Chapter 10
Outsourcing in Theory and Practice: Insights from Nuclear Risk Governance

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Abstract This chapter examines two cases of risk governance in which actors interpret outsourcing as a possible source of operational vulnerability while using it to strengthen safety governance. We propose to study this discrepancy through the lens of organisational hypocrisy, suggesting a pragmatist approach as a means of analysing hypocrisy in day-to-day managerial situations.

Keywords Outsourcing · Risk governance · Pragmatist approaches

10.1 Introduction

This chapter examines the "technical dialogue" used in France to govern nuclear risk.[1] In order to secure authorisation for the decommissioning of a nuclear facility, a nuclear operator (NO) has to produce a safety demonstration.[2] This document is assessed by the regulator's technical support organisation (TSO), and then the regulator decides how decommissioning should be carried out.

We study two cases related to two decommissioning projects in which (1) the decision on whether to outsource or internalise part of the decommissioning operation is seen as significant and (2) each organisation—the NO and the TSO—outsources part of its contribution to the technical dialogue. The presence of outsourcing in both cases leads to a discrepancy between the words and deeds of field actors. Both the

[1]This dialogue is a key process in nuclear risk governance in France, consisting of an exchange of documents, information and ideas between experts from a nuclear operator and the technical support organisation. Authorisation requests are one application of this process.

[2]In line with French regulations on the matter, this chapter uses "safety demonstration" to denote an exhaustive collection of the safety guidelines scheduled by an NO for a project. It is often communicated in digital format, as full demonstrations would often require a large cupboard if stored in paper format. More generally, the word "safety demonstration" is often used to refer to the entire process culminating in the regulator's decision.

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NO and the TSO interpret outsourcing as a possible source of vulnerability for the safety management of the decommissioning operations, while simultaneously using it to strengthen safety governance through the technical dialogue.[3]

We propose to study this discrepancy through the lens of organisational hypocrisy (OH), a process through which organisations satisfy their stakeholders with their discourse when they cannot do so with their actions. The literature on the subject does not clarify how OH works in day-to-day managerial situations, and we aim to fill this gap. Furthermore, prior research on OH has not yet looked at the issue of outsourcing, even though this is a controversial topic; we aim to focus on how OH works in situations involving outsourcing. Our intention in so doing is to help practitioners avoid the pitfall of OH through a better understanding of its mechanisms.

10.2 Organisational Hypocrisy: A Definition and Two Gaps

OH, which is often also referred to as "organised hypocrisy" [3], describes a process that enables organisations to survive when they are subjected to conflicting forces trying to affect their work. Hypocrisy allows organisations to satisfy all their stakeholders through their discourse by engaging in doublespeak, whereby their actions do not match their words. For example, an automobile manufacturer such as Volvo, "whose production seriously pollutes the environment", secures its own survival when it "proclaims the importance of working for a good environment and claims that its goal is to do so", rather than "preaching that pollution is necessary, that it is not dangerous, or even that it is something which we must accept" [4, p. 9].

OH is an interesting concept when considering the consequences of outsourcing. Indeed, outsourcing is likely to amplify any discrepancies between an organisation's discourse and its contractor's actions. OH becomes even more interesting when that discourse and those actions are related to industrial risk. For example, some construction companies are seen to promote their safety policies while failing to ensure safe working conditions for their contractors, or, even worse, while asking their contractors to downgrade their safety policies in order to reduce costs.

The literature on OH has not investigated the issue of outsourcing even though it is a controversial topic, as we can see in risk governance. In that field, practitioners have to determine the strengths and weaknesses of outsourcing specifically in relation to safety and risk. Since the 1970s, risk governance researchers have participated in lively academic debate around outsourcing. In addition, Brunsson [5, p. 124] observes that OH is "a way of handling situations when what is said cannot be done and when what is done cannot be talked about". However, the literature on OH does not clarify how this process can be observed in day-to-day managerial situations.

