration for Social and Environmental Accounting Research”, *Journal of Business Ethics*, 2010, pp. 651-665; A.J. HILLMAN – M.C. WITHERS – B.J. COLLINS, “Resource Dependence Theory: A Review”, *Journal of Management*, 2009, pp.1404-1427; J. PFEFFER – G.R. SALANCIK, *The external control of organizations: A resource dependence perspective*, Stanford University Press, 2003, 289 pp.

<sup>60</sup> A.J. HILLMAN – M.C. WITHERS – B.J. COLLINS, “Resource Dependence Theory: A Review”, *ibid.*; J.L. JOHNSON – C.M. DAILY – A.E. ELLSTRAND, “Boards of Directors: A Review and Research Agenda”, *Journal of Management*, 1996, 22(3), pp. 409-438; A. PUGLIESE – A. MINICHILLI – A. ZATTONI, “Integrating agency and resource dependence theory: Firm profitability, industry regulation, and board task performance”, *Journal of Business Research*, 2014, 67(6), pp. 1189-1200.

<sup>61</sup> J.M. DREES – P.P.M.A.R. HEUGENS, “Synthesizing and Extending Resource Dependence Theory”, *Journal of Management*, 2013, 39(6), pp. 1666-1698; A.J. HILLMAN – M.C. WITHERS – B.J. COLLINS, “Resource Dependence Theory: A Review”, *ibid.*; A. PUGLIESE – A. MINICHILLI – A. ZATTONI, “Integrating agency and resource dependence theory: Firm

and Salancik suggested that through the absorption of resources, Board are able to provide useful information and advice that are critical for the survival of the firm<sup>62</sup>. They also suggested that board structures and size can largely determine the degree of their social capital.

Power has been identified as a central concept of RDT, which synoptically translates into the ability of the Board of Directors to mobilize and procure critical resources<sup>63</sup>. One conjecture in RDT is that control over the resources is commensurate to the power held over the actors who need the resources. RDT is founded in Social Exchange Theory and Pfeffer and Salancik explained power in RDT<sup>64</sup> by applying Emerson's conception of power<sup>65</sup>. Emerson defined power as relational and as a function of dependence of one actor on the other. The relational notion of power implies that power is not possessed by a given person. As Emerson pronounced that power is not a property that can be possessed by a person, but is a characteristic of social relation<sup>66</sup>.

Power within RDT is conceptualized as power differentials, which signifies a situation of asymmetric dependence between the actors in an exchange relationship. The asymmetry in dependence is translated into the asymmetry in power relations<sup>67</sup>. The ability to mobilize critical resources also implies that power is shifting in an exchange transaction. Power as conceptualized by RDT is not synonymous to a zero-sum game. Actors can have power over each other creating the interdependency in the relation. Power relation in RDT is also dyadised because exchange transactions occur between two actors. Hence, power in RDT

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profitability, industry regulation, and board task performance”, *ibid.*; S.A. ZAHRA – J.A. PEARCE, “Boards of Directors and Corporate Financial Performance: A Review and Integrative Model”, *Journal of Management*, 1989, pp. 291-334.

<sup>62</sup> J. PFEFFER – G.R. SALANCIK, *The external control of organizations: A resource dependence perspective, op. cit.*

<sup>63</sup> D. ULRICH – J.B. BARNEY, “Perspectives in Organizations: Resource Dependence, Efficiency, and Population”, *Academy of Management Review*, 1984, 9(3), pp.471–481.

<sup>64</sup> J. PFEFFER – G.R. SALANCIK, *The external control of organizations: A resource dependence perspective, op. cit.*

<sup>65</sup> R.M. EMERSON, “Power-Dependence Relations”, *American Sociological Review*, 1962, 27(1), p. 31.

<sup>66</sup> K.S. COOK – C. CHESHIRE – E.R.W. RICE – S. NAKAGAWA, “Social Exchange Theory”, *Handbook of Social Psychology*, 2013, pp. 61-88; G.F. DAVIS – J. ADAM COBB, “Chapter 2 – Resource dependence theory: Past and future”, *Research in the Sociology of Organizations*, 2010, pp. 21-42; J.P. EMERSON, “Negotiating the Serious Import of Humor”, *Sociometry*, 1969, 32(2), p. 169; W. NIENHÜSER, “Resource Dependence Theory – How Well Does It Explain Behavior of Organizations?” *Management Revue*, 2008, pp. 9-32.

<sup>67</sup> R.M. EMERSON, “Power-Dependence Relations”, *ibid.*; J. PFEFFER – G.R. SALANCIK, *The external control of organizations: A resource dependence perspective, op. cit.*

has been treated as relational, a capacity to mobilize resources and the exercise of control over those resources<sup>68</sup>.

Conventional theories of CG	Conceptualization of power	Actors
<b>Agency theory</b> <i>(Berle and Means, 1991)</i> <sup>69</sup>	Power is coercive Power is possessed by virtue of structural position Power by associated with position in hierarchy <i>(Hobbes and Curley, 1994)</i> <sup>70</sup>	Board as the Sovereign sanctioning behavior
<b>Stakeholder theory</b> <i>(Freeman, 1984)</i> <sup>71</sup>	Power as an ability and a capacity to influence <i>(French and Raven, 1959)</i> <sup>72</sup> Power is seen as an attribute that can be possessed If one has enough power, then it can influence behavior Power is latent – can be exercised or not Power is a function of personal characteristic	Board is the target of influence Stakeholders are the influencing agents

<sup>68</sup> T. CASCIARO – M.J. PISKORSKI, “Power Imbalance, Mutual Dependence, and Constraint Absorption: A Closer Look at Resource Dependence Theory”, *Administrative Science Quarterly*, 2005, 50(2), pp. 167-199; J.M. DREES – P.P.M.A.R. HEUGENS, “Synthesizing and Extending Resource Dependence Theory”, *ibid.*; R.M. EMERSON, “Power-Dependence Relations”, *ibid.*; E.J. LAWLER – J. YOON, “Commitment in Exchange Relations: Test of a Theory of Relational Cohesion”, *American Sociological Review*, 1996, 61(1), p. 89; J. PFEFFER – G.R. SALANCIK, *The external control of organizations: A resource dependence perspective, op. cit.*

<sup>69</sup> A.A. BERLE – G.G.C. MEANS, *The modern corporation and private property, op. cit.*

<sup>70</sup> T. HOBBS – E. CURLEY, *Leviathan: with selected variants from the Latin edition of 1668, op. cit.*

<sup>71</sup> E. FREEMAN, *Strategic Management: A Stakeholder Approach, op. cit.*

<sup>72</sup> J.R. FRENCH – B. RAVEN – D. CARTWRIGHT, “The bases of social power”, *Classics of organization theory*, 1959, 7, pp. 311-320.

