Discretion and its effects: Analyzing the experiences of street-level bureaucrats during policy implementation

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Abstract
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Street-level bureaucrats implementing public policies have a certain degree of freedom – or discretion – in their work. Following the work of Lipsky, the concept of discretion has received wide attention in the policy implementation literature. However, scholars have not yet developed theoretical frameworks regarding the effects of discretion, which were subsequently tested these using large n samples. In this study, we develop a theoretical framework regarding two effects of discretion (client meaningfulness and willingness to implement), in order to increase our understanding of the mechanisms at work. The hypothesized relationships are tested using a Dutch nationwide survey among 1.317 psychologists, psychiatrists and psychotherapists implementing a new reimbursement policy. These are analysed using Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM). The results firstly show a positive effect of discretion on client meaningfulness. Next to this, discretion positively affected the willingness to implement a policy, and this is partially mediated by client meaningfulness. Hence, when street-level bureaucrats experience discretion, this positively influences the value they can deliver to clients, which in turn positively influences their willingness to implement a policy. Implications for policy implementation researchers are discussed.

Key words:
- Discretion
- Policy implementation
- Resistance to change
- Healthcare
- Quantitative analysis
DISCRETION AND ITS EFFECTS: ANALYZING THE EXPERIENCES OF STREET-LEVEL BUREAUCRATS DURING POLICY IMPLEMENTATION

1 Introduction

In his book ‘Street-level bureaucracy: Dilemmas of the individual in public services’, Michael Lipsky (1980) analysed the behaviour of front-line staff in policy delivery agencies. Lipsky refers to these frontline workers “street-level bureaucrats”. These are public employees who “interact directly with citizens in the course of their jobs, and have substantial discretion in the execution of their work” (1980:3). Examples are teachers, police officers, and judges. These street-level bureaucrats implement public policies. However, there are intrinsic problems when implementing public policies: street-level bureaucrats have to respond to citizens with only a limited amount of information or only a limited amount of time to make a decision. Moreover, very often the rules to implement does not always correspond to the specific situation or context of the involved citizen. In response, street bureaucrats develop coping mechanisms. They simplify the nature of their job or develop routines so that they feel they are doing their job well in some way. This is possible as they have a certain degree of discretion – or autonomy - in their work (1980:14). Following the work of Lipsky, the concept of discretion has received wide attention in the policy implementation literature. Special attention in the literature is related to the appreciation of discretion in terms of its significance for the effectiveness and legitimacy of public policies.

However, although there has been substantial research on the issue of discretion, to understand the nature of discretion, scholars have not yet developed theoretical frameworks regarding the effects of discretion, which were subsequently tested these using large n samples (see also O’Toole, 2000). This is in line with arguments of Winter (2003:221) who notes that “there is a need for more theory development and testing [in policy implementation research], and the development of partial theories seems more promising than continuing the search for the general implementation theory or model”. In this study, we aim to develop a theoretical framework regarding the effects of discretion, in order to increase our understanding of the mechanisms at work. More it can be noticed that there also seems to be bias in the discretion literature, because much of the of the empirical research on police, social service workers, health and safety inspectors, building inspectors and other frontline workers (Meyers & Vorsanger, 2003). Saetren (2005) shows that - in general - there is a lot of research concerning policy implementation in the healthcare sector. However, it seems that policy implementation scholars have paid not much attention to the role of medical professionals in front line jobs, such as physicians, nurses or psychologists, working in the (semi)public sector.

One important effect, which is often noted, is that a certain amount of discretion can make it possible to adjust the (general) policy to the specific circumstances and needs of the client (Palumbo et al., 1984). For instance, a social worker can adjust the policy to fit the specific needs of the particular unemployed person he is working with. Hence, it is argued that, when street-level bureaucrats have a certain degree of discretion, this will enhance will make the policy more meaningful for the client. Client meaningfulness can thus be considered a potential effect of discretion.
Furthermore, some authors note that, when street-level bureaucrats are given a certain amount of freedom in decision making process regarding how to implement specific policies, this will make them more willing to implement a specific policy program. Tummers (2011) showed this while studying 'policy alienation', a new concept for understanding the identification problems of street-level bureaucrats with new policies (see also Tummers et al., 2009). One mechanism underlying this relationship between discretion and willingness to implement seems to be that a certain amount of discretion increases the meaningfulness for clients, which in turn enhances their willingness to implement this policy (Hill & Hupe, 2009; Lipsky, 1980). Hence, the variable ‘client meaningfulness’ could mediate the relationship between discretion and willingness to implement. This is often (implicitly) argued, but this particular mechanism have not yet been studied empirically. Hence, our central research question is: How and why does discretion influence the willingness of street level bureaucrats to implement specific policy programs and what role does client meaningfulness play in it?

