UNDERSTANDING CHANGE IN THE PUBLIC SECTOR

A Local Authority Case Study

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SUMMARY

Increasingly managers in the public sector are being required to manage change, but many of the models of change which are available to them have been developed from private sector experience. There is a need to understand more about how the change process unfolds in the public sector. A case study of change in one local authority over the period 1974-87 is provided. The events surrounding housing decentralisation and the introduction of community development are considered in detail. To understand these events a twofold model of change is proposed: a short wave model which explains a change project or event; and a long wave model which considers how these projects or events might be linked together to provide a picture of an organisation over a longer period. The short wave model identifies multiple triggers of change and signals the importance of mediators in recognising these triggers. The extent to which new ideas are implemented and the pace of their adoption is influenced by the balance of power within the organisation and the political tactics which are used. Broad phases in the change process can be identified, but there is not a simple linear passage through these. The long wave model considers the way in which continuity and change feed off one another. It suggests that periods of relative stability may be interspersed with more radical transformations as the dominant paradigm guiding the organisation shifts. However, such paradigmatic shifts in local government may be less obvious than in the private sector due to the diverse nature of the former.

KEY WORDS: ORGANISATIONAL CHANGE, PUBLIC SECTOR, LOCAL GOVERNMENT, CASE STUDIES

DEDICATION

For Mum and Dad who gave me stability during times of change

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A final word of thanks is due to my family, they have provided support and encouragement throughout.

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CHAPTER 1: INTRODUCTION

During the mid 1980s, after working for many years in and with local government, the author became intrigued by a paradox. On the one hand, there seemed to be a continual round of reorganisations, but on the other, things still seemed to be done in the same old ways. It was a perception shared by many of those in local government at that time. One colleague put it neatly, "everything is changing, but nothing changes". Local authorities appeared to be constantly reorganising, to provide different aggregations of functions and new procedures, but these changes did not appear to touch the "heart" of local government. A similar pattern was noted by Garner (1987) when considering changes in state government in the United States.

During the early 1980s the attitude of many local government officers to the changes occurring around them was, "we've seen this all before", and many uttered feelings of deja vu as the process occasionally appeared to complete a full circle. Similar comments have been made in relation to civil servants' attitudes to change in the early 1980s. Metcalfe and Richards (1990) refer to this as the "disbelief system" of the civil service, and Plowden talks of civil servants' "well developed sense of deja vu" (1981, p 53). Such an approach to change did not survive the 1980s. By the late 1980s several researchers were reporting major attitude changes (changes to the "heart") in both central and local government (Metcalfe and Richards, 1990; Kemp, 1990; Viewpoint, Public Money and Management, Autumn 1990; INLOGOV, 1990).

The scepticism about the impact of change in the early 1980s does not mean that change was taken lightly and had no effect. Change appeared to be accompanied by demoralisation and a decline in productivity. This is an effect noted by Elliot (1990), who argues that following the introduction of change morale declines, people become preoccupied with change related matters, and productivity suffers. Changes were "sold" as being responses to problems, but were occasionally perceived as just being "change for change's sake".

It was against this background that the research for this PhD was born. It arose out of a desire to understand better the process of change. Not

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just for personal satisfaction, but also because it was felt to be important for the "actors" in the process, if demoralisation and reduced output levels were not to be the order of the future. Since embarking upon this research, the management of change has moved up the agenda for many public sector organisations. However, managers are having to "manage change" based on only a partial analysis of past changes. This research, therefore, sets out in a systematic way to further understanding of change in the public sector in general and local government in particular. Such an area of research is important for two main reasons. Firstly, because a lack of knowledge about change processes in public sector organisations may impede the ability of these organisations (or rather the people within them) to respond to the challenges with which they are faced. Secondly, it is envisaged that increased understanding of change in the public sector will contribute to the academic development of the study of organisational change in general. The contribution of this thesis in both of these areas is considered in the final chapter (Chapter 11).

Moving on to the specific questions to be addressed in this thesis, it attempts to find answers to the following questions:

- Are local authorities in a constant state of flux or are there identifiable periods of change followed by stability?

- Do such changes affect the way the organisation operates or are they, as some suggest, just concerned with rearranging the chairs?

- What are the reasons for change, i.e. why do changes occur?

- How do organisations change, how does the process unfold?

- What choices do managers have in this process?

- Is there a "best" way of changing local government organisations?

It will be apparent that this is no easy task and a number of choices had to be made about how best to address these issues. The first question was whether there was already sufficient literature on the process of change in local government that could be "interrogated" in an endeavour to find answers. It soon became apparent that there was not and there is still little research into the process of change in the public sector. A good deal of important research does exist (and this is considered in

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Chapters 2 and 3); but most of the models of change arising from this research are based on analyses of change in private sector companies, and the occasional portrayals of change in the public sector are usually drawn from the American context and/or relate to central government. The importance of considering the public sector in its own right, and the distinctive features of British local government as a sector, are considered in Chapter 3.

This thesis could not, therefore, just review existing research and produce a synthesis based upon this. There was a need also to collect detailed information on the process of change in local government. The word "detail" proved to be the key in considering the research design. In order to begin to answer questions about how the process of change unfolds, it was felt appropriate to conduct a detailed "case study" analysis of the process of change. However, a case study approach meant that detail had to be traded against a wider comparative analysis of change throughout local government. The arguments on both sides in this trade-off are considered in Chapter 4.

The result of the methodological deliberations (considered in Chapter 4) was a decision to collect and analyse information from one local authority for a period of 13 years. It was important to take a longitudinal look at change given the difficulty in deciding upon where a change begins and ends, and the importance of considering change within an organisational context. An amenable metropolitan district council was chosen as the research site. There was no attempt to search for a probably non-existent "typical" local authority. Instead the criterion was to find a local authority that would be open to investigation and provide good access to information. The same approach was used by Jacques (1951), for example, in choosing the Glacier Metal Company. Such an authority, "Midborough", was found and research began on site in 1985. The research data was collected during the period 1985 to 1987. Data on changes occurring during this period was collected as they occurred. In addition, data for the period 1974 to 1985 was collected retrospectively. No further detailed research data has been collected on the authority since 1987. The names of all people and places have been changed in order to preserve the confidentiality and anonymity of those involved. This has enabled the research to be more candid in its description of the

change process. The identification of a research site was only the beginning and there were still many issues and obstacles that had to be resolved.

Change is rather nebulous and ubiquitous. As Handy (1989) points out, change is used to describe the trivial - a change of clothes - as well as the profound - a change of life. So how does one begin to identify change in order that it might be investigated? Unfortunately, the literature on organisational change does not use consistent terminology. One set of terminology relates to the process and pace of change. Gradual, one step at a time, change is frequently referred to as incremental or evolutionary. For more abrupt and wide-ranging change, Metcalfe and Richards (1990), following Dunn (1971), contrast incremental with structural change. In doing so they imply that incrementalism not only relates to the process of change but also to the depth and significance of that change. Greenberg (1990) takes a different line and distinguishes three change types: incremental, developmental stages and crisis transformation. Yet another set of categories are employed by Fitzgerald (1988) who contrasts "growth" with "gestalt switch".

In addition to problems of terminology, there is no common agreement about what magnitude of movement signifies that a change has occurred. Caiden (1969) and Wilenski (1986) use the word "reform" to denote a significant change and define this as the "artificial inducement of administrative transformation, against resistance" (Caiden, 1969, pp 65-68). Another argument is that organisations are in a constant state of movement and what one person may perceive as relative stability, another may see as significant change. If organisational change is defined as any change to structures, processes or attitudes, then there is likely to be a strong case to be made for the existence of constant change (see for example Cyert and March, 1963). Hence rather than talking about change and stability we should talk of relative change and relative stability.

In considering relative change it is useful to distinguish between incremental (gradual) change, and radical (large step) change. The definitions of these employed in this research are that incremental change is change by small steps, where each move is closely linked with what has gone before and hence is not a step into the unknown (Quinn,

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1980). <u>Radical change</u> is where there is a clear and sudden break with past continuity (Mintzberg, 1978; Pettigrew, 1985). This break with the past is what Metcalfe and Richards refer to as "a change in the rules of the game" (1990, p 181). These two concepts are explored further in Chapter 2.

Having considered terminology to describe the pace and process of change, there is also a need to consider <u>what</u> changes. Again several categorisations exist in the literature. Wilenski (1986) distinguishes between changes in attitudes, processes and organisation structure. Metcalfe and Richards (1984; 1990) are primarily concerned with cultural change (changes in ideas and attitudes), whilst O'Riordan and Weale (1989) contrast structural change with procedural change. Damanpour et al (1989) distinguish between technical innovations (which effect the equipment or methods of operations used to transform raw materials or information into products or services) and administrative innovations (which effect the social system of an organisation including both structures and procedures). In this thesis the primary distinction made (following Wilenski, 1986) is between changes in structures, procedures/processes and ideas/attitudes.

Given the difficulty, if not impossibility, of identifying when change begins and ends, this research proceeded by developing a longitudinal picture of events in one local authority. This was a "chronicle", according to the actors, of what had happened in the chosen authority over the period 1974-85. The author also monitored events as they happened over the period 1985-87. This overview (reported in Chapters 5 and 6) provides the contextual backcloth and also has the benefit of considering change in the context of continuity. In addition to the overview, two case studies were explored to consider specific episodes of change in greater detail. These two case studies are reported in Chapters 8 and 9 (the decentralisation of housing services and the community development initiative, respectively).

An analysis of the data collected is provided in Chapters 7, 8, 9 and 10. Chapter 7 considers the overview of change in Midborough and explores the choice of perspectives from which it can be best understood. The latter parts of Chapters 8 and 9 do the same for the two case studies. Chapter

10 draws together the theory and the practice witnessed in Midborough. The result is a view that existing models and theories of change are not sufficient in their own right to explain the events occurring in the borough council. Chapter 10 proposes two linked models for understanding and explaining change in the public sector - a short wave and long wave model. The applicability of these models is discussed and their implications for practitioners is highlighted. A distinction is sometimes made between a "positive analysis", the way things are, and a "normative analysis", the way things ought to be (Hall, 1980). This thesis is primarily concerned with providing a "positive analysis", although Chapter 10 does provide some "normative" indicators for the ways in which participants in a change process might act. The final chapter (Chapter 11) provides a brief conclusion to the thesis and outlines the ways in which it has added to the existing body of knowledge on organisational change.

CHAPTER 2: CONCEPTS AND THEORIES OF ORGANISATIONAL CHANGE

This chapter considers the literature and research on organisational change and summarises the existing models of change and change process which are available. The adequacy of these models in explaining change in the public sector in general and in local government in particular is considered in Chapter 3.

Given that change affects all aspects of organisational life - people, structures, technology, procedures, and so on - it is not surprising that there is a considerable literature to be found. This includes:

- The literature which looks at the process by which organisations make decisions. (Pettigrew, 1973; Mintzberg et al., 1976; Quinn, 1980; Hickson et al., 1986).

- The literature which attempts to model the dynamics of organisations (Cyert and March, 1963).

- The prescriptive organisational development literature which advises managers on how to plan and manage changes (Bennis, 1969; French and Bell, 1973; Beckhard and Harris, 1977; Stewart, 1983).

- The work of contingency theorists (Woodward, 1958; Burns and Stalker, 1961; Lawrence and Lorsch, 1969) who have attempted to show how organisation design should be and is matched to the operating environment of the organisation.

- The new and growing literature which looks specifically at the process of change in organisations (Pettigrew, 1985; Whipp and Clark, 1986; Child and Smith, 1987; Johnson, 1987).

- The innovation research which is particularly concerned with the adoption of new technologies (Rogers, 1983)

The literature draws upon many social science disciplines and each of these has something to offer in understanding organisational change. Economics leads to an examination of the market place in order to understand change in organisations. It distinguishes between changes in demand and supply conditions and demonstrates that either can be crucial in shaping an organisation's future. Classical economics has treated organisations as if they were synonymous with the individual entrepreneur; however, agency theory and transaction-cost economics (see, for example, Williamson, 1983) have endeavoured to remedy this by providing a theory of organisation. Nevertheless the underlying assumption of economics is that individuals will act rationally in

pursuing courses of action which maximise their satisfaction or utility. Psychology on the other hand provides important insights into the actions of individuals during times of change, particularly their resistance to change. In exploring the processes of perception, motivation and learning, psychology warns us against assuming that individuals will always behave rationally. Social psychology moves us away from explanations which purely focus on the individual by demonstrating the importance of groups, norms and values in shaping organisational behaviour. Sociology focuses on an even higher level of aggregation by considering the effect of structure, rules and procedures on behaviour. It suggests that we should identify the main divisions within an organisation and consider the extent to which these divisions are functional or dysfunctional, and indeed whether order or conflict is the norm. It also stresses the importance of considering any organisation within its societal context. Finally, politics takes us one step further in analysing the divisions within an organisation, focusing on the identification of interests, power bases, conflicts and tactics. It draws our attention to the importance of the dynamics of persuasion and coalition building if we are to understand organisational processes.

This chapter attempts to provide a synthesis of the ideas and models emerging from all of these areas. Such an eclectic approach is not straightforward, but it is important in furthering our understanding of change. Rather than review each of these broad areas in turn, a categorisation of the concepts and models which emerge from this literature is suggested. Flesh is then put on each of these categories by reference to the literature. The final part of this chapter goes on to consider the extent to which the concepts and models arising from the literature to date are complementary or contradictory, and whether there is an overall hypothesis of the process of change which can be tested by the research reported in this thesis.

The categorisation of concepts and models employed here revolves around the why, what, when and how of organisational change. Why does change occur - i.e what triggers the process? What changes - structures, attitudes, processes and so on? When does change occur - gradually over time or intermittently in crisis bursts? Finally, how does the process of change unfold? No categorisation or model is perfect; by their very

nature models are simplifications of reality, but they do nevertheless aid understanding. If one goes further and then categorises these, already simplified, models (as is attempted here) into conceptual boxes, they are further stereotyped. However, although some of the richness and flavour of the literature may be lost, such an attempt at categorisation is important in order to reveal the links or contradictions which might otherwise be concealed. There is a danger, however, of getting so caught up in the elegance of any framework for classifying ideas about change that this becomes a distraction from the main purpose of understanding change in organisations. Perrow (1986) points out that many of the frameworks and categories in the organisation literature now apply to theories whereas they used to apply to the organisations themselves; suggesting that fascination with the theory may lead to losing sight of the organisations which the theories purport to represent. There is an attempt to avoid this distraction in this thesis by firmly grounding the research in the case studies of an organisation.

The remainder of this chapter is divided into two main sections. The first of these considers why change occurs, what changes and when this happens. The second main section considers how these factors are linked and how the change process unfolds. In this second section seven models of change process are reviewed.

2.1 THE WHY, WHAT AND WHEN OF CHANGE

2.1.1 Why change occurs

In considering why change occurs, the literature varies in the extent to which it emphasises external triggers of change (i.e. external to the organisation) as opposed to internal stimuli. The big question is to what extent organisations control their own destiny. This section looks first at those theories which emphasise the external determinants of change, then those which look internally for the triggers of change.

The picture of external determinism is stressed by much of the early work in the broad area of "contingency theory" (Woodward, 1958; 1965) which emphasised the external triggers for change and the importance of the

organisation adapting to changes in the environment. Robbins defines the environment as anything outside of the organisation itself:

> "composed of those institutions or forces that affect the performance of the organisation but over which the organisation has little control." (1986, p 341)

Child goes on to say that:

> "the kinds of environment in which an organisation is operating determine the tasks and production it undertakes and these have implications for its structural design and choice of personnel." (1984, p 12)

The importance of environmental determinants in bringing about organisational change is emphasised by Beer (1987) and Hershkovitz (1988). Population-ecology models apply Darwinian natural selection to organisations (see Hannan and Freeman, 1977), suggesting that only those organisations which have adjusted to their environments, and thus "fit", will survive.

Traditional economics focuses on the external (market) determinants of change, arguing that organisations have to respond to changes in demand and supply conditions if they are to survive. Thus change at the organisational level might be best explained by considering the changes in supply and demand conditions occurring at the sector or industry level. DiMaggio and Powell (1983) argue that it is not just economics which makes a sector and industry level analysis important. They propose that there are strong institutional pressures that make organisations within the same field resemble one another. These pressures come from the coercion of dominant coalitions, imitation to appear acceptable, and the socialisation of professionals to produce similarities in orientation.

The above picture of environmental determinism has been questioned. In relation to economics, both Galbraith (1972) and Williamson (1983) question the extent of this determinism and have sought to explain how organisations strive to control both demand and supply conditions. Galbraith argues that the technocrats within organisations have proved themselves able to plan and design changes in demand. Williamson argues that the rationale for organisations is to increase certainty in their environments (both supply and demand) by creating hierarchies (via the

vertical and horizontal integration of suppliers, purchasers and competitors). Thompson (1967) demonstrates how organisations use boundary units, contracting and other means to reduce their vunerability to external forces. For others (Luhmann 1982, 1985; Meyer et al., 1985) the point is not that organisations control their environments, but that environmental constraints are in any case weak. Weick (1979) argues that organisations create or enact their environments rather than waiting for the judgement of the environment.

Johnson (1988) points out that organisations, whilst in general reacting to environmental demands, tend to lag behind those demands and over time a gap (strategic drift) may open up between environmental change and strategic change. This does not mean that these organisations will fall by the wayside. The evidence for only the fittest surviving is not strong. Perrow (1986) comments that there is little evidence of negative selection and Meyer and Zucker (1989) argue that there is plenty of evidence of the survival of failing organisations.

The early contingency theorists have been criticised for implying technological determinism (Buchanan, 1983) and assuming that organisational form would follow task and technological demands. Subsequent studies revealed that it was possible to identify organisations which had not responded to changes in their environment (Lawrence and Lorsch, 1969), thus suggesting that internal initiatives are also important in bringing about change (indeed Meyer and Zucker, 1989 have proposed the idea of permanently failing organisations). Child (1984) argues that in considering the rationale for organisational design, it is important to make the distinction between: firstly a technical/efficiency rationale - matching the organisation to the needs of its operating environment; and secondly a political rationale - which is concerned with the maintenance of power by those who already have it. These two rationales may not coincide.

Despite arguments against environmental determinism it still finds favour with some contemporary writers, Hoggett, for example, writes:

> "We must recognise that organisational politics are as much a product of a prior determination as they are an expression of self-determination, actors and factions do have conscious and articulated

purposes and values (i.e. praxis) but they may also be empty vessels through which deeper social processes speak." (1987b, p 218)

A duality of internal and external stimuli has been emphasised in the recent literature on the process of organisational change. In their analysis of the development of Cadbury's, Smith et al. (1991) consider whether this development can be explained in terms of what was happening at the sector or industry level. They conclude that what was happening elsewhere in the confectionery business was an important influence, but that it does not provide a sufficient explanation of the dynamics of change. For this the industry level analysis needs to be combined with an analysis of the internal dynamics and history of Cadbury's. Pettigrew (1985), in analysing changes in I.C.I., emphasises the importance of the changing business environment, but also recognises that change requires an internal champion (a good example being Sir John Harvey-Jones). In I.C.I., Pettigrew observes, major changes occurred at times of world economic recession, but these were also associated with changes in leadership. The role of the internal leader in triggering the change process is also emphasised by Hendricks (1989), but Praill and Baldwin (1988) warn us against a simplistic belief in the "hero-innovator". The organisational development literature, implicitly, emphasises the importance of internal stimuli. It proposes that managers can bring about planned change in advance of any changes in the environment and that in fact it is incumbent upon them to do so. The possibility of changing an organisation in anticipation of changes in the environment is commented upon by Pettigrew (1985) and Buchanan and Huczynski (1985); this may be referred to as "constructing crises in advance".

So why is there this different emphasis upon internal and external triggers - is it just a matter of perspective? It is possible to go back one step and consider the relationship between the triggers of change and a more general picture of the nature of organisations. There is a development in the organisation literature from: a picture of organisations as entities with one set of goals where harmony and consensus are seen to reign (i.e. the premise of "scientific management"); to a picture of organisations as pluralistic bodies with multiple sets of goals, which are hence in a constant state of potential or actual conflict (Cyert and March, 1963). (Interestingly, although there has been this development in organisational theory, the more

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prescriptive management literature has tended to continue to represent organisations as harmonious, co-operative structures - see Salaman, 1978).

The unitary view of organisations places emphasis on harmony and stability. In this it can be equated to the consensus (functionalist) theories of society (Parsons, 1951) which provide powerful explanations of how order is maintained in society (via the socialisation of values and norms), but have more difficulty in explaining change and conflict other than in terms of breakdown. Bottomore (1971) argues that functionalism has disregarded the problems of change or has presented them in such a way as to suggest that change is something exceptional. An adequate theory of change needs to be able to explain both harmony and conflict, both stability and change. The unitary view of organisations provides useful concepts in understanding order and stability - and thus provides an important background to understanding why organisations fight hard to remain the same - but it has difficulty in explaining why change occurs. Such explanations as are offered are in terms of either an internal breakdown (malfunction), or in terms of external circumstances forcing the organisation into action. However, to be fair to these theorists, they do not try to present a theory of change.

The pluralist view sees change as being due to both internal and external factors. Internal, because organisations are seen as coalitions of interest. Different interest groups are in competition with one another, each pulling in slightly different directions - change occurs as the balance of power between these groups moves. Hence the possibility of internal determinants of change. However, organisations do not exist in a vacuum - they are open systems (Emery and Trist, 1965) which are influenced by the environment in which they operate. Indeed interest groups not only exist within the organisation but also on its boundary and external to it. The reasons why the power balance between internal interest groups changes can be due to changes in the environment. (For example, the economic recession and the high interest rates which followed the 1974 oil crisis led to a cutback in local authority capital programmes during the late 1970s and 1980s, which in turn led to the waning power of the building related specialists - architects, quantity surveyors, etc.)

Although many of the theorists who specifically consider the "why" of change point to both internal and external triggers, one is usually emphasised more than the other. Thus Hickson et al. (1986) consider whether external or internal interests are the most influential in decision making. They conclude that "the balance of power is safely tipped internally" (1986, pp 80-81). Whereas Warwick (1975) argues that change is usually triggered and shaped by factors and interest groups external to the organisation.

A more elaborate categorisation of the triggers for change than the dichotomy between external and internal triggers presented here is provided by Biggart (1977). In reviewing the research in this area she identifies the following possible triggers:

1. Organisation structure (Hummon, Doreian and Teuter, 1975).

2. Growth and ageing (Labovitz and Miller, 1974).

3. Technological innovation (Bell, 1973).

4. Environmental changes (Sherwood, 1976).

5. Constituency changes (Mazmanian and Lee, 1975).

6. Leadership style (Meyer, 1975).

7. Dissatisfaction of the deprived (Benson, 1973).

However, these are not explored further so as to explain, for example, how organisation structure can trigger change.

To summarise, in looking at <u>why</u> change occurs a number of different views emerge from the literature:

> VIEW 1 Change is environmentally determined by factors external to the organisation.
>
> VIEW 2 Change in the external environment is an important precondition, but for change to occur it is necessary for an internal interest group (or prominent person) to champion the change.
>
> VIEW 3 Change is initiated internally through the voluntary actions of the organisation's actors. These actors are not at the mercy of the environment but play a major role in constructing and enacting that environment.

There is in addition a further view - VIEW 4 - that it is in some ways pointless to look at why change occurs, because organisations are in a process of constant change. It is more important to consider why "stability has broken out", in the rare cases where it does!

Not all of these views are mutually exclusive, but they do look at the reasons for change from differing perspectives. A similar point is made by Koolhaas (1982) when he categorises the main dimensions of theories of societal change. His diagram below is used at the end of this chapter as a reference point, with the addition of a third dimension of proactive - reactive, to plot the relative positions of the models reviewed in Section 2.2. For Koolhaas the key to categorising the different perspectives on change is to consider firstly whether action is seen as determined by outside forces as opposed to being voluntary; secondly whether the underlying norm is that of order as opposed to conflict.

Figure 2.1: Dimensions of triggers for change
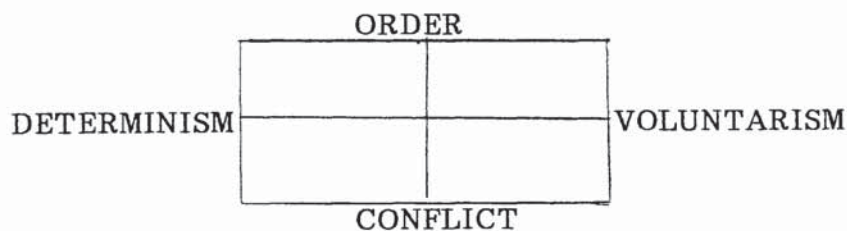
(Koolhaas, 1982, p138)

2.1.2   What changes

Moving on from the possible triggers of change, there is the question of what changes - structures, processes, technology, culture, and so on - and in what order these changes occur. A simple model of the factors effected by organisation change is presented by Leavitt (1965):

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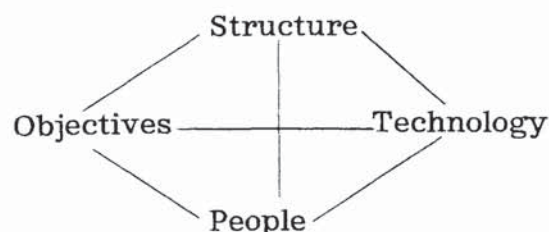
This suggests that organisations are an interplay between four factors: people, technology, structure and policies. Change could effect any combination of these. Lawrence and Lorsch (1969b), on the other hand, consider change at three levels - technical, administrative and social - social change being the more fundamental.

Pettigrew (1987) makes the distinction between changes in core beliefs; changes in structures, systems and rewards; and changes in strategy; and he sees them occurring in this order. Schwenk (1989) in looking at strategic change, similarly argues that core ideas or schema are the first to change. This is then associated with new processes and structures, which form the basis for a new strategic direction. O'Riordan and Weale (1989) in their study of organisational change argue that structure changes first and this is then followed by a change in operating procedures. Damanpour et al. (1989) argue that the assumption that frequently is made is that technological innovation precedes administrative innovations. In their research they did not find that this was always the case.

There is much support in the organisational development literature (Stewart, 1983), that core beliefs are difficult to change and that the approach to take is to change behaviour first (by changing procedures and possibly structures) and let attitudes follow. Wilenski (1986) in his study of change in the Australian government argues that this is the strategy which has been followed and that it works. Fitzgerald (1988) acknowledges that attitudes and organisational cultures do change, but argues that there is no comprehensive theory to account for the process by which values are relinquished and replaced. Social learning theory (Bandora, 1971) does offer some insights in suggesting that individuals learn from others by a process of imitation.

So, in summary, organisational change may affect many facets of the organisation; its structure, technology, systems/procedures, strategy, and core values. There is no common agreement in the literature as to the order in which these changes will occur.

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2.1.3 When change occurs

Having considered views on the triggers of change and what changes, this sub-section is concerned with highlighting the various views on the timing of change. That is the time period over which it occurs and its pace and direction. This is referred to below as the "shape" of change.

In considering the timing, pace and direction of change, four "shapes" can be identified:

1. Change as discrete, one-off and fragmented.

2. Change as evolutionary and incremental.

3. Periods of radical or crisis change followed by periods of consolidation.

4. Cyclical patterns of change - These may be periodic cycles or non-periodic (non-recurring) cycles.

These four "shapes" of change are depicted graphically in Figure 2.2.

It is appropriate to consider what support there is for each of these "shapes" of change. For those considering organisations from a unitarist standpoint, changes are frequently viewed as either discrete and largely unconnected, or as occurring in radical packages (as Meyerson and Martin (1987) argue - see below). Pluralist perspectives, on the other hand, lean more towards a view of change as incremental and/or evolutionary - that is small, but continual changes. It is important to note, however, that incrementalism may not always take on an evolutionary shape.

Meyerson and Martin (1987) see the shape of change being rooted in the perception of how the organisation hangs together (what they term as the "paradigms of the culture" of the organisation). They argue that these paradigms are linked to the shape of change. In the one culture view of the organisation ("integrated culture"), change is seen as a radical break with the status quo. In the multicultural view ("differentiated culture"), change is seen as incremental - pockets of change that are loosely coupled. When organisations are considered as fragmented (a "culture of ambiguity"), then change is seen as continual but fragmented. Johnson (1988), drawing on Friedlander (1983), makes a similar point in arguing that "crisis" breaks with the past are more

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Figure 2.2: The Shape of Change

DISCRETE

Magnitude

Time

EVOLUTIONARY

Magnitude

Time

RADICAL PACKAGES

Magnitude

Time

PERIODIC CYCLES

Magnitude

Time
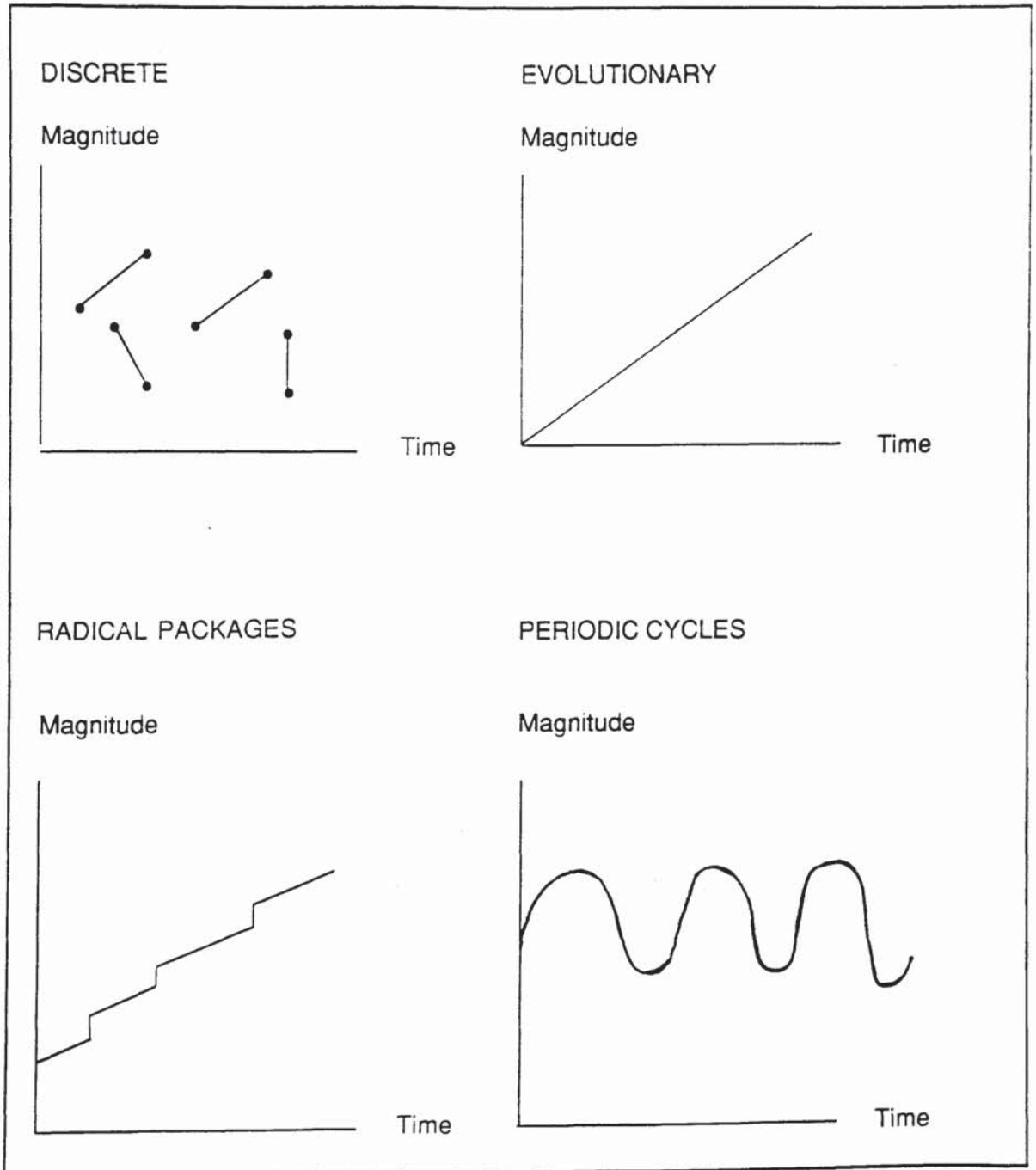
likely to occur in organisations with ideological homogeneity. In organisations which are more heterogeneous, continual adjustments are likely to occur.

There has not been much support for the view of change as discrete and fragmented. Whilst March and Olsen (1976) present a view of disjointed organisational decision making, they nevertheless find some patterns in the apparent anarchy and suggest that there is continuity to be found (March and Olsen's research is discussed further in section 2.2.3). Prior to the last decade or so the pattern of change which had the most support was the evolutionary "shape". This was rooted in what Morgan (1986) refers to as the view of organisations as organisms. Such a view draws heavily on biology, using such concepts as "goodness of fit", "survival of the fittest" and "progressive adaptation". For example, in 1966 Blake, Avis and Mouton published their book on corporate Darwinism which identified phases in the evolution of the modern corporation (Blake et al., 1966). However, Lievegoed (1973), in developing the biological approach to organisational development, argues that the "laws" for organisations are different to those for organisms. He considers that development in organisations is principally discontinuous, occurring in intermittent "crisis" transformations.

Over the last decade or so support appears to have been strongest for the radical packages or crisis view of change. Both the decision-making literature and the organisation process literature has moved towards this view (see in particular Mintzberg, 1978; Pettigrew, 1985, 1987). The radical packages idea has arisen out of longitudinal studies of change. The McGill research (Mintzberg, 1978; Miller and Friesen, 1980, 1984) identified the existence of periods of revolutionary change interspersing an otherwise evolutionary development. Miller and Friesen argue that change is intermittent:

> "The economics of adaptation, as well as some recent empirical evidence, argue for a dramatic quantum approach to organisational change - long periods of the maintenance of a given configuration, punctuated by brief periods of multifaceted and concerted transition to a new one" (1984, p 23).