<b>Resource Dependence Theory</b> (Pfeffer and Salancik, 2003) <sup>73</sup>	Power as a capacity to mobilise resources (Emerson, 1962) <sup>74</sup> Power is a function of personal characteristics Existence of power differentials because of asymmetric dependence	Board is a resource mobiliser
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*Figure 1: Summary of conceptualization of power within conventional theories*

## F. Critical review of literature

After studying power through theoretical triangulation, it is seen that power in those theories is conceptualized within a dyad, is mechanistic, uni-directional and relational. Power is conceptualized as power over and between a dominant and a dominee. Furthermore, it is seen as a capacity or a possession. Power is conceptualized as personal or as a function of structure. After reviewing the conceptualization of power, this part attempts to critically analyze the work that grounds power research in CG with the aim to identify research gaps. Firstly, it is argued that the three theories used to study power within CG provides a very limited and simplistic accounts of the power. The literature paints an incomplete canvass and is fraught with a parsimonious account of power, thus hindering its explanatory capacity. It is contended that the literature suffers from a limited capacity to explain power. Furthermore, existing studies of power in CG literature indicates that structural and contextual influences factors such as norms, rules, pedagogy, discourses, regulations and so on, have been left out of the theoretical perspectives. Besides, with the rise of NPM and the demise of hierarchical structure and the rise of changes in ways of governing, power as conceptualized by those conventional theories are simplistic in nature.

In light of the above, the following research gaps has been identified:

- Power is conceptualized within a reductionist framework;
- Structural and contextual factors hinder the provision of a holistic account of power within the fabric of CG.

Hence, by acknowledging the limited accounts of power provided by the traditional theories of private sector CG and in view of broadening research of power in PSG, it is suggested that power be investigated from the lens of Michel

<sup>73</sup> J. PFEFFER – G.R. SALANCIK, *The external control of organizations: A resource dependence perspective, op. cit.*

<sup>74</sup> R.M. EMERSON, “Power-Dependence Relations”, *ibid.*

Foucault. The productive power of Michel Foucault looks beyond structures, domination and power wielded by a sovereign. The analytics of power by Michel Foucault has been recognized to provide a holistic understanding of the power works. Echoing this thought, it is proposed that this research is guided by the power formulations of Michel Foucault. The following section provides an account of the Foucauldian power.

### **G. Foucauldian perspective of power**

The formulations of power by Michel Foucault are inclusive of the structural and contextual influences. Following a review of past organizational studies that have employed the conceptions of power by Michel Foucault, this research is premised on the assumption that conceptualizing power from the lens of Foucault provides a comprehensive and fuller account of power within CG<sup>75</sup>. The analytics of power by Michel Foucault provides a very different account of power from that of mainstream theories. The Foucauldian perspective of power is inherent to and is deeply rooted in relationships. It is neither a commodity nor an attribute, but power is something that is pervasive and invisible in social relations. Power does not come from a source; it circulates within circuits of relationships and structures. Furthermore, the Foucauldian power is not repressive. Instead, power operates through mechanisms, processes and systems. It pays attention to systems of signification and meaning. For Foucault, power is productive because it produces selves, knowledge, identities, discourses and regimes of truths.

Foucault, in providing for a distinctive method to investigate power, suggested that power should be investigated through the various mechanisms and practices that actualize the phenomenon<sup>76</sup>. This is so, because power is only visible through its exercise and is demonstrated by its effects<sup>77</sup>. Owing to the fact that power is circulated within the capillaries of micro-relations<sup>78</sup>, mechanisms and practices that enable the exercise of power in those capillaries need to be mapped. The following sections formulate a brief account of the practices of power propounded by Michel Foucault.

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<sup>75</sup> P. BENTLEY – T. CATLAW – J. LUCIO – M. MUSHENO, “Objectification of the Subject through the Exercise of Power: An Ethnographical Inquiry of Power in an American Policing Organization”, *Arizona State University. ProQuest Dissertations Publishing*, 2013; S.R. CLEGG – D. COURPASSON – N. PHILLIPS, *Power and organizations, op. cit.*; S. LUKES, *Power: A Radical View*, Macmillan International Higher Education, 2004, 199 pp.

<sup>76</sup> M. FOUCAULT, Two Lectures Lecture One: 7 January 1976 – URL: <https://philpapers.org/rec/FOUTLL>

<sup>77</sup> B. TOWNLEY, “Foucault, power/knowledge, and its relevance for human resource management”, *Academy of Management review*, 1993, 18(3), pp.518-545.

<sup>78</sup> S.R. CLEGG – D. COURPASSON – N. PHILLIPS, *Power and organizations, op. cit.*

Foucault's formulations of power are scattered in his works. More than often, his concepts contradict themselves. However, he acknowledges that power should be studied while acknowledging that power changes with epistemes, which means different periods of time. There have been several practices that have been identified by Foucault which involves the manifestation of power; surveillance, disciplining, normalization and internalization, exclusion, cataloguing, individualizing, distribution, classification. In addition, Foucault suggested that discourses produce regimes of truth. Foucault posits knowledge as a means through which power is created. Foucault also propounded that power is inextricably linked to knowledge as knowledge generates power. Furthermore, disciplinary practices are suggestive of the exercise of power. Using Jeremy Bentham's Panopticon as example, Foucault illustrated that disciplinary power transforms an outlaw into law-abiding citizens. The practices through which power is exercised is complemented with techniques of normalisation. Under these techniques, power is internalised by subjects, who in turn normalise the power effects. Central to Foucault's new conceptualisation of power is the concept of governmentality which suggests a particular modality for the exercise of power which is not reduced to the sovereign. Governmentality is understood as the power practices that work at distance to shape '*the conduct of conduct*'. Foucault associates conduct to a mechanism of coercion. Hence governmentality studies the practices which disperse and decentralize the coercive form of power<sup>79</sup>.

### III. Research Methodology

The preceding chapter discussed the theoretical underpinnings of the research. This chapter provides an overview of the research methodology. The author provides the study context followed by an explanation of the philosophical assumptions of the study. The research approach is introduced, followed by the data analytical technique.

*"All progress is born from inquiry. Doubt is often better than overconfidence, for it leads to inquiry and inquiry leads to invention"*<sup>80</sup>.