[3] We use the term "risk/safety management" to refer to the management of risks inherent to risky activities, and "risk/safety governance" to denote the management of risks inherent to risk/safety management.

In order to fill these two gaps, we aim to answer the following question: *How does OH translate into managerial situations, and to what extent does it explain the discrepancy between organisational discourse and actions in the context of risk management in cases of outsourcing?* Dualisms such as ideology and action, politics and action, or thought and action underlying Brunsson's reasoning around OH [7] are obstacles to the understanding of hypocrisy in managerial situations. We therefore propose an approach based on the pragmatist philosophical trend, which tends to move beyond dualisms.

10.3 Situated Organisational Hypocrisy and Outsourcing

For two decades, a wide array of disciplines has been reinterpreting the century-old philosophical trend of pragmatism in order to study real-life situations [16]. Pragmatism proposes an understanding of situated action that has been historically marginalised and that remains far from the mainstream in management science [13]. From a pragmatist standpoint, it makes little sense to rely on the dichotomy Brunsson draws between talk and actions [3–5, 7], as every statement made is a discursive activity and "action is a form of discourse" [13]. In order to simplify our reasoning, we therefore look for discrepancies between actions. As we study OH, we seek to identify discrepancies between actions connecting actors with an organisational practice—in our case, risk governance actors and the practice of outsourcing.

Dewey identifies a few ways by which actors may engage in an organisational practice—in our case, in outsourcing. First, they may rationalise how the outsourcing is supposed to work (beforehand or afterwards). Dewey identifies two types of rationalisation [9]. On the one hand, actors may overemphasise the fact that outsourcing creates social asymmetries, which they then attempt to eliminate. This is what we call the "social approach". In this approach, outsourcing is experienced as creating and maintaining power relations between groups, as side effects of organisational processes or intentionally aimed at by actors; these asymmetries in turn create operational problems. On the other hand, actors may overemphasise the successes obtained through outsourcing. In this approach, which we call the "economic approach", actors engage in outsourcing as if it were solely driven by economic forces. Here, the purpose of outsourcing is to improve the whole organisation's economic performance through an adjustment to the distribution of operations management—in other words, through the make-or-buy decision.

According to Dewey, actors may also engage with outsourcing by making inquiries about it. Inquiries are sequential processes. First, actors experience an uneasy feeling about the outsourcing relationship, and transform it into a question such as "is outsourcing useful here?", in particular, "what do we learn from it?", "how can I better contribute to outsourcing?", or "why don't we involve this or that actor in the organising of outsourcing?" Then, they change their own contributions to the conversations and texts forming the outsourcing relationship, in order to fully interact with it. After reflecting on their experience, actors come to engage with outsourcing in a way that is more nuanced and "again … integral and vital" [9, p. 136]. We call this the "pragmatist approach", as, according to Dewey, it leads to the beliefs that are best aligned with actual situations [9]. In this approach, outsourcing is experienced as a means for organisations to access more verifiable facts through interorganisational communication [14].

The literature on organisation studies that draws on pragmatism describes some of the resources needed to make inquiries. Actors first need resources associated with themselves: mandates (or at least authorisations) from their organisation, genuine doubts they themselves have experienced, and time to finish their inquiries [12]. Actors also need resources associated with the richness or scarcity of their connection with the outsourcing relationship [17]. On the one hand, they need to access the field in which outsourcing occurs and to participate in the conversations involved in the organising of outsourcing. On the other hand, they need to access the texts used to make outsourcing happen (e.g. contracts, purchase orders, memos, and emails) and to participate in the drafting of new texts of this kind.

We thus define situated OH as a situation where in some circumstances actors have the resources to make inquiries about outsourcing, while in other circumstances, the same actors have limited means to do so. We will answer our research question by tracing each approach in the actors' behaviour related to outsourcing. We explain it through actors' wealth or lack of resources to lead inquiries, in other words the richness or scarcity of their connection with the outsourcing relationship.