A similar crisis theory of change was developed by Brunsson (1982) and Starbuck, Greve and Hedberg (1978). Here though, radical action was seen

to occur at the point of ideological shifts. The crisis theory of change finds its justification in the notion of resistance to change. This is the idea (popularised by Schon, 1971) that people fight hard to remain the same. Resistance to change may not be a conscious practice, there are cognitive limits to what we perceive. The way in which the world is viewed is affected by past experience and beliefs. We have paradigms and ideologies (Kuhn, 1970) through which the world is seen. These act as filters which result in the selective perception and interpretation of messages. Those messages which are widely incongruent to our image of the world are not perceived as relevant. Schon argues that change is avoided by "selective inattention to data that would upset current ways of looking at things" (1971, p 48). This defence of the status quo only falters when the ideology is so out of synchronisation with the environment that no amount of denial can prevent the need for change (Hedberg and Jonsson, 1977).

In an interesting article by Gersick (1991), support for the radical packages "shape" of change is drawn from a number of different disciplines -studies of the individual (Levinson, 1978), groups (Gersick, 1988), organisations (Tushman and Romanelli, 1985), scientific fields (Kuhn, 1970), biological theory (Gould, 1980) and grand theory (Prigogine and Stengers, 1984). She argues that "deep structures"* keep systems basically stable during equilibrium periods, and that major change occurs through difficult and compact revolutions. Revolutionary change is not just a bundling up of incremental changes but a change in the rules of the game.

Cyclical patterns of change do not necessarily contradict the view of change occurring in radical packages, but they add that the pattern of radical change is one that repeats itself. The view of cyclical patterns is evident in Marshall's (1987) work on the business cycles and in

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* "Deep structures" is a term Gersick borrows from Chomsky (1966) and she explains it as "the set of fundamental choices a system has made of (1) the basic parts into which its units will be organised and (2) the basic activity patterns that will maintain its existence" (Gersick 1991, p 14).

Kondratiev's (1935) work on long wave cycles in the economy which Schumpeter (1939) has associated with technological innovation.

Thus far in this chapter the possible triggers of change have been reviewed (in particular the extent to which these triggers are external or internal to the organisation); views on what is changed; and finally the resulting "shape" of change - whether it is discrete, evolutionary, cyclical and/or occurs in radical packages. The next section of this chapter builds on the previous discussion by considering whether there are any models of change process which tie together the what, when and why of change. These models need to explain how the process of change unfolds.

2.2 HOW CHANGE OCCURS

This section considers the existing models of the process of organisation change. This is a relatively under-developed field, as Morgan comments:

> "Few organisation theorists have devoted attention to understanding the nature of change. Analyses tend to be descriptive or analytical, but do not show how and why change occurs" (1986, p 376).

Models of change, in so far as they exist, have mainly grown out of the literature on strategic management and organisation decision making. As Pettigrew points out:

> "The field of organisational change badly needs theoretical development along the lines of the literature on organisational decision making" (1985, p 17).

Chaffee (1985) argues that three models of change process can be identified: linear (or rational models); adaptive (or incremental models); and interpretive (or paradigmatic models). Johnson argues that these three models can be encompassed by two broad views of the strategic change process: logical/rational processes, or organisational action views. In the organisational action view strategy is seen as "the product of political, programmatic, cognitive or symbolic aspects of management" (1988, p 79).

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In this thesis seven possible models of organisation change process are discussed:

1. Rational models (pure and bounded rationality)

2. Incremental models (both "muddling through" and logical incrementalism)

3. The organised anarchy of the "Garbage Can" model

4. Political models

5. Political/cultural models

Each of the above models attempts to explain not only how change occurs but also, to differing extents, why and what change occurs.

6. A sixth model to emerge from the literature on change process (i.e. not the decision making literature), focuses much more narrowly on how change occurs. It is a model which stresses the unfreezing - moving - refreezing process of change (Lewin, 1947). It is considered in its own right, because to some extent it bridges the previous five models, being used by rational and political theorists alike.

7. Finally, a seventh model, which may prove useful in understanding how change occurs, arises from the literature on innovation. Here the notion is one of change occurring by diffusion, although it is usually used to refer to product adoption, rather than wholesale organisational changes.

As will be argued later, none of the above models of change are mutually exclusive, but in order to aid understanding each is considered in turn below.

2.2.1 Rational models of change

The rational view of change is rooted in the early literature on decision making. Change is seen as a conscious action on the part of managers, where choices for the future are made after a rational analysis of alternatives based upon full information. The stages in this process can be summarised as follows:

1. The organisation identifies certain needs, present and foreseen in its environment;

2. It sets objectives in relation to those needs, i.e. the extent to which it will plan to meet those needs;

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3. It considers alternative ways of achieving those objectives;

4. It evaluates these alternatives in terms of their use of resources and their effects;

5. Decisions are made in the light of that evaluation;

6. Those decisions are translated into managerial action;

7. The result of the action is monitored and fed back to modify the continuing process, but altering the perception of needs, the objectives set, the alternatives considered, the evaluation, the decision made or the action taken.

(Stewart, 1971, p 30)

It is a model of decision making that can still be found in the prescriptive literature which aims to tell managers about how to make decisions (for example, Adair, 1985). However, as a model for understanding the reality of organisational decision making it has been found wanting; an ever increasing number of case studies have demonstrated that decisions are not made by such rational processes (Fremgen, 1973; Quinn, 1980; Hickson et al., 1986).

The rational model also informed much of the early organisational development literature. Lovelady (1989) argues that the "espoused theory" of many organisational development consultants follows this rational model, but their "theory in use" is rather different; placing more emphasis on the identification of power centres, negotiation and bargaining. The rational approach is based upon a unitary view of organisations, which are seen as having one set of goals or objectives. This view of organisations and their change processes has been criticised as idealistically assuming "truth, trust and love" (Pettigrew, 1985b).

As already mentioned, criticism has been expressed about the extent to which organisations go through each of the stages of the rational model, and whether their decisions are based upon a full analysis of the information available. It was in response to such criticisms that Simon (1960) began to develop the concept of bounded rationality as a process of decision making; a term which has since been transferred into the literature on strategy and policy formation. Bounded rationality argues that decisions are based on a limited analysis of the available information, but that in broad terms the process is still a rational one.

A similar point is made by Etzioni (1967) with his model of mixed-scanning.

2.2.2   Incremental models of change

The decision making literature provides another model of how organisations make choices and move into the future. The model is incrementalism, and its most famous exponents are Lindblom (1959), Braybrooke (1963) and Dahl (1953). Incrementalism as a model was born out of a dissatisfaction with the rational view of decision making. It is based upon an analysis of decision making in public sector organisations, where it was found that decisions were not made as a movement towards predetermined goals, based upon a thorough analysis of the situation. Instead the process was more piecemeal, there was no wholistic consideration of where the organisation was going. Problems were tackled a bit at a time in the process of "muddling through".

> "Incrementalism is a method of social action that takes existing reality as one alternative and compares the probable gains and losses of closely related alternatives by making relatively small adjustments in existing reality, or making larger adjustments about whose consequence approximately as much is known as about the consequence of existing reality, or both" (Dahl and Lindblom, 1953, p 82).

According to Braybrooke and Lindblom (1963), this was not a process to be denigrated, but a sensible way of acting in times of uncertainty.

Incrementalism is frequently associated with a pluralist view of organisations, where there is not one set of goals but many. The final direction of the organisation results from the interplay between the various interest groups. This pluralist view of organisation dynamics is more fully explored under the heading of political models, although it is worth pointing out here that the outcomes of this process are generally seen as satisficing and incremental (March and Simon, 1958), rather than rational and optimising.

There have been many criticisms of incrementalism, both of its validity as a description and of its general prescriptive position. (For example, in relation to incremental budgeting see Bailey and O'Connor, 1975.) The incremental model offers few, if any, insights into how radical change

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occurs. Just as rationalism was modified by bounded rationality, so the incrementalism of muddling through has been tempered by "logical incrementalism" (Mintzberg et al., 1976; Quinn, 1980). Quinn argues that:

> "Strategic decisions do not come solely from power-political interplays. Nor do they lend themselves to aggregation in a single massive decision matrix where all factors can be treated quantitatively - or even relatively simultaneously to arrive at a holistic optimum" (1980, pp 51-52).

Instead he argues that:

> "the organisation probes the future, experiments, and learns from a series of partial (incremental) commitments" (ibid., p 58).

For Quinn it is important to distinguish between the logic of the incrementalism that he observed, and the disjointed incrementalism observed by Braybrooke and Lindblom:

> "Business executives consciously survey a wider departure from the status quo than bureaucrats apparently do" (Quinn, 1980, p 100).

In terms of the steps in this process, Quinn describes iterative passes through the following stages:

> Need sensing
> Amplifying understanding
> Building awareness
> New symbols
> Legitimising new views
> Partial solutions
> Broadening support
> Dealing with opposition
> Building comfort levels
> Building buffers
> Trial concepts
> Pockets of commitment
> Objective review
> Building consensus
> Announcing decision

For Mintzberg et al. (1976), decisions were also seen as a recycling process through a similar set of stages.

2.2.3   Garbage can models of change

The garbage can view, initially, appears as a more haphazard view of decision making, where problems and solutions are thrown into a garbage can and then "churned" around until solutions become attached to problems. March and Olsen (1976) popularised this view of a garbage can analysis of decision making processes. It is a view arising from the analysis of case studies of decision processes in educational organisations. The garbage can purports to describe what happens when organisations find themselves with uncertain goals, ambiguous technology, and unspecified decision rules. The apparent anarchy is, however, an organised anarchy. A garbage can (or choice situation) is a receptacle in which the components of decision making processes are mixed. The independent (or loosely coupled components) which are mixed together are:

> Problems or issues
> Solutions
> Participants
> Choice opportunities (situations when participants are expected to
> match a solution with a problem and thereby
> make a decision).

Since structure determines who will participate and when, it limits the number and type of possible problem - solution combinations. Similarly, cultural values operate to limit the number of choice outcomes.

Perrow comments that for those doing case studies the garbage can theory is indispensable in:

> "checking the tendency of social scientists to find reason, cause
> and function in all behaviour, and emphasising instead the
> accidental, temporary, shifting and fluid nature of all social life"
> (1986, p 136).

2.2.4   Political models of change

Political views of change are based upon the premise of at least a dichotomy of interests in an organisation, and frequently perceive a plurality of interests. Before going on to describe what might properly be called political views of process it is worthwhile setting the scene by considering the pluralist view of organisation dynamics (as ably

portrayed by Cyert and March, 1963). Under this view members of any organisation have conflicting goals, but a set of formal goals do emerge as a result of continuous bargaining and learning. The nature of this bargaining process is important as a possible explanation of the process of change. Cyert and March talk about four assumptions in this process:

1.   Quasi-resolution of conflict - temporary bargains are struck.

2.   Uncertainty avoidance - concentration on short-run problems rather than long run uncertain events.

3.   Problemistic search - a search for ready made solutions

4.   Organisational learning - an adaptation of behaviour over time.

The shape of change for Cyert and March is frequently incremental and evolutionary (assumption 4). Organisations are seen as shifting coalitions of interests; there maybe outright winners and losers in this process, but, as Hickson et al. (1986) point out this is unusual, it is more likely to be a satisficing compromise.

Political views of process expand upon this base. Biggart provides a useful summary of the politics of change when she argues that change is:

> "a dynamic push and pull between contradictory forces that reside within and without the organisation and constantly struggle for domination" (1977, p 425).

She argues that all organisations are distributions of power and that these subunits of power compete or co-operate depending on their interests at the time.

Morgan (1986) argues that organisational politics can be analysed by considering interests, conflict and power. Following Etzioni (1961), Morgan distinguishes differences in task, career and extramural interests. Organisations are viewed as loose networks of people with divergent interests who gather together for the sake of expediency. Conflict arises whenever interests collide and power is the mechanism through which conflicts of interest are ultimately resolved. Handy (1985) distinguishes five sources of organisational power (position, expertise, control of resources, physical and personal). Morgan expands upon this and highlights fourteen sources of power, however, he argues

that it is far from clear whether power should be understood as an interpersonal behavioural phenomenon or as the manifestation of deep-seated structural factors.

Mumford and Pettigrew (1975) set out four characteristics of organisational politics:

> Using information and knowledge
> Damaging the credibility of opponents
> Organising support through coalitions
> Taking action at critical moments

The tactics of the political process were of course set out by Machiavelli (1981) centuries ago.

A political analysis of the organisational change process requires the analysis of interests and power bases and the shifting nature of coalitions. These coalitions exist not only within the organisation but also span its boundaries. Studies of urban change have highlighted the role of coalitions between local governments and businesses in shaping urban development (see Cooke, 1988, for a summary of the literature on urban growth coalitions and urban political coalitions). In building coalitions it might be assumed that the more support the better, and this is the basis of theories of vote maximisation (Downs, 1957; Tullock, 1976). However, Riker (1962) argues that minimum winning coalitions are best. If coalitions go beyond this minimum they are likely to find that there are too many conflicting interests in the coalition and none can get enough satisfaction.

Network analysis, an analysis of who interacts with whom, can aid the identification of coalitions. Networks exist within and between between organisations and they prompt us to consider not only the formal structure of the organisation (who should interact with whom), but also the network of informal relationships. The extent to which the political processes will be clearly visible is questioned. Biggart argues that political systems organisations are in a continuous fight for survival, but:

> "this survival process is muted in "mature" states which have established alliances and substantial means for maintaining independence..... Hence, it is only in the birth of a new

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organisation or in a reorganisation of revolutionary proportions that routine survival processes are revealed fully" (1977, p 424).

Political views of change process place emphasis on the voluntary actions of individuals, rather than characterising these actions as being determined by the environment. Indeed Carnall (1990) argues that because organisations are not determined by their environment, managers may choose how to operate. It is this choice that creates the conditions for politics, because people will support different views regarding these choices. The resulting shape of change is likely to be seen as either discrete or evolutionary, although radical transformations are not ruled out. The political process may result in changes in structure, technology or procedures. The extent to which attitudes and values are also changed is questionable, and it is this that leads us on to consider the fifth model of change process - the political/cultural model.

2.2.5   Political/cultural models of change

Morgan argues that:

> "power has a great deal to do with asymmetrical patterns of dependence whereby one person or unit becomes dependent on another in an unbalanced way"..but.."it also has a great deal to do with an ability to define the reality of others in ways that lead them to perceive and enact relations that one desires" (1986, p 85).

It was a recognition of the importance of the perception of reality that led Pettigrew (1985) to develop his political model of change into one which recognises the importance of ideas and organisational culture. A consideration of culture means that dominating beliefs or ideologies are explored. Handy (1985) defines culture as the shared meaning held by members that distinguishes that organisation from others. A strong culture is one where the core values of the organisation are held widely and intensely. These shared meanings or ideologies act to filter (in or out) the signals from the environment.

With the introduction of culture as a dimension, the change process is seen as a contest about ideas and rationalities between individuals and the mechanisms used to legitimate and delegitimate particular ideas (Pettigrew et al., 1988 p 302). A similar process is described by Schwenk (1989) in discussing how the multiple political interest groups

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advocate their own ideas (schemata) and out of this a new consensus is reached. Carnall (1990), drawing on Bryman (1984), argues that this model of a contest of rationalities is important because change is often presented in rational terms. Indeed, he argues, change may be rational from the point of view of certain interest groups because rationality is in the eye of the beholder. Hence the traditional view of rationality is not the only one, and that rationality should not be equated with rationalism.

The political/cultural view of change requires us to consider how perception of reality is shaped. Schutz (1962) and Berger and Luckmann (1967) have argued that reality is only a construction of reality. Through interpersonal exchanges agreement is sought on what reality is. According to Silverman (1970) these agreements on reality become institutionalised, but this does not mean that differences in perception do not persist. Schutz (1962) refers to the existence of multiple realities, and politics may be the process by which these multiple realities strive for supremacy. The political/cultural models of change identify both external and internal triggers of change, the resulting shape of change is likely to be in the form of radical packages. As was pointed out above (Section 2.1.3), Brunsson (1982) and others have argued that major change occurs at times when there is a shift in ideology - when the definition of reality which has the greatest institutional acceptance changes.

2.2.6   Unfreezing and refreezing models of change

This model of change has its roots in the work of Lewin (1947), in his attempts to understand change at the level of group dynamics. Since then it has been adopted more widely (Schein, 1969; Kelmann and Warwick, 1973) in attempts to explain the process of change in organisations. The model argues that for change to occur there is first of all a need to unfreeze existing ideas, ways of working, etc. It would then be possible to introduce change, say, new working patterns. However, these new work patterns need to be consciously "frozen" into the organisation, otherwise there is a danger that the organisation will slip back into old ways of working. As a model it is important because, first of all, it recognises that organisations need to be jolted into action (unfreezing). This

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notion is expanded upon by Schon (1971) who provides convincing arguments as to why people in organisation fight hard to remain the same. The act of unfreezing is also emphasised by Biggart (1977), who refers to the need to destroy as well as create in the change process. Secondly, the model focuses attention on the post-change consolidation period and the importance of recognising this as part of the process.

Another stage model of change is provided by Plant (1987), who describes the four phases of: shock, defensive retreat, reality acceptance, and adaptation change. A similar model is offered by Rashford and Coghlan (1989), who offer the stages of: denying, dodging, doing, and sustaining. Lovelady comments that organisational development theorists have identified as many as 15 stages. She argues that the concept of stages in the change process is itself questionable; "in reality change in organisations is a very slow, winding process" (1989, p 144). In the place of stage models Lovelady proposes a chain model of the change process, arguing that the phases of change are linked and circuitous. Stage models frequently relate to a particular project. They rarely take this much further in order to provide firstly an explanation of how the organisation moves from one stage to another and why; and secondly whether these stages hold good, not just for a particular change project, but also for the development of the whole organisation over time.

2.2.7   Diffusion models of change

Diffusion theories have their origin in the explanation of the adoption of technological change by farmers (Rogers, 1958). Schon (1971) argues that these diffusion theories build on a centre-periphery model, whereby innovations at the centre are diffused to the periphery (and he cites British colonialism as an example of this). Schon questions the adequacy of such a model and argues for a far more iterative model of the process. In such an iterative model there would be no clear centre and the innovation would evolve as it was diffused.

Most studies of diffusion focus upon the adoption of discrete products. The resulting theories often assume an S-shaped diffusion curve which separates out "innovators", "early adopters" and "laggards". Innovation studies emphasise the importance of opinion leaders and change agents in

the diffusion process (Rogers, 1983). Kimberley (1982) suggests that the nature of the innovation itself can affect the rate of the diffusion. The important characteristics being:

1. adaptability (the extent to which the innovation can be modified to local requirements);

2. evidence of improved performance;

3. scope of change required (i.e. does the innovation require wider organisation adaptation).

However, Stocking's (1985) study of diffusion in the NHS found that many innovations were adopted without evidence of effectiveness. Stocking stressed the importance of enthusiasts in the organisation (product champions), an appropriate climate of opinion, an appeal to local power-holders, meeting a perceived need, adaptability to local circumstances and little requirement for visible resources. Rogers (1983) confirms the view that the adoption of an innovation may be a process of matching solutions to problems, and that what is needed are more studies of the consequences of adoption, particularly studies of the unintended consequences. Rogers goes on to point out that there is little in the way of "process" research in the innovation literature; most studies being a variance analysis of data sets.

2.3 SUMMARY

This chapter has presented a series of ways in which the change process has been modelled and the concepts which have been used to describe these processes. These are summarised below:

On the reasons for change WHY	- External environment - Internal situation - Combination of external and internal factors
On what changes WHAT	- Structure - Technology - Systems/Procedures - Strategy - Values and attitudes

| On the resulting shape of change
WHEN | - Disjointed
- Evolutionary
- Radical packages
- Cyclical |
| On the processes behind change
HOW | - Rational
- Incremental
- Garbage can
- Political
- Political/cultural
- Unfreezing-moving-refreezing
- Diffusion |

It is useful at this stage to point out both the links between the various models and ideas on change and by contrast the important ways in which they differ. An adapted version of Koolhaas' (1982) analytical framework is used to "plot" the various models of organisation change process (Figure 2.3). As can be seen from this, most models of change assume organisational pluralism and conflict rather than order, they also tend to stress the reactive rather than the proactive nature of change. There is much less agreement as to the extent to which actions are "determined" or "voluntary".

To some extent there is a common core of "wisdom" which can be identified. The picture is of pluralist, coalitions of interest (within and without the organisation), although each interest group may not have equal access to power. Power, bargaining and coalition building are important concepts in understanding the resulting organisational dynamic and process of change. There are some constant small scale (incremental) changes, but these may be interspersed with major changes as the organisation responds to crises in its operating environment and shifts in the prevailing ideology. This picture is similar to the one that Hickson et al. arrived at in considering how the decision making models might be linked:

> "Organisations as sets of overlapping power games (Crozier and Friedberg, 1980). Coalitions of interests possibly dominated by top management (Cyert and March, 1963). Decision-making as circuitous (Mintzberg et al., 1976). Unlikely to be optimum but satisficing (Simon, 1960). Inclined to be incremental and piecemeal rather than bold strokes (Braybrooke and Lindblom, 1963)" (1986, p 234).

Whilst there may be an emerging synthesis of ideas for understanding change, these ideas are not yet at the stage where clear hypotheses

Figure 2.3: Mapping Models of Change

Key: ① = Rational models   ⑤ = Garbage can model

      ② = Bounded rationality   ⑥ = Political models

      ③ = Incrementalism   ⑦ = Political/cultural models

      ④ = Logical incrementalism ⑧ = Diffusion models

(note: it is not appropriate to plot the unfreezing-moving-refreezing model of change on this diagram).
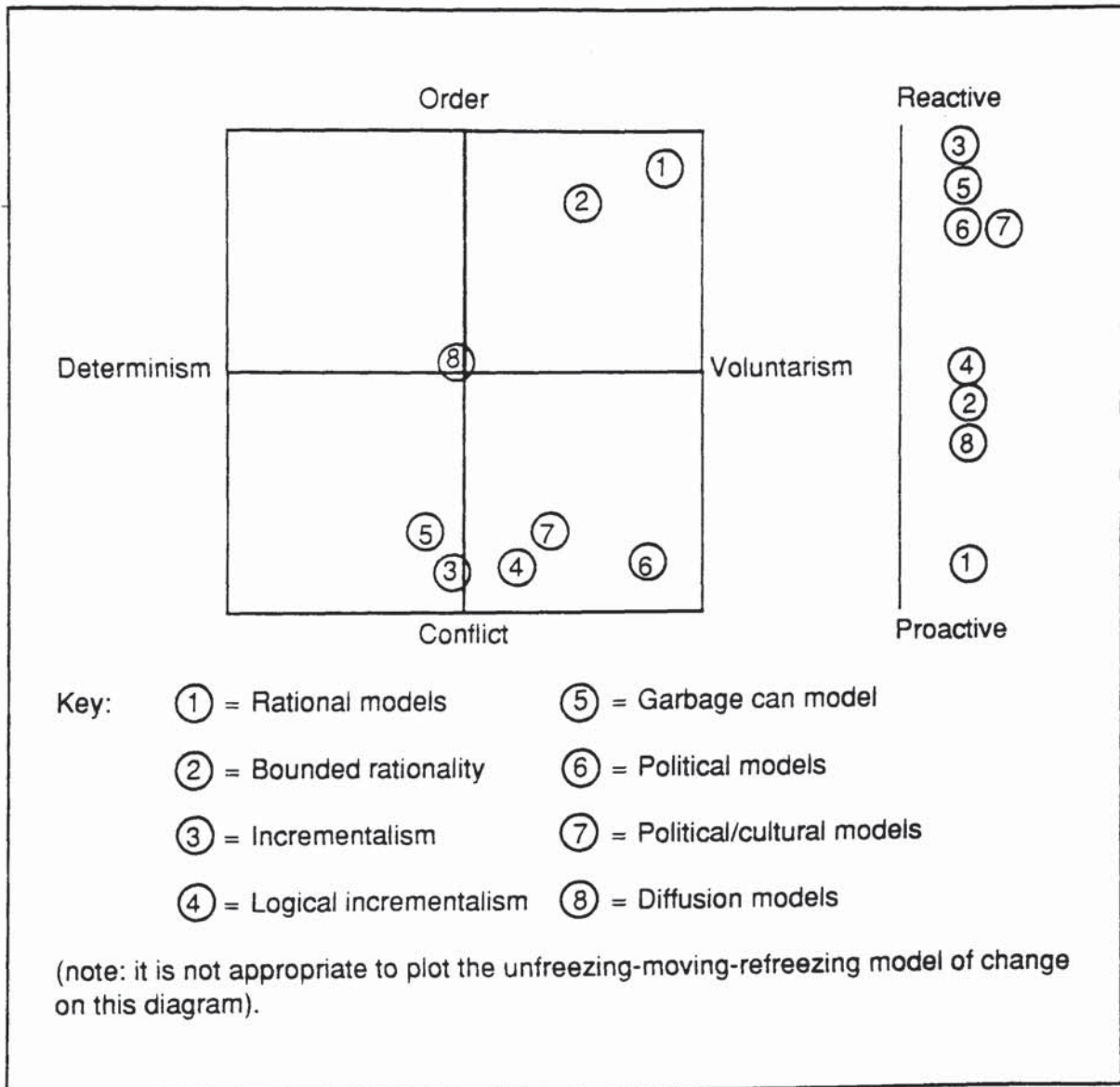
emerge for testing. The field of organisational change is still at the stage of hypothesis generation rather than testing. Before moving on to consider the nature of the research which is required in this area, the next chapter considers what has been said about change in the public sector.

CHAPTER 3: CHANGE IN THE PUBLIC SECTOR AND LOCAL GOVERNMENT

The previous chapter considered the models of change to emerge from the existing management and organisation theory. This chapter considers the unique features of the public sector in general and local government in particular. It then goes on to review what has been written about change in this area.

3.1 THE NATURE OF THE PUBLIC SECTOR

Warwick, amongst others (for example, Kouzes and Mico, 1979), sets out convincing arguments as to why public sector organisations need to be considered in their own right:

> "Public organisations should be taken seriously by students of bureaucracy, organisational theory, and organisation change, and studied on its own terms. ... It is not enough to pack a brief case with concepts and measures developed in other settings, unload them in a public agency, and expect them to encompass all of the worthwhile reality to which they are exposed" (1975, p 204).

The reason why Warwick presses for this separate treatment is due to the nature of public sector organisations as bureaucracies which are very resistant to change. In his study of the US State Department 1966-73, he focuses on this resilience and the resistance of bureaucracies to change.

Bureaucracies exist in the private sector as well, so this in itself is not sufficient reason for singling out the public sector for special treatment. The distinctive features of public sector bureaucracies, according to Warwick, include:

1. Goal ambiguity and the absence of firm performance criteria which favour the development of rules and fixed operating procedures (1975, p 85).

2. High accountability at the top and low risk-taking at the bottom (1975, p 99).

In a similar vein Weisbord (1976) argues that it is inappropriate to transfer knowledge developed in a commercial environment into health care

organisations, because health care organisations have more abstract goals, more diffuse authority and fewer performance indicators.

So, important features of the public sector appear to cluster around its goal ambiguity, accountability mechanisms, and the lack of performance indicators. Some public sector organisations (such as local government) are also distinctive in terms of their direct control by politicians. These distinctive features of the public sector have been emphasised by Flynn et al. (1988). However, others (for example, Gunn, 1988) have argued that whilst there are some differences, these can be overstated. There are similarities as well and both sectors can learn from one another. Whereas the profit motive might be used to explain private sector decision making, authors such as Niskanen (1971) and the public choice school argue that public sector decision making can be predicted by knowing the pay-offs for bureaucrats and politicians in terms of increased budgets and votes respectively.

To consider the public sector as if it were a uniform sector would likewise be unwise. In Britain the public sector can further be broken down into not for profit organisations (essentially non-trading bodies) and nationalised industries (the few remaining!) which operate commercially as trading entities. In arguing a case for separate treatment of public sector organisations, it is probably strongest in relation to the first of these categories. That is the organisations which do not in general operate in the market place, and hence do not have the same feedback loop (in terms of financial performance figures) if they are out of line with the demands of their environment. They are not, then, in the same fight for survival which characterise private sector organisations. They are also, by and large, controlled by elected bodies (although large parts of the public sector - for example, the National Health Service - are not controlled by directly elected bodies). With regular elections this can mean frequent changes in executive control. Much of local government and central government falls within the first of these categories, but even here there are profit-oriented areas of operation. Central government and local government cannot be treated as if they were the same. Local government is organised differently to central government - occupies a different constitutional position, has a different culture and patterns of working.

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3.2 THE ROLE OF LOCAL GOVERNMENT

In looking at what is distinctive about local government, Greenwood and Stewart (1986, p 46) point out that local authorities can usually be defined as having the following characteristics:

- A political structure which is dominated by committees;

- An administrative structure which is dominated by the professional bureaucracy.

They go on to add (p 48) the further distinctive features of:

- Functional expertise;

- Commitment to a service rather than commitment to the local authority;

- Concentration on service provision at the expense of local government.

Even so, it has to be acknowledged (see, for example, Greenwood et al., 1980) that local authorities organise themselves in various ways to discharge their duties.

In Britain Parliament is sovereign and local government has no specific constitutional status. Its functions are only defined as part of a continuing process of statute, orders, circulars, memoranda, etc. The historical development of local government is ably portrayed by Keith-Lucas and Richards (1978), and Morris (1990) sets out the present ground rules governing the operation of local government. The current structure of local government in England and Wales is set out in Figure 3.1. A typical, if simplified, structure of a local authority metropolitan district is shown in Figure 3.2. It should be noted that of the over 500 principal local authorities in the UK, no two are likely to have the same internal organisation and structure.

Taking an historical look at local government, the years of 1945-75 have been described (by Newton and Karran, 1985) as its "years of greatest affluence". During the three decades following the second world war, there was broad agreement at both the national and local levels on the role and purpose of local authorities. The public's need for services

Figure 3.1: The Structure and Functions of Local Government in England

Aston University

Illustration removed for copyright restrictions

* Source: CIPFA Councillors Guide to Local Government Finance (1990)

Figure 3.2: Simplified Structure of a Local Authority (Metropolitan District)

MEMBERS:
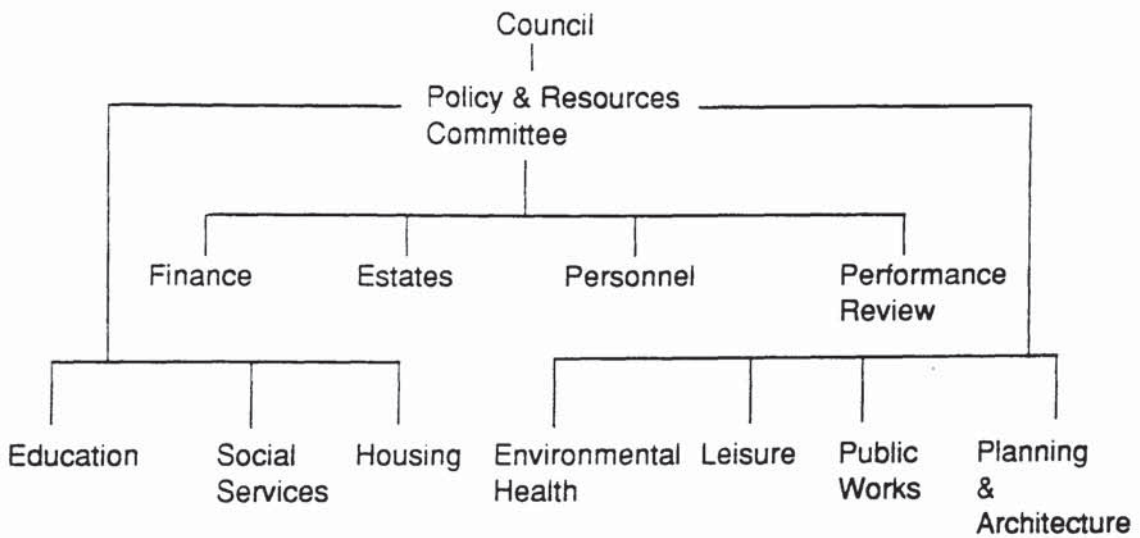
OFFICER:
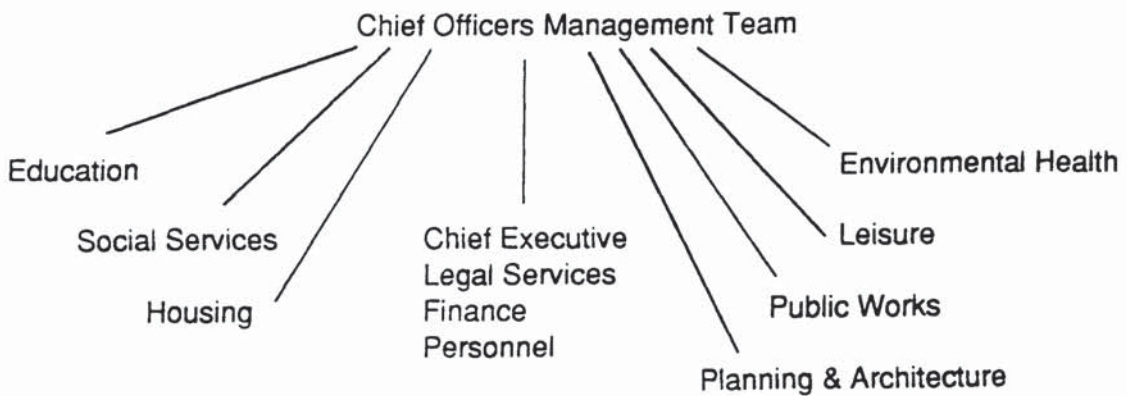
such as education, housing, community care were far from satisfied. This gap was to be filled by the steady expansion of services provided by local authorities. The satisfaction of service gaps were mainly expressed in quantitative terms, for example, the number of houses to be built. The accepted way of providing most of these services was via the public sector, financed by a local form of taxation (i.e. the rates). Local elections were seen as the vehicle to ensure accountability. In managing these services professionalism, planning and co-ordination were the key requirements rather than grass roots initiatives, and this led to larger authorities.