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<sup>79</sup> A. ALLEN, "The Anti-Subjective Hypothesis: Michel Foucault and the Death of the Subject", *The Philosophical Forum*, 2000, 31(2), pp. 113-130; M. ALVESSON – D. KARREMAN, "Varieties of Discourse: On the Study of Organizations through Discourse Analysis", *Human Relations*, 2000, 53(9), pp. 1125-1149; S.R. CLEGG – D. COURPASSON – N. PHILLIPS, *Power and organizations*, *op. cit.*; M. FOUCAULT, Qu'est-ce qu'un auteur?, *Bulletin de la Société Française de Philosophie*, 1969, 63(3); M. FOUCAULT, "Subjectivité et Vérité", Résumé des cours, 1970-1982, Conférences, essais et leçons du Collège de France, 1989, p. 134.

<sup>80</sup> H. MAXIM, *Dynamite Stories, and Some Interesting Facts About Explosives*, Good Press, 2019, 78 pp.

Research is concerned with the search for knowledge. Kothari defined research as a “*systematized process to acquire new knowledge*”<sup>81</sup>. Furthermore, Walliman defined research as a process of finding out the unknown<sup>82</sup>. The methodology is a framework associated with “*paradigmatic assumptions*” that guides research. Hence, echoing the definition provided above, the tenets of that make up this chapter are: Study context (A); Research Philosophy (B); Research Methodology (C).

## **A. Context of study**

The literature suggests that there is comparatively little research at the micro level of governance, in the public sector bodies<sup>83</sup>. PSG research has focused mainly on the relationship between public institutions and the State. The author intends to enlighten the unexplored micro level of PSG through the study of power by using the analytical framework of Foucauldian power. It is advanced that such a study will contribute to an understanding of behavior, structures and social interaction in PSG. Hence, this study focuses on the public sector bodies in Mauritius. The next section of this chapter looks at the philosophical assumptions underpinning the study the researcher intends to conduct.

## **B. Research philosophy**

Debates about the most appropriate research philosophy abound in the literature and have led to the polarization of research approaches in several cases<sup>84</sup>. Research philosophies, also described as ‘world views’ or ‘paradigms’, are “*basic sets of belief that guide actions, whether of the everyday garden variety or action taken in connection with a disciplined inquiry*”<sup>85</sup>. They are characterized by three basic questions that relate to ontology (nature of reality), epistemology (nature of relationship between the knower and the known) and research methodology (how should the researcher go about to discover truth).

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<sup>81</sup> C.R. KOTHARI, *Research methodology: Methods and techniques*, New Age International, 2004, 414 pp.

<sup>82</sup> N. WALLIMAN, *Research methods: The basics*, Routledge, 2011, 208 pp.

<sup>83</sup> M. CLATWORTHY – H. MELLETT – M. PEEL, “Corporate Governance under ‘New Public Management’: an exemplification”; C. CORNFORTH – C. EDWARDS, “Board Roles in the Strategic Management of Non-profit Organizations: Theory and Practice”, *ibid.*; A. HINNA – E.-D. NITO – G. MANGIA, “Board of directors within public organizations: a literature review”, *ibid.*

<sup>84</sup> A.J. ONWUEGBUZIE – N.L. LEECH, “On Becoming a Pragmatic Researcher: The Importance of Combining Quantitative and Qualitative Research Methodologies”, *ibid.*

<sup>85</sup> E.G. GUBA, “The Alternative Paradigm Dialog”, in E. G. Guba (Ed.), *The paradigm dialog*, Sage, 1990, 1, pp. 17-27.

At the ontological level, this study follows the principles of an interpretivist approach. Accordingly, at the epistemological level, it is posited that CG is a phenomenon characterized by a subjective reality and is influenced by the context in which it occurs. Truth and meanings associated with CG are created out of our interactions and engagement with the world in which it occurs. To understand the dynamics of power within CG, the realities should be constructed from the researcher's active engagement with the phenomenon. Under this epistemological belief, interaction with the participants creates meaning. Besides, the construction of knowledge can only be performed in understanding the different meanings participants attribute to that knowledge.

### C. Research methodology

Research methodology is the approach adopted to conduct the research. The outset of this study is that power in CG is a social phenomenon that does not represent one single objective reality. In employing the analytical framework of Foucauldian power to conduct research, it is critical to position the investigation of power within an interpretivist paradigm. Power as conceptualized by Michel Foucault does not represent an objective and independent phenomenon. Power is highly subjective and arises from social contexts and it is an outcome of interactions<sup>86</sup>.

CG research has been highly dominated by quantitative methods<sup>87</sup>. Furthermore, scholars called for more qualitative studies in CG<sup>88</sup>. Some researchers have expressed the need to look for research alternatives because the hegemony of quantitative paradigms has excluded challenging and revealing concepts such as power, trust, conflict, norms and so on. Hence, echoing the concern to broaden research avenues, a qualitative approach to research is opted.

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<sup>86</sup> D. LADKIN – J. PROBERT, “From Sovereign to Subject: Applying Foucault’s Conceptualization of Power to Leading and Studying Power Within Leadership”, *ibid.*

<sup>87</sup> A.J. ONWUEGBUZIE – N.L. LEECH, “On Becoming a Pragmatic Researcher: The Importance of Combining Quantitative and Qualitative Research Methodologies”, *ibid.*; P. STILES – B. TAYLOR, *Boards at work: How directors view their roles and responsibilities: How directors view their roles and responsibilities*, Oxford University Press, 2002.

<sup>88</sup> B. DURISIN – F. PUZONE, “Maturation of Corporate Governance Research, 1993-2007: An Assessment”, *Corporate Governance: An International Review*, 2009, 17(3), pp. 266-291; D.G. MIHRET – B. GRANT, “The role of internal auditing in corporate governance: a Foucauldian analysis”, *Accounting, Auditing & Accountability Journal*, 2017, 30(3), pp. 699-719; A. ZATTONI – T. DOUGLAS – W. JUDGE, “Developing Corporate Governance Theory through Qualitative Research”, *Corporate Governance: An International Review*, 2013, 21(2), pp. 119-122.



Such a naturalistic inquiry allows the researcher to use intuition and insights to study participants' views on a phenomenon<sup>89</sup> such as power relationships. Power, which is socially and culturally constructed, is best studied using an approach that facilitates the study of such processes. Furthermore, qualitative approach that allows conversations between researchers and their communities provide a basis for theory development as such conversations provide a means to go beyond the obvious parameters of the research context. Furthermore, a qualitative approach to research generates contextualized theoretical perspectives<sup>90</sup>.