10.4 Research Settings and Cases

In France, in order to secure authorisation for the building, operating, or decommissioning of a nuclear facility, every NO has to produce a safety demonstration. This document should prove that the NO has thought of all necessary measures to ensure nuclear safety, consistent with the latest scientific and technological developments and within economically viable conditions. The safety demonstration is submitted to the regulator, which submits it to its TSO for assessment. There is then a technical dialogue between the TSO and the NO consisting of document collection, interviews, and activity observations of operational activities. At the end of the dialogue, the TSO produces an evaluation report summarising the NO's design choices, makes any necessary observations, and suggests further measures to be taken by the NO to ensure safety. The report is sent to the regulator, which finally decides how building, operating, or decommissioning should proceed.

We study two cases involving decommissioning projects. The first mostly follows the internal processes of a NO and is related to a technical dialogue prior to the production of a safety demonstration. The other mainly tracks the internal processes of the TSO and is related to a technical dialogue prior to the production of a safety assessment report. In both cases, the decision on whether to outsource part of the decommissioning operation is a significant one. Also, each organisation—first the

NO and then the TSO—outsources part of the technical dialogue and the production of the document resulting from it.

In the case relating to the NO, we address the topic of "specialty outsourcing" (*sous-traitance de spécialité*). The decommissioning operations call for highly specialised workers—rope access technicians—and the NO decides to internalise them in order to ensure their compliance with nuclear safety standards. At the same time, however, the NO project managers are not concerned by the decision to outsource part of their design work to rope access technician providers. Meanwhile, in the case relating to the TSO, we look at "capacity outsourcing" (*sous-traitance de capacité*). Here, the NO outsources a significant part of the decommissioning operation. That is something of a problem for the TSO's human and organisational factors (HOF) department, as the NO delegates not only the operations but also part of its nuclear safety management. At the same time, the HOF department has no problem with the fact that it outsources part of its investigation and writing to a freelance HOF expert.

In both of these cases, field actors interpret outsourcing as a possible vulnerability for the decommissioning operations but at the same time they use it to strengthen the technical dialogue. Brunsson would analyse this as a discrepancy between discourse on risk management and action on risk governance. Conversely, we feel that, in the context of risk governance, actors have resources to make inquiries about the outsourcing relationships they can access directly, while their inquiries are limited when they experience the decommissioning operations' risk management.

10.5 Data Collection and Analysis

The data consists mainly of working documents collected from field actors' archives [2]. We collected emails, meeting minutes, proof documents, interview records, analysis texts, and slideshows, and complemented these with interviews. For the first case, we collected 47 documents (30 related to operational outsourcing and seven to risk governance outsourcing) and conducted eight interviews (lasting 12 h 45 min in total). For the second case, we collected 357 documents (240 related to operational outsourcing, 12 to risk governance outsourcing) and conducted three interviews (lasting 5 h 5 min in total).

Our study is based upon the technique of narrative analysis [8] using the framework proposed by Burke [6]. Instead of analysing the narratives through their common thread or structure, Burke proposes to analyse their ingredients: who (agent), what (act), how (agency), where and when (scene), and why (purpose). In this study, we analyse the use, as a method, of (a) the "pragmatist approach", where outsourcing is a means to share verifiable facts between several organisations; (b) the "social approach", where outsourcing is a means to create and maintain power relations between groups; and (c) the "economic approach", where outsourcing is a means to improve firms' economic performance.

10.6 Organisational Hypocrisy in Action

Our results reveal how OH works in managerial situations, where outsourcing is present in the context of risk governance. The findings are outlined in Table 10.1, which shows that, in both cases, actors face very similar situations, typical of our proposed definition of OH. When dealing with the outsourcing of part of their contribution to the technical dialogue, actors have resources to make inquiries, while these are limited when dealing with the decision on whether to outsource or internalise part of the decommissioning operation.