The character of local government was reshaped following the major reorganisation initiated as a result of the Redcliffe-Maud Commission (1969). The resulting character of local government can be summarised as:

- they are directly elected by popular franchise;

- they are multi-purpose;

- they cover large areas of population;

- they have substantial responsibilities for the delivery of services;

- they may only act within the specific powers set by Parliament;

- they may raise part of their revenue;

- they are corporate bodies with the power of the local authority being vested in the council as a whole.

In contrasting British local government with that in other countries, Norton (1985) points out that local authorities in England and Wales tend to be larger on average than in other countries. One important reason for this is the assumption, until recently unquestioned, that local authorities should be self-sufficient, that is, provide all the necessary specialist skills and resources required for a service, and to deliver as well as organise and administer that service.

Brooke (1989) distinguishes several periods in the history of local government. He argues that the medieval municipal corporation was a corporate body, but by the middle of the twentieth century local

authorities were run more like congeries of separate services than a corporate body. By the 1960s the departmental outlook, according to Brooke, began to change fundamentally, and the beginnings of corporate administrative structures emerged. This corporate approach continued throughout the 1960s and early 1970s. After the 1974 reorganisation the intra-corporatism was tempered by the addition of inter-corporate mechanisms, as regional and joint county-district committees were established. Brooke concludes that by the late 1980s, the self-sufficient nature of local authorities had been eroded, and the new model of local government which was beginning to emerge is the "enabling authority".

Stewart has described the years 1945-75 as ones of relative stability - "the task of government in that period could be described as the task of certainty" (1990, p 3). The growing need for services was so clear; there was a right solution to most of the problems - all that was needed was an increased capacity to deliver them. However, the 1980s saw certainty replaced by uncertainty in the new "age of unreason" and "discontinuity" (Handy, 1989). The remainder of this sub-section highlights some of the features of this changing environment since the mid 1970s.

An important feature of the local government environment has been the changing nature of its relationship with central government. Traditionally this relationship had been one of interdependence, where each side held a considerable amount of independent power. The relationship was based upon consultation, negotiation, bargaining and occasionally conflict (see for example Rhodes 1986, 1988; Stoker 1988). However, in recent years and particularly since 1979, there has been a considerable shift in power away from local government to central government (for a full discussion of this shift see Newton and Karran, 1987; Stoker, 1988). A list of the legislation which has been associated with this shift in power is provide in Figure 3.3. The centralisation of power has been characterised by Rouse (1988) as:

-       Direct legislative intervention - the juridification of central-local relationship (Loughlin 1986).

Figure 3.3: Selected British legislation affecting local government in the 1980s

1980	Local Government Planning and Land Act	
	On finance:	Block grant, GREAs, Targets and Penalties
	On asset sales:	Introduced Land Register
	On competition:	Direct Labour Organisations and competitive tendering of in-house work
1980	Housing Act	
	On asset sales:	Introduced "right to buy"
1982	Local Government Finance Act	
	On finance:	Abolished supplementary rates and introduced Audit Commission
1984	Rates Act	
	On finance:	Rate capping
1985	Local Government Act	
	On Structure:	Abolished GLC and Metropolitan County Councils
1985	Transport Act	
	On competition:	Deregulated local authority public transport undertakings
1987	Local Government Finance Act	
	On finance:	Restriction of accounting practices
1988	Education Reform Act	
	On operation:	Local management of schools and "opting out"
1988	Local Government Act	
	On competition:	Extended competitive tendering with the establishment of Direct Service Organisations for defined services
1988	Local Government Finance Act	
	On finance:	Community charge and new revenue support system
1988	Local Government Finance Act	
	On competition:	"Opting out" for tenants of local authority housing
1989	Local Government and House Act	
	On Finance:	Introduced new controls on borrowing and credit approvals
	On operation:	Adoption of many of Widdicombe's proposals on conduct of local authority business

- Direct intervention in the policies of individual local authorities.

- Minimal consultation - the consultative council on local government finance is now a place where ministers announce their decisions.

- By-passing local government - e.g. task forces, urban development corporations, and the Training Commission.

- Re-shaping local government - deregulation, contracting out, and the devolution of financial and managerial control.

One of the reasons for the above centralisation relates to the recession following the oil crises of the 1970s and the resulting policies aimed at restraining public expenditure. Centralisation, it is argued, is required in order to control local government expenditure (although as Meadows, 1985, points out not all European countries have gone down the same centralist route; suggesting that centralisation is also encouraged by an ideological belief in the benefits of centralist control - possibly to thwart the emergence of socialist local authorities). The outcome is that reduced resources have been an important feature of local government since the mid 1970s (see Table 3.1). The proportion of local government expenditure financed by central government has also reduced (see Table 3.2).

The period since 1974 has seen a number of changes in the prevalent ideology of local government. Following the 1974 reorganisation and the Bains Report (1972), the ideology of corporate management dominated the 1970s. On the officer side this frequently entailed the appointment of a chief executive to head up a management team and possibly other cross-departmental working groups. On the member side the decade saw the creation of policy and resources committees. By the beginning of the 1980s, corporate management as an ideology was beginning to wane. Cuts in central government support were biting more deeply and unemployment was rising and, despite ,the continuing rhetoric of corporatism, departmentalism was strong. The 1980s saw the rise of a new ideology and set of structures to go with it. The ideology was "consumerism" - getting closer to the customer - and it seemed rare to find a chief officer's bookshelf which did not contain a copy of In Search of Excellence (Peters and Waterman, 1982). The messages of "getting close to the customer" and "sticking to the knitting" with a "lean and fit organisation" were reinforced by the Audit Commission (1983). The

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Table 3.1: Local authority expenditure 1974/75 to 1987/88

SOURCE: CIPFA, Local Government Trends 1989, Table 2.2, p45

Table 3.2: Percentage of rate fund income coming from central government in England

SOURCE: CIPFA, Local Government Trends 1989, Table 2.4, p48

structure which was associated with this ideology was decentralisation. Decentralised structures were widely adopted, and as Hambleton and Hoggett pointed out:

> "It is now quite difficult to find a public sector housing department with a stock of more than 20,000 properties which is not engaged in a decentralisation initiative of some kind" (1987, p 1).

Traditionally local authorities have not operated in a market place. They have not been in competition with each other or with other organisations for customers for their services. This is still true to a large extent, although there have been important legislative changes in recent years. The 1980 Local Government Act introduced the practice of local authority Direct Labour Organisations (DLOs) having to compete for a proportion of their business with outside contractors. The 1988 Local Government Act extended this competition into other areas of local authority service provision, and also provided the framework for adding to these areas at a later date.

As was pointed out above, there has been an assumption that local authorities provide as well as organise and administer services. This assumption is now being challenged, not only by the contracting out legislation, but also by other legislation in three important local authority service areas - education, housing and social services. The 1988 Education Reform Act introduced the practice of the local management of schools, with certain powers being transferred from local authority education departments to school governors and headteachers. The same act also introduced the means by which schools could choose to opt out of local authority control and become directly funded by central government. The same is likely to happen to sixth form colleges and colleges of further education, following the 1991 budget speech. Similarly, in the housing field the 1988 Housing Act provides local authority housing estates tenants with the right to decide whether they wish to stay within local authority control. The 1990 National Health Service and Community Care Act, when implemented, requires local authority social services departments to assess the needs of the different care groups (e.g. the elderly, people with disabilities, etc.) in their areas and purchase packages of care on their behalf. These care packages may be provided by

the local authority, but it is also envisaged that local authorities will purchase care from other providers.

All of the above has led to a new role model for local authorities - the enabling council - (Clarke and Stewart 1988; Audit Commission 1988; Brooke 1989). This model of an authority is one which would:

- provide services directly, but not assume that it alone can or should provide that service;

- look outward at the community and at the resources available within it;

- challenge the certainties of past organisational practices and seek flexibility and innovation as well as challenging the assumption of committee and departmental structures;

- require management skills, experiences and attitudes not always to be found within professional boundaries and look to a new style of leadership.

It would be wrong to imply that the enabling model is unique to Britain, or that it was developed here in isolation. Indirect service provision and partnership between government, voluntary agencies and the private sector, has long been evident in the United States (see Sonenblum et al., 1977; Salamon, 1987). The enabling model can be seen as part of the "new public management" doctrine which has developed over the last fifteen years (Pollitt, 1990; Hood, 1991). Hood highlights seven key elements of this doctrine:

- hands on professional management in the public sector;
- explicit standards and measures of performance;
- greater emphasis on output controls;
- shift to disaggregation of units in the public sector;
- shift to greater competition in the public sector;
- stress on private sector styles of management practice;
- stress on greater discipline and parsimony in resource use.
  (1991, pp 4-5)

Another feature of the changing environment of local government has been the increased politicisation of local authority members and the introduction of party politics. Some would argue that this has particularly been a feature of local authorities since 1974, although Young (1988) has emphasised that this should not be overstated, as some contests for county council elections 100 years ago were fought under

party political labels. Hambleton and Hoggett argue that there has been an increase in politicisation:

> "Before 1980 local government politics was (notwithstanding the historical research done for the Widdicombe Inquiry) largely non-ideological in form. The coming to power of the new urban left in many city council in recent years has provided a severe case of 'culture shock' for all of those who had become used to established local government practices and procedures" (1987, p 11).

They also point out that in addition to the urban left, there have been "a number of radical right councils" pursuing vigorous programmes of privatisation.

The above has focused upon the legislative changes affecting the role of local government. Stewart argues, however, that:

> "The primary force for change is not government legislation, although this is powerful, but the fact that society is changing more rapidly and in different ways to any other period" (1990, p 3).

The next section, which considers models of change in the public sector, will consider, amongst other things, the extent to which Stewart's quote is borne out by the research in this area.

3.3 EXISTING MODELS OF CHANGE IN THE PUBLIC SECTOR

Early studies of the public sector and public bureaucracies provided compelling explanations as to why bureaucracies would resist change (Downs, 1967; Niskanen, 1971). Nevertheless change has occurred and the model of change which has found most favour in the public sector literature is that of incrementalism (described in Chapter 2). It has been used by Braybrooke and Lindblom (1963) to characterise the policy and decision making processes of government, and by Wildavsky to characterise the resulting changes in public sector budgets (see for example Heclo and Wildavsky's 1978 study of budgeting in British central government). During the 1970s the prescriptive element of incrementalism came under attack as the public sector was urged to employ more rational practices and become corporately managed bodies. However, the extent to which the descriptive validity of incrementalism was replaced has to be questioned. In relation to budgeting, some case studies have suggested

that in a cutback situation governments would move away from incrementalism (Jorgenson, 1984). There was an assumption that financial pressures would drive authorities to adopt more rational processes. However, Wolman (1984) suggests that such a drive is not strong, and a study presented by Elcock and Jordan (1987) shows little evidence from a sample of local authorities that budgetary processes have become more rational. Greenwood et al. attempt to show that "under conditions of financial restraint government agencies tend to become less incremental" (1980, p 25). However, Jordan has reservations about the data in this study, the problem of government agencies wishing to project themselves as rational whilst there may not be much substance to this in terms of changed processes. Also Greenwood et al. note that "the initial impetus of 1974/75 had slowed by 1976/77" (1980, p 44). So change by increments appears to remain a potent model for public sector organisations.

Incrementalism does not necessarily imply "muddling through" and O'Riordan and Weale, in their study of change in British central government, emphasise that the process "is not one of disjointed incrementalism or muddling through but that of purposive adaptation" (1989, p 292). The change they researched is characterised as drawn out, with a process "building incrementally on existing practices in the context of seeking to maintain accommodative relationships with clients and patron groups" (1989, p 280).

Incrementalism and bureaucracy provide a picture of public sector organisations as slumbering and slow to change. What is apparent, in contrast, is that change is increasingly on the agenda of public sector bodies. This should not be surprising not only because of economic recession, but also due to the major demographic changes which have occurred and are forecast to occur over the next decade or so. Handy (1989) provides a good summary of these demographic and technological changes: growth in the elderly population, falling numbers of school leavers, the requirement for "brains not brawn" in the workplace.

In Chapter 2, the work of Kondratiev (1935) and Marshall (1987) was mentioned in arguing that organisational change may follow the periodic changes of the technological and business cycles. A similar point is made by Peres (1983), who argues that there are associations between

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periods of economic growth and revolutions in technology, and that this is matched by changes in management and organisation (this is referred to as "long wave theory"). Hoggett (1987b) points out that long wave theory argues that private sector organisations are in an era of "neo-Fordism" (Aglietta, 1979), which is driven by the advances in information technology. Hoggett also argues that the same neo-Fordism, of decentralised and flatter organisations, will hit the public sector. This, he argues, is because the present "mongrel paradigm" of the public sector - "an uneasy marriage between a pre-Fordist craft (professional) productive system and a Taylorised (rational-bureaucratic) system" (1987b, p 223) - will be unable to cope with the rapid changes in its environment.

The British public sector is not unique in facing the need for change. Hood (1991) emphasises that there has been bureaucratic reform in many of the OECD group of countries since the late 1970s. The stereotypical picture of slumbering monolithic bodies in the public sector no longer seems appropriate. Indeed the term "post-incrementalism" had been coined (Klein and O'Higgins, 1985; Berthound, 1985) to describe the period of discontinuity since the oil crises of the 1970s. This watershed saw a break from the previous phase of stability and expansion in public services. Although whether the changing "bit by bit" practices of incrementalism have gone has to be in question. Tarchys (1985) uses the phrase "decremental budgeting" to make his point that the climate has changed from incrementalism, but that instead of the base budget plus a bit, it is now base budget minus a bit.

It is interesting to note that in relation to change in the British civil service during the 1980s the word "radical" is often used. The "Next Steps" initiative within central government, in particular, is seen as a potentially radical departure (Kemp, 1990). Similarly, Connolly and Richards (1990) talk about the changes occurring in the National Health Service as a radical break with the past. Metcalfe and Richards (1990) are in two minds about whether to refer to the changes occurring in central government as radical or incremental. They characterise the process of change as incremental, but argue that the change may go deeper than incrementalism might imply. The term radical is relative; change may appear radical when compared with the past, but such radicalism is

not so obvious when comparisons are made with what is happening in other countries.

Greenberg (1990) in reviewing the existing literature on the state argues that there are three main approaches/models which offer an insight into the triggers and the process of change in the state. His first model is the Citizen-Responsive State Model. Here changes in citizen preferences are the causes of changes in the state and their preferences are communicated to public officials via elections, interest groups, protests, etc. The resulting form of change is incremental. Greenberg's second model is the Capitalist State Model. The primary focus of change in this model is the deep structures of society. State organisation and action reflects, in the end, the underlying socio-economic system. The resulting forms of change are either developmental stages or transformative. Greenberg's final model is the State-Centered Model. Here the state is treated as an autonomous entity with its own sets of interests and goals. It is a model of internal pluralism and the resulting changes are usually considered to be incremental, although there can be a crises transformations.

In terms of why change does or does not occur, Leemans (1976), in considering the management of change in central government, argues that only where there is a strong political and administrative leadership which is confronted by a crisis will a reform occur. The above underlying assumption of resistance to change is echoed by many other writers in the public sector field. Greenwood and Stewart argue that the "professional bureaucracy" of local government "tends to be associated with a somewhat cautious, risk-averse style of decision making" (1986, p 4). Although they acknowledge that this feature is not limited to local government, indeed Mintzberg (1983, p 299) argues that all professional bureaucracies have problems in adapting to new situations.

Risk aversion should not necessarily imply inaction. As mentioned in Chapter 2, part of the risk-averse style may be to create an enviroment which decreases external risks and increases internal certainty. Galbraith (1972) argued this for the private sector, and the urban growth coalitions literature (Cooke, 1988) similarly shows how interventions in the local economy, whilst not riskless, tend to defer the fundamental

risks and uncertainties. Nevertheless the picture of a cautious and resistant bureaucracy persists. Dopson and Stewart in their comparative study of public and private sector managers found that:

"managers in the public sector appeared to be less enthusiastic than their counterparts in the private sector about both the possibility and desirability of change" (1990, p 38).

Metcalfe and Richards (1990) refer to this lack of enthusiasm as the "disbelief system". Fry (1981) comments upon the way earlier attempts at administrative reform in Whitehall led to disillusionment and disbelief. This in turn has led the literature to focus upon the reason for inertia. Pettigrew et al. have pointed out, in looking at the literature on change in health service organisations, that:

"Typically, in this literature there is a competent attempt to describe and explain the bureaucratic origins of managerial inertia but fewer clues as to which conditions provoke managerial activism and innovation" (1988, p 34).

The reasons put forward to explain inertia vary and some of these have been reviewed in Chapter 2 (for example, Schon, 1971). Meyer and Zucker (1989) argue that part of the reason for the lack of innovation is the divergence of interests within organisations. Managers, employees, other groups and individuals will pursue there own interests, particularly during times of low organisational performance. According to Meyer and Zucker, these interests may revolve around preserving the status quo.

Hoggett agrees that inertia may well be the norm, he refers to the existence of an assumption "that real change is possible without real pain" (1987a, p 157). There are, according to Hoggett, a number of consequences of such an assumption:

- The "buying off" of resistance which has produced accommodation to change but not commitment.

- Senior and specialist staff tending to introduce forms of change which leave them untouched.

- Changing structures and procedures but largely leaving attitudes and values untouched.

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He goes on to describe organisations as very often trying "to cope with the threat of change by a process of marginalisation and isolation" (1987a, p 158). Hoggett is mainly referring to British local government, and whilst he concludes that superficial changes are the norm, he also needs to be able to explain the situations where more fundamental change has occurred (for example in the London Boroughs of Tower Hamlets and Wandsworth). He does this by casting elected members in the change agent role:

> "In particular we assert that there is a real 'failure of courage' by many local managers to pursue change which amounts to more than a simple amendment to existing unsatisfactory organisational forms. Indeed because of such managerial temerity it has often required councillors to 'come in from outside' as it were and shake up organisations in a way that makes a real difference". (Hambleton and Hoggett, 1987, p 5)

As was mentioned at the beginning of this chapter, Warwick's (1975) study of the US State Department focuses on this same resilience. He comments, as a result of his observations, that even where bureaucracies are pruned they have a remarkable ability to grow back. However, change does occur, and it is Warwick's thesis that this change takes the form of the unfreezing, changing and refreezing model discussed in Chapter 2. He adds to this that in public sector organisations the external factors are the most important in determining the unfreezing and changing, whilst the internal factors are the most important for refreezing. So for Warwick the main triggers for change are external.

In British local government there would probably be support for the view that change is "forced" on local authorities by external factors - particularly legislative changes. A PA Consultancy Group Study (1990) found that 90% of the local authorities replying to their questionnaire had restructured recently and the primary reasons given for doing so were legislative ones. Zucker (1987), on the other hand, argues that change can and maybe should be initiated from within. In looking at changes in hospital organisation she comments that change tends to be more successful if it is initiated from within.

Biggart's study of change in the US Postal Service agrees with Warwick's conclusion of external triggers for change in the public sector. In looking at change in the postal service she comments:

"The reorganisation was not evolutionary, that is, the culmination of internally felt needs or power struggles. Rather, it was a transformation imposed by a coalition of external interests onto a bureaucracy that neither sought nor welcomed the change" (1977, p 410).

So here is a model of change where power is the key concept and external groups the key actors. In terms of what changes, Biggart provides us with an interesting picture of the stages of change:

1. Reorganisation of the formal structure of the organisation.

2. Discreditation of old ideology and development of a new one by:
   - symbolic reorientation (new names, symbols, logos);
   - internal communication (e.g. internal magazine)
   - external communication;
   - training and indoctrination.

3. Get rid of the old guard and bring new people in.

Here again is a hint of the unfreeze - change - refreeze process. The initial reorganisation is the unfreezing, what Biggart terms the destruction of the existing structure. Stages 2 and 3 above aim to refreeze the new structure.

The processes described above can be likened to the radical packages model (outlined in Chapter 2). Because of the resistance to change, these theorists argue that only when the mis-match between what is provided by a public sector organisation and what is needed has reached crisis proportions do things change. So change may not be evolutionary, but consist of periods of major change interspersed with periods of relative stability.

An important study of change in the British public sector is provided by Metcalfe and Richards (1990). They look at the changes occurring in the civil service since 1979. What they find is that 1979 marks a watershed in the evolution of British government, although they still describe the significant changes occurring since 1979 as evolutionary. The three main strands to the changes which have occurred in the British civil service are:

- The Efficiency Strategy introduced by Rayner;
- The Financial Management Initiative;
- The Next Steps Report on executive agencies.

In considering the reasons for the changes Metcalfe and Richards stress the importance of the "political clout" of a reforming Prime Minister (aided by change agents such as Michael Heseltine), and the economic and political crisis faced by government. On the latter point Metcalfe and Richards argue (p 3) that the chronic problem of poor administrative performance led to a concern about overload and ungovernability in the 1970s. The political clout meant that reform remained at the top of the agenda. Although at first civil servants may have thought that it would go away, by the mid 1980s it was clear that this was not going to be the case.

Metcalfe and Richards argue that the process of change is an important factor in explaining why reforms have been implemented since 1979 when previous reforms had fallen by the wayside (for example, the Fulton Report). This process is well illustrated by the Efficiency Strategy. Here a small central Efficiency Unit was established (1979) to oversee the projects for change ("scrutinies"), and it had the highest personal backing of the Prime Minister. However, the Efficiency Unit was not given the task of undertaking the scrutinies, this fell to departmental teams. The Efficiency Unit's role was to provide a framework for the scrutinies and keep them on track. Departmental ministers were involved and a named official was given the responsibility for implementation. This departmental approach is deemed important by Metcalfe and Richards because it "runs with the grain" of departmentalism within the civil service and not against it.

According to Metcalfe and Richards, the departmental reforms in the civil service arising from the scrutiny process were only the first phase of the change process. To use the language of the innovation literature, there was a need to diffuse (spread) these localised reforms. They argue (p 65) that there are three phases to public management innovation:

-   Initiating   - bringing a new concept to public attention;

-   Stabilising   - establishing the legitimacy of the proposed innovation;

-   Diffusing   - moving from a prototype or pilot project to general application.

The first stage of establishing narrowly focused scrutinies was successful because they were defined narrowly. However, these only achieved the initiating and stabilising stages described above. The diffusion stage (which Metcalfe and Richards describe as "reading across") has had a more mixed reception. Metcalfe and Richards conclude that the efficiency strategy has achieved a good deal more than was expected at the start, but they argue (p 214) that there is still some way to go before senior civil servants are fully persuaded that there is a permanent change.

Britain was not alone in undertaking a reform at this time. A similar force of economic circumstances and political ideology combined to push many governments towards administrative reform. The Australian government reforms are discussed by Wilenski (1986). He acknowledges the force of resistance, but says that nevertheless real change has been possible. He argues that the prerequisite for change is political will (note that in this case it was a reforming Labour government), but that there is "usually the stimulus of dissatisfaction with existing performance behind the moves for reform" (1986, p 262). Whilst Wilenski does not describe the change process as incremental, indeed he reports on an important break with the past, he does note the importance of sustained initiatives which proceeded in stages. He also (like Metcalfe and Richards) stresses the importance of creating a new, high status institution (The Public Service Board) to pioneer the reforms.

In the dual structure of elected members and administrative bureaucracy, the question has long been asked about who makes the decisions and, in relation to this research, who initiates the change. The answers to these questions have changed over time as the balance in power has shifted. There has always been a strong thread in the literature which

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emphasises the power of the administrative bureaucracy (in central government terms the Whitehall mandarins). In understanding change, attributing power to the one group as opposed to another is probably too simplistic a notion. Radcliffe (1985) refers to the importance of the relationship between the minister and his/her permanent secretary. However, Metcalfe and Richards (1990) and Wilenski (1986) point to the importance of political will in initiating and maintaining central government reforms.

In local government there has been a debate as to the respective roles of elected members and officers (see for example Darke and Walker, 1977). The theoretical divide between strategic management (members) and operational management (officers) has long been questioned, and a recent discussion document on the internal management of local authorities acknowledges the diverse patterns of operation (Department of the Environment, 1991).

So far, change in the public sector has been described as if it were a purposive and planned exercise. This can be contrasted with the "muddling through" model, where there is a lack of planned change, other than in the very short term. This view of unplanned incremental change is supported not only by Lindblom (1959), but also to a certain extent by Kouzes and Mico who argue that:

> "The existence of multiple domains typically creates a situation in which tasks are quite unpredictable, highly variable, and extremely difficult...HSO's (Human Service Organisations) cannot compute their way through the sea of uncertainty" (1979, p 461).

Another important question that has been addressed in the public sector literature is where the ideas for changes (that is, the solutions) come from. We have already noted, in Chapter 2, that Cyert and March (1963) stress uncertainty avoidance in the decision making process, and the search for ready made solutions. Similarly, the innovation literature talks about the diffusion of ideas, where these ideas may not just be solutions for those with problems, but also solutions looking for problems. The notion of the application of ready-made solutions in the public sector is one that is supported by Greenwood and Stewart. They argue that:

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"There have been great innovators in local government. Each profession has its great names, and one of the features of a professional network is that changes become diffused and 'institutionalised'" (1986, pp 47-48).

Downs (1967), Niskanen (1971) and Tullock (1976) would argue that the choices which are considered are limited and will favour budget expansion.

The studies of change in local government have tended to focus on structural changes (see, for example, Greenwood et al., 1980). This may reflect the fact that local government's "knee jerk" response to the need for change appears to be to redraw the organisation chart - add to it, prune it, or devise different reporting relationships. Certainly both Hoggett (1987a) and Stewart (1990) have commented upon the way attention is so often diverted to the "barren issue of structure".

The focus on structural change is not confined to British local government, O'Riordan and Weale (1989), in studying British central government, also find that structural change tends to come before changes in operating procedures. In contrast, Wilenski (1986) reports that the changes in Australian central government have been rooted in legislation, which has had an effect on the way things are done. He reports that a primary concern has been not to affect changes in formal organisational structures. In a study of Florida's Department of Health and Rehabilitation services, Garner (1987) points out that there was an attempt to manage change by changing structures but this failed. He concludes that complex problems do not require complex organisation structures and that attention to the decision making processes and monitoring systems is likely to be more effective.

3.4 SUMMARY

As can be seen from this brief review of the public sector and the literature on change in this area, there is no "blue-print" for understanding how public sector organisations can or should change. The same is true in relation to understanding change in local government. There is a partial understanding, which does not as yet provide a full or

consistent picture. The state of understanding can be summarised as follows:

1. Public sector organisations are characterised by goal ambiguity, diffused authority and centralised accountability mechanisms. Local government, in addition, has been dominated by professionals. These characteristics and their bureaucratic structure have made public sector organisations resistant to change. Since the mid-1970s, and especially during the 1980s, there has been an increased need for public sector organisations to change. Different demands are being made of public sector organisations due to economic, social and political changes, In particular, the economic recession and restraint on public spending, coupled with an ideology of rolling back the state, have provided a powerful impetus for change.

2. For local government, legislative changes (forced on it by central government) are seen to be important in triggering the need for internal reorganisation. Although there are important exceptions to this, for example in social services the changes occurring in juvenile justice and child protection have predated any legislative changes.

3. In responding to the perceived need to change, public sector organisations tend to focus on structural reorganisations, and this is frequently considered to be barren ground.

4. Resistance to change can be expected, but reforms appear to stand the greatest chance of taking root where there is dissatisfaction with existing forms of operation and organisation. The chances appear to be further heightened where there is a political will for change.

5. Incremental processes may be apparent, but the increased pace of change may mean that within a relatively short period of time (say a few years) the organisation could become significantly different. Frequently the incrementalism described in the studies of public sector change is more akin to logical incrementalism than muddling through.

6. In analysing the stages of change it may be possible to determine periods of unfreezing, moving and refreezing. However, where refreezing does not occur, the old form (structures and ways of working) may "grow back".

7. The power of the various actors and the politics of bargaining and negotiation are likely to be important in determining the pace and direction of change. As a result of the bargaining, "solutions" are likely to be satisficing rather than optimal. However, it is not possible to anticipate (based on the literature) whether officers or politicians are likely to be the most powerful actors. The 1980s has seen a rising prominence of elected members as champions of change, and studies of reform in central government have stressed the importance of sustained political will.

8. There is likely to be a tendency to look for ready-made solutions to problems. Professional networks will be important here in diffusing

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the "fashionable" solutions. These will tend to favour budget maximisation options.

9. Change may be more lasting when it starts in narrowly defined areas and then grows outwards. Its chances of success are also heightened if it is sponsored from the top over an extended period.

10. Models of changed policy or practice may be marginalised.

The reader should bear the above generalisations in mind when reading the case history of the local authority (Midborough) which is the subject of this research (Chapters 5, 6, 8 and 9). Chapters 7 and 10 return to the "models" for understanding change in the public sector, and apply these in analysing the case history of Midborough. Before going on to this, the next chapter considers the methodology appropriate for studying change processes, and explains how the data from Midborough was gathered.

CHAPTER 4: RESEARCH METHODOLOGY

The aim of this research has been to establish the extent to which existing models of change (largely developed in a private sector setting) adequately describe and explain change in local government. The existing literature on organisational change and the models of change in public sector organisations have been reviewed in Chapters 2 and 3 respectively. To evaluate the applicability of these models, data needed to be collected on change in local government. In deciding what data to collect and how, a number of choices had to be made. These choices and the reasoning behind them are detailed below. This is then followed by a fuller description of the research methodology employed and the data sources used.

4.1 CHOICES IN RESEARCH DESIGN

In the social sciences there are three main research methodologies: experimental, survey, and ethnographic. An experimental design was clearly inappropriate for this research on organisational change, so one of the early choices to be made was whether to undertake a comparative analysis of change in a number of local authorities (using a survey design), or whether to focus on an in-depth case study of change in one local authority (thus employing ethnographic methods). The decision was to follow the latter course of action for a number of reasons:

1. To fully "test" existing models of change process and add to them, it was necessary to consider the "fine grain" of organisational change. A case study approach was required to consider change in its historical and organisational context.

2. In order to provide the depth of analysis required it was impossible for one researcher in a limited time period to undertake a series of case studies in different organisations.

3. If change was to be studied in a number of local authorities, this would require great selectivity in terms of what to consider, with the consequent danger that change might be treated as if it occurred in discrete episodes.

4. It was felt that the research on change in the public sector was still at the stage of hypothesis building, rather than hypothesis testing. This is a stage where the case study approach has much to offer in contributing to a body of knowledge (Open University, 1983).

Due to the need to "progressively focus" in on the research site (see stage 1 below), the case study of one organisation in effect became several case studies of one organisation.

A further decision had to be made about the approach to take in the case study(s). The choice relates to how change is to be observed. The difficulty of studying change has been commented upon by many writers (for example, Sofer, 1964). Broadly, two approaches seemed to be possible in studying change:

1.   A before and after study of change, which looks at what the organisation is like before a change is planned and what it becomes afterwards. Such studies are often associated with a survey approach which uses questionnaires and/or interviews to build up the before and after picture.

2.   Observation during the change process. Such observation might be achieved by direct observation, participant observation, action research, or a combination of these.

Some of the advantages and disadvantages of "before and after" and "observation during" studies are summarised in Figure 4.1. A before and after study can yield "hard" comparative data, but does not tap the process of change. There is, in addition, the difficulty of deciding where change begins and ends in order to define what constitutes the "before" and the "after". Observation during the change has the potential to reveal change processes, but can involve a major time commitment and yield little measurable data. Its unstructured approach leaves it susceptible to the skills of the field investigator; however, depending upon these skills, this might be a strength rather than a weakness.

In many ways the "observation during" approach seemed preferable, given that the concern of this research was change process. However, it had the major drawback of being time-consuming, and its pure form (of continual observation - participant or direct) was impossible for a part-time researcher. In the event a compromise solution was adopted, this consisted of:

Figure 4.1: Advantages and disadvantages of two different approaches to studying change

Before and After Studies
Advantages:
1   Where the situation before and after is surveyed (especially where performance is measured), this can yield "hard" data about what has changed.
Disadvantages:
1   There is a problem of choosing what constitutes before and after - when does a change begin and end?
2   The method does not uncover the process by which the organisation moved from situation X to situation Y. It instead provides two snap-shots.
3   Where the instruments of data collection are highly structured they can yield little more than what was in the minds of the investigator(s) before they were administered.

Observational Approaches
Advantages:
1   Can yield insights into process of considerable complexity and subtlety (Sofer, 1964, p140).
2   Change is considered in its context.
Disadvantages:
1   Highly time consuming.
2   Susceptible to variations in the skills and personality of the field investigator.
3   May yield little in the way of measurable data.
4   Danger that the researcher may influence the change process.

1. Regular direct observation during the course of the study.

2. A constant monitoring of written documents throughout.

3. Regular snapshots throughout the change process by the way of both interviews and postal questionnaires.

One of the possible disadvantages of the "observation during" approach, noted in Figure 4.1, is the way in which the researcher might influence the change process. This cannot be denied, but it is not just the action researcher who must be aware of this possible influence. Even the conduct of before and after studies can have an effect. Buchanan and Huczynski neatly summarise this effect:

> "the act of being studied makes people more aware and sensitive to those aspects of themselves that have been the subject of scrutiny. Increased self-awareness can lead to changes in values, attitudes and behaviour" (1985, p 418).

This is commonly referred to as the "Hawthorne effect", following the research findings of Mayo (1945).

The reaction to being the subject of research is what the Open University (1983) refers to as "reactivity". They argue that there are two types of reactivity: personal reactivity - the impact of the researcher; and procedural reactivity - the effect of research procedures. It is an effect to be noted, but one that is difficult to control. The procedure followed in this research was to note the ways in which the research might effect outcomes, both in terms of the questions asked and the feedback provided to the organisation.