## 1. Data Collection and analysis

Qualitative research relies on in-depth interviews with participants so as to access participants' feelings, experiences and their perceptions of reality<sup>91</sup>. Participants were chosen using a purposive sampling technique. Choice of participants is based on their suitability to provide the information required to answer the research question of the study<sup>92</sup>. For the study of power within PSG, Chairperson and CEOs of public sector institutions were chosen on purpose. Ten participants were interviewed, out of which 5 were CEOs and 5 were Chairpersons. Theoretical saturation was reached by the end of the 10<sup>th</sup> interview. New interviews did not generate new insights on the concepts<sup>93</sup>. At this stage, the themes appeared to be well-established.

The researcher uses a semi-structured interview as a method of data collection, owing to the flexibility it provides<sup>94</sup>. As such, the interviewer does not follow a rigid and formalized questionnaire. Open-ended questions are asked to the participants. However, probing questions were also asked when needed to generate additional insights on the subject matter. Questions were sometimes modified in order to spawn further responses.

Interviews were carried out in the office of the participants. An overview of the study was provided to the participants as a framework for the interview.

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<sup>89</sup> F. COALTER, "Leisure Sciences and Leisure Studies: The Challenge of Meaning", *ibid.*

<sup>90</sup> P. HIBBERT – J. SILLINCE – T. DIEFENBACH – A.L. CUNLIFFE, "Relationally Reflexive Practice", *ibid.*

<sup>91</sup> K. CHARMAZ, *Constructing grounded theory: A practical guide through qualitative analysis*, Sage, 2006, 244 pp.

<sup>92</sup> M.J. SIRGY – R.N. WIDGERY – D.-J. LEE – G.B. YU, "Developing a Measure of Community Well-Being Based on Perceptions of Impact in Various Life Domains", *Social Indicators Research*, 2009, 96(2), pp. 295-311.

<sup>93</sup> K. CHARMAZ, *Constructing grounded theory: A practical guide through qualitative analysis*, *op. cit.*; B. GLASER – A. STRAUSS, *The discovery of grounded theory*, London, Weidenfield & Nicolson, London, 1967, pp. 1-19.

<sup>94</sup> M.N. SAUNDERS – P. LEWIS, *Doing research in business & management: An essential guide to planning your project*, Pearson, 2012, 250 pp.

Prior to the interview, approval for recording of the interview were sought from the interviewees. Besides, the interviewees were given the guarantee of confidentiality and anonymity. The interviews took place during the month of February and March 2020. Interviews lasted for a maximum of 2 hours. Tape transcripts which were accessible only to the researcher and the supervisor were assigned a code. The interviews were then transcribed by the researcher soon after the interview ended.

## **2. Directed content analysis**

Transcripts were analysed using a directed content analysis. This technique has been widely used as a tool to analyse text data. Text data include interviews, books, articles, documents, conversation and so on. Directed content analysis is chosen as the goal of such technique is to conceptually broaden or validate the existing theoretical framework<sup>95</sup>. Such a method is considered as the optimum technique as this study is framed by the analytical framework of Foucauldian power and is considered as a conceptual extension to the works of Michel Foucault in PSG. Categories were predetermined. Transcripts were highlighted and concepts that fit the predetermined categories were identified. However, the researcher also paid attention to any meaningful emerging findings<sup>96</sup>.

## **3. Ethics in qualitative research**

Owing to the high level of interaction between the researcher and the participants, qualitative research is bound to face several ethical issues. Most of the time, the researcher had to address privacy and confidentiality concerns of the participants. This has helped participation in the interview process. Researcher also had to ensure that the participants were under no pressure and that the interview was conducted as per their accord. This was particularly important while asking probing questions. It was the researcher's responsibility to understand the boundaries of the participant. The researcher was under the obligation to make the participant comfortable and not let the participant feel any form of coercion to answer. Besides, before conducting the interview, approval was sought before recording the interview. When approval was not granted, the researcher took down notes. In addition to this, the researcher informed the interviewee about the inability to maintain eye contact during the interview as attention was split between note-taking and asking questions.

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<sup>95</sup> H.F. HSIEH – S.E. SHANNON, “Three Approaches to Qualitative Content Analysis”, *Qualitative Health Research*, 2005, 15(9), pp. 1277-1288.

<sup>96</sup> A. ASSARROUDI – F. HESHMATI NABAVI – M.R. ARMAT – A. EBADI – M. VAISMORADI, “Directed qualitative content analysis: the description and elaboration of its underpinning methods and data analysis process”, *Journal of Research in Nursing*, 2018, 23(1), pp. 42-55.

## IV. Findings

Using the analytical framework of Foucault and after the analysis of transcribed data using a directed content analysis, several modalities of power have been identified. The subjective experience of the actors of CG implicated in the exercise of power have also been studied. By regrouping recurrent themes, the following findings have been identified.

### A. Accountability

All of the participants (referred to as “P” below), including the CEOs, stressed on the importance of accountability and responsibility in governing the institution. Many of the participants considered accountability to guide them in their work. Interpretive codes such as “to be accountable to myself” “to be accountable to the community”, “accountable for my actions” were emerged.

*“Accountability is my motto. It helps and guides my work. It is not only my legal duty and responsibility to be accountable, but it is also my core belief that drives my work... Well, accountability is a term that can have several interpretations, but at the very core, it just means to give an account of what you do to a legitimate authority... But I think firstly, I am accountable to myself, then to the public and the Ministry, Prime Minister and so on. Without accountability, the situation will be chaotic.” – P5*

*“Every board member and the CEO are and should be accountable for their own actions. This is so, because we have been given a mandate and it is our duty to respect it... Accountability goes beyond responsibility because not are we only responsible for our actions, but we are also answerable for our actions.” – P6*

Participants were questioned about how the rhetoric of accountability shapes them and their actions. Their responses were:

*“I don’t think there is any effect. I think being accountable is just a value that guide my life. By being my natural self, I am already being accountable. What I do, my every action, be it in my personal or professional life, everything is genuine, honest, transparent, professional, truthful and to the best of my ability.” – P1*

*“Accountability comes from a personal ethos of mine. I do not have a worry or a pressure on me to be accountable. And everyone in my Board, including my CEO share a set of similar values about leading*

*organisation, about how to be, how to do things and how to behave. There is an alignment of values and there is an ethos of openness and transparency that everyone brings to the table.” – P3*

*“Personally, when you are accountable, you give back to the community.” – P10*

*“To me, accountability is a way that ensures what I am doing is accurate, relevant and complete. Accountability cannot be separated from transparency. It just means that I have nothing to hide and there is nothing discrete. Through this very mechanism of accountability, I cultivate my sense of responsibility and it is the same for everyone working in the organisation.” – P2*

*“Accountability builds and strengthens the trust. Being accountable means that you are willing to commit and be responsible for your own actions. It also means that you have been entrusted to safeguard something.” – P7*

*“I work in the interest of the public and hence, I am accountable, by virtue of my legal duties to the Board, but I think of my accountability as something that is extended to the general public. This is what guides me to do my work” – P3*

*“I give my CEO full autonomy wot work and I encourage him to be proactive. This is because everyone knows to whom and how they are accountable.” – P1*

From textual analysis, it was noted that it was mandatory for all statutory bodies to have a statement of accountabilities.