In the first case, where we look at the NO, designers realise in the early phases of the project that using 80 rope access technicians would be the best solution for disassembling the facility's equipment. However, the NO, although highly competent in decommissioning projects, has no experience in the personnel management of this type of worker. In order to assess the feasibility of the solution, the NO seeks advice from two companies managing rope access technicians. Their discussion reveals that the solution is feasible, but that maintaining the workers' skills can be a problem. Thus, the NO selects one of the two companies to take the discussion further, in order to improve its design of its disassembling operations and how these operations are explained in the safety demonstration. In these circumstances, the NO is in genuine doubt regarding its make-or-buy decision; it is able to access and participate in the conversations involved in the organising of outsourcing and to access and contribute to the texts used to make outsourcing happen. Thus, it makes inquiries about outsourcing and experiences them as a means to verify more facts. The NO practices the economic approach by going outside of its internal network—its industrial group—and the social approach by using power asymmetries to select one of the two initial contractors.

Table 10.1 Situated OH as a discrepancy caused by circumstances

		Engagement in outsourcing	
		Rationalisation: social or economic	Interaction: making inquiries
Circumstances of the relation to outsourcing	Activities underlying risk governance	Indirectly done	Done
	Future risky activities, as formalised in texts	Done	Not done

The NO's stance towards outsourcing is different regarding the rope access technicians in the safety demonstration. The NO chooses to internalise these in the hope of securing a stable, skilled workforce, because of the large number of workers involved and the mobility these workers usually exhibit within the nuclear sector. Outsourcing is seen as bad for safety in this situation. In its safety demonstration, the NO portrays the rope access technicians as the core of the disassembling operation and therefore critical for safe execution. While a lot of heavy-handling operations are involved, e.g. for slewing and depositing the heavy equipment, the HOF's analysis of disassembling focuses on rope access technicians. They are even the subject of a postulated worst-case accident scenario. In the circumstances of the demonstration (the text), the NO has limited opportunities to interact with the future rope access technicians. Thus, it focuses its management of outsourcing on its economic and social effects, internalising the technicians to ensure they are well covered by the HOF analysis. But at the same time, because it renders heavy-handling workers invisible, the safety demonstration portrays heavy-handling workers and rope access technicians as not interacting with each other.

Here, we have our first OH situation. In the way the design process is set up, NO actors have resources to make inquiries about the outsourcing of part of their design work and use them as a way to verify more facts. Their actions suggest that outsourcing can be positive. Yet, under the circumstances of the safety demonstration, actors are limited by the text-based medium. Thus, they play safe and internalise rope access technicians in order to limit what they say are the harmful structural effects of outsourcing.

In the second case, which focuses on the TSO, the NO anticipates that it will outsource a large part of its decommissioning operations. This is an important issue for the regulator, which asks its TSO to carry out an investigation into this issue; this is then delegated to the specialist HOF department within the TSO. The department's resources are limited and the topic is vast, so the expert associated with the investigation calls upon the services of a freelance HOF expert. The freelance expert helps design the questionnaire (to be sent to the NO), organise the fieldwork at the NO's site and collect documentation alongside this, write interviews and meeting minutes, and write a first draft of the analysis. Throughout the investigation, the TSO and the freelance expert interact as peers; for example, they deal with deliverables informally, considering a deliverable to be the document most recently produced by the freelance expert. In these circumstances, the TSO's HOF expert is able to access and participate in the conversations involved in the organising of outsourcing and to access and contribute to the texts that are used to make outsourcing happen. The TSO's expert also has incentives to organise the outsourcing from her organisation. This outsourcing helps the TSO to verify more facts, and the social and economic aspects of outsourcing are dealt with indirectly. To reduce asymmetries, HOF experts interact as peers, and to optimise the TSO's economic performance, the outsourcing is limited to the temporary need for another HOF expert.