In this article, we develop and test a model regarding the effects of discretion. After developing the theoretical framework, the hypothesized relationships are tested using a quantitative approach, employing data of a Dutch nationwide survey among 1.300 psychologists, psychiatrists and psychotherapists implementing a new reimbursement policy. Structural Equation Modeling is used for testing this framework. Next to its theoretical value (developing a model to study the effects of discretion), a second value of this study lies therefore in its quantitative approach. To date, most policy implementation studies have had a rather qualitative nature. The qualitative studies have substantial value, for instance in providing a deep understanding on how and why street-level bureaucrats provide public services. Quantitative research can help in theory testing and statistical generalization. Although some valuable quantitative research has been taken place (Brodkin & Majmundar, 2010; May & Winter, 2009; Riccucci, 2005b), O’Toole (2000:269) notes that “the move to multivariate explanation and large numbers of cases exposes the [policy implementation] specialty to new or renewed challenges, which have yet to be addressed fully.” (see also Hill & Hupe, 2009; Winter, 2007). We used Confirmatory Factor Analysis (CFA), followed by Structural Equation Modeling (SEM). These techniques fit the research problem at hand and can be considered very novel for policy implementation literature (see also Section 3)

This brings us to the outline of this article. We will firstly develop a theoretical framework (Section 2), which outlines the relationships between discretion, client meaningfulness, and willingness to implement. From the theoretical framework, we will develop a number of hypotheses. Section 3 describes the operationalization of the concepts and the design of the research project. Following this, the results section shows some descriptive statistics and discusses the analyses which test the hypotheses. We conclude by discussing the contribution of this article to policy implementation literature, with a particular emphasis on discretion of street-level bureaucrats.
2 Theoretical framework

2.1 Background on discretion

The concept of discretion has been used in various ways. Some authors focus on the discretion given to states – for instance to implement EU legislation - or to agencies implementing governmental rules (Oosterwaal et al., 2011; Thomson et al., 2007). In this study, we will focus on the discretion during implementing particular policies and discuss its effects on client meaningfulness and willingness to implement public policies. We must note that, given the abundance of literature and the intrinsic difficulties with the discretion concept (such as the different interpretations attached to as well as criticisms of these interpretations), we cannot provide a full analysis of the term discretion in this article. Readers interested in an elaborate account on street-level bureaucracy and discretion can refer to a number of important books and book chapters which focus on this subject (Davis, 1969; Evans, 2010; Hill & Hupe, 2009; Lipsky, 1980; Meyers & Vorsanger, 2003; Winter, 2007).

In his book “Professional discretion in welfare services”, Evans (2010) notes that for workers, discretion can be seen as the extent of freedom he or she can exercise in a specific context. Related to this, Davis (1969:4) notes that ‘a public officer has discretion whenever the effective limits on his power leave him free to make a choice among possible courses of action or inaction’. In a similar vein, Vinzant and Crothers (1998:37) define discretion as “the power of free decision or latitude of choice within certain legal bounds” (Davis, 1969)(Davis, 1969)(Davis, 1969). Lipsky (1980) focuses more specifically on the street-level bureaucrats, which implement policies and interact with clients while doing this. He views discretion as the freedom which street-level bureaucrats have in determining the sort, quantity and quality of sanctions and rewards during policy implementation (see also Hill & Hupe, 2009; Tummers, 2012). Following this, we view discretion as the freedom of street-level bureaucrats in making choices concerning the sort, quantity, and quality of sanctions and rewards on offer when implementing a policy. For instance, to which extent can policemen themselves decide whether to give an on-the-spot fine? To which extent can teachers decide what and how to teach students about the development of mankind, for instance on evolution or creationism (Berkman & Plutzer, 2010)?

When discussing the notion of discretion, it is important to note the discussion between the top-down and bottom-up perspectives on policy implementation. In the 1970s and 1980s, there was an intense debate on the correct understanding of the phenomenon of policy implementation (Rist, 1995) by leading authors such as Pressman and Wildavsky (1984) and Van Meter and Van Horn (1975). The early implementation scholars were particularly concerned with the relationship between policy formation and policy implementation. This led to a debate between the ‘top-down’ and ‘bottom-up’ perspectives on policy implementation (DeLeon & DeLeon, 2002; Hill & Hupe, 2009). Based on these insights, more nuanced approaches were developed (for example Goggin et al., 1990; Sabatier & Jenkins-Smith, 1993), although the distinction between top-down and bottom-up approaches remains important (Hill & Hupe, 2009).

Top-down perspectives (Hogwood & Gunn, 1984; Pressman & Wildavsky, 1984; Sabatier & Mazmanien, 1979) view the implementation of policy as basically a mechanistic process which is completely isolated from policy formation. Implementation is a rational process that can be pre-
planned and controlled by the policy formulators. The requirements of implementation are presented as a generalized list of conditions, which if met, will enable effective implementation. Bottom-up perspectives (Barrett & Fudge, 1981; Elmore, 1985; Hanf, 1982; Hjern & Hull, 1982; Lipsky, 1980), on the other hand, see policy implementation in a much more dynamic and interactive process. In their view, policy formulation and policy implementation are not strictly separated. Further, they note that control over people is not the way forward to effective implementation. Instead of regarding human beings as chains in line of command – or cogs in a machine - policy formulators should realize that policy is best implemented by what Elmore (1985) termed “backward mapping” of policies, which involves defining success in human or behavioral terms and not in the completion of a “policy hypothesis”.