## **B. Evidence-based policy**

The testimonies of the participants indicated that some of public sector institutions are knowledge-producing institution. “Evidence-based policing”, “giving strong technical advice” and “producing knowledge” were some of the recurrent themes. Citizen participation and involvement were also identified as helping the institution to produce knowledge.

*“Our policies, strategies are evidence-based, we do a lot of research” – P8*

*“Propositions that come from us are without doubt, formulated using evidence. We also make it a must that all our stakeholders participate and collaborate in a transparent manner. Citizen, members of the*

*public also contribute to the studies we carry out. Most of our propositions are backed by findings.” – P8*

*“All our strategies involve the strong participation and involvement of our stakeholders. For instance, we had to develop a strategy for our stakeholders from Rodrigues, our team took a flight and went to Rodrigues to solicit participation and also to ensure that our stakeholders are involved in our strategic decisions.” – P9*

Participants were also asked about the ways in which evidence-based policies shape them and their actions. The responses are as follows:

*“The very fact that we are bringing forward evidence-based policies implies that we are trusted entities. It means that we have been endowed with the autonomy and freedom to operate”. – P5*

*“Public institutions have changed now. We no more operate in an archaic domination. We are empowered, we are free individuals. The public sector itself has become highly professionalized.”– P9*

*“I believe that we are experts in the field. Everything coming from us are evidence-based and I speak without fear or favor. We operate with high degree of autonomy” – P6*

While interviewing the participants, most of them were aware of their moral and ethical stance. They averted that they are steeped in moral and ethical standards. Whilst some of the participants ascribed their moral and ethical conduct to the content of the Code of Ethics, others related that such a conduct is a reflection of themselves and of their profession. Interpretive codes such as “governing morally and ethically”, “crafting policies within an ethical framework” and “possessing a strong code of ethics” were used by the participants.

*“I have a strong code of ethics that drive my practice. In governing, I draw a lot from my ethical moral principles of equality. My profession requires it” – P4*

*“I display a good sense of integrity, fairness in my doing and I bring forward my ethical values. I value ethics. Ethics for me goes beyond what is written in the Code. It starts from the very tiny act of saying please and thank you. This is where good governance starts.” – P10*

*“I possess a very high moral ground and strong personal ethical values. I think it is fundamental to good governance, but goes*

*beyond. A strong set of ethical values gets you to do what needs to be done.” – P1*

*“Ethics and morality are obviously set, agreed and adhered to. But a personal high ethical behaviour ensures that you get the job and you also see to it that it gets done. Ethics are inherent to professional behaviour” – P5*

### **C. Auditing**

Most of the participants highlighted the importance of auditing in the public sector in shaping their professional work. The recorded responses of the participants are as follows:

*“To me, accounting and auditing are extremely important because they inform decisions. Auditing is the backbone of decision-making. What is fascinating is how numbers and metrics can help in evaluating performance, efficiency and effectiveness. This obviously brings us back to the question of accountability. So, you see, everything is organised in a manner that shape you to become accountable” – P2*

*“Accounting and auditing are measurement techniques to evaluate performance. I like to think that because of those mechanisms, one is pushed to give the best of his ability. It is disciplinary in nature and it is even mentioned in the Code of Corporate Governance that is a disciplined approach to evaluate processes and management. It also enhances transparency” – P5*

When participants were asked about the outcomes of accounting and auditing practices on them, the responses recorded were as follows:

*“It is just a reality of governance. I think auditing ensures compliance. It is a control mechanism, but I believe that such control is important as it ensures productivity and it maximises potential” – P6*

*“Auditing is a mechanism of control that ensures compliance” – P5*

### **V. Discussion**

Using the Foucauldian perspective of power as an analytical tool to study power relations, the findings unearthed several modalities of power prevalent in

public sector institutions. Accountability, Evidence-Based policies and Auditing were the main themes generated from the findings that describe the practices of power. These themes highlight not only the ways in which power is manifested and exercised, but also how actors constituted within the power regimes are subjected to the power effects. Hence, in studying the exercise of power, the ways in which actors view themselves were also investigated. It has been found that productive power produces “disciplinary” and “subjectifying” effects. The discussion framework is provided in Figure 5.1.

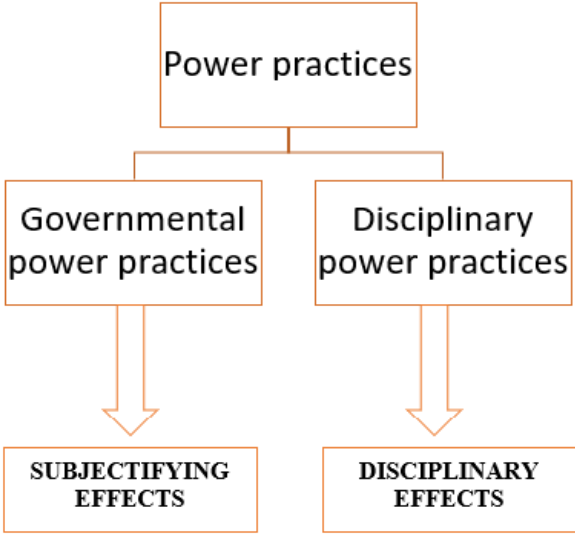


Figure 2: Discussion framework

**A. Governmental power practices**

**1. Accountability as a discursive practice**

Despite that at face value, accountability is taken for granted by the participants, our findings demonstrate that accountability emerged as a recurrent theme at various instances during the interviews. The findings suggest that accountability is the golden concept that no one questions. Despite being an undisputed concept, according to our findings, accountability operates as a discursive practice. Loosely, a discourse is described as a written or oral communication. It has been found that the COCG has constructed a vibrant discourse on accountability. The findings corroborate that all actors of CG, including the CEO identify themselves as accountable individuals, indicating that accountability has been espoused by them.

Interestingly, the findings also indicate that accountability propagated as “the grammar of a sacred language”<sup>97</sup>, is actively producing effects. Such correlation between discourses and power effects is supported by the literature on ‘subjectification’<sup>98</sup>, which highlights the interrelation between regimes of power and the means through which individual see themselves. The participants concurred that accountability shapes them and also guides them in their actions. The study demonstrates that at the micro-level, the language of accountability operates as a form of epideictic rhetoric<sup>99</sup>, which is essentially a type of persuasive speech designed for constructing desirable conduct. Accountability enhances the actor’s commitment to the collective value of working in the public’s interest. Furthermore, the findings relate that accountability make actors give back to the community. In line with Suspitsyna, accountability creates and reinforces an ethos of representativeness, whereby all members identify themselves as part of a particular community<sup>100</sup>.