4.2 THE RESEARCH SITE AND PERIOD OF STUDY

In conducting a case study in one organisation there was no attempt to choose a "typical" authority. Such an endeavour would, beyond doubt, turn into a wild goose chase. Instead, the criteria for choosing an authority were that it should be within easy travel distance and be willing to participate in the study by providing access to people and information. A metropolitan borough council, Midborough, was approached, via the chief executive, and this authority agreed to being the subject of investigation.

In order to consider change in its historical and organisational context, it is important to consider change over a period of time. Pettigrew (1985b) stresses the importance of longitudinal analysis and comments that if the focus is on present day events, change appears prominent; but the further back in time the researcher goes the more likely the research will identify continuity. The time period chosen for this research was 1974-1987. The research data was collected during the period 1985-1987. Data on changes occurring during this period was collected as these changes occurred. In addition, data for the period 1974-1985 was collected retrospectively. The starting point of 1974 was chosen because it was with the 1974 local government reorganisation that Midborough Council, as it is currently known, was formed. As is explained in Chapter 5, in 1974 five separate boroughs and part authorities came together to form the new authority. The end date of the study was dictated more by the demands of the PhD than any natural cut off point. A 12 year period was felt to be a reasonable period over which to explore the patterns and nature of change. However, as pointed out in Chapters 2 and 3 and expanded in Chapter 10, if organisational change is seen as following periodic cycles of between 20 to 50 years, then a much longer time frame is required. To some extent this has been achieved by looking briefly at the historical development of local government generally prior to 1974 (see Chapter 3). There is, in addition, a long term need (outside the confines of this research) to continue to monitor changes in a local authority, like Midborough, over the next decade or so.

4.3 METHODOLOGY EMPLOYED AND STAGES OF THE RESEARCH

Two main principles have guided the data collection process:

1. An acknowledgement that people within the organisation are likely to see change in different ways, and hence the importance within the data collection process of referring to multiple data sources to reflect this variety*. For example, what is radical to one person may not be radical to another - what Schon (1971) calls the Rashomon Effect. Chapter 2 commented upon the existence of multiple realities within organisations (Schutz, 1962).

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* There have been attempts to develop a method of measuring change. One of these (Ottaway and Terjeson, 1986) involved participant identification of change items and a scaling of these.

2. That as well as collecting data to test existing models, the change within the organisation should be allowed to speak for itself. So, the process of data collection should not be over-structured so as to filter out important features of the change, just because they are not reflected in the existing models. This is the basis of the "grounded theory" approach of Glaser and Strauss (1987). Such an approach to data collection is easier said than done. Data is filtered in its collection by the researcher's constructs of the world and organisations. The researcher is not an empty vessel into which data can be poured. In attempting to allow a model of change to arise from the process itself, Pettigrew (1985b) argues that it is important to keep a range of constructs in mind to permit an interplay of ideas.

Multiple data sources are also important for ensuring the reliability and validity of the data collected. Experimental and survey research relies on prestructuring to achieve reliability, in terms of consistency in measurement. For ethnographic research pre-structuring is not appropriate, for the reasons discussed above. Instead reliability and validity are tested via triangulation. Different kinds of triangulation can be used:

-   Data triangulation - the cross-checking of data relating to the same phenomenon, but deriving from different stages of the fieldwork, or the accounts of different participants involved in the setting.

-   Investigator triangulation - the comparison of accounts of different investigators.

-   Method triangulation - the comparison of data produced by different methods.

Given that only one investigator was involved in this research it has not been possible to employ investigator triangulation, however, both data and method triangulation have been used. Different accounts of events have been compared in order to cross-check data reliability. Similarly, as pointed out above, data has not only been collected by interview methods, but also by using written documentation and some postal questionnaires. As discussed below, it has frequently been possible to arrive at a shared recollection/perception of events. Where there has been disagreement this is reported and discussed in the case studies (see Chapters 5, 6, 8 and 9).

The data collection process, in retrospect, has consisted of four main stages and these are set out below.

Stage 1: August 1985 - December 1985

The first stage consisted of exploratory interviews with all (13) chief officers and 18 other senior officers. Thirty-one interviews were conducted in total. There were attempts at this stage to interview elected members, but this proved unsuccessful. Hence the early view of the organisation was as the officers saw it. The purpose of the interviews was to explore the authority's past and possible future. The interviews were semi-structured (see Appendix 1 for the interview schedule and a list of those interviewed), centring around the following areas:

- what respondents saw as important events in the past;

- their perceptions of the current threats and opportunities;

- the perceived strengths and weaknesses of the authority.

Throughout the study, interview data was recorded in note form during the interview and expanded immediately afterwards. The possibility of taping interviews was explored with a few officers, but they expressed a preference against this and commented that the interviews were likely to be more candid if a tape recorder was not present. In analysing the interviews a picture was obtained of values and attitudes and a view of the past as officers saw it. This picture was fed back to chief officers (see Appendix 2) and used as the basis for deciding upon the areas in which future attention would be focused in studying change. In methodological terms, Stage 1 of the research was concerned with "entry into the field" and a mapping of it to get some idea of what was happening. This early wide focus (what the Open University, 1983 defines as a discovery based approach) forms the basis of further progressive focusing. That is, starting from a wide overall picture of an organisation it is possible to decide, in an informed way, which elements to focus on in greater detail. At this stage three areas emerged for focus in greater detail:

Housing decentralisation
Community development
Strategic planning

The main reasons for these choices are given below.

Housing decentralisation was, at the time of the study, largely a structural change, with some redefinition of roles. The change appeared to have been initiated by officers rather than politicians. To use the terminology of Kouzes and Mico (1979), the change was initiated in the "management domain" rather than in the "policy domain" (elected members). By contrasting this with the study of community development (see below), it was thought that it might be possible to throw some light on whether changes initiated by officers steer a different course to those initiated by politicians. Also, decentralisation appeared to be a change at the periphery, only affecting the housing department, and even here not affecting the central operation of the department.

Community development, to borrow from Kouzes and Mico (1979) again, appeared to be initiated in the "service domain" (that is, by community workers), fostered by the "policy domain" (that is, politicians) and imposed on the "management domain". Unlike housing, this change was at the centre and had the potential to significantly effect the operation of the whole council.

Strategic planning was to be considered in terms of the requirement from central government that, following the abolition of the metropolitan counties, each borough council in metropolitan areas should produce a Unitary Development Plan. This required corporate working within the authority and joint working with other districts within the metropolitan area. Joint working was a relatively new departure for the traditionally self sufficient local authorities, but Brooke (1989) argues that it will become increasingly important in the future. This change was forced on the council from outside (by central government). This third area, of strategic planning, is not reported in this thesis. As the case study developed it became apparent that, although it provided important insights into joint working between authorities, it was not directly pertinent to this thesis on organisational change. This was because the

internal corporate working to establish a borough wide unitary development plan did not begin during the time scale of this research.

So, in summary, two detailed case studies, both largely focusing on the "management domain" emerged from the decisions arrived at in stage 1 of the research.

Stage 2: January 1986 - April 1986

Stage 2 of the research consisted of exploring in greater detail the past and present events in the two change areas identified in stage 1, and the general context and history of the borough. The methodology used at this stage was:

1. An extensive search of council files. These were both the formal and informal files and included agenda and minutes of committee meetings, notes from informal member meetings, notes from officer meetings, correspondence, and working notes. The "questions" asked of these files were:

    -   What have been the key events and dates?

    -   Who were the "actors" involved?

    -   What were the documented thoughts prevailing at that time (i.e. attitudes, appreciation of environmental factors, etc)?

    -   What appeared to be the position (attitude) of each of the main actors?

    -   What/who triggered the change(s)?

2. Interviews with each of the main actors. These were minimally structured with a few basic opening questions to act as triggers for the actors to express their experiences in their own terms. The purpose of the interviews was:

    -   Firstly to check out the researcher's reconstruction of the past. How far did the picture reconstructed from paper records accord with individuals' perceptions of what had happened and when, and had anything important been overlooked?

    -   Secondly to ask respondents what they thought were the reasons for what had happened. Who or what, in their minds, had triggered the events?

- Thirdly to elicit views on what had happened in the past and what was happening in the present.

- Finally to obtain actors' views on how they saw the future.

During stage 2, some 22 people were interviewed (the positions of these people within the organisation are given in Appendix 3). In deciding who to interview, a process of "knock-on" referrals was used, a process which is sometimes referred to as "snowball sampling". Each person interviewed was asked whether there was anyone else to whom the researcher should speak; any new names were added to the list. Following the interviews there was frequently the need to go back to files and cross-check the data obtained in the interview. This cross-checking of data (via triangulation) is particularly important when dealing with retrospective data. For much of the time interviewees were reflecting on what had happened in the past, and memory can be imperfect and unreliable. However, the research revealed much agreement on the course of events, there were occasional differences of opinion/fact, and these are reported in the case studies.

Stage 3: May 1986 - July 1987

The primary task of this stage was to observe and monitor events as they occurred in the chosen areas. Different methodologies were chosen to suit the circumstances of each of the areas under study.

Housing decentralisation

The major decisions on the future structure of the housing department had been made prior to the commencement of the research, and these were researched retrospectively. The decisions on structure had been implemented in one location/district as a pilot study and during 1986/87 they were implemented in the rest of the borough. This process of implementation was monitored by:

1. A monthly meeting with the central co-ordinating manager.

2. A meeting every three months with each of the five area managers, who were responsible for the operational implementation of decentralisation in their areas.

3.   Monthly monitoring of committee agenda, minutes and correspondence files.

4.   A survey of rent collectors/estates officers. This arose out of comments by many of those interviewed that the new system of estates offices would only be a step forward if the former rent collectors, who were to staff these offices, changed their attitudes towards their jobs and their tenants. An initial questionnaire and a follow-up questionnaire was used to obtain two snap shots of the rent collectors views on decentralisation, and whether these changed as decentralisation was introduced. The first questionnaire was distributed in Spring 1986, the second in Spring 1987. The questionnaires are reproduced in Appendix 4.

Community Development

The progress of change in community development was monitored via regular interviews with those involved, both inside and outside the Community Development Unit. (Appendix 5 gives a list of the officers and members interviewed and the frequency of these interviews.) In addition to this there was monthly monitoring of correspondence files, agenda and minutes of committees and working parties. In this monitoring process the key questions were:

1.   What happened and when?

2.   Who were the key people involved and what were their relative influences on the process?

One difficulty in the case study approach is knowing when to stop. Again Pettigrew (1985b) provides useful guidance. He argues that the adequacy of description can be judged in the following ways:

1.   Have multiple sources of data been used and if so have multiple interpretation of events been revealed?

2.   Was interview data cross-checked by archival analysis?

3.   If a particular frame of reference is used to explain the direction and pace of the process, have competing theoretical interpretations been posed or in any sense disconfirmed by further attempts at data collection and analysis?

4.   The descriptive chronology of process should be interpreted by theoretical themes and/or used to derive theoretical ideas and concepts.

Points 1 and 2 above are important in terms of an initial decision about whether sufficient data had been collected. In Spring 1987, having

reviewed the data collected by this time, it was decided that sufficient data had been amassed. Adequate treatment of the data, in relation to points 3 and 4, is the business of this thesis, and the subject of the remaining chapters.

Stage 4: Write-up of Case Studies, August 1987 - November 1987

An important part of ethnographic research is to describe the perspectives and actions of the actors involved in the scene being studied. For this research that entailed producing descriptive case studies. Such case studies are important for several reasons:

- Firstly they provide the researcher with the data from which analysis can begin.

- Secondly they provide the reader with the means of subsequently checking the extent to which the researcher's analysis and interpretation of events seems to be sensible.

- Finally, in this instance the descriptive case studies were also fed back to the main actors as a means of further checking on the reliability and accuracy of the data that had been collected.

By November 1987 three case studies were produced (including the strategic planning case study, not reported here) together with a paper which provided a general overview of the development of the borough. These were largely chronological accounts of what had happened, although they also included some interview comments upon, and interpretations of the events. The case studies and the general history were fed back to the senior officers of the authority for their comments. The responses to the case studies and the general chronology were very favourable, although some additional data was provided and a few errors of fact and interpretation were corrected.

4.4 SUMMARY

This chapter has explored the rationale behind choosing an ethnographic case study methodology as the basis for researching organisational change in local government. It has argued that such a detailed approach is important if the process of change is to be more fully understood. The chapter has also outlined how the data was collected for these case studies and the stages in the research process. The case studies of

Midborough Council which resulted from the research form the basis of the next five chapters. Chapter 5 outlines the characteristics and history of the borough. Chapter 6 looks at some of the events in more detail. Chapter 7 provides an analysis of this general overview. Chapters 8 and 9 focus on the two detailed case studies, housing decentralisation and community development respectively.

CHAPTER 5: GENERAL OVERVIEW OF MIDBOROUGH

The preceding chapters have argued that, although there are studies of change and models of change process, not enough is known about change in the public sector. Chapter 4 argued that further case study research is required to provide a rich base of data from which models of change in the public sector can be derived. The case studies of Midborough contribute to this data base.

This chapter and Chapter 6 provide an overall picture of Midborough during the period studied. It is important to establish this picture for two reasons: firstly, to provide the context for the two detailed case studies which follow; and secondly to highlight the overall changes occurring in the borough and the processes involved. This chapter first of all provides a brief chronological description of the main events occurring between 1974 and 1987. This is followed by a resumé of the characteristics of the borough and the borough council: the size and structure of its population, the nature of its economy, the resources available to the authority in responding to the changing needs of its customers, and finally an overview of the council's structure.

5.1 HISTORY OF MIDBOROUGH

Midborough Council was created in the 1974 reorganisation of local government by an amalgamation of three former boroughs. It is one of seven boroughs within the former metropolitan county area. Midborough covers an area of almost 38 square miles and had a resident population of approximately 300,000 in 1987. At this time the council employed nearly 13,000 staff within 12 departments and controlled a revenue budget of some £150 million. This made it one of the larger metropolitan boroughs, with one of the smallest ratios of staff per head of population.

Many interviewees stressed the importance of understanding the past, if the present is to be understood. Midborough was involved in an earlier local government reorganisation in 1966. This entailed the amalgamation of eight smaller authorities and resulted in a growth in population from 65,000 to 200,000. In 1974 the earlier reorganisation had still not settled down and there were sharp divisions between officers, members and

others who owed allegiance still to one of the former authorities. The result was that in 1974 Midborough Council had within it some 20 local communities which retained fierce local loyalties. Another consequence of this history was neatly summarised by one chief officer:-

"The pre-1966 borough was small, 65,000 population, and elected members and some officers were unable to understand the fact that it had progressively become a large authority. The vision and scale of thinking was still circumscribed by the fact that it had originally been small".

Many interviewees saw Midborough's history since 1974 as a period of constant change:

"The organisation hasn't really had a period of stability"

"The pace of change in Midborough is greater than almost everywhere else"

The new borough council started off in 1974, in the words of one interviewee, as "full of enthusiasm and high hopes". Budgets were expanding and client groups were growing. These early years were a time when corporate working was given a high priority. Many interdepartmental working groups were created and the period was remembered nostalgically by many of the people involved. There was soon a set-back to this enthusiasm as the problems of financial restraint hit Midborough, in much the same way as they did other local authorities, although maybe earlier and deeper. There followed from the mid 1970s onward a constant battle to cut back expenditure in the face of growing demands for certain services. Ironically, Midborough suffered subsequently because of its success in restraining expenditure during the 1970s. There was a widespread consensus amongst officers and members that Midborough suffered under the grant allocation system of central government which in many ways penalised past good performance. Nevertheless there was some pride in the financial prudence which had got Midborough into this position, particularly amongst Conservative councillors (for example the pamphlets on value for money produced by the Leader of the Conservatives).

The main events in the history of Midborough between 1974 and 1987 are summarised chronologically in Figure 5.1. This picture of events has been built up from interviews and from the agenda and minutes of the

Figure 5.1: Chronological account of main events occurring in Midborough 1974-87

Year		Events
1974	-	Borough formed from smaller constituent boroughs.
	-	Labour with overall control.
	-	Corporate structure, including a Policy and Resources committee and Chief Officers' management team, was established.
1975	-	Labour with overall control (but change of Leader).
	-	Staff recruitment embargo due to need for expenditure restrictions.
	-	Corporate working groups established.
1976	-	Conservatives win overall control.
	-	Policy of zero growth in real terms.
	-	Enthusiasm for corporate working declining.
	-	Policy and Resources becomes a one party committee.
	-	Area management pilot established in conjunction with the Department of the Environment.
1977	-	Conservatives with overall control.
	-	Policy and Resources committee establish a sub-committee on Industry and Economy.
	-	Council underwrite the purchase of a local tourist attraction by a national society.
1978	-	Conservatives with overall control (but change of leader).
	-	First joint committee meeting with Chambers of Commerce and Trades Council to consider matters relating to the local economy.
	-	Staff recruitment embargo lifted.
	-	Libraries restructured to area based structure.
	-	A joint working party of Policy and Resources and Education committees established to undertake a review of education - due to falling rolls.
1979	-	Conservatives with minority control with SDP support.
	-	Management consultants engaged to advise on building contract.
	-	Industrial Development Unit established within Finance Department.
1980	-	Conservatives with minority control with SDP support.
	-	Sharp rise in borough's unemployment figures.
	-	The authority "wins" an invitation from central government to prepare an enterprise zone scheme.
	-	Personnel Unit is established.
	-	Management consultants are asked to review the operation of six sections/departments.
	-	Chief Architect retires.
	-	Director of Education prematurely retires.
	-	Creation of DLOs in public works and housing.
1981	-	Conservatives with minority control with SDP support.
	-	Continuing rise in unemployment.
	-	Enterprise zone scheme approved.
	-	Council commission reports on the industrial problems in Midborough and the authority's charging policy.
	-	Discontinuation of Corporate working groups.
	-	Resolution to try and prevent further reviews by Management Consultants - but fails.
	-	Management Consultants asked to review the operation of four further sections/departments.
	-	Premature retirement of the Director of Social Services.
	-	Resignation of the Director of Legal and Administrative Services.
1982	-	Conservatives with minority control (January to March), the support of the SDP had been withdrawn.
	-	March to May Labour take control of the council.
	-	In April further resolution to try and stop the Management Consultants reviews.
	-	Conservatives win overall control in May elections.
	-	Officers requested to produce reports on charging for services and privatisation.
	-	Privatisation initiatives approved - eg tenders invited for school cleaning.
	-	Social services reorganise into two areas (previously there were five).
1983	-	Conservatives with overall control.
	-	Management Consultants are asked to review the operation of one more department and the whole of the corporate structure.
	-	Pilot project on housing decentralisation begins.
	-	Early retirement of the Director of Engineering Services.
	-	Director of Planning is transferred to another job.
1984	-	January to May Conservatives with overall control.
	-	Main reorganisation of the authority's structure following the Management Consultants' reviews and reports.
	-	May Labour win largely unexpected control of the council, but only with the support of one SDP member.
	-	Further restructuring largely to undo the reorganisation following the Management Consultants' reviews.
	-	Resolutions to dismiss the Director of Finance but these are not passed.
	-	Community Development Committee is established.
	-	Second Enterprise Zone is approved.
	-	The Chief Executive becomes Secretary of the Conurbation's Districts' Committee and is heavily involved in responding to the threatened abolition of the Metropolitan County Council.
	-	Effectiveness and Efficiency committee established.
1985	-	Conservatives win control, but only with casting vote of the SDP mayor.
	-	Approval of Borough wide Housing decentralisation plan.
	-	Some loosening up of expenditure due to the rate-making decision won by Labour before they lost control.
	-	Social services reorganisation into five districts with more decentralisation to these districts.
	-	English Tourist Board appointed as consultants on the development of a major tourist attraction.
	-	Appointment of permanent projects officer in Chief Executive's Office.
1986	-	Labour win overall control.
	-	Borough given Urban Programme status.
	-	Metropolitan County Council abolished.
	-	Major "out of town" retail development "approved" by the council.
	-	Chief Executive encouraged to take early retirement.
	-	New Community Development Unit established.
	-	New Economic Development Unit (later to become a department) established.
	-	Member-Officer working groups established.
1987	-	Labour retain control but with a reduced majority.
	-	New Chief Executive not appointed, existing Chief Officer continues with Acting Chief Executive role.
	-	Establishment of urban programme and voluntary organisations unit in the Chief Executive's Office.

Policy and Resources Committee. Many of these events are picked up in more detailed in Chapter 6. One thing to note from Figure 5.1 is that although there were changes in the 1970s - changes in political control, an end to service expansion and some experiments with new forms of organisation and service delivery - the 1970s were characterised by relative continuity in terms of the main actors and organisational structure. By contrast, the 1980s witnessed greater uncertainty in relation to political control, the acceleration of environmental changes (e.g. unemployment), major reviews of departmental and corporate structures, and a sharp increase in the turnover of senior officers. By the mid 1980s several chief officers and chairs of committees became involved in joint working arrangements in preparation for the abolition of the metropolitan county council. The deteriorating economic situation and the rise in levels of unemployment led to economic issues taking a higher profile in the council; one symbol of this was the successful bid for an enterprise zone. The 1980s also brought the beginnings of competition. In 1980, following the Local Government Planning and Land Act, Direct Labour Organisations were established in the Housing and Public Works Departments. Over the next four years the number of staff in the Public Works Department halved. In 1982 the council went out to tender for schools' cleaning. By the early 1980s the discussion in committees and memos was about improving efficiency, cutting costs and regenerating the local economy. The slogans of corporatism had been replaced with those of value for money. The structural symbol of this was the Performance Review Committee which in 1984 was given extra powers and became the Effectiveness and Efficiency Committee, which had the right of veto over the policy of other committees.

In addition to the changes at the council wide level, developments were taking place in individual service departments. Towards the end of the 1970s the Education Department was having to consider falling school rolls and the need to take some 3000 places out of the schools' system. Between then and the mid 1980s the schools were reorganised (removing middle schools). At the same time new curriculum developments were being introduced (e.g. the Technical and Vocational Education Initiative) and the schools were being encouraged to play a greater role in community education. The further education sphere was becoming increasingly competitive, with local authorities having to bid for funds (in 1985 some

45 different sources of funding for further education were identified). The traditional independence of local authority education was also declining with the introduction of the Manpower Services Commission as a new source of funding and policy development. The Social Services Department also underwent changes, both in structure and how service delivery was perceived. There was a move away from individual case working to team working and the emergence of "generic" social workers. The traditional functional structure of the department was reorganised to enable "patch" working.

In the Leisure Services Department the late 1970s and 1980s brought a more commercial approach. The Chief Officer commented "with the economic decline, the way we think has changed". There was an increasing focus on income generation, self-financing developments and working with the private sector. They saw their role not just as providing leisure facilities for borough residents, but also encouraging tourism. The Leisure Services Chief Officer joined the council slightly later than many others (in 1976) and he commented that from the first day value for money exercises were the main focus of his activities. Libraries staff (formally part of the Leisure Services Department) reported on an "evolutionary change in library services". These changes incorporated new ideas on service delivery, more community involvement and adjustments to cater for the growing ethnic community.

The Public Works Department reorganised in 1980 to establish a Direct Labour Organisation (DLO) and provide a client/contractor split. The DLO began to operate along commercial lines, and in addition this commercial approach was introduced into an area, fleet management, not at that time effected by legislation. The management consultant's review of this department hastened these changes, although managers in the department commented that the management consultants only said what they had been saying for years, and most welcomed the changes:

> "We are technical people who have been working with the private sector all our lives. Most of us welcomed the changes, those who didn't have gone and those who were pro-change have risen to the top". (Interview with Public Works Manager)

Central services departments were not immune to change. Finance, legal and personnel services all reported a change in outlook. In 1985 the

Chief Legal Officer talked about his department operating as a "DLO" within the council in providing legal services. Similarly the management services section of the Personnel Department was said to have to "earn its keep" from 1980 onwards.

With all of these changes, an interesting feature was the lack of significant trades union resistance. The Chief Personnel Officer commented that "we have good people who are prepared to work flexibly - there has not been much union resistance to the reorganisations".

An important feature of Midborough's history has been the changes in political control. Whilst the Conservatives controlled the council between 1976 and 1984 (with only a two month loss of control in 1982), this gives a false impression of political stability and continuity. One officer pointed out (speaking in 1989) that there have been 11 different controlling party arrangements in 15 years, including quite a number of minority controls with the support of the Social Democratic Party (SDP). From 1979 to 1982 the Conservatives controlled from a delicate minority position, and in the three years 1983/84 to 1985/86, political control changed at each May election. This prompted many of those interviewed to echo the words of one officer:

> "Midborough continues to suffer from political conflict, it's been an awful long time since we've known any sense of stability"

Conflict was never more evident than in what is known as the "management consultants era". Many interviewees pointed to this as the time of souring internal relationships. The introduction of management consultants in 1979/80 led to the reorganisation of several departments, the early retirement of five chief officers, a loss of status for some chief officers, and an increase in salary for others. The workforce was pruned and a general air of threat was said to prevail. Whilst some of the changes wrought by the management consultants were undone by the incoming Labour administration in 1984, the wounds proved difficult to heal and many scars remained. The bitterness was not just about what happened but the way in which it was brought about. The management consultants were said to have been brought in by the "back door" and there were complaints that there was little prior consultation about the personnel changes which ensued.

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Despite the uneasy relationship between Conservative councillors and some officers as a result of the management consultants' changes, the incoming Labour councillors (in May 1984) did not see the officers as their allies. In fact, they were highly suspicious of officer allegiances and tried to "wrest power" from their control (although some officers denied that they ever had that power). This problem of trust re-emerged when Labour regained control in 1986. Officer/member relationships got off to an ominous start when the newly elected Labour group left the Chief Executive with little option but to take early retirement. Following this there were more auspicious attempts at working together.

From this brief overview it should be clear that Midborough provides a wealth of data for the researcher interested in studying change. Some of the changes highlighted above are discussed in more detail in Chapter 6. First, however, the social and economic context of the council during the 1970s and 1980s is explored, and its structure and operation is outlined.

5.2 CHARACTERISTICS OF THE BOROUGH

In this section some of the main social and economic characteristics of Midborough are outlined. First, the demography of the borough is described; this is followed by an overview of the local economy.

5.2.1 Population

Up to 1970 the area which came to constitute Midborough had experienced population expansion for a number of years, but the 1970s saw a slowing down in the borough's population growth. Nevertheless, between 1971 and 1981 there was a small population increase of 2.3%. Within the metropolitan county area, Midborough was one of only two boroughs to have population growth. By 1987 a decline in population was forecast (Table 5.1). The changes in population did not affect all groups equally. As Table 5.2 shows, between 1971 and 1981 there was a decrease in the 0-10 year olds and an increase in other age groups, particularly children of secondary school age and those of retirement age. In 1987 the population

Table 5.1: Usually Resident Population

1971	291,800	
1981	298,500	(+2.3%)
1986	(est) 299,156	(+0.2%)
2001	(est) 295,943	(-1.1%)

Source: 1971 and 1982 Census
1986 and 2001 Joint Planning and
Transportation Data Team

Table 5.2: Change in age groups 1971-1981

0-4	-8,300
5-9	-3,700
10-15	+6,200
16-24	+2,900
25-34	+ 100
35-44	+2,600
45-Ret	+ 900
Ret-74	+2,800
75+	+3,400

Source: 1971 and 1981 Census

Table 5.3: Population Projections Change 1986 - 2001

0-14	+7.1%
15-29	-22.8%
30-44	-3.0%
45-Ret	+7.6%
Ret+	+10.2%
Total	-1.1%

Source: Joint Planning and Transportation Data Team

projections (Table 5.3) predicted a switch in these trends, with the 0-14 age group increasing, but the 15-29 age group decreasing. One constant feature was the anticipated continued growth in the number of those over retirement age.

Between 1980 and 1984 Midborough's Research and Information Team (with the assistance of others) produced a series of "Borough Profiles" for members and chief officers; the focus of which was to highlight "developments in factors which are largely outside the council's control, but have a significant impact on the need for and the way it manages its services and resources". In the 1984 Profile the main trends highlighted were:

- Continuing high unemployment
- Unemployment affecting particular groups
- Increasing need for advice and local authority services
- More old people
- Greatest increase amongst older pensioners
- More elderly people living alone
- Family support may decrease
- More early retirement
- More 16-19 year olds
- More people needing work, training or education
- More households requiring accommodation
- More working women
- More children have working mothers
- Fewer pre-school children
- Fewer primary school children
- Fewer secondary school children
- More demand for further education

It is not appropriate here to repeat all the figures given in support of these trends. Apart from population change, it is worth emphasising one other dramatic change in Midborough's client population - the growth of unemployment and this is covered in the next sub-section.

5.2.2   Economy

Figure 5.2 is abstracted from the 1984 Borough Profile (and updated by using Department of Employment figures), it shows the dramatic increase in unemployment occurring between 1980 and 1983 (from 5% to some 19%). These overall figures hide some large variations. The 1981 Census indicated that unemployment in parts of the central Midborough wards reached nearly 40%, when the borough's average was 11%. The method of

Figure 5.2: Growth in Unemployment in Midborough
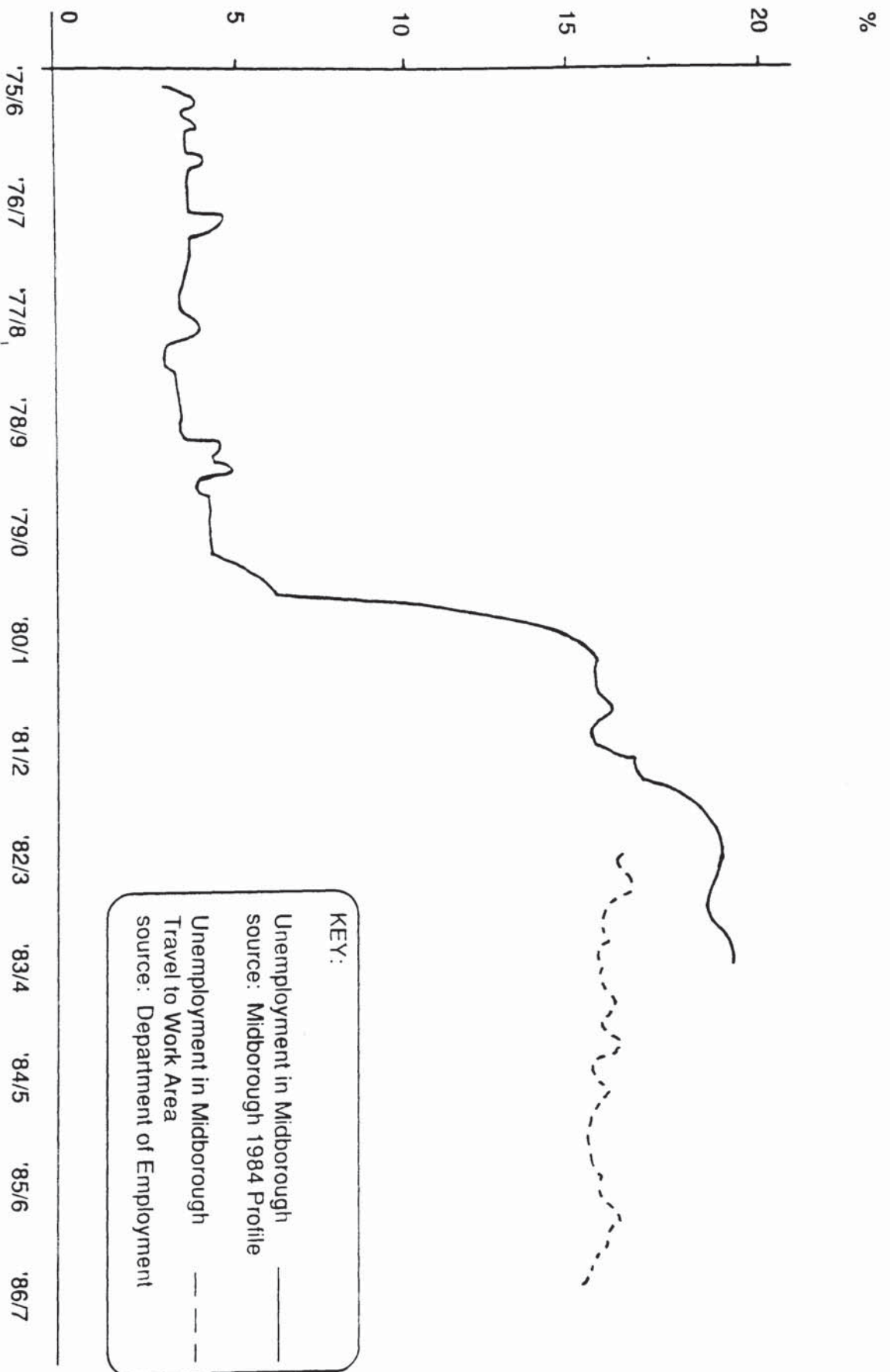
KEY:

Unemployment in Midborough
source: Midborough 1984 Profile ——————

Unemployment in Midborough
Travel to Work Area   — — —
source: Department of Employment

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calculating unemployment statistics changed in 1983, hence the discontinuity between the two lines on the graph. The second line shows that unemployment figures levelled out from 1983 onwards. By the end of 1986/87 they were beginning to fall.

In comparison with the UK, Midborough had a greater dependence on manufacturing industries. With the onset of the recession during the 1970s this dependence proved costly; during the period 1981/83, over 330,000 jobs were lost from the manufacturing sector within the region. These dramatic changes led the Chief Executive to write in the 1983/84 Annual Report:

> "Like many urban areas, Midborough suffers the traditional problems of urban deprivation; environmental, demographic, social and ethnic. These problems have greatly intensified with the scale and pace of the decline of the local economy. Between the end of 1980 and the end of 1983, over 12,000 redundancies were declared in the Borough, including 1,300 at the steelworks. At the end of 1983 there were 27,146 people unemployed in the borough, some 17% of the workforce. This is an increase of more than 20,000 or nearly 300% over the previous five years, almost double the national rate of increase.
>
> This unemployment level is substantially higher than county, regional or national figures and higher than many areas already qualifying for special assistance. Unlike its neighbours Midborough does not get much extra help from the government in coping with its problems"

The latter point is important, and Midborough Council constantly lobbied central government over its need for additional financial assistance. There were some successes and in 1986/87 Midborough was given Urban Programme status by central government.