In both top-down and bottom-up approaches, the notion of discretion is important. Both discuss the notion of discretion, and often formulate normative beliefs. According to top-down scholars, discretion is often not welcomed (Davis, 1969; Polsky, 1993). First, too much discretion might result in not reaching the goals set by the “policy hypothesis”. Street-level bureaucrats can pursue their own, private goals, and might be shirking the policy or even sabotaging it (Brehm & Gates, 1999). The way forward is then to control street-level bureaucrats. Second, street-level bureaucrats are not elected officials, and the democratic legitimacy of them taking independent, own decisions is therefore questionable (Lowi, 1993), although it must be noted that other scholars argue that delegating discretion to street-level bureaucrats is not inconsistent with democratic legitimacy (Berkman & Plutzer, 2010; Dahl, 1989).

On the other hand, bottom-up scholars often emphasize other characteristics and effects of granting street-level bureaucrats discretion. First, they state that discretion is inevitable (Maynard-Moody & Musheno, 2000). Street-level bureaucrats are faced with limited resources (time, money). In these situations, street-level bureaucrats cannot possibly enforce all rules and hence need discretion. For instance, police officers cannot arrest everyone they see who make infractions (Lipsky, 1980). Using their discretion, they prioritize which infractions are most serious at the given situation. Next to being the notion that some discretion is inevitable, more discretion can have positive effects. It might increase the client meaningfulness, that is, the value of the policy for clients. Many situations street-level bureaucrats face are too complicated to be reduced to programmatic formats. In these circumstance, discretion makes it possible to adapt the policy to the local needs of the citizens/clients, which increases the meaningfulness of the policy for clients (Meyers & Vorsanger, 2003). Further, it seems that discretion could positively affect the street-level bureaucrats’ willingness to implement the policy. In the policy implementation literature, it is suggested that an important factor in the attitudes of street-level public servants is the extent to which organizations delegate decision-making authority to the frontline (Meier & O’Toole, 2002). This influence may be particularly pronounced in professionals whose expectations of discretion and autonomy contradict notions of bureaucratic control (DeHart-Davis & Pandey, 2005).

Concluding, it seems that discretion can have both positive and negative effects. In his article, we specifically examine two possible positive effects of discretion: enhanced client meaningfulness for clients and more willingness to implement the policy. These effects are chosen given their dominant
role in the policy implementation debate (Ewalt & Jennings, 2004; Riccucci, 2005a; Simon, 1987; Tummers et al., forthcoming 2012). Furthermore, focusing on (merely) two effect enables us to study the relationship with discretion more in detail.

2.2 The effects on discretion on client meaningfulness and willingness to implement

We will now analyse the relationships between discretion, client meaningfulness and willingness to implement. Given the arguments stated previously, we firstly expect that when street-level bureaucrats experience high discretion, this positively influences their perception of client meaningfulness. They will have the feeling that their freedom in making choices makes it possible to adapt the policy to the specific situation of their clients, which increases the value of the policy for clients. For instance, a social worker can use her discretion to adapt to the specific wishes and circumstances of the client, which enables her to help the client better, which will ultimately enhances the meaningfulness of the policy. Client meaningfulness is closely related to the ‘social work narrative’ as this is experienced by frontline workers, who focus on helping clients achieve long-term success (Maynard-Moody & Musheno, 2003). This amounts to the following first hypothesis:

H1: When street-level bureaucrats experience more discretion, this positively influences their experienced client meaningfulness of the policy

Next, we expect that when street-level bureaucrats feel that they do not have enough discretion, this negatively influences their willingness to implement a policy, as has been discussed (see also Meyers & Vorsanger, 2003; Tummers, 2011). Related to this, in the change management literature it is noted that more autonomy of employees reduces their resistance to implement a change (Eilam & Shamir, 2005; Piderit, 2000). Furthermore, we expect that, when street-level bureaucrats experience more discretion, this positively influences their client meaningfulness (H1), which in turn positively influences their willingness to implement a policy. Hence, client meaningfulness could influence the willingness to implement a policy. This is expected as street-level bureaucrats want to make a difference to their clients’ lives when implementing a policy (Maynard-Moody & Musheno, 2000). May and Winter (2009) found that if frontline workers perceive the instruments they have at their disposal for implementing a policy as ineffective, in terms of delivering to their clients, this is likely to add to their frustrations. They do not see how their implementation of the policy helps their clients, and so wonder why they should implement it. Given that the evaluation of effectiveness is likely to be based on on-the-job experience, rooted in the circumstances that professionals encounter in doing their job, this aspect of attitude is likely to be particularly important when it comes to determining attitudes and behaviours (Meyers & Vorsanger, 2003).