These findings suggest that the alignment of values of all the actors of CG is an outcome of the discourse of accountability as a power practice. Whilst the alignment of values is an underlying assumption of Stewardship Theory<sup>101</sup>, this study provides evidence that the alignment of values is a product of the rhetoric of accountability. In short, accountability as a rhetoric, aims at constructing conformity among the actors. The conformity among actors, based on consensus and not coercion, is a key element that emerged from our findings. This finding represents a shift from the agency centric literature that perceive the Board as controlling and supervising the management<sup>102</sup>. This finding challenges the traditional repressive form of power conceived as unidirectional. The conformity achieved by all actors is indicative that the Board is moving away from its

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<sup>97</sup> G. BURCHELL – C. GORDON – P. MILLER, *The Foucault effect: Studies in governmentality*, University of Chicago Press, 1991, 307 pp.; N. ROSE, *Powers of freedom: Reframing political thought*, Cambridge University Press, 1999, 335 pp.

<sup>98</sup> P. RABINOW, *The Foucault reader*, Vintage, 1984, 399 pp.

<sup>99</sup> ARISTOTLE, *On Rhetoric: A Theory of Civic Discourse*, Kessinger Publishing, 2004, 352 pp.

<sup>100</sup> T. SUSPITSYNA, “Accountability in American education as a rhetoric and a technology of governmentality”, *Journal of Education Policy*, 2010, 25(5), pp. 567-586.

<sup>101</sup> J.H. DAVIS – F.D. SCHOORMAN – L. DONALDSON, “Davis, Schoorman, and Donaldson Reply: The Distinctiveness of Agency Theory and Stewardship Theory”, *The Academy of Management Review*, 1997, 22(3), pp. 611-613; A. KEAY, “Stewardship theory: is board accountability necessary?” *International Journal of Law and Management*, 2017, pp. 1292-1314.

<sup>102</sup> A.A. BERLE – G.G.C. MEANS, *The modern corporation and private property*, *op. cit.*; C.C. CRUZ – L.R. GÓMEZ-MEJIA – M. BECERRA, “Perceptions of Benevolence and the Design of Agency Contracts: CEO-TMT Relationships in Family Firms”, *Academy of Management Journal*, 2010, 53(1), pp. 69-89; K.M. EISENHARDT, “Agency Theory: An Assessment and Review”, *ibid.*; M.C. JENSEN – W.H. MECKLING, “Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure”, *ibid.*



traditional role of exercising control as the sovereign. Furthermore, this signifies and describes a new form of actors' conduct of CG, which can inform research on BOD in public governance. the alignment of values is achieved through the rhetoric of accountability. Hence, this finding substantially supports the assumption of the Stewardship Theory.

The findings also reveal a reconfiguration of the self of the actors of CG as a consequence of accountability, where discourses induce a consciousness into the actors of CG. Rather than merely desisting from undesirable behavior, actors self-adopt positive behavior. Besides, some CEOs related that because they are answerable for their actions, they carry a greater sense of responsibility toward the organization and decisions taken. Board directors as well as CEOs considered themselves as self-responsible individuals. Rather than being passive actors controlled by the Board, the findings suggest that CEOs construe themselves as empowered, active, autonomous, and self-responsible individuals. Another interesting finding that emerged was that one of the CEOs related that he speaks without fear or favor and he related that such attitude is prompted because he is self-accountable and self-regulate his behavior. Aligning with Foucault's conceptualization of parrhesia, which essentially means speaking the truth, the findings indicate that power is manifested in the ability, boldness and fearlessness to take tasks and actions. Such a mechanism fosters a high level of participation among the actors<sup>103</sup>. Another interesting finding that emerged and is in line with "parrhesia" is that of trust. By being truthful and candid the CEO is constructed as trustworthy. The literature also supports that trust is a necessary concomitant of power. Without acknowledging trust, power structures are sternly undermined and are interpreted within a reductionist framework<sup>104</sup>. Besides, findings reveal that almost all policies and propositions emanate from the CEO, hence substantiating the argument that the CEO's responsibilities are broadened and deepened.

Our findings also indicate that the CEO is considered as an active someone whose capacities should be harnessed. Indeed, it has been identified that the Board encourages self-reflection processes. For instance, it has been related by one of the Chairperson that when there is a divergence of opinion, he will say: "I am only proposing, what do you, is it right?". The Chairperson related this was the optimal manner to approach situations of conflict as each actor is aware of his accountabilities and that he would trespass the accountabilities of the CEO if he imposes his decision. He conveyed that such a practice is in line with good

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<sup>103</sup> T.B. DYRBERG, "Foucault on parrhesia", *Political Theory*, 2015, 44(2), pp. 265-288.

<sup>104</sup> R. NUNKOO – H. RAMKISSOON – D. GURSOY, "Public trust in tourism institutions", *Annals of Tourism Research*, 2012, 39(3), pp. 1538-1564; S.M. STEIN – T.L. HARPER, "Power, Trust, and Planning", *Journal of Planning Education and Research*, 2003, 23(2), pp. 125-139.

governance. Furthermore, this practice is in line with the Foucauldian literature on subjectification, which stipulates that CEOs, recognizing their own selves, purposes and desires are made more active in governing their own conduct. In fact, a finding indicates the changes in governing strategies, which is no more in line with dyadic relationship of a powerful and less powerful action. Instead, the CEO takes responsibility for governing and regulating his own conduct. He governs his own body, his own mind, his own desires and purposes. This also echoes the Foucauldian literature which puts forward that to govern successfully is to govern less<sup>105</sup>. It was acknowledged by Board that clear accountability enables the CEO to be autonomous empowered and proactive choosers as the latter is answerable for his actions not only to the Board, but also to the general public.

The discourse of accountability acts within the CEO's self, his identity, his desires and purposes so he is guided by his own will. The CEO is made self-aware of his actions. Besides, it seems that such discursive practices manifest a desire to cultivate the CEO to be entrepreneurial. Hence, it can be said that accountability as a discursive practice operates as a governmental form of power as the CEO is actively engaged in practices of self-formation. Consequently, the findings support the participative and democratic decision-making on the Board which is also advocated by the Stewardship Theory<sup>106</sup>.