5.3 CHARACTERISTICS OF THE BOROUGH COUNCIL

This section considers the resources available to Midborough, and the way in which it was structured during the period of the research. The "culture" of the council is also commented upon.

5.3.1 Midborough Council's Resources

Midborough Council's ability to respond to the changes in its operating environment was affected by the restricted financial resources available

during this period. The financial position of Midborough for the period 1974-87 is summarised in Appendix 6. Although in cash terms there was an increase in revenue expenditure throughout this period, when this is considered in real terms the trend is much flatter. As Figure 5.3 shows net revenue expenditure only increased in line with inflation during the period studied (1974-1987). Figure 5.3 also demonstrates that central government's contribution to this expenditure declined throughout this period.

Over 50% of revenue expenditure is spent on employees. Hence the restraint on expenditure affected employee numbers and in turn the ability of the council to deliver services. In May 1975 an embargo was imposed on recruitment, and although this was lifted in 1978 there continued to be a tight control on employee numbers. The trends in employee numbers are shown in Table 5.4. This demonstrates that the total number of employees in 1986 was less than in 1975. An increase occurred in 1987, but this was in part due to new staff taken on following the abolition of the metropolitan county council.

5.3.2   Midborough Council's structure and culture

When Midborough Council was established in 1974 its structure, like many other local authorities, was heavily influenced by the Bains Report (1972) which stressed the importance of corporate structure and corporate management. The formal structure of the council in 1974 is shown in Figure 5.4. The intervention of the management consultants in the early 1980s led to a formal review of the organisation structure and a major reorganisation in 1984. This reorganisation was subsequently largely reversed by the incoming Labour group. The changes occurring at this time are detailed in Chapter 6 which discusses the events surrounding the management consultants' review. The formal structure of the council by 1987 is shown in Figure 5.5

The formal structure of an organisation does not necessarily provide a good indication of how people work together. The case studies in Chapters 8 and 9 explore this further, but it is worth devoting a little space here to the "actors'" (mainly officers) views of the culture and operation of Midborough. Words used by interviewees (throughout the

Figure 5.3: Financial Trends 1974/75 to 1986/837

Index

400

300

200

100

0

'74/5 '75/6 '76/7 '77/8 '78/9 '79/0 '80/1 '81/2 '82/3 '83/4 '84/5 '85/6 '86/7

Midborough's net revenue
expenditure

retail price index

rate support/block
grant as proportion
of net expenditure
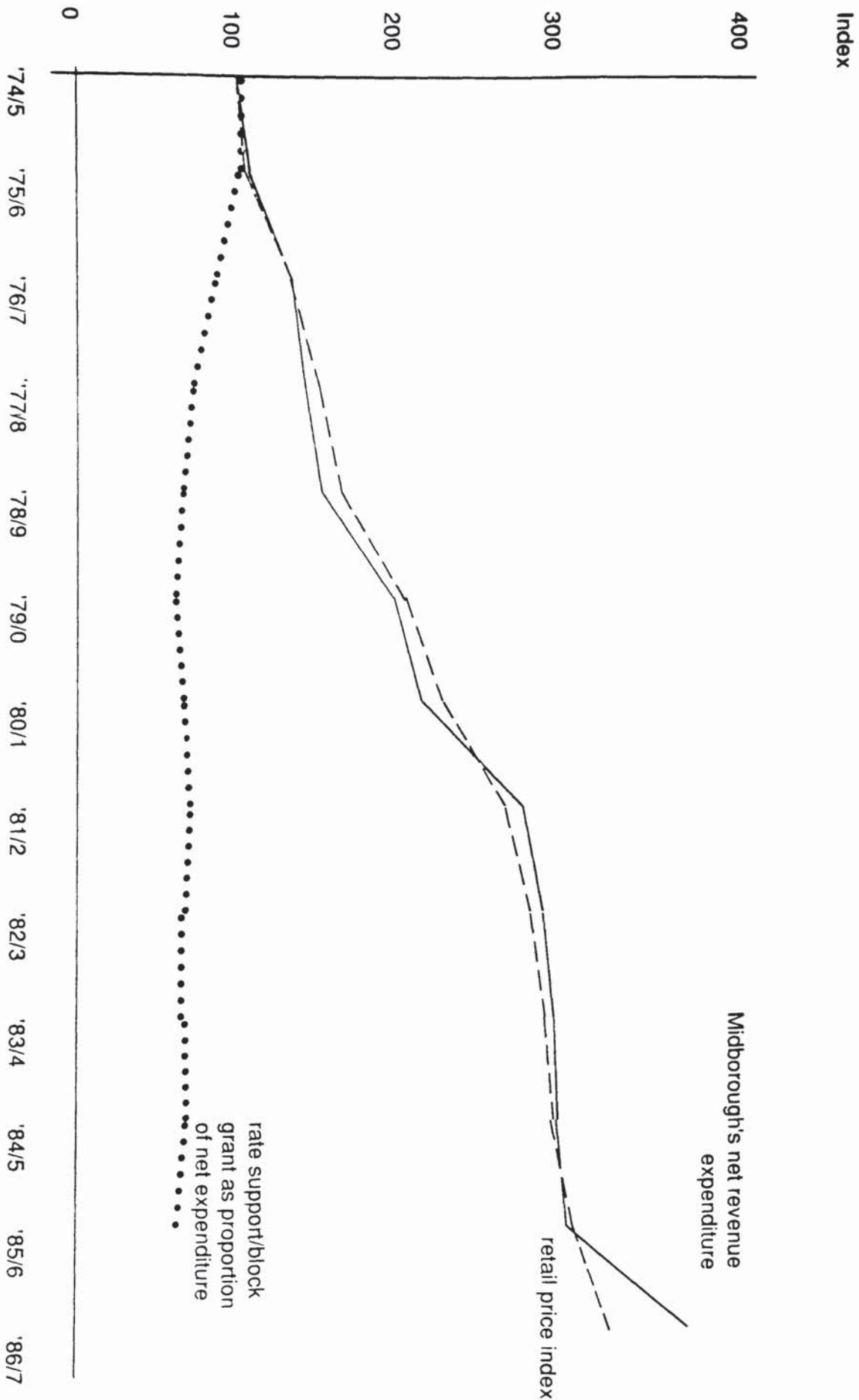
Table 5.4: Number of employees at March of each year

	Teachers:		Others:		Total:	
	Numbers	% change	Numbers	% change	Numbers	% change
1975	3,735	-	7,791	-	11,526	-
1976	3,776	1.1	7,837	0.59	11,613	0.75
1977	3,849	1.93	7,833	-0.05	11,682	0.59
1978	3,442	-10.57	7,721	-1.43	11,163	-4.44
1979	3,600	4.59	7,598	-1.59	11,198	0.31
1980	3,537	-1.75	7,461	-1.8	10,998	-1.79
1981	3,592	-0.23	7,494	0.44	11,023	0.23
1982	3,681	4.31	7,529	0.47	11,210	1.7
1983	3,695	0.38	7,501	-0.37	11,196	-0.12
1984	3,756	1.65	6,673	-11.04	10,429	-6.85
1985	3,760	0.11	7,240	8.50	11,000	5.48
1986	3,881	3.22	7,445	2.83	11,326	2.96
1987	4,048	4.3	8,768	17.77	12,816	13.16

Source: Midborough Personnel Department

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Figure 5.4: Midborough's Organisation Structure in 1974

MEMBERS	
Policy and Resources Committee	
Performance Review Committee	
Resource Committees:	Finance, Manpower, Land Services, Highways and
Programme Area Committees:	Education, Social Planning, Recreation and Amenities, Environmental Health and Control, Housing Services.
OFFICERS	
Chief Executive	
Ten Directors:	Environmental Health Housing Leisure and Recreation Social Services Architectural Services Engineering Services Finance Legal and Administrative Planning and Development Education

Figure 5.5: Midborough's Organisation Structure in 1987

OFFICERS/DEPARTMENTS

Chief Executives (including the Community Development Unit)
Education
Housing
Environmental Health
Finance
Planning and Architecture
Leisure
Social Services
Public Works
Personnel
Legal
Economic Development

MEMBERS/COMMITTEES

Policy
Finance
Administration, Legal and Property
Personnel and Employee Relations
Effectiveness and Efficiency
Education
Environmental Health and Consumer Services
Public Works and Transportation
Planning and Architecture
Housing
Leisure Services
Social Services
Community Development
Economic Development

council) to describe Midborough were typically divided into two views. Firstly there were those who saw Midborough Council as a "backwater", "traditional" and "penny-pinching"; as one officer put it "a middle of the road borough with middle of the road ideas". An alternative view accepted that in some ways Midborough was middle of the road, but also pointed out that it had officers who were innovative and like to be seen as such. Indeed the authority had some experience of breaking new ground, for example, the enterprise zone, energy conservation and Midborough Business Venture. To the outsider Midborough does seem to blend the traditional with pockets of innovation. The traditional nature of the council may be allied to the long service of many of the officers. At Spring 1987, ten out of the thirteen members of the Chief Officers Management Team had been with the council since 1974, and in many cases with the former constituent boroughs prior to this. This picture was fairly typical throughout the officer hierarchy. Even within the elected member arena there was quite a lot of stability in terms of the main political actors. Control of the council changed frequently (as discussed in Chapter 6), but in the words of one officer, "people have been more stable than party politics".

Local authorities are often distinguished according to whether they are "member led" or "officer led". Many officers in Midborough talked about the council in terms of the members "leading". In particular officers who had worked elsewhere commented that they were surprised, when they came to Midborough, by the level of member involvement. The involvement of members was not confined to committee proceedings and contact with chief officers. In many departments there was a good network of contacts between middle managers and council members. In contrast to this picture, the members often pointed to the power of chief officers in Midborough. One elected member referred to the departments as "empires", but not all "emperors" were seen as having equal influence. There was a widely held view amongst chief officers that the influence lay with the Chief Education Officer, Chief Housing Officer, and Chief Leisure Services Officer (throughout much of the period of this study the Director of Finance would also be included in this list). Control of resources obviously plays an important part in providing a power base, particularly for the first two chief officers, but interviewees referred to more than this in singling out these officers. There was also a style

of management which was frequently referred to as "politically astute" and "pragmatic". However when the Labour party took control of the council in 1984 and 1986, these chief officers took a "back seat" for a while, with the Chief Legal Officer and the Chief Personnel Officer becoming more influential (possibly because they had not been so closely allied with the Conservative party).

It became apparent in the interviews with both officers and elected members, that in the council a great deal of value was placed on getting things done. This is not to say that discussion about ideas did not take place, but it was action which was valued.

> "Getting things done was a priority. We used to have a huge capital programme, but nothing was done. We used to have a big derelict land programme, but nothing was done. I wanted to see things done on the ground".   (Chief Executive)

Another officer commented that "we have a tendency to do things rather than reflecting". This focus on action led one officer to comment that the criteria used in judging success was introducing high profile innovations - "Publicity is the success, regardless of what the results are in terms of clients". Importance was also placed on performing as well as, if not better than, the other borough councils in the conurbation. In particular comparisons were frequently made with the adjoining three "Forge Country" boroughs. Although there was some affinity between these boroughs, there was also competition. There appeared to be the rudiments of a shared, espoused, value system amongst the senior officers of the council (many of whom had been on the same management development course). In general "openness" and "trust" were seen as important, although they were not always perceived to be present.

5.4 SUMMARY

This chapter has provided an overview of the borough of Midborough. It shows a borough council that during the period studied faced economic and social changes, was frequently delicately balanced in terms of political control, had long serving officers and members, and a culture which valued action rather than discussion. The next chapter considers some of the key events between 1974 and 1987 in more detail, before the overview of Midborough Council is analysed in terms of the themes and issues of this thesis, in Chapter 7.

CHAPTER 6: KEY EVENTS IN MIDBOROUGH BOROUGH COUNCIL 1974-87

In Chapter 5 an overview of Midborough was provided. In gathering data for this overview it became apparent that some events and issues played a key role in the history of Midborough Council, and these are explored in more detail in this chapter. These are:

- Changes in the political control of the council and the implications of this for officer-member relationships.

- Attempts to improve corporate working.

- The intervention of Management Consultants in the early 1980s.

- The definition of economy and employment as a key priority and the initiatives associated with this.

- Initiatives to get closer to the community.

Each of these forms the subject of the sections which follow.

There have been other important changes, like the schools' reorganisation and the restructuring of the Social Services Department. These are not discussed in this research, mainly because of the need to draw the line somewhere, and in this instance a fine line has been drawn according to whether a change affects the council as a whole, or, as in the case say of the schools' reorganisation, just one department.

The events related in this chapter (and the overview already provided in Chapter 5) will be reviewed in Chapter 7 in relation to the existing theories and ideas about organisational change. Some of the main questions to bear in mind when reading through this chapter are listed here. To what extent are changes internally or externally triggered? What is the shape of the change which occurs; disjointed, evolutionary, cyclical or intermittent radical transformations? What are the processes involved; rational, incremental or political? What are the respective roles of officers and elected members?

6.1 POLITICAL CONTROL AND OFFICER - MEMBER RELATIONSHIPS

This section considers the changes in political control and its effect on officer-member relationships. An overview of the period 1974-1984 is provided, but 1985-1987 (which was observed as it occurred) is considered

in more detail. Figure 6.1 summarises the political control of the council between 1974 and 1987; pseudonyms have been used when referring to the names of elected members.

In 1974 there were 66 councillors with Labour having political control by a majority of 12. (The size of the council increased from 66 to 72 in May 1982.) Labour remained in control until May 1976, when the Conservative group gained majority control of the council. They remained in effective control until March 1982, but from May 1979 onwards power was finely balanced. In May 1979, because of the defection of three leading members of the Labour group to the SDP, no party had an overall majority. A working agreement was reached between the Conservatives and the SDP, with the casting vote of the (Conservative) Mayor. In November 1981, two of the SDP members withdrew their support from the Conservative group. However, Labour refused to take control, and between then and March 1982 the Conservatives had minority control. In March 1982 the Conservatives' "rate-making" resolution was lost and Labour took control of the council. Labour's control was short-lived because in the May 1982 election the Conservatives regained majority control and remained in that position until May 1984. For the majority of this period the dominant Conservative figure was Councillor Taylor. He became leader of the Conservative group in 1978 and remained so throughout the period of the research. Councillor Taylor was a businessman, and had the reputation of being a strong supporter of Margaret Thatcher and her concern to "roll back the frontiers of the state".

The loss of Conservative control in May 1984 was something which few members or officers anticipated. Between May 1984 and May 1985, the Labour group were just in control, with the support of one SDP member, although this control was lost again in the May 1985 elections. The Conservatives regained control in May 1985, but this was only by virtue of the casting vote of the SDP Mayor (whose support could not always be relied upon), together with the support of one ex-Labour councillor. Throughout 1985/86 it was expected that Labour would regain control in May 1986 (by virtue of the nature of the one-third of seats which were coming up for election). This happened and when Labour gained a 20 seat majority it seemed as if Midborough might, at last, be entering a period

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Figure 6.1: Political control 1974-87

		Labour Leader	Conservative Leader
1974	Labour majority	Cllr Smith	Cllr Tomkins
1975	Labour majority	Cllr Davies	Cllr Tomkins
1976	Conservative majority	Cllr Davies	Cllr Tomkins
1977	Conservative majority	Cllr Davies	Cllr Tomkins
1978	Conservative majority	Cllr Davies	Cllr Taylor
1979	Conservative minority control with support of three SDP members and casting vote of the mayor	Cllr Parry	Cllr Taylor
1980	Conservative minority control with support of three SDP members and casting vote of the mayor	Cllr Parry	Cllr Taylor
1981	Conservative minority control with support of three SDP members and casting vote of the mayor	Cllr Parry	Cllr Taylor
1982	Jan to March Conservative minority control March to May Labour control May onwards Conservative majority	Cllr Parry	Cllr Taylor
1983	Conservative majority	Cllr Parry	Cllr Taylor
1984	Labour control with support of one SDP member	Cllr Parry	Cllr Taylor
1985	Conservative control with casting vote of SDP mayor	Cllr Parry	Cllr Taylor
1986	Labour majority	Cllr Parry	Cllr Taylor
1987	Labour with reduced majority	Cllr Parry	Cllr Taylor

of political stability. The leader of the Labour group was Councillor Parry, whose views were reputed to lie in the centre of the party.

As with the Labour party nationally at that time, there were a number of different factions within the Midborough Labour group. In particular, the split between "traditionalists" and those more to the "left". This split sometimes made the 20 seat majority look fragile. Despite the divisions within the Labour group it was anticipated in May 1986 that the Labour group would retain control for at least for the next four years. However, the May 1987 elections upset this prediction when Labour lost five, traditionally strong, seats. Following this, the future at that time was seen as uncertain, the likely outcome of the May 1988 election being in the balance. Labour could retain control, but the majority of seats up for re-election were Labour seats which made the risks all the greater. (In the event Labour did retain control at the 1988 election but this was far from being certain at the time.) The consequences of the May 1987 election result was a check on expenditure plans and the removal of left wing members from positions of authority within the council.

The changes in political control of the council are important in understanding the history of the council for two reasons:

1. The effect on the continuity of the policies of the council. There are areas, like community development, where the two parties had very different policies.

2. The effect on the relationship between officers and politicians.

The first of these, the implications for community development, is explored in Chapter 9. The second, the effect on officer/member relationships, is considered here.

The word that has frequently been used to characterise the relationship between officers and members in Midborough is that of "suspicion". The incoming Conservative group in 1976 were suspicious of a Chief Executive and chief officers who had been appointed by a Labour administration in 1973. In fact all the Conservative councillors had, at this time, voted against the Chief Executive's appointment. Similarly, in 1984, Labour

members were reputedly suspicious of the loyalties of the officers, who had been implementing Conservative policy since 1976.

Where control of a council swings frequently there is a special need for officers to be seen as independent, but this is difficult. The long term need for impartiality was compounded by a short term problem caused by an unexpected Labour victory in May 1984. As one officer put it, "the officers had not expected it and so had not taken the precaution of distancing themselves from the Conservatives". When Labour gained control in 1984, they tried quickly to undo much of what had been done by the Conservatives following the management consultants' reviews. They also wanted to implement new policy priorities like community development. A number of the Labour group's initiatives ran into difficulties: they were unable to get rid of the Director of Finance (who was associated with the management consultants' review); and the Community Development Committee became overloaded with petty business and experienced demarcation problems. In both these cases some blame was placed on chief officers, by members, for thwarting the wishes of the Labour group.

Despite suspicion there was an attempt to improve officer/member relationships. Shortly after the elections the Labour leader asked for a weekend meeting of chairmen and chief officers; this occurred in May 1986. The impression given by many chief officers and several members is that this weekend went well. It was followed by an evening meeting in June 1986, where informal working groups of chairmen and chief officers were established to look at certain key areas including: housing, community development, and public image. The idea of officer/member working groups had first been proposed in an internal officer paper in March 1986.

These groups should have met of their own volition during the summer, but not all of them did. A deliberate decision was made not to include the lead chief officer on these working groups, but this did not always work out. For example, when the housing group met, the Chairman of the Housing Committee agreed to the Chief Housing Officer going along. This group (or rather the chairman of the group - the Chairman of the Housing Committee!) then concluded that the various housing issues were already

being progressed by existing committees and so decided that there was no need for the housing group to meet again. This example is not untypical, there was reported to be some fear by chief officers that departmental policy issues might be taken out of their hands. One officer commented that:

> "The groups didn't survive and there is no evidence of what they actually did. Officers or members or both of them effectively killed them off. We didn't think about how they would plug into the formal system. There was a view at the weekend meeting that Midborough could be changed quickly, this was not the case".

The next general officer/member meeting came one evening in November. Its focus was first a report back from the "issues groups" and then the beginnings of trying to establish priorities for the next year's budget. There was a follow-up meeting in December to clarify what the budget proposals were. Subsequently, the budget proposals that came from departments did not appear to follow the priorities that had been agreed in December, so early in 1987 the Acting Chief Executive and the Chief Finance Officer sat down with each chief officer and went through the budget proposals, splitting them down into three categories: first priority, second priority and third priority (things that should only be done if there was money left over). The revised budget proposals (now more in line with priorities) went back to another informal meeting of chairmen and chief officers. At this meeting "all hell was let loose". Chairmen saw that their pet projects were not going to be implemented and objected to the proposals. For example, the Chairman of the Education Committee had made a manifesto promise on nursery education, but this was not an overall priority of the Labour group. The chairmen started switching money from first priority to third priority areas. In the end the budget for 1987/88 was resolved in February 1987 in a two hour evening meeting of officers and members. This was described as:

> "A lottery with chief officers sat next to their chairmen and each pairing saying what they would be prepared to chuck out"

> "It ended up with an old fashioned version of incrementalism"

(Although other chief officers have commented that there was more careful consideration by chairmen and chief officers than the first quote implies.)

The budget setting process indicated another important element of officer/member relationships, the relationship between chief officers and their chairmen. During interviews, each chief officer stressed the importance of establishing good working relationships with his chairman, and also commented that this relationship usually took priority over any corporate working. The Chief Executive (1973-86) stressed the crucial importance of the working relationship with the Leader of the Council. Similarly, the two subsequent Acting Chief Executives also acknowledged the importance of this relationship and its time consuming nature. One chief officer observed that the lack of a permanent Chief Executive (post-1986) meant that the chairman/chief officer relationship became even more important.

In summary, the finely balanced nature of political control in Midborough resulted in frequent swings in control during the 1980s. The elected members (particularly Labour councillors) were suspicious of officer allegiances. Nevertheless the relationship between chief officers and their chairs of committee was an important factor in shaping decision making and action.

6.2 MOVES TO ACHIEVE CORPORATE WORKING

Corporate management in the early days was encouraged by the Chief Executive, but it was in the face of some opposition and apathy from service department officers. However, corporate management had an impact and many of those interviewed in the mid 1980s referred to the 1970s as the corporate management era. In addition to the formal structure outlined in Figure 5.5 (Chapter 5), from May 1975 a network of interdepartmental teams was set up:

1. A central co-ordinating team - consisting of third and fourth tier officers from the central departments. Phrases like "A team of bright young officers" have been used to describe this team.

2. Six Programme Area Teams

3. Six Programme Implementation Teams

4. Three Resource Teams

5. A Local Plans Team

6. A Research and Information Team

In reviewing the success of corporate management in 1978 the Chief Executive acknowledged that there was an inherent departmentalism to be overcome, but he was optimistic about what had been achieved and what could be achieved. A corporate identity had been achieved - letterheads, vehicle liveries, notice boards and advertisements began to appear in corporate rather than departmental style. Similarly the budget setting process had in the view of the Chief Executive become more corporate. However, not all the corporate management initiatives were successful. Following a review of the council's performance in 1975 there was an attempt to arrive at a comprehensive definition of longer term areas of concern, aims and alternative policies:

> "The exercise generated a fair amount of paper but was of little practical value..... The intentions behind the exercise were good but the results, to some extent, were counter-productive. It was seen as a burden, a waste of time and irrelevant to our immediate problems". (Chief Executive, 1978)

By the early 1980s the Chief Executive was no longer enthusiastic about corporate management:

> "Although it is impossible to give any definite date for the change, there is little doubt that after some two years operation my approach was beginning to change ... From the 1976 period then, I tended to place less reliance on working through the formal structures. Although these obviously remained in existence and continued to evolve, the main emphasis of my role did become more selective". (Chief Executive, 1982)

Even by the mid 1970s the pressure for change was increasing mainly due to the change in political control. The new leader, Councillor Tomkins was retired from his job and able to give more time to the council. In the words of the Chief Executive he:

> "needed to be involved in tangible projects rather than systems.....Now I realised that without member support I could

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achieve little no matter how good the systems, and to achieve member support I must be identified with visible success".

The interdepartmental teams continued to exist up to 1981/82. Few were formally disbanded and two, the Housing Implementation Team and the Land Resources Team continued to meet in 1987. However, for the most part they withered away. In interviews, officers identified two things as being important in the demise of corporate working: firstly, the change in political control - as one officer said "Corporatism became Non-U when the Conservatives came in (1976) and the cuts came"; secondly, the intervention of the management consultants in 1979/80. Several quotes capture the views of many officers with regard to the effects of the introduction of the management consultants:

"Interdepartmental working collapsed with the management consultants"

"The management consultants was a change in political direction which led to greater departmentalism"

"The management consultants led to a loss of morale and corporatism"

Although it should be noted that one prominent chief officer said that he did not share any of these views.

Departmentalism is a reoccurring comment in analysing why things did not work:

"The Central Co-ordinating Team was good in the early days, but was seen as a threat to chief officers, who argued that they, not lower level officers should be involved. The new grouping involving chief officers never really worked. The demise of the Co-ordinating Team did effect my ability to get things done on an authority-wide basis". (Chief Executive)

The way officers saw the corporate management era of the 1970s varies, but a good summary of these sentiments is provided by one assistant chief officer:

"Corporate management in the formal sense was a fiasco, too many meetings, but it did build up relationships"

Although teams like the Central Co-ordinating Team no longer continued to exist, an important network of communication had been established at the

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third and fourth tier level. These were people who, in the words of one team member, "were willing to align themselves with the Chief Executive". Although they no longer met on a formal basis the Chief Executive continued to use them individually and in small ad hoc groups as sounding boards and as resources (given that he had no staff of his own). They were often the people who were involved on project teams - like that for the enterprise zone (see Section 6.4). From the late 1970s onwards ad hoc project groups, brought together for specific purposes, were the norm, rather than formal corporate groupings. The improved network of communications between departments was important. In 1985, every senior officer interviewed referred to the many links with other departments and outside organisations which were important for their day to day operation. In some instances these links went further than consultation, and encompassed joint working arrangements.

The enduring groupings of the corporate working era have been the Chief Officers' Management Team and the Policy and Resources Committee. There are differing views as to how successful each of these have been. Taking the management team first, it is generally acknowledged that the creation of this team did lead to a better understanding of corporate issues on the part of chief officers. However, when chief officers were interviewed during summer 1985, there was a general despondency about the management team. Many chief officers pointed to the management consultants era as the beginning of this malaise. Certain chief officers were given salary rises and placed on short term contracts, whilst others were not. There was mistrust and suspicion of what was going on behind the scenes. The "real" business was being done outside the management team meetings, which led one chief officer to refer to the meetings as a "gentlemen's club", another called them "prayer meetings", and yet another simply said that the management team had "gone to sleep". Working relationships in the team were also difficult, "there is no rapport or trust" According to several chief officers, things were exacerbated by a power struggle, between the Chief Executive and the Director of Finance, about who should lead the council. However, one chief officer commented that once the management consultants' changes had been implemented the management team became "a very real and important tool - there was no need for secrecy after that".

The retrenchment into departments following the management consultants' intervention was compounded from 1984 onwards by the increasing outward focus of the Chief Executive and other chief officers in planning for the consequences of the proposed abolition of the metropolitan county council.

It was pointed out earlier that there were two enduring features of corporate working - the Chief Officers Management Team and the Policy and Resources Committee. So far the emphasis has been on the former, so what about the Policy and Resources Committee? This committee became a one party committee in 1976/77. Many of the items on the agenda in the early years tended to be of a minor and administrative nature - for example, the franking of mail. This improved over the years, but in general the committee has been more concerned with resources (acting as a referee as to who should or should not be resourced), than with establishing policy.

From an early stage there were attempts at trying to cope with reduced expenditure by looking at policy options. Different terminology was used in this process: prioritising key issues, identification of low priority and high priority activities, redirection packages, and so on. These initiatives were largely officer led and only marginally affected the way in which resources were allocated. An "incremental approach" remained the best description of the process of resource allocation. As one officer commented "Key issues became status symbols". Relating resource allocation to priorities required difficult and overt political choices and, as one officer commented, "the politicians were not prepared to take the political hammer of having their dirty linen washed in public". The 1987/88 budget setting process has been described (in section 6.1). It is a good example of the covert nature of the budget setting process and the wish to keep policy statements as just "status symbols".

In summary, the early hopes for corporate working were largely thwarted by departmentalism and the suspicion following the reviews by the management consultants. However, the links and relationships built via the corporate management structures continued to be an important basis for informal and ad hoc cross-departmental working groups.

6.3 THE INTERVENTION OF MANAGEMENT CONSULTANTS

The "management consultants era" has been mentioned several times already. In the first round of interviews all chief officers and 18 other senior officers were asked to describe in their own words how they saw Midborough Council's history and what the important landmarks were. Without any direct questioning, virtually all the officers mentioned the effect of the management consultants' intervention in shaping attitudes and ways of working. The only exceptions were education officers for whom the management consultants did not appear to loom so large.

So what does this so called era consist of? Many officers in Midborough would agree with the comment of one chief officer that the management consultants came in through the back door. In 1979 they were engaged by the Director of Finance (and agreed by Finance Committee) to advise on a contract which Midborough had made for building houses on a profit sharing basis. Their report, in March 1980, looked at the control of contracts in general and the work organisation of quantity surveyors in particular. Following this, according to one chief officer:

> "The Director of Finance and the management consultants started to talk to the Leader of the Council, and almost out of nowhere there was a brief to review the Architects' Department"

In April 1980 the management consultants reported on Architectural Services and the Technical Services Section of the Housing Department. They came up with a variety of different ratios about what the staffing should be. There was a lot of acrimony about the figures, and according to one chief officer "The Chief Architect couldn't cope" and he retired later in the year.

At about this time the Chief Executive became involved:

> "The political leadership was impatient for results. Chief officers were not, in their view, coming up quickly enough with realistic proposals for savings. The current leader, Councillor Taylor, suggested an independent review by the management consultants. No matter what my personal views I decided that I had no alternative but to support this initiative and to ensure that it worked".
> (Chief Executive, 1982)

The Chief Executive suggested that the management consultants look at the Personnel Section, and in March 1980 the Policy and Resources Committee asked the management consultants to carry out further work in Engineering Services and the Personnel Section. Their remit was to look for greater efficiency and savings. Over the period of the next four years the management consultants looked at all the departments of the council. A schedule of their reports is given in Figure 6.2.

Although the Chief Executive signalled his intention to become directly involved and play a leading role in the consultants' investigations, this was not always perceived by the other chief officers. There was generally a feeling that the Director of Finance was "pulling all the strings" and the Chief Executive was not in control. Officers also commented that the consultants put the pressure on and forced the pace, but during the second part of their four year stay they began to be used by chief officers to get things done and get rid of people they didn't want. As one officer put it:

> "The management consultants were used as a catalyst - in the end they said what officers had been saying for years, but they were seen as impartial by the members"

The main changes to departments to arise from these reports, particularly the Corporate Structure Review, were:

1. Housing and Environmental Health to be merged under the Chief Housing Officer (1984).

2. Architects, Engineers and Planning to become the Technical Services Department, under the Chief Environmental Health Officer (1984).

3. Research and Information Section to be transferred from the Planning Department to the Chief Executive (1982).

4. At the suggestion of the Chief Executive a splitting of the Legal and Administration functions (following the resignation of the Chief Legal and Administration Officer), and the creation of two sections which were directly responsible to the Council, but within the Chief Executive's "department" (1982).

There were many other restructuring proposals which did not come to fruition, but caused a lot of trauma on the way. For example, a review of the Personnel Unit suggested the removal of management services from Personnel. The Personnel Unit had only been established with the

Figure 6.2: Schedule of Management Consultants' Reports

Reports on:	Requested	Received
Architectural Services and Technical Services section of Housing	March 1980	April 1980
Engineering Services	March 1980	Sept. 1980
Personnel Section	March 1980	Nov. 1980
Social Services	July 1980	Jan. 1981
Purchasing and Stores	Sept. 1980	June 1981
Planning and Development Dept.	Sept. 1980	Oct. 1981
Housing Services	March 1981	Nov. 1983
Admin. Org. of Education Dept.	March 1981	Jan. 1983
Finance Dept.	July 1981	March 1982
Leisure and Recreation Dept.	?	Dec. 1982
Environmental Health Dept.	Jan. 1983	?
Corporate Structure Review	Nov. 1983	Dec. 1983

Note: The dates listed in the requested column refer to the first time approval was given by the Policy and Resources Committee. Often the date when a programme for the review was agreed upon was later, eg Housing Services - initial approval March 1981, but the programme for the review was not approved until January 1983. Where the question mark appears, no formal record of the appropriate date was found.

inclusion of management services since January 1980. (This was the date on which the Personnel Unit was transferred to the Chief Executive's; before that time the Personal Unit was part of the Finance Department and management services was part of the Legal and Administrative Services Department.) Personnel Officers eventually persuaded members that management services should remain within Personnel, but there was a substantial trimming of staff numbers to achieve this.

With regards to the structure of committees, the central committees remained largely unchanged. There was a proposal to reshape the programme area committees by establishing five departmental strategy committees and complementing these by five service committees for the day to day aspects of the service. However, the Conservatives lost control before this could be implemented.

This period saw a relatively high turnover of chief officers:

> 1980 Chief Architect retired
> 1980 Premature retirement of the Director of Education
> 1981 Premature retirement of Director of Social Services
> 1981 Resignation of Director of Legal and Admin Services
> 1983 Early retirement of Director of Engineering Services
> 1983 Director of Planning transferred to another job.

The Director of Legal and Administrative Services left to go to another job, but apart from this, as one officer commented:

"The rest have been forced out in non too pleasant circumstances".