In more technical terms, we expect a mediation effect to occur. A mediation effect is an effect of an independent variable (here: discretion) on a dependent variable (willingness to implement) via a mediator variable (client meaningfulness). Hence, next to hypothesizing the direct effect of discretion on willingness to implement, we expect that a part of this effect is caused by more client
meaningfulness. This means that we expect a partially mediated effect: part of the effect of discretion on willingness to implement is mediated by client meaningfulness (Baron & Kenny, 1986). We do not expect full mediation. Some of the influence of discretion on willingness to implement is explained by other factors than increasing client meaningfulness, for instance the intrinsic need for autonomy of people in their work (Freidson, 2001; Wagner III, 1994). This brings us to the following hypotheses:

H2: The positive influence of discretion on willingness to implement is partially mediated by the level of client meaningfulness

H3: When street-level bureaucrats experience more discretion, this positively and directly influences their willingness to implement the policy

This brings us to the following model. In the following sections, we discuss the methods and results for testing this model.

Figure 1 Proposed theoretical model

3 Methods

3.1 Case

To test the proposed model, we undertook a survey of Dutch mental healthcare professionals implementing a new reimbursement policy. First, we provide a short overview of this policy. In January 2008, the Dutch government introduced Diagnoses Related Groups in mental healthcare. This was part of a process to convert the Dutch healthcare system into one based on a regulated market. The system of Diagnosis Related Groups (DRGs, in Dutch Diagnose Behandeling Combinaties, or DBC’s) was developed as a means of determining the level of financial exchange for mental healthcare provision. The DRG-policy differs significantly from the former method, in which each medical action resulted in a financial claim. This meant that, the more sessions that a professional caregiver (a psychologist, psychiatrist or psychotherapist) had with a patient, the more recompense that could be claimed. This former system was considered by some to be inefficient (Kimberly et al., 2009). The DRG-policy changed the situation by stipulating a standard rate for each disorder. The new Law Health Market Organization and the associated DRGs can be seen as the introduction of regulated
competition into Dutch healthcare, a move in line with New Public Management (NPM) ideas. More specifically, it can be seen as a shift to greater competition and more efficient resource use (Hood, 1991:5).

We chose the DRG policy as the discretion of the street-level bureaucrats for implementing this policy was highly debated. Professionals have to work in a more ‘evidence-based’ way, and are required to account for their cost declarations in terms of the mental health DSM (Diagnostic Statistical Manual) classification system. As a result, it becomes harder to use practices that are difficult to standardize and evaluate, such as psychodynamic treatments. Discretion regarding the length of treatment is arguably also increasingly limited. Whereas, in the former system, each medical action resulted in a payment, under the DRG policy a standard rate is determined for each disorder. This means that it has become more difficult to adjust the treatment to the specific needs of a patient. It is interesting to study to how much discretion street-level bureaucrats really experienced, and which effects this has.

As can be seen from the previous paragraph, we focus on experienced discretion. This is based on the notion of Lewin (1936): that people behave on the basis of their perceptions of reality, not on the basis of reality itself (See also Thomas theorem, Merton, 1995). Street-level bureaucrats may experience different levels of discretion, for instance because some have more knowledge on (loopholes) in the rules, the way the policy is operationalized in the specific organization and personality of the street-level bureaucrat (Brehm & Hamilton, 1996; Lipsky, 1984; Prottas, 1979). Hence, also for the same policy, some street-level bureaucrats will perceive more discretion than others. In line with this, in the open answers of the survey, we saw that some professionals felt that they had substantial discretion, while others felt very limited in their discretion (see also Van Sambeek et al., 2011). Illustrating quotes from different respondents are:

“**The DRG-policy does not force me into a certain choices. I examine the funding scheme of the treatment only ‘in second instance’**”

“I do my work first and foremost according to professional standards and hereafter just attach a DRG-label which I think fits but best.”

“**With the DRG-policy, I am being forced into a straitjacket.**”

“You are bound by the rules. so that’s a harness.”

In our quantitative results, these differences were also evident, as on a 1-5 scales the scores indeed ranged from 1-5, with a standard deviation of .90 (see results).
3.2 Sampling and response

We used a sample of 5,199 mental healthcare professionals implementing the DRG-policy, randomly selected from the databases of two nationwide mental healthcare associations. Using an email and two reminders, we received 1,317 returns of our questionnaire; a response of 25%.