Whilst studying power through discursive practices can be seen as an imprinting of values and principles onto individuals which offers a simplistic account of productive power, it is acknowledged by the author that power outcomes take place in micro-social processes, influenced and moderated by an array of factors. Instead, the author proposes that the interrelation between accountability as a discursive practice and its effects should be perceived as a reflexive and ongoing process that triggers the active consideration and engagement of who one wishes to be. However, it is also recognized that such an account of power generates new insights about the behavioral dynamics at Board level.

## **2. Evidence based practices as knowledge bases**

As suggested by the findings, the public sector institutions are making an increasing use of evidence-based policies, which represent knowledge bases. As such, Board's policies are increasingly backed by evidence. The wave of New

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<sup>105</sup> S. RAFFNSOE – A. MENNICKEN – P. MILLER, “The Foucault Effect in Organization Studies”, *Organization Studies*, 2017, 40(2), pp. 155-182.

<sup>106</sup> C. CALDWELL – R. KARRI, “Organizational Governance and Ethical Systems: A Covenantal Approach to Building Trust”, *Journal of Business Ethics*, 2005, 58(1-3), pp. 249-259; J.H. DAVIS – F.D. SCHOORMAN – L. DONALDSON, “Davis, Schoorman, and Donaldson Reply: The Distinctiveness of Agency Theory and Stewardship Theory”, *ibid.*

Public Management encourages and requires Board to produce evidence-based policies. The findings suggested that the actors of CG construes themselves as professionals guided by strong ethical and moral values. Guided by scientism, it is argued that evidence – based policing converts the actors of CG into experts. From the findings, it was found that Board members along with the CEO give strong technical advice to Government and the Ministry.

The findings suggest that evidence-based policy-making encourages the professional autonomy of actors of CG in the public sector. As such, Board is empowered to make decisions driven by scientific and objective knowledge and values, without being subjected to outside authoritarian directives<sup>107</sup>. The findings corroborate that the Board and the CEO move away from passive compliance to exhibit a strong professional behavior. Concurrently, the findings suggest that evidence-based practices have secured the professional engagement and activity of actors. Such a finding echoes the governmental form of power which suggests that knowledge influences and constructs subjects who are independent, responsible, autonomous and active. In addition to a subjectifying effect within the actors of CG, the findings hinted that professional interaction prompts behavioral changes. Such a finding indicates that knowledge bases produce not only individual effects, but it also effects on collective professional behavior of board members.

Evidence-based policies as knowledge bases exhibit a productive form of power. This is in line with Foucault’s formulation that knowledge produces power. The power is exemplified in the production of professionalism, characterized by professional autonomy, independence and strong ethical and moral values. The Foucauldian power-knowledge nexus contradicts the traditional conceptualization of power, which explains that the more knowledge in one’s possession implies that one wields more power<sup>108</sup>.

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<sup>107</sup> M. DOWLING – J. EDWARDS – M. WASHINGTON, “Understanding the concept of professionalisation in sport management research”, *Sport Management Review*, 2014, 17(4), pp. 520-529; L. FERKINS – D. SHILBURY – I. O’BOYLE, “Leadership in governance: Exploring collective board leadership in sport governance systems”, *ibid.*; I. HENRY – P.C. LEE, “Governance and ethics in sport”, *The business of sport management*, 2004, pp. 25-41.

<sup>108</sup> M.X.D. CARPINI, “Voters, Candidates, and Campaigns in the New Information Age”, *Harvard International Journal of Press/Politics*, 1996, 1(4), pp. 36-56; J. JERIT – J. BARABAS – T. BOLSEN, “Citizens, knowledge, and the information environment” *American Journal of Political Science*, 2006, 50(2), pp. 266-282.

## **B. Disciplinary power practices**

The findings indicate that auditing is a monitoring mechanism of CG that oversees the activities of management. Internal auditing is an independent activity from the Board. When participants were asked about their experience of auditing, many related while they were initially concerned about the outcomes of auditing in the cases of poor practices, over time, they became used to the mechanism. Some also related that auditing is part of their reality and as such they have adjusted their behavior accordingly to ensure compliance. Participants also manifested low reactivity when it comes to auditing. The participants recognized auditing as a practice producing positive effects, although it is a form of surveillance and control.

Using the Panopticon from the Foucauldian literature, it is argued that auditing acts as a disciplinary mechanism that is not based on coercion. Contrary to a prohibitory form of power, auditing acts upon the subjects to maximize their potential and their productivity. Our findings have attempted to understand the relationship between auditing and the actors of CG. Hence, audit systems represent a Panopticon for the surveillance of activities of the actors of CG. Besides, our findings substantiate that control through audit systems, have been internalized and normalized by actors of CG. As a consequence, even though audit system is a control mechanism, it is not associated with any negative connotations of power, but is rather associated with a productive and positive form of power that produces intended effects.

The findings identify auditing and transparency as recurrent theme. All the participants emphasize on transparency as a guiding principle guiding their work. For instance, one of the participants said “When everything is transparent, I have no fear, everything is disclosed and is on the table.” Arguably from the lens of Foucault, transparency is two-fold. On one hand transparency is associated with purity, but on the other hand, observed from the Foucauldian framework, transparency is a power practice that produces disciplinary effects. Transparency, hiding subtle forms of power, acts as a Panopticon. The actors of CG are constantly in the field of visibility, but do not know when they are going to be observed. Such a practice induces them to discipline themselves to become docile bodies and to regulate themselves. Such a mechanism highlights that governing is done at distance. Discipline is normalized and internalized by the actors of CG. However, the power to discipline cannot be possessed or wielded by any actor. Besides, it is argued that disciplinary power concurs with the idea of power as control of the AT. However, the difference lies in that transparency operating as disciplinary form of power does not require a constant scrutiny by the Board on the actions of the CEO as the latter self-disciplines himself.

Power practices identified by this study can be regrouped as the exercise of a governmental form of power and a disciplinary form of power. Whilst governmental power practices construct CG as requiring “empowering”, “responsibilising” professionals that have the ability to self-reflect on their actions, the disciplinary form of power which is still a productive form of power is a form of social control.

While both the governmental and disciplinary practices have been identified as practices that generate power, it is seen that such power is productive in nature as it produces and reproduces effects, realities, subjects and truths. Our study shows that the Foucauldian perspective allows us to look beyond structures and deconstruct the micro-capillaries through which power circulates. Even the disciplinary forms of power, manufactures subjects in subtle forms. Such an account of power contradicts other convention theories. Our study has shown that power is not repressive, it is not centralized, it is not a possession nor a capacity that can be wielded. Power is not an authority. Instead, it has bodily effects. The productive power rejects agency and mechanistic power. Our study demonstrates that power is not something that can be tamed or harnessed. It has rippling effects within institutions and within actors. Actors are actively constructing themselves in the social contexts by virtue of the circulation of power. While Foucault establishes that those two forms of power exist in different epistemes, our findings suggest that governmental power practices are complemented with disciplinary ones in NPM.