Of those that remained, the six directors of the newly formed departments, together with the Chief Executive and the Chief Finance Officer were offered fixed term contracts and given increases in salaries. (The Finance Department was in effect given two chief officers - The Director of Finance was due to retire in September 1986 and the Deputy Director was appointed as Chief Finance Officer in the meantime.) The other 'chief officers' were excluded from this new contract arrangement (and also excluded from the salary increases), these included the Borough Solicitor, Personnel Officer, Chief Administrative Services Officer, Borough Planner, Borough Architect and Borough Engineer.

The changes in terms of departmental mergers and the introduction of fixed term contracts for certain chief officers were made in January/February 1984. The introduction of fixed term contracts, and in particular the large salary increases, resulted in a lot of adverse press coverage. In May 1984 Labour gained control, and one of their first acts was to undo most of what had been done following the management consultants' corporate review. The Policy and Resources Committee meeting in May 1984 resolved that the present departmental and top management structure was too remote and that a new structure was needed which would be "more sensitive to the needs of services for the community". All directors were to come off fixed term contracts and be moved back onto (lower) nationally prescribed scales. The departments and committees proposed (and approved) are shown in Figure 6.3.

Each of the new departments was to be headed by a chief officer (rather than a director - except where this was a legal requirement, as in Social Services). In the case of the Planning and Architecture Department, a Borough Planner was appointed in addition to the Chief Planner/Architect (who was an architect).

During May and June 1984 officers were appointed (redeployed) to each of the main posts, except in the case of the Economic (Finance) Department. At this time the Labour group wanted to get rid of the Director of Finance and the Chief Finance Officer. At the May 1984 meeting of the Policy and Resources Committee standing orders were suspended to enable the discussion to take place in the absence of the Director of Finance. The legal wranglings continued throughout 1984, with Director of Finance and the Chief Finance Officer refusing to give up their present contracts of employment (the fixed term contracts). The Labour group were unable to force a vote through Council on the sacking of these two officers. One member, the Vice-Chairman of Finance Committee refused to vote with the group. The Director of Finance was said to have taken the Vice-Chairman of Finance away to a conference and he had come back as a "Director's man".

The problem had still not been resolved when Labour lost control in May 1985. The management of the Finance Department was only finally decided in August 1985 with the resolution that the Director of Finance was to be

Figure 6.3: Structure Proposed by Labour in 1984

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DEPARTMENTS
            Education
            Housing
            Social Services
            Planning and Architecture
            Environmental Health
            Leisure Services
            Legal (new department)
            Economic (former Finance Department)
            Personnel (new department)
            Public Works (former Engineers Department)
COMMITTEES
            Policy
            Economic
            Administration, Property and Legal
            Personnel and Employee Relations
            Effectiveness and Efficiency
            Education
            Environmental Health
            Public Works and Transportation
            Planning and Architecture
            Housing Management
            Housing Operations
            Leisure Services
            Social Services
            Community Development
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retained as a financial adviser from October 1985 to September 1986. The Chief Finance Officer was to become head of finance, with Section 151 responsibilities, he was to relinquish the present fixed term contract and the council were to offer him their full support and confidence.

Restructuring did not end there. In May 1986 the Labour group regained control and created:

- A new Community Development Unit within the Chief Executive's by transferring Youth and Community Services out of the Education Department.

- A new Economic Development Unit/Department, with its own chief officer. This new department was created out of the Industrial Development Unit which originated in 1979 and was formerly under the control of the Director of Finance.

In summary the management consultants were brought into Midborough to carry out a restricted and specific task, but their remit grew (with the support of the Director of Finance and the Conservative leader) and developed into a full review of the council. The consequences of this review left many of the officers hurt and suspicious, and gave the Labour councillors a platform from which to launch an attack on the Conservative group. The review was subsequently seen as a watershed in moving away from the optimism and corporatism of the 1970s.

6.4 ECONOMY, EMPLOYMENT AND ASSOCIATED INITIATIVES

Even though, as mentioned in Chapter 5, the growth in unemployment did not really hit Midborough until around 1980, the Council's concern for the economy predated this. For example, in 1976 the Policy and Resources Committee were considering the possibility of using the superannuation fund to aid local industry (following the example of South Yorkshire County Council). Early in 1977 a special sub-committee of Policy and Resources was proposed on industry and economy. In 1978 there was the first joint committee meeting with Chambers of Commerce and Trades Councils to consider matters relating to the economy.

The period 1979/80 saw an increase in activity. The Industrial Development Unit was created in 1979/80, and in 1981 the Policy and Resources Committee prioritised key issues as:

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Primary   - Economy and Employment
Second    - Services
Third     - Use of resources
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The late 1970s and 1980s saw increased bids for funds from central government. The names of the schemes changed over time, but they were aimed at urban regeneration. In 1986, Midborough was given Urban Programme status by the Department of Environment (DoE). Midborough's first major initiative came with a bid for an enterprise zone in 1980. It is worth spending a little time discussing this bid, because of the interesting processes involved and its subsequent consequences for the council.

The Local Government Planning and Land Act, 1980 contained provisions for, amongst other things, the creation of enterprise zones. The enterprise zone was an experiment to determine the implications of more liberal planning and tax laws for economic development. The concessions available to industry locating within these zones were financed by central government for a period of ten years. The April 1980 Budget speech outlined the enterprise zone concept and mentioned nine possible areas, the authorities of which would be invited to prepare an enterprise zone scheme. Midborough was not one of these authorities, but a neighbouring borough was. The Chief Executive, in discussion with others, promoted the possibility of Midborough making a bid for an enterprise zone. He gained the support of the Leader of the Council but, if Midborough was to stand a chance, it had to act quickly.

The Chief Executive had taken the initiative in pushing forward the bid for the enterprise zone and he continued to play a leading role. The means by which it was progressed involved the setting up a project team including the: Chief Executive, Head of Industrial Development Unit, Deputy Director of Planning and Development, a representative from Environmental Health and a representative from Engineering Services.

The Blackbrook Valley area was identified as a possible area for the enterprise zone. Between the Budget speech in April 1980 and the 9th May 1980, this group had drawn up a proposal and despatched this to central government. The response from central government in June was not wholly

discouraging, but was generally pessimistic about Midborough being in the 'first bite' of designations. However, the Chief Executive was reported by other participants to have remained enthusiastic and optimistic about the chances of success. He managed to instil this enthusiasm into the project team. The team continued to work in haste and in some isolation from the rest of the council. An MSc student (Sharp, 1981) who studied the enterprise zone process commented that the operation was highly centralised:

> "Relevant interests were kept informed but there was never any pretence at full and frank discussion of the concept. This was so for at least two reasons:
> (a) Discussion would have stimulated opposition as well as support.
> (b) Both the discussion and the opposition would be time-consuming to deal with". (1981, p 35)

So informal working was the order of the day, both inside and outside the council (e.g. with landowners, CBI, County Council, etc). One of these informal contacts, an M.P., became involved in promoting Midborough's case. However, some seemingly important parts of the council were not kept informed - for example, the policy sections of the Planning Department. Similarly the retail sections of the local Chamber of Commerce were not involved.

On 29 Oct 1980 an announcement was made in the House of Commons that Midborough was to receive an invitation to prepare an enterprise zone scheme. At this stage the project became more public - there was an objections/representations stage and an official 'public participation' event. The Midborough scheme was laid before the House of Commons on 19 June 1981 and it received formal designation on 10th July 1981.

An interesting feature of this initiative is the extent to which it avoided the usual channels of communication and decision making within the council, at least in the early stages. In fact the enterprise zone did not go to committee for approval until February 1981, nine months after the initial submission was made. There may have been some complaints about this, because in March 1981 the Policy and Resources Committee placed on record their appreciation of and confidence in the Leader of the Council for all the work he had done to promote the establishment of the enterprise zone in Midborough. The enterprise zone

was an experiment, and some officers were concerned about what the consequences of a possible 'free for all' might be. In June 1983 the Chief Executive reported to committee the "considerable adverse publicity nationally and locally concerning the enterprise zone". Nevertheless, in 1984 Midborough applied for and received a second, adjacent enterprise zone.

The concerns about the enterprise zone were heightened in 1985 when one of the property developers involved with the zone, proposed the building of a major shopping complex on the site. There were fears as to what this might do to existing shopping centres in Midborough and in adjacent boroughs. However, there were counter arguments which said that if out of town shopping was the pattern of the future then Midborough needed to get on the "band wagon". The belief was that if the shopping centre was not built in Midborough, it would go elsewhere.

In September 1985 the Secretary of State for the Environment issued an invitation to the Council to prepare a modification to the Midborough Enterprise Zone Planning Scheme to exclude retail development. The developers were invited to give a presentation to the Council in December. Following this the Council decided (Special Council meeting in February 1986) not to take up the DoE's invitation, but to wait and see if the Secretary of State 'called in the scheme' for his determination. On the day after the local government elections (7 May 1986) the Secretary of State for the Environment informed Midborough that he was not going to call in the scheme and that the council were therefore free to issue planning consent. Complications arose, in that May 1986 saw the return of the Labour administration to power, and they had already shown themselves to be against the shopping development scheme. Officially Labour did not take control until 12 May 1986, so the Chief Executive chose to consult the Leader of the Conservative group, and then he directed that the approval notices be sent out. The Labour group were furious and were threatening disciplinary hearings. In the end an early retirement package (on the grounds of ill health) was offered to the Chief Executive (who at this stage was still only 45 years old) and he accepted. Subsequently, although there was a decision to appoint another chief executive this did not occur for some time. In the meantime there were two acting chief executives: first the Chief Legal Officer (from May

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1986 to December 1986), and second the Chief Environmental Health Officer (from December 1986 onwards).

In summary, the decline in the local economy, coupled with the perceived need to be seen to be doing something to counter this, led to an increasing focus on economic development initiatives in the 1980s. The enterprise zone project was one of these initiatives, and its progress is interesting in that it demonstrates the role of informal groups and coalitions of interest in the change process.

6.5 INITIATIVES TO GET CLOSER TO THE COMMUNITY

The possible remoteness of the council from the public was not really an issue which seemed to occupy the minds of members until the 1980s, but it was a latent issue throughout the 1970s. Midborough was formed by an amalgamation of several former authorities with traditionally independent communities. These constituent parts fought against being taken over by "big brother", and some would have dearly loved to regain their independence. Immediately following the 1974 reorganisation the DoE proposed the setting up of neighbourhood councils in metropolitan areas. It was a proposal which was not supported by Midborough (Policy and Resources Committee September 1974). One town council did fight to have Midborough carry out a parish council review of the borough. It was something that the Conservative controlled council resisted (the espoused reason was that of cost) and this led to some sharp exchanges of views between the town council and the Leader of Midborough Council (at this time Cllr. Taylor). Partly for this reason, Midborough was keen to be seen to be doing something specifically for local communities, and when approached by the DoE to take part in an "Area Management" experiment the council agreed, especially as the DoE were offering to foot the bill for a period of four years.

It was late in 1975 that the DoE approached Midborough to enquire if they would be prepared to take part in an experiment into area management. The Council agreed in December 1975, and in 1976 the Glass Hill local plan area was chosen for the experiment. It was seen as "an opportunity for closer member and officer involvement with the needs of an area and its inhabitants". An area team of officer and ward members was formed

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and the project was initially led by a senior finance officer and then taken over by an officer from environmental health. The experiment ran from 1976 to 1980 and although it led to some learning it was not a great success. An MSc student's project (Rudge, 1980) on the area management experiment referred to the problems of:

- Commitment from senior officers and politicians;
- Staff turnover with subsequent lack of continuity;
- Lack of integration of the area team into the decision making processes of the council.

The final report on the Glass Hill Area Management experiment was published in March 1981. The experiment was planned to feed into a decision about the appropriateness of establishing area, neighbourhood, or parish committees in Midborough. However, as the minutes of the Policy and Resources Committee show this decision was consistently deferred, and then eventually got shelved in the trauma of the management consultant years. However, in June 1982 there was an approval in principle for carrying out a review of the borough under Section 48(8) of the Local Government Act, 1972, to consider the formation of parishes. Nothing substantive occurred in the way of further developments on area management. However, in terms of getting "closer to the community" two other initiatives arose in the 1980s:

1. Firstly, the Housing Department gained member agreement to a strategy of decentralising housing services down to estate office level.

2. Secondly, the incoming Labour group in 1984 placed community development on their agenda and progressed this by establishing a Community Development Committee.

Both of these initiatives are the subject of separate detailed case studies, (in Chapters 8 and 9 respectively), and so are not developed further in this chapter.

To summarise this section, the continuing existence of distinct communities in the borough meant that a community or area focus was at least paid lip service. However, the area management experiment demonstrated how hollow this approach can be when there is little support from the top of the organisation.

6.6 SUMMARY

Having provided a general overview of the borough (in Chapter 5) and considered in more detail some of the key events occurring between 1974 and 1987 (in this chapter), it is now appropriate to consider how change during this period can best be understood. The next chapter (Chapter 7) considers the overall picture of change emerging from Chapters 5 and 6 and compares this picture with the theories of change discussed in Chapters 2 and 3. As should be evident, the answers to the questions posed at the beginning of this chapter are not easy. It is usually possible to identify internal triggers for the changes, but these occur against a backcloth of external conditions which either stimulate the internal triggers or provide a favourable climate for them to take root. The shape of change is rather opaque; at times it appears to have the hallmarks of a disjointed or incremental shape, however, over a relatively short period of time some radical transformations appear to have taken place. Whilst individuals can be considered to have acted rationally in the pursuit of their own interests, the process of change appears to be characterised by politics rather than rationalism. Officers are often seen in the lead roles, but the relationship between chief officers and their chairmen and the Chief Executive and the Leader of the Council is frequently a key factor. Each of these comments is now explored in greater depth in Chapter 7.

CHAPTER 7: ANALYSIS OF THE OVERVIEW OF CHANGE IN MIDBOROUGH

Having considered the history of Midborough 1974 to 1987 in Chapters 5 and 6, this chapter considers how this history might best be understood in terms of the themes and issues of this thesis. In particular it considers how change during this period can be characterised and how this compares with the theories presented in Chapters 2 and 3.

7.1 THE SHAPE OF CHANGE

The picture which emerges from the overview of Midborough is one of both continuity and change. Continuity in terms of the enduring dominance of departments, the pride in the area, and the tradition of independence of Midborough's constituent communities. Against this backcloth of continuity there are changes which can be identified. In the 1970s there was the introduction of corporate structures and planning mechanisms. This was followed by the demise of formal corporate working but the continuance of informal corporate project groups. The financial restraints of the late 1970s brought with them a greater focus on the costs of service delivery and the introduction of efficiency improving measures. These measures included: management and service reviews; the introduction of competition; the privatisation of service delivery; a greater emphasis on income generation and operating "commercially".

The diagram in Figure 7.1 aims to depict this pattern of continuity and change. There are several important points to note from the diagram. The first of these is that the changes occurring in Midborough do not follow on from one another in a neat progression. Several ideas and ways of working have developed in parallel to one another; for example, decentralisation, efficiency, and economic development. A second point is that these parallel developments are not totally independent but are linked; for example, the efficiency focus feeds into and boosts departmentalism. A third point is that in addition to the parallel development of ideas and practices, there were also incremental changes with new ideas and practices emerging from a previous pattern of working. A good example of this is the way in which informal corporate project groups emerged as a way of working out of the corporate management era.

Figure 7.1: Pattern of Continuity and Change

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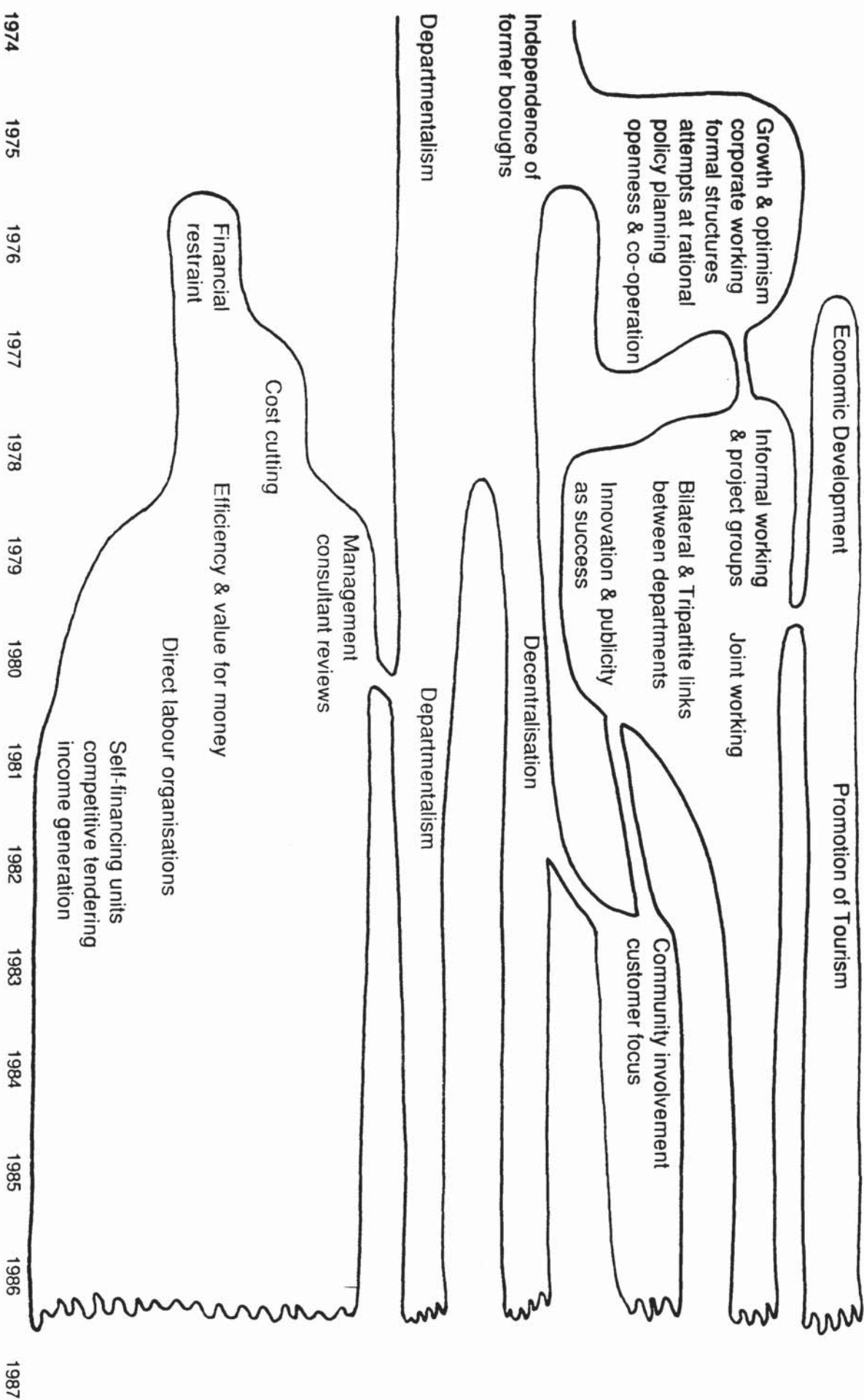
The "shape" of change which has found favour with researchers of public sector change is incrementalism (Chapter 3). Here change occurs by making small step by step alterations to the "existing reality", which may over a period of time result in a new reality. This step by step change might be purposive (logical incrementalism) or haphazard (disjointed incrementalism). The change process in Midborough might be described as incremental (more "disjointed" than "logical"), but there is something of a paradigmatic shift occurring around the late 1970s/early 1980s. This shift was certainly there in terms of the "espoused theories" and for many it appeared to be a shift in their "theories in use" as well. The ideology of the early 1970s (as evidenced by committee and other reports and interviews with officers) can be characterised by the following words: growth, optimism, professionalism, peer group approval, corporate approach, formal systems and formal plans. Whereas by the mid 1980s this ideology had been replaced with: "every man for himself", departmental consultation, efficiency, community involvement and support, client/customer satisfaction.

As Figure 1 shows there is no major watershed and many of the ideas of the mid 1980s developed over a ten year period from the mid to late 1970s onwards. However, the management consultants' reviews in many ways symbolised that things had changed and that the rules of the game were different to the "openness and trust" values of the 1970s. Certainly the majority of those interviewed saw the consultants' reviews as a significant point of departure.

7.2 WHAT CHANGES

The literature reviewed in Chapters 2 and 3, particularly that related to the public sector, suggested a focus on structural change as a panacea for all ills (Hoggett 1987a; Stewart 1990). There is certainly some evidence to support this in the general history of Midborough. For example, the moves towards corporate working in the 1970s were focused on the structural organisation of formal working groups and committees. Similarly the management consultants' reviews to improve efficiency were centred on structural reorganisation, with the regrouping of departments and committees. In the late 1970s and early 1980s, when economy and

employment moved to the top of the agenda, there was a similar structural response with the creation of the Industrial Development Unit. The one main exception to this structural orientation was the enterprise zone initiative. Here there was no structural response but the creation of a small, informal working group which did not plug into the formal structure of decision-making until very late in the process.

There were many changes to structure and some experiments with new forms of working during the period (for example, the area management pilot). Changes to structure did not necessarily lead to permanent change. As Warwick (1975) predicted, structure tends to grow back after being pruned. A good example of this is the resurrection of the old structure following the pruning recommended by the management consultants' review.

Another important question is whether there is evidence of structural change having a wider impact, and whether it is possible to identify either prior or subsequent change in procedures/process or ideas/attitudes. As discussed in Chapter 2, Pettigrew (1987) argues that the stages and order of change are: core beliefs, structures, systems and strategy. The general overview of Midborough does not reveal a neat movement through such a set of stages. Changes to structure and systems tend to have preceded any changes in core beliefs and strategies. There were attempts at trying to change values and ways of working, for example, area management and officer-member working groups. Both of these were perceived to have failed because they did not plug into the formal structure. There was a perception in Midborough that to change the way things were done there was a need to modify formal procedures and structures.

7.3 THE PROCESS OF CHANGE

The literature on change in the public sector clearly shows that resistance to change is strong and this may be particularly so in the "professional bureaucracy" of local government (Greenwood and Stewart, 1986). There are certainly many example of resistance to change in the general history of Midborough. The main source of power for this resistance is departmental, as personified by departmental chief officers. Departmental power is achieved by controlling information and

resources, and by chief officers establishing a coalition with their committee chairs. Where change occurred this resistance was bought off via negotiation and compromise solutions. During the period of the study there were many attempts at trying to affect changes in the pattern of working (for example, corporatism and area management in the 1970s, and priority budget setting in the 1980s). Each time it was perceived that departmentalism had foiled attempts at change. However, these events did not pass without any effect. For example, the formal mechanisms of corporate working fell into disuse, but informal links had been made and these continued to function.

Departmental interests were one of the main shaping forces throughout the period studied. There were several examples of changes being "tamed" by departmentalism. Corporate working has already been mentioned, the management consultants' reviews were another example. After the early reviews, the reaction of chief officers appears to have been "if you can't beat 'em join 'em". As a result the later review reports were said to incorporate the actions that the key chief officers wished to see. Similarly, the attempts to introduce a more rational process into budgetary planning were said to have been re-shaped by chief officers and their chairs of committee working together to protect departmental interests.

A popular model of change promoted by organisational development writers and supported by researchers (Biggart, 1977) is the three stage process of unfreezing, moving and refreezing. From the general overview it is not possible to detect these three phases. There appeared to be little attention to unfreezing and refreezing. This may reflect the value Midborough appeared to place on action, and hence a concentration on the moving stage of this model.

The scant attention paid to unfreezing and refreezing may help in understanding the temporary nature of some of the changes. Biggart described the stages of change as: reorganise structure, discredit the old ideology, develop a new ideology and get rid of the old guard. In the case of the corporate management initiative in the 1970s, the first of these stages was implemented with the new post-1974 departmental and committee structure. The second stage of discrediting the old ideology

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was in part evident, there was much criticism nationally of the old ways of working, and this was reinforced locally by the Chief Executive. The third stage of developing a new ideology was also apparent, the many papers and talks given by the Chief Executive are evidence of this. New symbols were created (such as the new logo), there was increased communication throughout the council, and some training was introduced to reinforce the new message (for example, senior officer training). The fourth stage of getting rid of the old guard was not really accomplished. Most of the senior and other officers in the council had been with the Midborough for many years. There were few new faces to support the new message, and this may in part explain the limited success of corporate management.

Another strand in the literature points to the adoption of ready-made solutions in the face of problems (Cyert and March, 1963). In local government this was felt to be more likely given the importance of professional networks (Greenwood and Stewart, 1986). Certainly the corporate management structures of the 1970s were ready-made solutions adopted from the Bains Report (1972). Similarly the proposal made by the management consultants following their departmental reviews in the early 1980s followed a local government trend at that time of amalgamating smaller departments into larger directorates. Another example of importing ready-made solutions is the response of the borough council in trying to cope with the down-turn in the local economy. This response borrowed ideas from elsewhere, for example, using the superannuation fund to aid local industry (borrowed from South Yorkshire County Council) and the establishment of an industrial development unit.

As well as adopting solutions from elsewhere, there is also the question of the extent to which an organisation learns from its own experience. Metcalfe and Richards (1990) refer to the importance of an organisation learning to "read across", transferring ideas developed in one area into another. Argyris and Schon (1978) go further and argue that as well as learning to solve a particular problem there is also the habit of learning which needs to be developed - the learning to do such things. They refer to these two facets of learning as "double loop learning". In the general history of Midborough there were examples of the organisation

learning from its own experience. The failure of the standing cross-departmental groups in the 1970s was something which was not repeated in the 1980s. The success of project groups in achieving action (for example, on the enterprise zone) was something which the organisation (and particularly the Chief Executive) learned from, and informal project groups became the norm for the 1980s. The organisation set up some "organisational learning" mechanisms. The research group in the Chief Executive's was one of these. Another was the management services section in the personnel department, which aimed to pass on learning (e.g. on privatisation) from one part of the organisation to another.

The influencing processes lying behind changes (be these changes incremental or radical) are frequently characterised as political. In this political process sub-groups within the organisation compete or co-operate with each other, depending on their interest at the time (Biggart, 1977). The political process unfolds by the organisation of support through coalitions, damaging the credibility of opponents and gaining access to and controlling restricted resources (Mumford and Pettigrew, 1975). Behind the scenes negotiation and bargaining is important for understanding events in Midborough. For example, the Personnel Department's fight against the changes proposed by the management consultants, and the inability of the Labour group to get the Director of Finance sacked.

In Midborough there were many overlapping interest groups, and these are shown diagrammatically in Figure 7.2. In looking at a general overview of an organisation, or at change at the centre, it is perhaps not surprising that the key actors which emerge are the senior managers and politicians of that organisation. This is the case with the general overview of Midborough. The key people to emerge from the events outlined in Chapters 5 and 6 are: The Chief Executive; the Director of Finance; the leaders of both main political parties; the other chief officers in conjunction with their chairs of committees.

The roles played by the key actors varied. The Chief Executive was the overt officer leader. In the early 1970s his role was that of co-ordinator, trying to get the organisation working as one and developing a corporate approach. Towards the late 1970s and early 1980s, his role as

Figure 7.2: Key Internal Interest Groups

Traditional elements

Radical elements

Opposing
political group

Departments

Chief officers

Council
leader

Middle managers

Chief Executive

Chairs of
committees

Controlling
political
group

Traditional elements

Radical elements
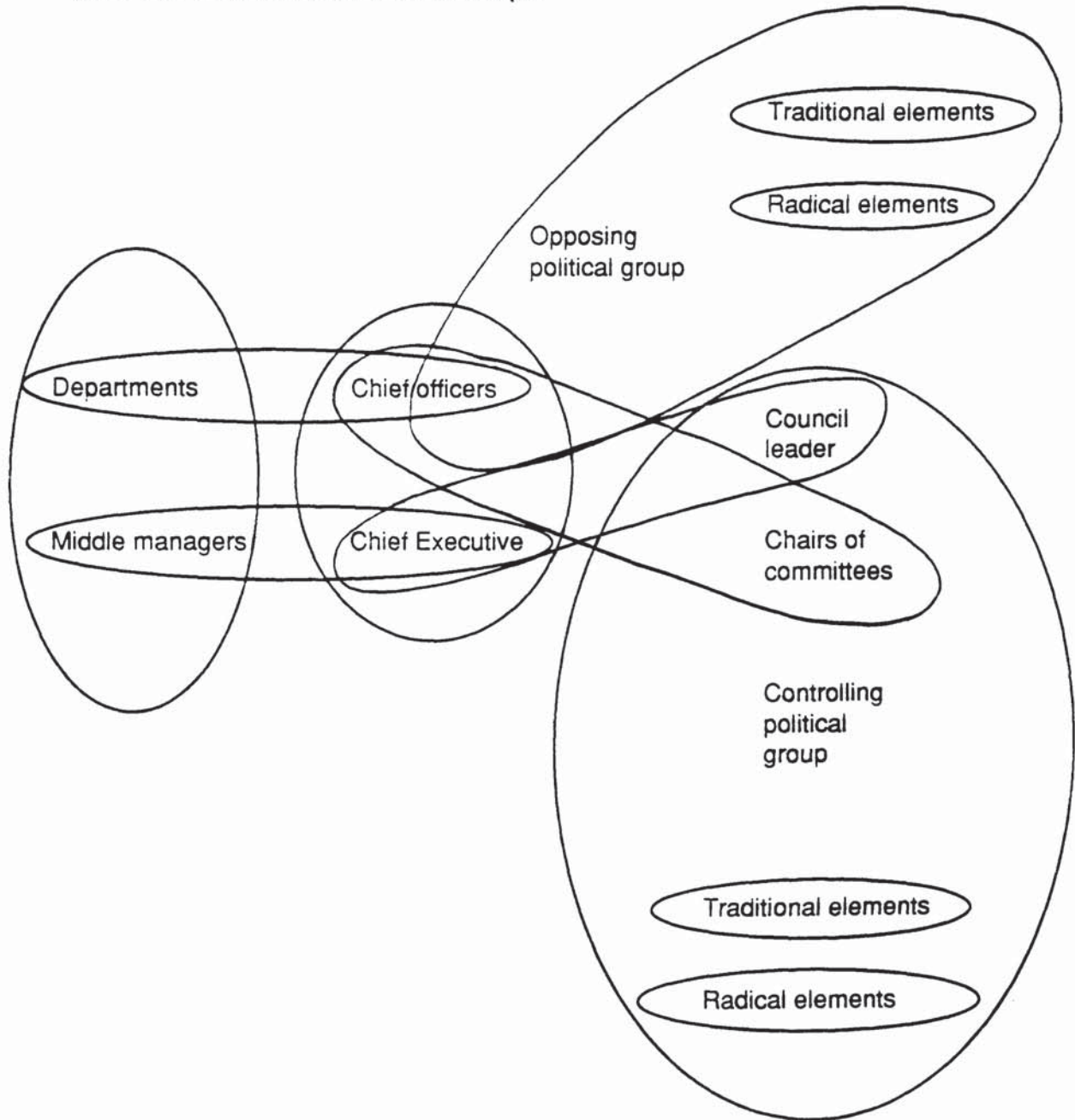
internal co-ordinator and conciliator was waning. More of his attention was being directed towards external liaison and rather than trying to get the formal system working, more of his time was spent in informal project groups. He described, at this time, the need to become associated with visible action and success. He introduced and backed some new ideas, for example, the enterprise zone (see Chapter 6) and the community development initiative (see Chapter 9). However, his power to achieve was curtailed by the power bases of departmental chief officers and particularly the Director of Finance. Despite this he remained an important figure head and at times provided a useful scapegoat to blame when things did not go well (such as the perceived poor functioning of the Chief Officers Group).

The Director of Finance was a covert officer leader. He was strong on links with key elected members and operated behind the scenes in a pragmatic fashion. The other chief officers, together with their chairs of committees, largely played protecting and defending roles. Some were innovative within their own sphere of influence (such as the Chief Engineer and his initiatives in relation to energy conservation), but the picture which emerges from the general overview is that they were quiet, in a corporate sense, unless threatened (as happened in the 1987 budget making process). The leaders of the Labour and Conservative groups were not usually initiators in their own right, but they were important people to be won over in order to be able to deliver the confirming vote.

The literature review in Chapter 2 discussed how more recent views of the political process in relation to change reveal that the contest is not just about resources but also a contest of ideas (Schwenk, 1989). In the 1970s this contest of ideas was prevalent with the Chief Executive discrediting the departmental approach to local government and promoting corporate methods of working. In doing this the Chief Executive tried to form alliances with different groups within the council; for example, with departmental middle managers in the Central Co-ordinating Team, with the chief officers in the Chief Officers Group, and with leading politicians in the Policy and Resources Committee. The chief officers, the leaders of the Conservative and Labour groups, and the chairs of the two main political groups were the important people to win over. The limited success of corporate management was in part due to the failure to

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bring these people fully "on side". For chief officers, departmental interests remained a priority over corporate working.

One of the important questions posed in the literature review was whether there were any pointers as to when a change is likely to be successful and endure the resistance it may encounter. The message of previous research suggested that successful change is likely to ensue when it is sponsored, but not imposed, from the top over an extended period (Wilenski, 1986; Pettigrew, 1987; Metcalfe and Richards, 1990). The chances of success were also seen to be enhanced if the change began with a narrowly defined area and grew outwards (Metcalfe and Richards, 1990). This picture appears to be borne out by the overview of Midborough. The success of the enterprise zone bid can be attributed to the way it was given strong sponsorship from the top (Chief Executive and Conservative Leader) throughout (from the initial idea to the acceptance of the bid). It was a narrowly defined project which did not obviously tread on the territory of others. Those who were effected (the Industrial Development Unit and the Planning Department) were involved/represented.

The enterprise zone example can be contrasted with the area management experiment. The latter was not strongly sponsored from the top. Although as a pilot, it could be said to be narrowly focussed, it potentially cut across many departmental boundaries, and if successful could have led to a broad change in the shape of the council. As it was, the experiment was marginalised and little organisational learning or change resulted.

7.4 KEY TRIGGERS

One of the key questions posed in Chapters 2 and 3 related to the main triggers for change. Whether these triggers were internal or external, and if external whether they related to socio-economic, technological or legislative changes.