Of the valid respondents, 36% were men and 64% women. This balance is consistent with Dutch averages for mental health care professionals, where one can find figures as high as 69% of the workforce being women (Palm et al., 2008). The respondents’ ages ranged from 23 to 91 years (M = 48), which is a slightly older average than the Dutch national average for mental healthcare professionals (M = 44). Hence, the respondents mean age and gender-distribution are quite similar to those of the overall mental healthcare sector. To rule-out a possible non-response bias, we conducted non-response research where we contacted the non-responders for their reasons for not participating. Common reasons for not participating were a lack of time, retirement, change of occupation or not working with the DRG policy (some organizations, including some hospitals, were not yet working with this policy).

The large number of respondents, their characteristics in terms of gender and age and the results of the non-response research indicate that our respondents are quite a good representation of the population. Nevertheless, we cannot completely rule out a non-response bias since the non-respondents may differ from the respondents in terms of numerous other (unexamined) characteristics.

3.3 Measures

This section report the measurement of the variables. Unless stated otherwise, the measures were formatted using five-point Likert scales, ranging from strongly agree to strongly disagree. For the items tapping discretion, client meaningfulness and willingness to implement, we used templates. Templates allow the researcher to specify an item by replacing general phrases with more specific ones that better fit the research context. For example, instead of stating ‘the policy’ or ‘professionals’, the researcher can rephrase these items using the specific policy and group of professionals which are being examined, here ‘the DRG policy’ and ‘healthcare professionals’ replaced the template terms. This makes it easier for professionals to understand items, as they are better tailored to their context and this, in turn, increases reliability and content validity (DeVellis, 2003:62). The items of all measures are shown in the Appendix.

Discretion

Discretion concerns the perceived freedom of the implementer in terms of the type, quantity and quality of sanctions and rewards delivered (Lipsky, 1980). The scale is based on the validated measurement instrument of policy alienation (Tummers, 2012). It concerns the dimensions ‘operational powerlessness’. Sample items were for instance “When I work with the policy, I have to adhere to tight procedures” (R) and “While working with the policy, I can make my own judgments”. In total, three items were used, as this proved to work best in the confirmatory factor analysis (see Section 4). The Cronbach alpha was .78.
Client meaningfulness.
Client meaningfulness (or meaninglessness) was also conceptualized as a dimension of policy alienation (Tummers, 2012). It refers to the perception of professionals about the benefits of them implementing the DRG policy for their own clients. For instance, do they perceive that they are really helping their patients by implementing this policy? Three items were used. Sample items were: “The policy is contributing to the welfare of my clients” and “With the policy I can better solve the problems of my clients”. The scale’s alpha was .77.

Willingness to implement
In order to measure willingness to implement, we used the validated scale of Metselaar (1997). Four items were used. Sample items are: “I am willing to contribute to the introduction of the policy” and “I am willing to free up time to implement the policy”. The scale’s Cronbach’s alpha was .83 in this study.

Control variables
We included commonly used individual characteristics: gender, age and whether the respondent occupies a management position (yes/no). We also distinguish between psychiatrists and others, because the former belong to the medical profession, while the latter (psychologists and psychotherapists) are non-medical professionals, which could influence their perceptions.

3.4 Statistical methods used
In order to empirically study the theoretical framework of the effects of discretion, we used Confirmatory Factor Analysis (CFA), followed by Structural Equation Modeling (SEM). Although SEM CFA and SEM are used in psychology research, these techniques are quite novel to most public administration scholars (but see Wright et al., 2012; Yang, 2005). We therefore discuss a number of their characteristics in detail.

Confirmatory factor analysis is a technique for testing the factor structure of latent constructs, based on theory and prior research experience. In our case, this is appropriate, given that prior analyses have already explored the variables discretion and client meaningfulness (Tummers, 2012) and willingness to implement (Metselaar, 1997). CFA has several advantages over exploratory factor analysis, such as far more stringent psychometric criteria for accepting models, thereby improving validity and reliability (Brown, 2006).

Using CFA, a measurement model is specified. The measurement model specifies the number of factors and shows how the indicators (items) relate to the various factors (Brown, 2006:51). Hence, it shows for instance how the items asked to measure discretion relate to the latent construct of discretion. This measurement model is used as a precursor for the SEM-analysis. In the SEM-analysis, a structural model is constructed. This structural model shows how the various latent factors are related to each other. For instance, it shows how discretion is related to willingness to implement. An advantage over regression analyses is that in the SEM-analyses, a total model can be tested where variables can be both dependent and independent. As the variable client meaningfulness is
both dependent (it is hypothesized to be influenced by discretion) and independent (it is hypothesized to influence willingness to implement), this was appropriate for our model. For mediation models (as is our model), SEM is preferred over regression analysis (Iacobucci et al., 2007). In order to test the total model, fit indices are used (see results).

The analyses are done using the latent variable program Mplus (Muthén & Muthén, 1998-2010). In contrast to SPSS it can handle CFA and SEM analyses. Mplus is well-suited for handling non-normally distributed data (which is often the case when employing surveys), while both SPSS and AMOS have limited capabilities in this respect. As our data were (mildly) non-normally distributed, this was an advantage. We used Robust Maximum Likelihood, an estimator which works very well in these circumstances (Brown, 2006:379). However, a drawback from Mplus is that the researcher requires knowledge of syntax.