As one might expect, the HOF experts, and thus the TSO, do not have the same position on the outsourcing anticipated by the NO for its decommissioning project. Thanks to the significant amount of evidence they collect, the HOF experts identify five harmful consequences of outsourcing. At the global level, they find it potentially dangerous that the site is simultaneously in production and in decommissioning and that it could become difficult in the future to maintain the skills needed. Regarding the effects of power asymmetries, they find that the HOF and ergonomic requirements are not discussed by the NO with its contractors and thus are not found in the contractors' documentation, and they find that supervision solely relies on checking documentation. The HOF experts focus their analysis on the harmful structural effects of outsourcing, thus contributing to risk governance with a helpful alternative viewpoint to that put forward by the NO. However, they are limited by the risk governance context, that is, by the questions asked by the regulator and within the TSO, and thus do not extend their criticism to the point of how the NO and its contractors will learn from each other, such as through meetings.

Here, we find our second OH situation. As part of the HOF investigation, the TSO's HOF department uses outsourcing positively to bring in external specialist expertise. In contrast, for the purposes of the safety assessment report, HOF experts are limited by the specifications initially outlined for their investigation and do not venture beyond the structurally harmful effects of outsourcing.

10.7 Normal Organisational Hypocrisy and Outsourcing

Throughout this chapter, we show how OH works in day-to-day managerial situations, especially within a context of risk governance and related to outsourcing. OH is a type of situation that connects actors to an organisational practice—in our case actors contributing to a specific type of technical dialogue and the practice of outsourcing. When the actors outsource part of their own contribution to the technical dialogue, they have resources to make inquiries about outsourcing, and use them as a way to verify more facts and indirectly manage the global structural effects of this practice. When the actors demonstrate or assess the safety of a decision related to outsourcing, their inquiries are limited and they only address the structurally harmful effects of outsourcing. In other words, in some circumstances, actors are able to experience the "pragmatist approach", while in others, they are limited to the "social" or the "economic" approaches.

We can therefore see how these actors specifically and involuntarily conform to the injunction to "do what I say, not what I do". However, as we define situated OH as a discrepancy between actions regardless of their discursive nature, we can account for discrepancies among discourses or among actions, while in Brunsson [3–5], OH is understood only as a discrepancy between talk and action. Conversely, we do agree with Brunsson's acceptance of OH, which is sometimes viewed as fatalistic [7, p. 295]. In our cases, actors do not *choose* to be hypocritical; they are *made* hypocritical by their circumstances, i.e. by the fact that they cannot be everywhere while outsourcing is everywhere. Hence, our understanding of OH cannot account for situations in which actors deliberately choose to lie and another pragmatist approach may be useful on this subject. This philosophical trend defends an instrumental understanding of truth, as shown by its utilisation in the study of the production, maintaining, and removal of ignorance [11].

We draw four conclusions specifically about outsourcing. First, our understanding of situated OH as arising from circumstances suggests that OH about outsourcing is a threat indicator for risk governance activities. If actors deal with potentially dangerous outsourcing through the "economic" or "social" approaches, the governance of risk is probably hindered by the ignorance of risk expertise [15] or by the actors' "pretence of knowledge" [10]. OH should be used as a magnifying glass to better govern risk, by directing attention to the potentially dangerous uses of outsourcing. Second, we observe through our cases that outsourcing is so controversial that, when actors have to write a text that is binding upon their institution, it can lead them to produce rationalisations that do not tally with their real-life experiences (such as declaring that outsourcing is a bad idea when in fact they use it successfully). This should invite practitioners of risk governance to carry out comparative analyses between what they write and what they do, which would be an interesting process to observe for research purposes. Third, we observe that outsourcing is contentious enough to prompt risk governance actors to produce or collect a vast quantity of documents about it. However, these documents do not compensate for the actors' lack of possible live interactions with practices that are yet to come, which pushes them to rationalise how outsourcing will work. This is an invitation for more informal communication within risk governance, involving experimental trials integrated within the process of the technical dialogue. Finally, these two episodes of technical dialogue show that the authorisation request neutralises the asymmetry relating to who has access to the reality in the field. When future activities only exist on paper, the NO, the regulator, and the TSO are all ignorant of "the field". Since they all have to "talk about places they have never been" [1], perhaps they can co-construct those places, thus benefiting from the expertise of each organisation.

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