In Midborough the main features of the operating environment, both external and internal can be characterised as follows:

External

- The economic recession in the early 1980s and the rapid rise in unemployment;

- The tightening control on local government expenditure;

- The emerging ideology of consumerism, competition and customer first;

- The rise of the left in local government politics nationally;

- A shift in the balance of power from local government to central government;

Internal

- Midborough's history of smallness and independence;

- The low resource base;

- The stability of officers and members, many of whom were with the council throughout the period of study;

- The strong departmental and area loyalties;

- The power struggle between the Chief Executive and the Director of Finance;

- The rise of the "left" in the local Labour party;

- The strong support for Thatcherism amongst the leaders of the Conservative party.

In Midborough changes in the socio-economic environment were important in signalling and justifying the need for change. The financial restraint of the mid 1970s onwards meant that corporate discussions were about "cuts" and not "growth". In resisting substantial cuts, departmentalism got the upper hand over corporate considerations. As in central government (Metcalfe and Richards, 1990), the recession in the early 1980s and the requirement to limit public spending provided fertile ground for the ideology of "efficiency". This ideology was espoused by the Conservative Leader of the Council, the Director of Finance and certain other chief officers. It provided the justification for introducing the management consultants' reviews of departmental operations. Changes in the external environment provided the conditions for organisational change, but internally these changes were "championed" by people at the top. The rapid growth in unemployment in the early 1980s similarly resulted in a change of focus for the council. Economy

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and employment moved to the top of the agenda. In this case the internal changes were championed by the Chief Executive and the Conservative Leader of the Council.

During the period of this research, legislative changes had an impact but they were certainly not the primary impetus for change. Two obvious areas of impact were the creation of Direct Labour Organisations following the 1980 Planning and Land Act, and the organisation for the joint planning and provision of services following the abolition of the metropolitan county council. In other instances legislation provided an incentive, but not a requirement, for change. The provision for the creation of enterprise zones in the 1980 Act is an example of this. It was an incentive which Midborough responded to, but the reasons for this response had as much to do with the state of the local economy and the internal politics of the council as the opportunity offered by central government.

In looking at internal triggers for change in the public sector, the role of politicians as opposed to officers was considered (in Chapter 3). Since 1980 the role of politicians in initiating change was deemed by several researchers to be important (Wilenski, 1986; Metcalfe and Richards, 1990). In Midborough it is difficult to conclude whether politicians or officers are the most influential in triggering or championing change. Many of the events described in the overview point to the importance of a partnership between the Leader of the Council and the Chief Executive or between the chief officers and their chairs of committee (for example, the management consultants' review and the enterprise zone - both of which involved the Leader of the Council, the first in partnership with the Director of Finance, the second in partnership with the Chief Executive). On balance, however, the officers appear to have been more influential in steering through lasting change. Members have initiated new ideas but these have not always resulted in permanent changes in practices.

7.5 SUMMARY

The picture which emerges from the overview of Midborough is one of disjointed incrementalism, triggered by changes in the socio-economic

environment and championed by senior officers and/or leading Council elected members. The process behind this incrementalism is political, with the contest not just being a contest for the control of resources, but also a contest of ideas. The political process is characterised by shifting alliances and negotiation and bargaining. As a result many of the changes which occurred can be characterised as satisficing and the result of compromises. As Child (1984) predicted, the concern within the organisation was not just about adapting to the changing operating environment. For the people with power, chief officers and senior politicians, it was also about retaining that power.

Whilst the process can be characterised as incremental, a paradigmatic shift occurred in the late 1970s/early 1980s. This was stimulated by the external environment and consisted of a number of parrallel developments which came together in terms of promoting a new ideology of efficiency, "close to the customer" and competition.

It would be inadequate to leave the research into changes in Midborough at this level. As was pointed out in the introduction, there is a need to look at the fine texture of change if we are to understand it more fully, and this is the task of the next two chapters. The decentralisation of housing services in Midborough is the subject of Chapter 8. This is followed, in Chapter 9, by a case study of the introduction of community development into Midborough. Chapter 10 returns to the quest for a model for understanding change in the public sector.

CHAPTER 8: HOUSING DECENTRALISATION CASE STUDY

This chapter builds on the overview of Midborough, provided in the previous three chapters, by considering in detail the changes which resulted in the decentralisation of the housing service down to estate office level. The chapter is divided into two parts: the first section describes the case study and the second section provides an analysis of the changes which occurred. This analysis draws upon the literature reviewed in Chapters 2 and 3.

8.1   CASE STUDY DESCRIPTION

In September 1982 the Housing Committee formally approved the introduction of a pilot scheme for decentralising housing services down to estate offices. This pilot took some time to get off the ground, but eventually it was introduced and then extended to the rest of Midborough from January 1986 onwards. Initially, at least, the standard of the housing service was perceived to have fallen with decentralisation. One of the redeeming features, however, was the parrallel introduction of multi-skill operators who provided a quick response service for all minor repairs. The operation of the new estate offices was contentious in that it threatened the former hierachical patterns of control in the district offices. By the end of the study period some changes in attitudes and practice had begun to occur.

This case study is described in more detail below. The description first focuses on the background to housing decentralisation, it then looks at the main reasons why decentralisation occurred. This is followed by an account of the implementation of the pilot project and the parrallel introduction of multi-skill operators. The next part of the case study looks at the progress of the pilot project and its extension to the rest of the borough. The operation of the estate offices is then reviewed and the role of training in the change process is discussed. The description concludes with a review of any attitude and role change evident amongst housing officers during the period of the research.

8.1.2 Background

It is often difficult to trace back to find exactly when an initiative in a large and complex organisation first arose. In looking for the seeds of housing decentralisation this is maybe a false endeavour. In many ways Midborough took a decision not to centralise in 1974 when it was set up. History is important. As discussed in Chapter 5, Midborough Council is an amalgamation of separate boroughs brought together in 1966 (Penley, Glass Hill and Midtown) and 1974 (the addition of Bowen and Homebridge). Although these areas had been part of the same borough for some 13 years or more, when the empirical work for this study was carried out, they still retained their separate identities.

From 1974 to the 1980s, Midborough operated a housing service via five district offices (Penley, Glass Hill, Midtown, Homebridge and Bowen). Each district operated in a semi-autonomous way, and was responsible for estate management (including rent collection), lettings and the reporting of repairs. The repairs service was centrally provided by a technical services section. Autonomy was perpetuated by the fact that the district housing managers were in some cases (e.g. Bowen) the former Borough housing officers. So in some ways the decision to decentralise did not occur it was instead a decision not to centralise in 1974. This decision appears to have been taken by the Chief Housing Officer and approved by politicians. It was not difficult to get such approval, there were still misgivings amongst politicians and the electorate about being "taken over" by Midborough.

The relationship between the central headquarters staff and the district offices was an unusual one. The district housing managers were directly accountable to the Chief Housing Officer. The assistant chief housing officers had an advisory role, but were not line managers. They were, however, in a position where they gave instructions to the district housing managers, and monitored the performance of the district housing offices. Within the Housing Department this was known as the "dotted line" relationship, and can be represented thus:

```
                    CHIEF HOUSING OFFICER


ASSISTANT CHO     SEN.ASSISTANT      ASSISTANT CHO
(TECHNICAL)       CHO (ADVICE &      (ESTATES & SERVICES)
                  LETTINGS)


                5 DISTRICT HOUSING MANAGERS
```
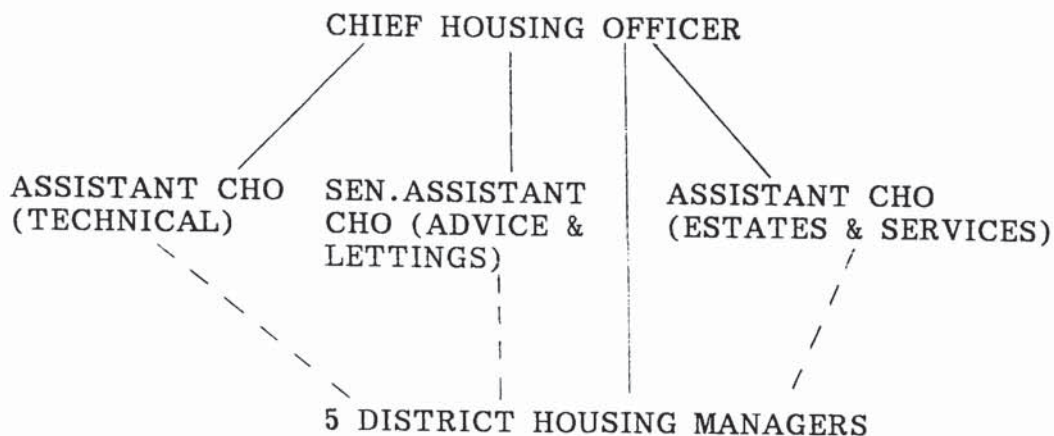
The structure of the five district housing offices was more conventional and is represented in the diagram below:

```
              DISTRICT HOUSING MANAGER


RENTAL          MAINTENANCE        LETTINGS ASSISTANT
ASSISTANT       PROGRAMMER
```
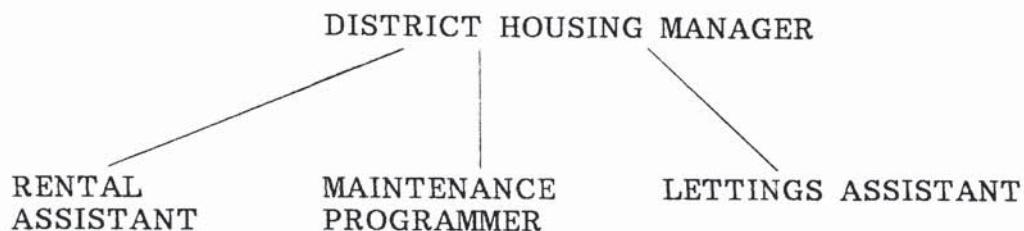
Each of the second tier officers (rental assistants, etc.) were responsible for a team of staff, the size of which varied between districts. The rental assistant was responsible for a team of rent collectors. The majority of rent was collected on a door to door basis. (The management consultants in their review of the Housing Department in 1983 estimated that just under 60% of the rent was collected in this way.) Where this was inconvenient, tenants could pay direct (in person) to the district housing office, by post to the district housing office, by bank standing order or by Post Office Giro.

The management consultants estimated that about 30% of rents were paid in person to district offices. In some districts there were sub-offices for the direct payment of rent (for example, Doseley and Upper Bornal in Penley, and Russells Hall in Midtown). The opening hours of these sub-offices varied but some, like Doseley, were open 5 days per week, every week.

8.1.2 The reasons for further housing decentralisation

Whilst the existence of district housing offices was a decision not to centralise, the move to decentralise even further down to estate offices was a decision which changed the status quo. Formally it began with a committee decision in September 1982 to introduce a pilot scheme of four estate offices in Penley. The recommendation was put forward by the Chief Housing Officer, and everyone interviewed on the question of decentralisation (all senior housing officers and other chief officers) attributed the driving force behind the move to the Chief Housing Officer. Whilst the Chief Housing Officer appears to be the key person to have picked up and pushed decentralisation, a number of factors came together in the late 1970s and early 1980s which made this an opportune time. These are discussed below.

1. Ever since the Bains Report and the 1974 reorganisation there had been discussions about the possible conflict between corporate management (with its centralising tendencies) and local democracy. In 1975 the Department of the Environment (DoE) launched a series of area management experiments to look at ways of redressing the balance. As discussed in Chapter 5, in 1975 the DoE approached Midborough to inquire if they would be interested in taking part in the experiment. In 1976 the DoE approved the financing of a pilot scheme in Glass Hill for a period of four years. The Glass Hill experiment was not a resounding success. It did not lead to the introduction of area management, and when the DoE funding came to an end in 1980, the Glass Hill project was wound up. However, the pilot scheme did mean that the decentralisation of decision making and service delivery was on the agenda.

2. Another important local influence was the decision by Midborough's neighbour, Labour controlled Brockhall, to introduce a decentralised housing service by way of 33 neighbourhood offices. A resolution to this effect was passed by Brockhall Council in 1980 and the first neighbourhood office opened in 1981. The Brockhall proposal was to decentralise housing services first, but then to incorporate other services (such as Social Services) into the neighbourhood offices.

3. In 1982 the DoE published its "Priority Estates" report which recommended that locally based offices should be established, and that such offices should be responsible for estate management (rent collection, reporting of repairs, and so on).

4. In March 1981 the management consultants were given approval by the Policy and Resources Committee to carry out a review of systems in the Housing Department. This review recommended that computers should be introduced into the Housing Department to cut down on paperwork and assist with information retrieval. The area of rent accounting was earmarked for computerisation. The management consultants advised the council on what sort of system to buy, and a contract was signed with a supplier. The hardware arrived in 1982 and it was planned to have the system fully operational by the end of 1982. The system promised the computerisation of rent accounting and its introduction had implications for rent collection staff who spent one to two days per week on manual rent accounting. There was a threat of redundancy for rent collectors, particularly given the cost cutting stance of the council at that time.

5. The above threat was compounded by the proposed introduction of Unified Housing Benefits in 1982. This is a system whereby rent is paid directly to the Housing Department by the Department of Social Security. For people on full housing benefit there would no longer be a need to collect rent. The numbers involved for Midborough were the subject of dispute. When the management consultants reviewed the department in 1983 they estimated that approximately 8000 properties (about 20%) would no longer require visits for rent collection. The Chief Housing Officer in his report to Housing Committee in September 1982 estimated the number of tenants affected as 7000.

6. If rent collectors were to avoid the threat of redundancy their role would need to be expanded. Already in 1981 they had been retitled estates assistants and their job descriptions expanded to include estate management duties such as:

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- Enforcement of conditions of tenancy;
- Attending to inter-tenant disputes;
- Investigations into tenants requiring transfer;
- Reporting repairs complaints;
- Dealing with requests for rent rebates.

7. Finally there was a growing concern about the safety of rent collectors in the face of the threat of robbery (referred to in the agenda item to the Housing Committee in September 1982). The initial pilot in Penley was presented as an answer to the security risks, and was reported to members as a choice between Giro (payment of rent to post offices) or estate offices. There were regular approaches by the National Giro Bank to the Housing Committee to consider the rent services they offer. However, there was a split amongst the officers interviewed between those who saw the security of staff as the real reason for change, and those who saw it just as a way of "selling" the estates office concept. Arrangements had already been made for Securicor to meet the rent collectors during their rounds.

These seven reasons for change were intertwined and no one was paramount.

8.1.3 The Penley Pilot - the first two years (1982-84)

So far the reasons behind the decision, in 1982, to introduce a pilot scheme for decentralising housing services down to estate offices have been explored. Why introduce this pilot scheme in Penley? A number of reasons have been suggested by housing officers:

1. Penley was an area where decentralisation was felt most likely to succeed, the housing problems were not as severe as those found in say Glass Hill or Midtown.

2. Accommodation for three estates offices was already in the ownership of the council, so it would be a cheap area for a pilot.

3. The District Housing Manager in Penley had been with the Council since 1974 and was amenable to the suggestions made by the Chief Housing Officer.

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The need to keep costs low was seen as a prime consideration, the borough was Conservative controlled at that time. The cost conscious nature of the scheme was evident in the September 1982 Housing Committee agenda item:

> "During the preparation of this report a wide range of options have been considered ..... An option based upon the principle that tenants should not be further than half a mile from their estate offices was given very serious consideration, but the consequences would be eight offices rather than four, with the inevitable increase in costs"

Four estate offices were approved by the September 1982 Housing Committee. In general these offices were to be staffed by one or two estate assistants and a cashier.

There was to be a withdrawal of door to door rent collection, and estate offices were to be open for the receipt of rent for two or three days per week (except in Penley where it was five days). On the other days estate assistants were to be deployed on visiting tenants and undertaking estate management work generally. Each estate assistant was to be responsible for about 1000 properties. The total cost was estimated at £61,400, only some £4,000 more than the existing cost of door to door rent collection. It was noted in the report that the costs for staffing were based upon a fully operational computerised system.

Following committee approval of the Penley proposals, details were published and information was sent to the tenants involved, so as to adhere to the consultation procedures required by the 1980 Housing Act. In November 1982 the Penley District Housing Manager consulted tenants by letter, saying that the new system was due to start on April 1983 and asked them for their comments. Just over 7,000 letters were issued and objections were received from 262 (4%). The results of the consultation were reported to the Housing Committee in January 1983 and permission was obtained to go ahead; the cost of the pilot was to be met from capital receipts.

At this point a number of problems halted progress:

1. The proposed operation of the estate offices was based on a fully operational computer system. Problems were being experienced in getting that system to work. In March 1983 the Penley District Housing Manager wrote to tenants apologising that no sub-offices would be introduced in April 1983 due to computer problems. Door to door rent collection was to continue until further notice.

2. In January 1983 the Policy and Resources Committee approved a programme for the management consultants to review the Housing Department. The management consultants finally reported upon their review in November 1983, but throughout the summer there was speculation and discussion of possible changes. The management consultants' report was, amongst other things, favourably disposed to the door to door rent collection method, but argued that once the problems associated with Unified Housing Benefits had been resolved the number of estate assistants (rent collectors) could be reduced from 48 to 35 (an annual saving of £85,800).

The potential threat to the estate office initiative was acknowledged. In April 1983 the Chief Housing Officer wrote to the District Housing Manager at Penley about the need to introduce estate offices as quickly as possible "otherwise the opportunity would be lost". The District Housing Manager responded with a proposal that estate offices open for rent collection on a fortnightly basis to allow time for manual rent accounting. The aim was to retain the estate management functions. In July 1983 the Housing Committee approved the opening of one estate office at Lower Bornal, this office eventually opened in December 1983.

A decision on the management consultants proposals was deferred. The Chief Housing Officer wrote in Housing News that:

> "Before such reductions"(in the number of estate assistants) "are to be implemented, the Council has accepted the view that a further report should be prepared when the problems of housing benefit have been resolved. I would hope that a major factor in that report would be the experience gained from the operation of the estates office at Lower Bornal, which I believe to be an exciting new initiative in housing management, also the effects of the computer on the rental accounts should be more clear"
> (Housing News 10, December 1983)

Housing News is an internal newsletter. Its publication throughout the period 1974 - 1987 was not uniform. The publications tended to coincide with times of uncertainty, and it was used by the Chief Housing Officer to communicate his views to staff.

During this period it is evident that the District Housing Manager in Penley put a lot of effort into defining and redefining the new estates officer role and quantifying the time to be taken on each of the tasks. Two existing estate assistants (rent collectors) were appointed to run the Lower Bornal pilot. In August 1983 the Chief Housing Officer enquired about the training to be provided for the new estate officers, commenting that "we don't want to drop estates assistants into the office hoping that they will fend for themselves". In September 1983 the District Housing Manager wrote to the two estate assistants with a training programme for September and October. In October new job descriptions were produced together with guidance notes on the daily duties.

8.1.4 Multi-skill workers

During the same period another initiative was becoming established, this was the provision of multi-skill operators for minor repair jobs - a "quick response" service. The backlog of housing repairs is a familiar problem for housing departments and Midborough was no exception. During 1983 the newly promoted Assistant Chief Officer (Technical) and the Maintenance Manager spent some time talking about ways of improving the repairs situation. Two ideas which emerged were:

1.   Multi-skill operations for small repairs to move the minor but time-consuming jobs away from the Direct Labour Organisation.

2.   Creation of a voids gang to get a quicker turn around on vacant housing.

In support of this the management consultants' report in December 1983 proposed:

1.   Cyclical maintenance - jobbing repairs undertaken with tradesmen concentrated in one small area.

2.   Three voids gangs - to undertake work to void properties thus allowing the general momentum of cyclical maintenance to remain undisturbed.

When Labour took control in 1984, the new chairmen of the housing committees (Chair of Housing Management, Cllr. Bradley, and the Chair of Housing Operations, Cllr. Pearce) met with the trades unions to discuss

repairs. The unions saw control being taken by the Labour group as an opportunity to put right all "the wrongs" they had endured under the Conservatives. However, Cllr. Pearce was firm that he did not mind paying more money, but he expected to see a return on that money for the benefit of the tenant. It was these meetings, together with some input by a variety of people about what was happening in neighbouring Brockhall, that led to the adoption of multi-skill as a way of working. Throughout 1984 there were discussions on the proposed introduction of multi-skill operators. The Labour group were pushing the importance of reducing the backlog of repairs. The unions gave a cool response but agreed to an experiment being carried out in Penley, and this was approved by the Housing Committee in September 1984. One housing officer commented that the unions agreement was given in the hope that the Penley experiment would fail. It was eventually agreed that these multi-skill workers would be attached to the new estate offices. It would be the estate officer who would decide upon the priority of jobs for the multi-skill workers, although they would still be functionally responsible to the Maintenance Manager. They started to operate in January 1985.

8.1.5 The Penley Pilot - the last two years (1984-85)

In December 1984 the Housing Committee received and approved a report from the Chief Housing Officer on the pilot scheme in Lower Bornal together with a proposal to open the other three offices in Penley. The report also contained changes to the staffing structure of these offices. The new staffing structure was to be:

> Estate officer
> Assistant estate officer
> Estate clerk (to co-ordinate the multi-skill operation)

The Rental Assistant (formerly responsible for the rent collectors) was to be retitled Senior Estate Officer and the Lettings Assistant was to become the Lettings Officer. The posts of Senior Estate Officer, Estate Officer, Assistant Estate Officer, Estate Clerk, Maintenance Programmer and Lettings Officer were to be re-evaluated with regard to grading structure.

During 1985 the remaining estate offices in Penley were opened. At this time the Chief Housing Officer was concerned to ensure that the estate offices provided more than a rent collection service, and that the relationship between the district office and estate offices allowed the latter sufficient autonomy. To provide an independent source of information on the operation of the estate offices, the Chief Housing Officer seconded an officer from the Housing Advice section to work in Penley. This officer was also to "act as a catalyst", "to challenge from the clients point of view". A letter to the Penley District Housing Manager informed him of this secondment:

> "Whilst I would not want her to be directly involved in the appointment of the estate officers, I would want her to play a full part in the evolution of the estates office process"

During 1985 the seconded officer worked alongside the estate officers in Penley and she reported to the Chief Housing Officer in December 1985 that:

1. The layout and the size of the estate offices is not always conducive to their "being easily accessible and looking as if they belong to an estate".

2. That estate officers need training for their new roles. Much of their time is spent collecting rent whereas they should not be involved in rent collection unless they choose to.

3. Offices should open five days per week every week for rent collection.

4. The quick response (multi-skill) initiative was the main improvement to the service.

Several officers commented that they disliked the role the seconded officer was being asked to play at this time, they saw her as a "spy".

The introduction of the remaining estate offices in Penley did not go entirely smoothly. For example in Doseley the rent arrears went up, and tenants perceived a worse service because the office was not open for rent collection five days per week as it had been previously. The long queues to pay rent were eventually aided by the appointment of a part time cashier. Within estate offices, rent collection was seen as a priority and the majority of time was spent on this, at the expense of the other estate management duties. This priority was felt to be set by

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the district office - one important measure of achievement used was the level of rent arrears. From June 1985 the estate offices in Penley had to produce fortnightly statistics on repairs and rent arrears.

Another concern had been the changes in working for second tier district office staff (the Senior Estate Officer, Lettings Officer and Maintenance Programmer) brought about by the move to estate offices. The Chief Housing Officer wanted the reporting relationship between the district office and the estate offices to mirror that of the district office to head quarters - the "dotted line" relationship referred to above. The Senior Estate Officer was thus no longer in control of the rent collectors, and as if to underline this, the new estate officers had been appointed on a similar grade to his own. The Lettings Officer's job had also changed. Due to pressure from the Chief Housing Officer the signing up of tenancies was to go to the estate offices. Finally, the Maintenance Programmer had lost autonomy, he now had to liaise with estate officers on repair priorities. The newly appointed estate clerks were responsible to the estate officers and not to the Maintenance Programmer.

In July 1985 the District Housing Manager in Penley reported on the progress of decentralisation to the Assistant Chief Housing Officer (Estates and Services). In this report he expressed disquiet about:

1.   The withdrawal of rent collection which was seen in the first instance as a reduction in service.

2.   The long queues initially.

3.   The lack of training being provided for estate officers.

4.   The fact that rent collection was taking a higher proportion of time than originally envisaged.

5.   The grading structure. The estate officers had gained advancement when appointed on Scale 4/5, but assistant estates officers, whose job was similar were only on Scale 2/3. The grading structure had been exacerbated because the post of Senior Estates Officer had initially been devalued to Scale 5 (from Scale 6).

8.1.6 Implementation of the scheme in the rest of the Borough

Notwithstanding these concerns, in July 1985 the Council (now Conservative controlled again) approved the extension of the Penley pilot to the rest of the Borough, to provide 28 estates offices in total. Interestingly the agenda item for the June 1985 Housing Committee shows a shift in emphasis, in terms of presenting the case for decentralisation, away from staff security to improved tenant/landlord relationships:

> "It should be emphasised that in addition to giving greater security to staff, a major objective has been to improve the relationship between the Council and its tenants, by providing a local service where tenants can report repairs, sign the necessary documents when properties are let, and increase the dialogue between landlord and tenant on housing related issues".

This shift in emphasis is in line with a new threat, as the Chief Housing Officer explained in Housing News, December 1985:

> "Some of you will have heard me mention the proposals contained within the Queen's speech, which refer to the increase in housing co-operatives which will enable tenants to ask themselves whether they are satisfied with the service provided by the local authority, or whether they wish for some form of management other than by the council"

The threat of job loss still seemed real for some officers, and the Chief Housing Officer was keen to allay these fears. In Housing News (January 1985) he pointed out that the posts at estate offices were to be filled by existing staff and there should be no job losses, whereas:

> "the alternative to estate based offices is Giro which would almost certainly lead to a review of our establishment"

> "I readily understand that members of staff have apprehensions about changes in methods of working, but I do see both the estate office initiative, together with the introduction of the multi-skill form of working, not only being a significant improvement to the service that we are able to provide to our customers, but in so doing equally ensure that job security is maintained".

The safeguarding of jobs was seen as important. When asked about ways of measuring the success of the initiative the Chief Housing Officer referred to "changing a service without sacking people" as one possible criteria of success.

Detailed proposals for the extension of the estate office initiative went to the Housing Committee in January 1986. This committee approved the basis on which estate offices were to be introduced into the rest of the borough. (The council was now Conservative controlled yet again, but it is worth noting that although many of the major decisions on housing decentralisation were taken when the Conservatives were in control, the Chief Housing Officer managed to achieve cross party support for the initiative. It was carried forward by Labour in 1984/5 and post-May 1986; although some officers believe that Labour members were not so positive towards it as they could have been.)

The Housing Committee in January 1986 was presented with three options for carrying forward decentralisation:

OPTION A	to	OPTION C
The cheapest, largely rent collection		The dearest, estate management

The committee chose Option C which was very similar to that which had been implemented in the Penley pilot. Greater use was to be made of cashiers, following the Penley experience, and it was acknowledged that where possible the offices should open five days per week for rent collection. However, some officers were concerned that not enough had been learnt from the Penley experience, and that the "same mistakes" were being repeated. The concern was generally about low staffing levels, the low grades for the jobs, the lack of training, and the requirement to redeploy sometimes inappropriate staff.

The Chief Housing Officer was keen to implement the Borough wide estate office service as soon as possible. The district housing managers were more cautious and wanted time to phase the introduction so that they could oversee the setting up of each office. Following a request from the district housing managers, the Chief Housing Officer sought Housing Committee approval to be able to appoint estate officers and pay them the scale for the post in 1986/7, regardless of when their estate offices actually opened. This was to allow time for training and also to alleviate some uncertainty about the future. The committee did not approve this request. The estate officers could be interviewed and appointed by the district housing managers during 1986, but they would

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not be paid until their office opened. This is one area where members influenced the process of the implementation of decentralisation, but generally member involvement in this process of change was limited. They largely approved the proposals put forward by officers. However, there were three areas where they had more influence:

1.   The location of estate offices;

2.   The regrading of certain staff, in particular the maintenance programmers;

3.   The timing of the opening of estate offices, i.e. not in the run up to the May elections in 1986 and 1987.

Homebridge was the main district where there was difficulty in getting the agreement of members (and Planning Department officers) to office locations. Some of the 28 estate offices were split, into a main office and a sub-office, to accommodate disagreements as to where the office should be sited. The position at April 1987 was 31 offices proposed with 25 identified and due to open during 1987.

So much for the physical location of offices, what about the staffing of these offices? As pointed out earlier, the initial policy for decentralisation was the total redeployment of existing staff into estate officer and assistant estate officer posts. Most of these posts were filled internally as planned, but in December 1986 the Housing Committee gave approval to change six estate assistants (rent collectors) into cashier posts, on protected salaries. The number of external appointments for estate officer posts was likely to be eight.

As mentioned earlier the Housing Committee in December 1984, when approving the extension of decentralisation in Penley, resolved that the posts of senior estate officer, estate officer, assistant estate officer, estate clerk, maintenance programmer and lettings officer should be re-evaluated. As a result of this:

Estate officers became Scale 5 (were on Scale 4/5)

Assistant estate officers remained on Scale 2/3

Senior estate officers initially devalued from Scale 5/6 to Scale 5

Maintenance programmers remained on Scale 6

Lettings officers remained on Scale 4

Midborough had a reputation for low staffing levels and low pay for its officers, and the Housing Department was no exception to this. During 1986 the maintenance programmers (led by the Penley Maintenance Programmer) argued that they were not being paid appropriately for the work they had to do. Their jobs went for evaluation and, after some pressure from elected members, they were awarded SO1. They still felt that the job had not been properly evaluated and so appealed (via their union) against this decision. At the appeal a panel of elected members gave them SO2. As one officer commented:

> "There is speculation amongst officers that members gave them SO2 as a way of getting at officers who hadn't handled the issue very well".

Following the regrading of the maintenance programmer's job, the senior estate officers appealed against their grading. This time the appeal went more smoothly and they got SO1/2. Whilst officers commented upon the improvement in morale following these regradings, they also said that this was soured by the fact that the officers (maintenance programmer and senior estates officer) had to go to the unions to appeal against their grading because management would not support their claim. Although it should be pointed out that in the case of the appeal on behalf of the senior estate officers, the management representative at the appeal hearing did strongly support the claim of the senior estate officers for parity with maintenance programmers. One district housing manager felt that the bad feelings out-weighed the good:

> "There is a lot of ill feeling as a result of the regrading. People are far more likely to look at their job descriptions now before they do something new".

Between 1984 and 1987 there was no overall regrading of estate officers, although many managers commented that their grade, of Scale 5, was too low. However, in Bowen, where there was already one estate officer (at Tanhouse) on Scale 6/SO1, the District Housing Manager took unilateral action and refused to appoint to one area (central area) on a Scale 5 grade. A case was made out for special treatment and the support of local politicians was gained. These politicians then took up the issue

with the Chairman of Housing Committee and as a result the committee approved the grade of SO1 for the Bowen central estate officer. The comment was made that the Chief Housing Officer was willing to see the regrading of estate officers "go through the back door".

Regrading had a number of knock on effects. The Deputy District Housing Manager at Midtown requested regrading, in Spring 1987 he was on SO1/SO2 (the same grade as officers below him in the hierarchy). It was also expected that district housing managers would themselves look for some restoration of differentials - the difference between the top of SO2 and the bottom of the district housing manager grade was £300.

8.1.7 The operation of estate offices

In terms of controlling the operation of the estate offices, the reporting relationships between district and estate offices was the subject of debate. The Chief Housing Officer was determined that this should in some ways mirror the relationship between districts' and head quarters' staff. All the district housing managers said that they would prefer a direct line reporting relationship of the estate officers to the senior estate officer, maintenance programmer, and so on. In the event the Chief Housing Officer remained determined and the code of guidance issued by him reiterated that the second tier officers were advisers and not line managers. In support of this determination he has said:

> "I was very aware, not at the outset, but as the role of estate offices evolved, that there was very much a danger that the estate officers, simply because they had once been rent collectors, would be seen very much as the workers who would be told to come and go by the district office staff. If decentralisation is to mean anything it means that the people at the sharp end do have an opportunity of influencing policy, and are not seen as clerical workers.
>
> There was a lot of unhappiness about this by the district office staff, since they saw their role being diminished. I was also very keen to make sure that the role of repairs took a much greater priority than I think was seen by a lot of people, which is why I was quite determined that the senior estate officer would not be seen as the dominant person controlling the estate officers. Probably as much from an historical point of view up to the establishment of estate offices, the senior estate officers staff were the rent collectors, and they had been conditioned to doing that which he said, and therefore, if there was ever going

to be any chance of developing the role of estate officers, that link needed to be broken, and it needed to be broken explicitly."

The practice was sometimes a little different, there can be a fine line between advising and instructing. As one officer put it "you may have to lead them to a decision". The code of guidance also specified the need for monthly meetings between the district housing manager, each of the second tier officers and the estate officers. These meetings should have taken place at the estate offices. The extent to which they occurred, and their location, varied. Some officers commented that the fact that estate officers were often called into the district office, rather than vice versa, is a symbol of the power struggle between district offices and estate offices.

The code of guidance on reporting relationships was seen as the first step in the creation of a policy manual. In the past districts were allowed a lot of autonomy, and the various districts evolved different ways of doing things. Several head quarters' staff mentioned the need to tighten up on procedures. The Chief Housing Officer saw it as a necessary part of decentralisation down to estate offices:

> "We could have a loose system of control when there were five 'housing departments', but can't really perpetuate this with 28".

The emphasis on tighter procedures was also boosted by the appointment in 1986 of a new Assistant Chief Housing Officer (Estates and Services) who had firm views on the need for more uniform and explicit policies and procedures.