3.5 Measurement model

Before analyzing the structural model, we will firstly analyze the measurement model. As the structural model can be seen as the results of the analyses, this is shown in Section 4 (Results).

Based on the results of the measurement model, a number of modifications were made in order to improve the model. The only modifications were that a number of items for the latent factors were deleted (three for discretion, one for client meaningfulness, one for willingness to implement). This was based on theoretical grounds (fit of item content with definition of concept/latent factor) and the minimization of the Akaike Information Criterion (AIC). This fit index can be used to compare competing models. As suggested by other scholars, selected the model with the lowest AIC, thereby taking into account theoretically plausibility (Schreiber et al., 2006).

Several authors suggest to report RMSEA, TLI and CFI when describing model fit (Schreiber et al., 2006; van de Schoot et al., 2012). The Root Mean Square Error Of Approximation (RMSEA) – a widely recommended fit index which tests the absolute fit of the model – was .048. This indicates good fit, as Hu and Bentler (1999) suggest that values ≤ .06 indicate good fit (<.08 average fit). The Tucker-Lewis Index (TLI) is a comparative fit index that compares the fit of the model with the baseline model. The TLI in our study was .98, which is considered excellent (≥ .90, better ≥ .95). The Comparative Fit Index is also a comparative fit index and was .98 in our final model, which shows good fit (≥ .90, better ≥ .95).

In our final model, each item loaded significantly on its appropriate latent variable. For instance, an item to tap discretion loaded onto the variable discretion. The values of the standardized factor loadings were all relatively high (min. .51, max. .91, average .75). This shows evidence of convergent validity: items which tap the same latent construct are related to each other (Kline, 2010).

Before going to the results, we should discuss the possibility of common method variance. Self-reported data based on a single application of a questionnaire can result in inflated relationships between variables due to common method variance, i.e. variance that is due to the measurement method rather than the constructs themselves (Podsakoff & Organ, 1986). Although a recent study showed that “in contrast to conventional wisdom, common method effects do not appear to be so large as to pose a serious threat to organizational research” (Lance et al., 2010:450), we conducted a test to
analyse whether common method bias was a major concern here. We compared the three-factor structure (discretion, client meaningfulness and willingness to implement) with a one-factor model. The fit indices show that the one-factor model had a much poorer fit than the three factor model. The AIC was higher, and the RMSEA (.16), CFI (.58) and TLI (.54) indicated much poorer fit. Hence, common method variance does not seem to be a major problem here.

4 Results

4.1 Descriptive statistics

Table 1 shows the means, standard deviations and correlations for the variables. A number of interesting results can be seen. First, many street-level bureaucrats are psychiatrists (42%), and these often occupy management positions. Next, the average score on discretion is low, meaning that the street-level bureaucrats do not feel that they have a lot of autonomy. This is also the case for willingness to implement (2.35) and even stronger for client meaningfulness (1.87). Furthermore, we see that, all bivariate correlations for the variables linked through our hypotheses were statistically significant and in the anticipated direction. For example, willingness to implement was positively related to discretion.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<tbody>
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<td>1. Gender</td>
<td>.64</td>
<td>NA</td>
<td>1</td>
<td></td>
<td></td>
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<td>2. Age</td>
<td>47.94</td>
<td>11.01</td>
<td>-.34</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<td>3. Psychiatrist</td>
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<td>-.28</td>
<td>.22</td>
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<td></td>
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<td>4. Managing position</td>
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<td>NA</td>
<td>-.26</td>
<td>.19</td>
<td>.39</td>
<td>1</td>
<td></td>
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<td>5. Discretion</td>
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<td>NS</td>
<td>-.10</td>
<td>-.12</td>
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<tr>
<td>6. Client meaningfulness</td>
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<td>.13</td>
<td>-.13</td>
<td>NS</td>
<td>.28</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>7. Willingness to implement</td>
<td>2.35</td>
<td>.79</td>
<td>.15</td>
<td>-.15</td>
<td>-.15</td>
<td>NS</td>
<td>.35</td>
<td>.50</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: NA = Not applicable (standard deviations are not applicable to dummy variables). NS = Not significant. All shown correlation scores are significant at $p < .01$

4.2 Structural model

The central goal of this article is to understand the mechanisms at work in the relationship between discretion, client meaningfulness and willingness to implement. The resulting structural equation model is shown in Figure 2. Table 2 shows the specific results of the empirical results, including control variables.