### **C. Recommendation and direction for future research**

The findings of the study provide valuable insights that can be used to improve public sector governance in Mauritius. The government of Mauritius has established a regulatory framework for CG for statutory bodies, which are essentially public sector institutions. Governance structures, practices and processes are well defined in the COCG. However, further to the findings generated from the research, some recommendations are being proposed to improve public sector governance.

Our findings suggest that there was little to zero executive presence on the Board in public sector institutions. Furthermore, even in Boards where the CEO is a board member, the latter was not given the right to vote. Such a practice contradicts the principles of good governance as the findings of the study suggests. Our findings support that power practices produce highly ethical, self-responsible, and autonomous CEOs. It was observed that there was a high level of trust prevailing among the CEO and the members of the Board. Therefore, to foster trust, cooperation and participation in the governance processes of public sector institutions, it is recommended that executive presence on the Board is

increased or even become mandatory. Executive presence on the Board will shift the CEO's duties of informing and reporting to the Board, to a duty of participation in decision-making.

Furthermore, our findings have also demonstrated that discursive practices have resulted in the reconfiguration of responsibility of the CEO, which prompted the increasing need for CEO empowerment. In conformity with this finding, it is proposed that there be an increasing use of discursive practices in policy documents to empower the CEO. Some of the proposed discursive practices are:

- *“Empowering the CEO to exercise choice”*;
- *“Increasing the CEO's participation in decision-making”*;
- *“Giving responsibility to the CEO to take decisions for management”*.

The discussion on professionalization of Board also made mention of the independence and autonomy of the public sector institutions. In line with this perspective, it is proposed that the mode of appointment of board directors and CEOs is reviewed. Furthermore, it is suggested that political representation on Board of public sector institutions is minimized. For instance, the author is of opinion that public sector institutions will operate under the appeal of independence and autonomy if a bipartisan mode of appointment is implemented. In so doing, the role of the State will automatically be reconfigured and hence, appropriate regulatory measures should be catered for. In addition to this, it is also proposed that training and development for actors of CG will undeniably professionalize the public setting.

This research has adopted a novel mode of inquiry to generate insight about CG in public sector institutions. It has successfully established that the use of analytical tool of governmentality can add explanatory value to existing governance frameworks in public institutions. Besides, this research suggests that a shift from traditional research paradigms can enlighten practices, systems and processes. In line with this thought, it is proposed that public sector institutions should pursue new lines of inquiry in the aim to further behavioral research in CG.

#### **D. Limitation**

Despite the theoretical and practical value of this study, it is not without limitations which readers should take into account when interpreting its findings. After reviewing the conceptualization of power within contemporary CG theoretical underpinnings, this study takes into account other factors and mechanism that influence power dynamics, such as culture and norms. Hence, the

provision for a holistic account of power was prompted. As such, there has been a conscious effort on the part of the researcher to choose a theoretical framing that caters for influences beyond structural ones. As a result, the research offers only a fragmented appreciation of power of CG at micro-level in public sector institutions. However, the researcher recognizes that power that caters for influences other than structural ones can be studied from other vantage points such as from the lens of Pierre Bourdieu.

Furthermore, this study does not provide an exhaustive account of power practices in CG. Power has been studied only to the recurrent practices that emerged from the analysis of the findings. Furthermore, the deployment of the Foucauldian analytical framework of power should be done in such a way that it does justice to the essence of Michel's Foucault philosophical oeuvre. By studying power within an idiosyncratic setup, historicism for instance has not been acknowledged. Such an account of Foucauldian power can result in shallow exploration of the phenomenon. Furthermore, the Foucauldian perspective of power is broad. Hence, it is acknowledged by the author that such looseness has resulted in missed opportunities for research.

Another shortcoming of this research emanates from the choice of the naturalist philosophical position of the researcher. The use of an interpretivist paradigm to study power is subjective in nature and hence is prone to biases and errors. The naturalistic standpoint implies that reality is co-constructed by the participants and the researcher and hence, the influences, personal beliefs and experiences of the researcher cannot be separated from the research. Besides, participants were intentionally chosen. As a consequence, participants responses may be tainted with bias when they became aware of the study. The researcher, however, recognizes that there exists other alternative to study the modalities of power such as ethnographic research.

Contextual limitation is also acknowledged in this research. This study was conducted in public sector institutions in Mauritius. Undeniably, CG structures, processes and practices are subjected to the legal framework of the country. Hence, such a study's findings have limited external generalizability. Furthermore, the extent to which our findings can be transposed to the private sector also remains to be known.

## **E. Conclusion**

The purpose of the study was to study the modalities of power within PSG to enhance our understanding of governance within NPM, which represents a changing logic of governing. Changing forms of government implies changing power structures. As such, the review of accounts of power within conventional theories were deemed to be simplistic in nature. Hence, to avoid replication of the

simplistic accounts of power, a novel perspective of power has been used as an analytical framework to map modalities of power within PSG; the Foucauldian perspective of power.

The findings have illustrated that power within NPM is a combination of both disciplinary and governmental forms of power. Governmental forms of power indicate that the actors are under the freedom to operate, whilst disciplinary form of power hides subtle forms of social control. However, despite the differences, both disciplinary and governmental forms of power are complemented by each other in NPM.

The discussion highlights how power practices have been experienced in modes of thoughts. Individual subjective experiences have been studied in relation to the modalities of productive power. This study moves away from the traditional approaches of considering power as being a capacity, a skill or a possession. Rather than exploring power as being wielded by actors of CG, the Foucauldian lens of power applied to CG suggests that actors of CG act as a conduit of power constituted within the power regimes of discourse, knowledge and surveillance. Such a conceptualization of power takes into account the influences of power practices.

This study does not reject the traditional conceptualization of power. Instead, the research agenda of this study was to complement existing contemporary CG theories by extending the lines of inquiry. Furthermore, the findings indicated that several power practices within CG contribute to an assessment of the underlying assumptions of some theories for example, the agency theory and the stewardship theory. This study has broadened the theoretical span of CG in the public sector. As such, in moving from traditional constructs that offers a parsimonious account of the CG, this study displays that behavioral dynamics influenced by CG practices should be further investigated empirically.

It is the contention of the author that the Foucauldian lens to study power provides us with a critical inquiry of PSG. Such inquiries do not criticize per se, but generate emancipatory understanding of the social contexts. However, critical inquiry can be considered devoid of value, if they are not tested and validated.