First, an effect of discretion on client meaningfulness was found (standardized coefficient .33, $p<.01$). This means that when a psychologists, psychotherapists or psychiatrists felt that he/she had
sufficient discretion when implementing the DRG-policy, they also felt that they could better help their patients, tailoring the needs of the patients to the contents of the policy. Hence, we do not reject Hypothesis 1. Next to this, the empirical tests show an cascading effect from discretion to willingness to implement through the mediating variable client meaningfulness. As noted, the effect (standardized coefficient) of discretion on client meaningfulness was .33 (p<.01). Furthermore, the effect from client meaningfulness on willingness to implement was .49 (p<.01), meaning that when a street-level bureaucrat felt that the policy was meaningful for their clients, they indeed felt more willing to implement it. The total indirect effect was hence .16 (33*.49, p<.01). Given that this effect is significant and positive, we do not reject hypothesis 2. Furthermore, the direct effect of discretion on willingness to implement was also significant (β=.27, p<.01), thus not rejecting hypothesis 3. The total effect of discretion on willingness to implement is the sum of its direct and indirect effects: .27+.16=.43. This means that – all other things being equal – that when the perceived discretion of the street-level bureaucrat increases by 1, the willingness to implement increases by .43 (Baron & Kenny, 1986; Zhao et al., 2010). As there is both a direct and an indirect significant effect, there is evidence of partial mediation, which was also hypothesized. This (partially mediated) model proved to be a very good fit of the data: RMSEA = .04 (criterion ≤ .08), CFI = .97 (criterion ≥ .90), TLI = .96 (criterion ≥ .90).

To shed more light on the mediating mechanisms, we conducted additional SEM analyses to test the validity of two alternative models: a model without mediation and a model with full mediation. The model without mediation did not fit as adequately as the partially mediated model, given that the AIC was far higher compared to the partially mediated model. The fully mediated model also had a higher AIC, although the differences are small.

Furthermore, we used bootstrapping in order to test the indirect effect of discretion on willingness to implement via client meaningfulness. Bootstrapping is the preferred method for testing mediated effects (Preacher & Hayes, 2004; Zhao et al., 2010). It presents estimates and confidence intervals so that we can test the significance of the mediation effect. The 99% confidence interval for the standardized indirect effect (which was .16) is between .11 and .22, which means that we can be for 99% certain that the indirect effect is not equal to (or lower than) 0. Therefore, it seems that a positive mediation effect is clearly present in our sample.

Given these results, we do not reject hypothesis 1-3. In the discussion and conclusion, we discuss the implications of this for both theory and practice.

\[^1\] Bootstrap 5000 times, Maximum Likelihood estimation is used as Robust Maximum Likelihood is not available for bootstrapping.
Figure 2 Structural equation model for relationships between discretion, client meaningfulness and willingness to implement (control variables not shown)

Table 2 Results From Structural Equation Modeling

<table>
<thead>
<tr>
<th>Model</th>
<th>Meaningfulness for clients (standardized scores)</th>
<th>Meaningfulness for clients (unstandardized scores)</th>
<th>Willingness to implement (standardized scores)</th>
<th>Willingness to implement (unstandardized scores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Age</td>
<td>-.092</td>
<td>-.006</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Managing position</td>
<td>NS</td>
<td>NS</td>
<td>.144</td>
<td>0.212</td>
</tr>
<tr>
<td>Psychiatrist</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Direct influences</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretion</td>
<td>.330</td>
<td>.334</td>
<td>.268</td>
<td>0.302</td>
</tr>
<tr>
<td>Meaningfulness for clients</td>
<td>-</td>
<td>-</td>
<td>.524</td>
<td>0.527</td>
</tr>
<tr>
<td>Indirect influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretion via</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>meaningfulness for clients</td>
<td>-</td>
<td>-</td>
<td>.162</td>
<td>0.176</td>
</tr>
<tr>
<td>R²</td>
<td>0.135</td>
<td>-</td>
<td>0.446</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: NS = Not significant. All shown correlation scores are significant at p < .01
5 Conclusion

How and why does discretion of street level bureaucrats influence the willingness to implement specific policy programs and what role does client meaningfulness play in it? This was the general research question which laid behind this article. Our research shows that the discretion of street-level bureaucrats does influence the willingness to implement in two ways. First, we see that discretion influences client meaningfulness, because street-level bureaucrats are more able to tailor their decisions and the procedures they have to follow to the specific situations and needs of their clients. In doing so, discretion gives street level bureaucrats the possibility to apply their own judgments when dealing with the needs and wishes of citizens. When street-level bureaucrats feel relatively free in their implementing of the policy, they are better able to contribute to the welfare of its clients, dealing with the problems that his or her clients have in a more satisfying way.

At the same time, the positive effect that discretion has on the bureaucrat’s perception of client meaningfulness can be seen as important condition for a willingness to implement the policy, as this effect is mediated through client meaningfulness. The research shows that when street-level bureaucrats perceive that their work is meaningful to his/her clients, they are also more willing to implement a specific policy program, because they are more convinced of the goals and benefits of this program. Hence, we provided additional empirical evidence for the notion that street-level bureaucrats want to make a difference to their clients’ lives when implementing a policy, and when they feel that they cannot do this, this may lead them to resist the policy (see also May & Winter, 2009; Maynard-Moody & Musheno, 2003). However, our research does also another effect, more autonomous effect. Discretion seems to be inherently valued by street-level bureaucrats, thereby directly influencing their willingness to implement a specific policy program. This is in line with the literature from the HRM, where leading authors note that autonomy is an intrinsic need for people. One of the central tenets of this movement is that employees have a right to make input into decisions that affect their lives (Deci & Ryan, 2004; McGregor, 1960; Wagner III, 1994). Given these outcomes we can state that discretion influences the effectiveness and legitimacy of public policy programs in a positive way, because discretion stimulates willingness and reduces resistance.

This has interesting implications for the theory and practice of policy implementation. From a theoretical point of view it contributes to this long lasting discussion about the validity of a more top down and bottom-up perspective on policy implementation. Discretion seems to have a positive effect on the effectiveness of policy programs, thereby reducing resistance, while at the same time it adds to the legitimacy of the policy implementation process, because it able to meet the needs and wishes of citizens in a more appropriate way (in this eyes of the implementing bureaucrats). Moreover, the theoretical implications of our findings are also related to the empirical basis of our research, given large sample that is used (1,317 respondents out of 5,199 respondents that were approached). If we compare this to empirical base of the predominantly qualitative and a small number of case studies that have been carried when studying the effects of discretion, then the empirical validity of our findings add substantially to earlier mentioned top down/bottom up discussion.

For the practice of public administration, it seems important, when drafting policy program, it is important to give the implementing street-level bureaucrats some freedom to adjust the policy program.
in order to be effective and legitimate. Here, we note that the degree of discretion felt can vary within the same policy, as among else as a result of specific organizational rules and preferences, managerial performance and risk management and personality characteristics of the street-level bureaucrat (Brehm & Hamilton, 1996; Eaton Baier et al., 1986; Lipsky, 1984; Prottas, 1979). Hence, the study results for instance have important consequences for the role of performance management and risk management in the implementation of these programs, because the central role that detailed performance indicators and risk reduction rules play in the implementation process very often leads to a broad variety of rather detailed norms and guidelines that have to be obeyed by the involved street level bureaucrats. Concluding, our empirical results show that care should be taken when reducing the autonomy of the street-level bureaucrats implementing the policy. We are not saying that policymakers and managers should never reduce discretion: discretion can have substantial downsides, such as empire building and inefficiency (Deakin, 1994; Lipsky, 1980). Rather, we are warning that diminishing the discretion of street-level bureaucrats should be a deliberate, informed choice, made after balancing the possible advantages and disadvantages in the specific situation.

This brings us to the limitations of this study. As with all studies, this study has limitations. One important limitation is case we analyzed: psychologists, psychotherapists and psychiatrists working in (semi)public organizations and implementing the governmental policy DRGs. One the one hand this addresses a group of street-level bureaucrats that have not studied intensively in the discretion literature; on the other hand it is rather specific group of highly trained professionals which traditionally, due to their professional training, have gained a lot of professional autonomy. Moreover, the psychologists and psychiatrist that were approached, although they perform a vital role in implementing a specific policy program, work outside traditional government organizations (such as municipalities). Hence, it would be interesting to compare the results of this study with a similar study that addresses other groups of street-level bureaucrats who have received other types of professional training or who are a part of government service bureaucracy. A second limitation is that we have only examine two, positive, effects of discretion: client meaningfulness and willingness to implement. Hence, we were primarily looking at perceived positive effects of discretion, and therefore largely ignored its negative side. In future studies, scholars could take into account numerous (negative and positive) effects, thereby developing a more all-encompassing model considering the possible effects of discretion.

Concluding, this study develops a theoretical framework regarding two important effects of discretion (client meaningfulness and willingness to implement). The results firstly show a positive effect of discretion on client meaningfulness. Next to this, discretion positively affected the willingness to implement a policy, and this is partially mediated by client meaningfulness. Hence, when street-level bureaucrats experience discretion, this positively influences the value they can deliver to clients, which in turn positively influences their willingness to implement a policy.
Appendix: Items used for scales

Discretion (based on Tummers, 2012)
1. When I work with the policy, I have to adhere to tight procedures (R)
2. While working with the policy, I cannot sufficiently tailor it to the needs of my clients (R)
3. While working with the policy, I can make my own judgments

Client meaningfulness (based on Tummers, 2012)
1. The policy is harmful for my clients privacy (R)
2. With the policy I can better solve the problems of my clients
3. The policy is contributing to the welfare of my clients

Willingness to implement (based on Metselaar, 1997)
1. I intend to try to convince employees of the benefits the policy will bring
2. I intend to put effort into achieving the goals of the policy
3. I intend to reduce resistance among employees regarding the policy
4. I intend to make time to implement the policy
References