8.1.8 Training and attitude change

Still on the staffing issues surrounding decentralisation, many officers commented that in the long run the success or otherwise of the initiative would depend on attitude change (together with adequate resourcing). Conscious of the need for attitude change and concerns about the lack of training the Chief Housing Officer proposed the establishment of a training officer post. This was approved by committee in September 1985 and an officer was appointed in March 1986 (the same officer who had been seconded to Penley by the Chief Housing Officer in 1985). The training officer post was to fulfil a dual role of providing training and

assisting the organisation in developing. The emphasis in the first instance was on providing training and development for decentralisation. In approving the extension of estate offices throughout the borough the committee had also agreed that estate offices should close every other Monday afternoon for training. Initially each district housing manager was responsible for providing the training in his area. When the Training Officer was appointed there was an expectation that this person would take over all the training. This was an impossibility for one person and it was a problem which was acknowledged by the Training Officer. Instead the Training Officer spent some time identifying training needs and organising developmental activities. This is detailed further below.

One of the first acts of the new Training Officer was to contact an external consultant about appropriate strategies for training. The consultant came to talk to the Chief Housing Officer, assistant chief housing officers and district housing managers in June 1986. The discussion was about types of decentralisation, problems of devolving power, and so on. The consultant raised the point about "speaking the truth to those in power", and argued that there was a need to allow peers to meet, without senior management in the first instance, to discuss problems.

In parrallel to this the Training Officer also conducted a survey of estates office staff to identify their training needs. The production of a training programme for these staff was seen as a priority by senior management, and there was some impatience that it hadn't appeared sooner. A report on this was passed to the Chief Housing Officer in October 1986. A training programme arose out of this, but the areas of training did not strictly accord with the needs identified by the survey. In the end the Chief Housing Officer identified the areas of training that he saw as a priority. The training programme was produced in January 1987 and was to run from February to August 87. A large part of the training was to be provided by the district housing managers - each took responsibility for an area, like rent arrears. The emphasis in the training programme was on providing substantive knowledge. Some officers perceived it to have been very successful, others were more doubtful. Time was set aside in the

working week (Monday afternoons) for training, but there were comments that not all the estates office staff attended these sessions.

Following the suggestion by the consultant that peer groups should meet alone, the Training Officer arranged a seminar on decentralisation for estate officers in December 1986. The Chief Housing Officer was unhappy about this process of meeting alone, and wanted a member of the senior management team there to ensure that the "model (of decentralisation) arrived at has the same vision as was originally planned". Despite this the meeting did go ahead without a member of the senior management being present. The estate officers agreed that the notes of this seminar could go to the Chief Housing Officer and senior management. As a result of these notes the Chief Housing Officer asked for a meeting with the estate officers to discuss some of the points raised. There were originally to be a series of six weekly meetings between the estate officers and the Chief Housing Officer (with the training officer in a facilitating role), by November 1987 there had been three over the space of some four to five months. The problems and issues surrounding decentralisation formed the agenda.

A similar seminar was arranged for second tier district office staff (senior estate officers, maintenance programmers, and lettings officers) in April 1987. This time a member of senior management was invited to attend, but non did. The notes of this meeting were sent (with the agreement of those involved) to the Chief Housing Officer and senior management. In parrallel with this general seminar, the Assistant Chief Officer (Estates and Services) asked for a meeting with senior estate officers on the subject of estate management, and this was held in April, and was followed by a series of three monthly meetings.

The comments about these seminars were generally positive, but this was accompanied by some disquiet that they came so late in the process of decentalisation. The seminars were important in creating a dialogue between estate offices and management (particularly at head quarters), and getting some of the problems of estate offices recognised.

8.1.9 Attitude change

Many commented during the research that a change in attitudes (of all concerned) would be required if decentralisation was to be a success. The following information was collected in an attempt to gauge attitudes:

1.   Interviews with district housing managers in Spring 1986 and Spring 1987.

2.   Questionnaires from second tier district office staff in Spring 1986 and Spring 1987

3.   Questionnaires (in Spring 1986 and Spring 1987) from the former estate assistants (rent collectors), many of who became estate officers and assistant estate officers in the intervening period.

4.   Regular interviews with the Assistant Chief Housing Officer (Estates and Services)

5.   Occasional interviews with the Chief Housing Officer, other Assistant Chief Housing Officers and the Training Officer.

6   Notes of the various training (seminar) sessions.

7.   Other written material - memos, reports, etc.

The attitudes of the various groups of staff apparent from these information sources is considered below.

Estates office staff - roles and attitudes

Starting off with estates office staff, in Spring 1986, 47 questionnaires were sent out to all estates assistants (rent collectors) in the borough, plus the estates officers and assistant estate officers in Penley. 27 (57%) of these questionnaires were returned. In Spring 1987 these 27 people were followed up, two had left and 20 questionnaires were received from the remaining 25. During the twelve months, 13 of the 20 had changed roles - six becoming estate officers, six becoming assistant estate officers, and one being demoted to a cashier.

In Spring 1986 these officers said that the majority of their time was spent on rent collection (whether they worked in estates offices or not), and this was seen as one of their most important tasks along with handling rent arrears. In Spring 1987 rent collection was still said to

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take up a great deal of their time, but rent arrears and repair inspections also featured highly, in terms of time consumption. By Spring 1987 rent collection was no longer seen as their most important task, this had been replaced by rent arrears and training.

In Spring 1986, 70% of these estates' staff felt that they had no influence on policy making, but by 1987 this had had reduced to 41%. Similarly, in 1986 37% of respondents said they felt they had little or no discretion; by 1987 no respondent said they had no discretion. In 1986, 30% were dissatisfied with the service to the client, whereas in 1987 this had reduced to 18%. In 1986 most (85%) thought that decentralisation would improve the service to the client, but two thought the service would get worse. In 1987 the picture was similar, 85% thought the service would improve, but two thought there would be no improvement.

The main problems highlighted by these officers in 1986 were: lack of training for their new jobs, housing benefit difficulties, and repair delays. In 1987 Housing Benefits still featured as a problem area, but the main difficulty now being highlighted was overwork and incorrect staffing levels for estate offices. These problems were also reflected in the seminar session for estate officers. Here they talked about the problems of being "dumped upon" -"being treated as dog's bodies, if there's a survey to be done get the estate officers to do it". The estate officers generally felt that the management have an "I want it yesterday" approach and that they could not do all that was asked of them. The computer system had not solved the problem of lack of time as anticipated, and the perceived lack of staff resources led to frustration about not being able to give a full service to the client. One of the estate office staff who had left, wrote to say that he did so because the estate offices were becoming just rent collection points. The lack of proper training (especially pre-training) was still being raised as an issue in December 1986. There were also some feelings of isolation - being based out in the estate offices, the officers had lost their grapevine of communication.

District office staff - roles and attitudes

Questionnaires were sent out to 18 second tier, district office staff in Spring 1986 and 13 of these were returned. Again these 13 respondents were followed up in Spring 1987; one had left, but responses were received from the remaining twelve (five Senior Estate Officers, four Maintenance Programmers, two Lettings Officers and one Arrears Officer). During the twelve months, nine of the twelve said that they had experienced some change in their job. Supervision of staff was seen to take more time in 1987 than it did in 1986, but in both years it was rated as being an important task. One task area that appears to have increased in importance over the period is training.

Again there was an increase in the amount of influence on policy making these staff perceived themselves to have. In 1986, eight of the thirteen said they had no influence, whereas in 1987 only one person replied in this way. They also perceived that the amount of discretion they had in their work had increased. Interestingly, their level of satisfaction with the service to the client appears to have decreased. In 1986, seven people had said they were satisfied with this service, whereas in 1987 only four people responded in this way.

In 1986 all but two officers said that they thought that the service would improve with decentralisation (the remaining two thought the service would get worse). By 1987 all but one person thought that decentralisation would lead to service improvemnts. In 1986 the lack of training was seen as a major problem in decentralisation. In 1987 training was still mentioned as being important, but more frequently mentioned was the lack of sufficient staff resources.

Looking at the different roles at second tier level, in the seminar sessions the senior estate officers were reported to be keen on decentralisation, although one person had asked for voluntary redundancy. The problems of blurred roles between senior estate officers, maintenance programmers and lettings officers was commented upon. There had been a problem for all officers, particularly senior estate officers, in adapting to their new roles as advisers rather than line managers. One observer commented:

"The estate officers still run to the senior estate officer when they have problems and the senior estate officers respond to them in their old roles".

In the seminar sessions the lettings staff were reported to be those most unsettled about their future role. They were not sure, in fact, whether they would be needed in the future. As one officer commented:

"They feel as if they've lost power, they like to see the keys hanging in their office, but now the estate officers have these and they feel as if they have lost control".

Lettings staff had not at this stage been regraded, and they were unhappy about training staff (estate officers) who were on a higher grade than themselves.

The maintenance programmers acknowledged that the code of guidance had taken away their direct control of repairs administration, but they also felt that the onus did in fact fall back on them because of the inexperience of the estate office staff.

Other staff - roles and attitudes

When the consultant met with the management team in June 1986, he commented on the need for attitude change throughout the organisation. One criticism voiced was that emphasis had been placed on getting the estate office staff and second tier district office staff to work differently, but the district housing managers and other senior managers have not acknowledged that they would have to work differently as well. This criticism was to some extent unfair when applied to the district housing managers. In interviews they acknowledged that their role had and would continue to change, although this was not always seen positively:

"I'm now more of an errand boy"

"I'm likely to become more of a personnel manager rather than a housing manager"

Their attitudes to decentralisation were generally favourable, although there were some apprehensions. There was no notable change in the

attitude of the district housing managers to decentralisation over the twelve month period (Spring 1986 to Spring 1987).

It is worth making some brief observations on the "culture" of the Housing Department because this has affected the way in which changes have taken place. The personality and authority of the Chief Housing Officer dominates the department, and many officers were reported to feel intimidated by this. Many housing officers (senior and junior) referred to him as "the boss", and he is certainly seen as holding a lot of power both within the department and the council as a whole. This power is built upon controlling a large budget and is combined with adept political (with a small p) skills. The funding situation of housing (with its separate income from housing rents) enabled the department to act quickly and somewhat independently.

Overall the responses to interviews, questionnaires and seminar discussions demonstrated a general commitment to decentralisation, but practical constraints made it difficult to provide a full service. Attitude change is a slow process, but some change had occurred just because decentralisation was a reality. As one district housing manager put it:

> "The initial resistance to change came from uncertainty. Staff had never seen an estates office working. Now they have seen it working and it does seem possible".

8.2   ANALYSIS OF CASE STUDY

This section analyses the case study of housing decentralisation. In doing so it considers the shape of change (disjointed, evolutionary, cyclical or radical), the process of change, and the key triggers apparent.

8.2.1   The shape and process of change

Housing decentralisation can be seen as a successful change in that it resulted in a enduring change to structure and ways of working. It was also associated with a shift in the attitudes of estates based staff.

The shape of change which emerges from this case study is incremental and evolutionary, rather than either a disjointed or radical transformation. There were no definite watersheds or points of crisis. The change has an "evolutionary" shape with the process being fuelled by politics and incrementalism (where the organisation is adapted bit by bit). The forces for change are described in more detail below, suffice to say here that whilst external factors were important, the change was internally driven. The main internal force for change was the Chief Housing Officer who guided the change from the top. He had a view about the direction the organisation ought to be heading in. This was modified slightly as events occurred, but the broad framework was adhered to throughout. The progress towards the desired end point is bit by bit and, modifying Quinn's (1980) model of logical incrementalism, it can be seen as iterative passes through the following stages:

Needs sensing
Search for solution (ready-made solutions)
Build awareness
Develop new views
Legitimise, communicate and selling new views
Introduce pilot solution
Facilitate pilot
Build and broaden support
Allay fears
Alter structures
Introduce new ways of working and procedures
Local adaptation of approved structures and procedures
Build commitment via training and communication

Needs sensing is an important stage. Several writers (Schon, 1971; Hedberg and Jonsson, 1977; Johnson, 1988) have written about the ability of organisations to ignore signals about the need for change, via the selective inattention to information which conflicts with their picture of reality. In this case the messages of threat were heard locally because many of them were already acknowledged by the housing profession nationally; and the Chief Housing Officer was a full member of this national network. In addition the threat to the job security of rent collectors was real and immediate. The acceptance of the need for change by the top of the organisation was assisted by the existence of a ready-made solution in the form of decentralisation down to estate office level. In the early 1980s this was an emerging "recipe" for housing departments, and as Greenwood and Stewart (1986) noted professional networks in local government are great diffusers of ideas and innovation.

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Similarly Hambleton and Hoggett (1987) pointed out that during the 1980s it was difficult to find a sizeable housing department which had not decentralised.

By the 1980s decentralisation of local government services, and housing services in particular, had become the idea in good currency (to use Schon's, 1971, terminology). In Midborough the adoption of these ideas did not involve a paradigmatic shift. Partial decentralisation was already an accepted way of working, and this decentralisation was in part seen as more of the same. As pointed out in Chapter 6, the area management experiment in the mid 1970s had been rejected by senior officers and council members. However, the reasons for this rejection had more to do with the protection of domains and spheres of control, rather than a denial that the ideas of localisation and decentralisation were appropriate.

The building of awareness of the external and internal threats throughout the housing department was the precursor for gaining acceptance of, if not commitment to, the proposed changes. This awareness raising was achieved via staff newsletters, memos and committee reports. At the same time as raising awareness of the threat, possible solutions were proposed and the Chief Housing Officer began to "sell" his preferred solution. This "selling" process emphasised the benefits of decentralisation. For front line staff the benefits were presented as job security for rent collectors and their security from the risk of physical attack. For middle managers the benefits were sold as creating a service which tenants would vote for if and when they were given the choice of "opting out". There was little active resistance to the changes. Change appears to have been regarded as inevitable, although there was some disbelief that things would really change (and this is reminiscent of the disbelief system noted by Metcalfe and Richards, 1990). Those people who had the power to block the change, politicians and senior housing managers were not directly threatened by it. Politicians did become concerned about decentralisation where there was sensitivity as to the location of estate offices and where the number of complaints from tenants increased. However, they were persuaded by the Chief Housing Officer that these were teething problems and in the long run there would be benefits. The senior housing managers were not directly threatened due to the fact that

Midborough did not have a fully centralised housing department in the first place. It was clear the headquarters staff did not see decentralisation as materially affecting their roles.

The pilot scheme served the purpose of demonstrating action to Housing Committee members, and thus warding off the introduction of alternative solutions (via the management consultants review). It also demonstrated to staff that the new system could work. To try and facilitate the working of the pilot an outside officer was moved into the area to keep a watching brief. The approval of multi-skill working and the addition of this to the Penley package was significant, because this was, at the time, seen as one of the more successful aspects of the Penley changes. Tenants liked it, whereas the withdrawal of rent collection was initially perceived as a reduction in service for the tenants and inefficient by district office staff (as rent arrears went up).

Interestingly, whilst the results of the pilot were not wholly favourable to the new methods of working, the organisation still moved to the next stage of building the case for general adoption. This suggests that the reasons for the pilot stage had more to do with political considerations than any rational process of organisational learning (hence supporting the political rather than the rational model of process outlined in Chapter 2). There were some alterations to the decentralisation scheme, mainly relating to staffing. Although these can be seen as partial efforts to improve the service under decentralisation, they can also be seen as bargaining ploys in gaining acceptance.

Once the formal structural change had, by and large, been achieved there were moves to formalise the new system of operation. This was achieved by the production of a procedures' manual and the organisation of training and seminar events. These initiatives came from the centre, but as local managers (i.e. the district office level) began to realise the implications of the changes for their own roles they began to adapt the formal structures and procedures. At times this adaptation was done formally, for example the District Housing Manager at Bowen getting the support of local council members to achieve a regrading of some posts. More frequently it was done informally, by reinterpreting the formal procedures at the local level (Lipsky, 1980, refers to this local

interpretation of policy and procedures as "street level bureaucracy"). As mentioned in Chapter 3, Warwick (1975) talks about the ability of bureaucracy to grow back if unchecked. Whilst formally this did not occur in this case study, informally there were signs of this happening. For example, the new operating prcedures, introduced in district housing offices meant that the second tier officers (such as the senior estate officers) were no longer line managers of estate officers. Informally, however, these second tier officers were beginning to reassert their position as line managers by 1987, despite strong views to the contrary from the centre.

The order of the stages shown above is rather different to those outlined by Biggart (1977). Biggart found that the stages of change were: reorganise structure, discredit the old ideology, build a new ideology, and get rid of the old guard. If the same terminology is used in this case the stages might be portrayed as:

> Discredit the old ideology
> Build a new ideology
> Reorganise structure
> Redeploy the old guard

When considering what changed in the housing decentralisation case, it is possible to identify changes to structures and procedures and a shift in attitudes. In Chapter 2, it was pointed out that Pettigrew (1987) argued that the ordering of these would be changes to core beliefs, followed by structures, then systems and finally strategy. In the housing decentralisation case, the shift in attitudes occurred throughout, but it is possible to characterise the process as several passes through the following order:

> Ideas
> Structures
> Procedures

In Chapter 3 the focus on structural change in the public sector was noted (Hoggett 1987a; Stewart, 1990). It is fair to say in this case study that, whilst attention was paid to procedures and attitude change, the prime focus was on structural reorganisation.

8.2.2. Key triggers and influences

The case study points to some important environmental influences which help in understanding the reasons for decentralisation. Within local government generally there was a growing concern about the way in which council services appeared to have lost contact with their clients/customers. By 1980 there had been several experiments with area management, one such experiment (sponsored by the Department of the Environment) had occurred in Midborough. In housing departments, in particular, there was a growing trend of decentralisation. The fact that a neighbouring authority had received some acclaim for decentralising its housing service, brought this awareness closer to home. These external messages were reinforced by the threats emanating from two pieces of central government action: firstly, the changes to Housing Benefit which affected the rent collectors' workload; secondly, the then prospective legislation on giving tenants a choice of landlord. It was noted in Chapter 3 that a PA Consultancy Group study (1990) found that many of the reorganisational changes in local government were a response to legislative changes. In this case study, legislation was not the sole or even the prime determinant, but one of a number of factors. The internal threat posed by the management consultants' review added to the contingent conditions for change.

In this case study the most important actor was the Chief Housing Officer. His role is one of championing the changes, making proposals, "selling" the new ideas and acting as final arbiter. He clearly acted as a visionary, picking up on the significance of the changes occurring in the operating environment and developing a vision of where the housing department ought to be moving in the future. He also played an important role in keeping the department on course in its changes - resisting changes which would have altered his concept of what the decentralisation ought to be about. The picture is one of a powerful central figure - an image perceived by the staff of the department who referred to him as "the boss". His power was based on a number of factors: control of resources, political skills, myths and legends. The Assistant Chief Housing Officer (Estates) played an important support role as translator, conciliator and progressor.

The district housing officers were key figures in putting the ideas into action. Although they had reservations about the proposals they did not significantly influence the shape of the change. One possible exception to this was the District Housing Manager at Bowen who (with member support) took unilateral action on grading and adapted some of the formal ways of working to suit his purposes. The Advice Officer (later to become the Training Officer) played the role early on of catalyst and independent challenger. She later played the role of an independent pedlar of new ideas.

Interestingly, elected members have a low profile in this case study. Cllr. Pearce (Chair of one of the housing committees) was influential in negotiating the multi-skill operations with the unions. Otherwise, politicians largely rubber-stamped the proposals which came from the officers. They blocked a few minor initiatives (such as appointing and paying estate officers before their estate offices opened) and were influential on the relatively minor issue of where estate offices should be located. However, the support of certain elected members was sought by officers who wished to challenge the formal line. The example of the Bowen District Housing Manager has already been mentioned. There is also the example of the Penley Maintenance Programmer gaining member support for the regrading of the maintenance programmers' post.

At the beginning of this section, the housing decentralisation change was characterised as being successful. It is appropriate to consider why this might be so. It will be recalled that Metcalfe and Richards (1990) argue that one of the conditions for successful change is that it is sponsored from the top over an extended period, and that it starts with a narrow focus and then moves outwards. These conditions are met in this case, decentralisation was supported from the top/centre throughout the period of the research. Although it could be argued that it was imposed from the top, thus seemingly breaking one of the "rules" outlined by Metcalfe and Richards. It started narrow, in terms of a pilot project, and it remained narrow, in that it only affected one department and one "domain". There is little evidence of the organisation as a whole learning from this experience and adopting the model it offered. Although both social services and environmental health officers (without

being asked) commented that housing decentralisation might have implications for their departments.

8.3   SUMMARY

This chapter has considered the housing decentralisation process in Midborough, which formally began in 1982 and was well underway by the end of the study period in 1987. This decentralisation was triggered by several external and internal events which came together in the early 1980s. The resulting shape of the change has been characterised as evolutionary, and the change process has been described as logical incrementalism. The change was successful and this, in part, has been attributed to the way in which it was championed from the top over a sustained period, and the way in which it started with a narrow focus and grew outwards. The next chapter provides another detailed case study, community development, which provides some interesting contrasts with housing decentralisation.

CHAPTER 9: COMMUNITY DEVELOPMENT

This chapter provides the second detailed case, a study of the introduction of a Community Development Committee and officer unit in Midborough. The chapter is divided into two main sections: the first describes the community development case study, the second provides an analysis of it.

9.1   CASE STUDY DECRIPTION

When Labour gained control in Midborough in the 1984 elections they established a Community Development Committee to co-ordinate the council's approach to the community and provide some community services. The Committee cut across the remit of other service and policy committees and this resulted in conflict. When the Conservatives regained control in 1985 the Community Development Committee became moribund, but was resurrected in May 1986 with Labour's return to power. This time there were disputes as to how the committee should be supported - by a unit in the Chief Executive's Department or by its own separate department. Many participants saw the conflict around this issue as symptomatic of the feeling towards community development. The community development initiative threatened the status quo of Midborough, and there was much evidence of resistance to these changes. By 1987 the remit of community development had been curtailed and its continued existence was in question. However, whilst the formal structures of community development (committee and unit) were under threat, the philosophy of a community focus and community involvement was beginning to take root within the organisation.

The case study is described in more detail below: the first section considers the background to community development; the second looks at the first period of Labour control (1984/85); the third section provides an assessment of community development's impact during its first year; the fourth section discusses the fallow year (for community development) of Conservative control in 1985/86; the fifth section considers the re-establishment of community development in May 1986 when Labour regained control; the sixth section looks at the progress during the year to May

1987; and the final section considers the impact of community development by 1987.

9.1.1 Background

For many officers (and members) the community development initiative in Midborough began in May 1984, when Labour gained control of the Council and established the Community Development Committee. This date is indeed an important landmark in the history of community development, but there were a number of things which occurred before this date. A Youth and Community section had been established in Midborough's Education Department since 1974, and prior to this the constituent boroughs had each made some provision for youth work. Glass Hill had been unusual (but not unique) in concentrating on community work as well as youth work. Different approaches had been adopted by the constituent boroughs and these perpetuated into the post-1974 situation.

In 1984 the Principal Youth and Community Officer described the youth and community service as a two part service (which he was appointed to unify):

> "There is a Youth Service and a Community Service with separate structures to service them and also built on different approaches and philosophy. The Youth Service was developed mainly as a local authority provided service, the Community Service developed as a voluntary aided service". (Internal report, 1984)

The situation was described, by this officer, as ambiguous and chaotic. By 1984 three different sorts of community provision existed:

1.   Buildings based provision - with community centres and centre wardens;

2.   A community college approach - with community tutors within schools;

3.   An area worker approach - based on placing community development workers in the community.

The area worker approach was the new one, and this resulted from the initiative of one community tutor at Upper Hill School, in the Sparrow's Nest area. He was appointed in 1976, and soon found the job ambiguous in

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terms of what should be done and who he was responsible to. The post entailed:

Youth work	Responsible to the Youth Officer
Adult education	Responsible to the Assistant Director for Further Education
Teaching in schools	Responsible to the Head Teacher
Community work	With uncertain responsibilities

After a year, the Community Tutor negotiated with the Head Teacher to work differently, and as a one year pilot to move out of the school and into the community. He started by revitalising a youth club and then decided to begin to work under the generic heading of "community". The local community became involved in the re-opening of a youth club (which had been closed for five years). He started to get support locally, and to build upon this the community tutor issued a press attack on the authority for their policies and attitudes to certain communities, which disadvantaged them. A Labour councillor became involved and encouraged the council to do something about the community provision in this area. An empty church was identified as a way for the council to respond to the press campaign. There was also financial support from the Anglican church, led by the local Bishop. The community, with the help of others, organised themselves and used this building to establish a Youth Opportunities Scheme and a Community Programme scheme. A charitable trust - The St. Christopher's Trust - was established (during 1981/82) and it became the holding body for any buildings and initiatives in this area.

Following this experience a second "area worker" post was established at Lode, Homebridge, with an appointment made in 1980/81. The impetus for this post came independently from the Church and Homebridge Area Social Services. The request for a community worker in this area came along at the right time - money was available.

Partly as a result of these two area posts, the Youth and Community Service at this time - the early 1980s - was gaining a higher profile. Some officers commented that political mileage was seen in youth and community services as a tool in responding to the effects of unemployment. The network of youth and community services was seen as important, and the system established in two parts of the borough

(Sparrow's Nest and Lode) was seen as an effective form of community work.

In March/April 1984 two Labour members - the Shadow Chairmen of Education Committee and Leisure and Recreation Committee - started to talk about possible responses to unemployment and the needs of the community. A joint sub-committee of Education and Leisure was suggested, and this developed into the idea of a separate committee and department for youth and community work. One of the originators of the idea gave his reasons for this as:

1.   The need to look at the overlap between leisure and youth and community activities, in order to use resources more efficiently.

2.   The desire to move the Youth and Community Service out of the Education Department where it had been the poor relation. For several years the Youth and Community Service felt that it had suffered adversely from cutbacks in the Education Department's budget. (Although the Chief Education Officer commented that in fact there is no evidence of this - the budget reductions applied across the whole service.)

This was not the first time the Youth and Community Services had been earmarked for possible change. Previously, on two occasions at least, the possibility of transferring the Youth and Community section to the Leisure Services Department had been discussed. First in 1979/80, which was felt to have been initiated by the Director of Leisure Services, then in 1983, when the Conservative group considered the future of youth and community services, as part of its cost cutting strategy. Reputedly, the Conservatives thought that the Youth and Community Service should begin to pay its own way, which was the emerging philosophy of Leisure Services, and so a move in this direction was considered. These moves were resisted by youth and community and education Officers. Various memos were written about why Youth and Community Services should stay within the Education Department. To quote just one of these:

> "It seems to me that the reason why the Youth Service has traditionally been part of the Education Service and should remain so, is that its function is to provide for the social and political education of the community. This is clearly a far wider brief than the provision of recreational facilities and centres where the community can meet". (Assistant Director - Further Education, 1.3.84)

In the period immediately preceding the 1984 elections some consideration was given to the way in which the proposed Community Development Committee would work. It was discussed in the weekly pre-election meeting between the Chief Executive and the shadow Labour leader. However, at this stage few people thought that Labour would gain control in the 1984 elections and so the "threat" to established ways of working (posed by the new committee) was not generally taken seriously.

9.1.2 Community Development 1984-85

When Labour won control in Midborough in 1984 a Community Development Committee was established with a budget created by transferring the Youth and Community Service budget out of the Education Department. However, no new department was formed. Several officers and departments were responsible for servicing the committee, with the lead officer changing during the course of the year. The reasons for not establishing a department are not documented, but several of the Labour members interviewed referred to lack of resources together with an assumption that a separate department was not necessary.

The key lead officer for the Committee was initially the head of the Chief Executives Research Unit. Whilst this offered the possibility of a more corporate focus, the Chief Executive's Office lacked the background in youth and community work to provide more than an administrative lead. Many of the agenda items were prepared by the Youth and Community section of the Education Department. These officers clearly did not want to be marginalised from this new initiative, and have community work taken away from them. In a draft statement to the Community Development Committee in May 1984, the youth and community officers stated that:

> "If a co-ordinated approach is to be followed, as recommended, then it will be necessary to lodge the formal management structure of the community development function with the Education Department through the Youth and Community Section".

In September 1984 the head of the Chief Executive's Research Unit pointed out to the Chief Executive that there were difficulties in taking the lead on Community Development. He perceived a lack of support from others and said that he felt "scape-goated". He saw that the officer lead should be a joint responsibility between himself and the Principal

Youth and Community Officer. However, the Chair of the Community Development Committee tended to ask him to take an overall lead. At this time the former Director of Planning (following the re-organisation arising from the management consultant's review) was made the lead officer for the Community Development Committee. Officers involved commented that there was a need for a high ranking figure-head for community development; issues were being raised by other chief officers and the head of the Chief Executive's Research Unit was not at a sufficiently high level to deal with these. The Chief Executive said that he needed someone else at the Chief Officers Management Team to speak for community development. At the same time the Labour group were said to be looking for something for the former Director of Planning to do to justify his Chief Officer's salary. (The Labour leader had undertaken to continue to employ him).

A new, young Labour councillor, with views to the left of the party was given the chairmanship of the new Committee. His was a wide-ranging brief, but with a simple instruction to make the committee work. His task was a daunting one, he had only been on the Council for seven months, and he was inexperienced as a chairman. In his own words, he had a "hard time working out the procedures and linking mechanisms of the council". On the positive side he was identified as one of the "bright, new members", articulate, knowledgeable and committed.

One of the first tasks of the new Committee was to decide what its role was and establish policy statements. The Chief Executive's office and youth and community officers got together with the chairman and vice-chairwoman to draw up policy statements. These statements went to committee in June 1984 and established the general objectives of community development as:

-   To improve the quality of life through supporting the activities of groups who contribute towards the development of the community by providing educational, social, cultural and economic activities for young people and adults.

-   To harness the resources of the local authority to produce, through information and research, criteria related to disadvantages and quality of life in communities, that will be based on evidence other than simple numerical data.

- To identify matters of social and economic concern where community initiatives are needed, with special reference to the elderly, ethnic minorities, the handicapped, women, young people and other socially disadvantaged groups and to generate appropriate action.

- To co-ordinate responses to the economic situation with primary reference to employment, by using whatever resources are available to generate income and genuine job opportunities within the Borough.

- To examine ways of improving relationships between the council and the public through improvements in service delivery, access to information and participation in decision making and to generate appropriate action.

A number of possible ways of working were identified: a "top down approach", where needs are identified solely by elected and officer representatives of the local authority; a "research and planning approach" which relies on statistical evidence acquired locally or nationally to identify trends and establish priorities for action; a "grass roots approach" which requires working alongside and with the community.

The Committee opted for the "grass roots approach", and recognised that the implications of this meant:

- the need for more area workers;
- the requirement for the Council to respond corporately to identified needs;
- that councillors' decision-making could be questioned by the community and they would need more support from officers;
- the need for an adequate staff structure to service the committee;
- the need for adequate resources.

In effect the Community Development Committee set itself a dual task; firstly as a service committee providing community (and youth) services, and secondly as a corporate policy committee for reviewing the practices of all other service committees (insofar as they related to the community). Both as a service and policy committee there were overlaps and conflicts with the responsibilities of other committees and departments. For example:

- Overlap with the Education Department in terms of youth provision and adult education;

- Overlap with the Economic (formerly Finance) Committee on provision for the unemployed;

- Overlap with Leisure Services in terms of providing recreational activities;

- Overlap with Social Services in terms of provision for the elderly, handicapped and other socially disadvantaged groups.

The problems arising from these overlaps and ambiguities will be returned to later.

One of the first hurdles to jump was the lack of the resources to begin to implement the Committee's objectives. A small amount of additional money was "found", but clearly not everything could be done at once. In September 1984 the Committee resolved to identify priority areas, and in January 1985 four localities were agreed as priority areas.

The January Community Development Committee also took the decision to move their meetings out into the community - by holding the Committee at different venues throughout the borough. The first part of the agenda at these meeting was set aside for representations from the community. A few interviewees saw this as tokenism, but the majority considered this as an important and successful move.

Another decision taken in January was to set up an equal opportunities sub-committee of the Community Development Committee. This sub-committee became the responsibility of the Vice Chair, who had a particular interest in equal opportunities for women. This focus was not viewed sympathetically by all Labour members, some of whom did not acknowledge that there was any discrimination against women.

By the beginning of 1985 it was becoming evident that the Community Development Committee was overburdened with business, and in particular there was an increase in the number of minor items appearing on the agenda. A number of reasons have been put forward for this:

- The overlap with other services meant there was a need for items from other committees to be referred to the Community Development Committee.

- Because of its wide brief, the committee tended to become the "catch all" committee for any other business not appropriate to, or desired by, other committees.

- With the move out into the community there were a number of items raised by the community which had to be responded to.

- The reluctance, or inability, of the chairman and lead officers to filter the items coming through to the Community Development Committee agenda. The chairman was certainly unhappy about officers filtering the information that members received.

An officer involved commented that:

"The problems of other committees were thrown at the Community Development Committee. We caught most of them whereas we probably should have returned most of them"

Others have offered the view that the "swamping" of the Committee was no accident of circumstances, but a deliberate attempt by chief officers to neuter the new committee by overloading it. There is no conclusive evidence to confirm or deny this. The "swamping" is not readily apparent in the committee papers of this period. One chief officer commented that:

"The stuff that went to the Community Development Committee was appropriate - what happened was that they wanted to be choosey about what to accept."

Conflict occurred and the chairman has commented that, politically, people were not prepared for the consequences of community development:

"They were not prepared for the sort of questions that would be raised by communities and asked by Community Development Committee of other committees".

The Community Development Committee were asking that the budgets of other committees should be reconsidered in the light of community demands. This brings into play the big debate about who knows best about what is needed - the professionals, the elected representatives, or the community themselves?

Problems of demarcation occurred. For example the conflict between the Economic Committee and the Community Development Committee with regard to unemployment. At the instigation of the chairman of the Community Development Committee a Policy sub-committee on unemployment was

established in November 1984, with the aim of resolving some of the problems. However, this sub-committee ran into difficulties, and a note of a meeting between officers and members in January 1985 reported that there was:

> "Uncertainty as to what the controlling group were seeking to achieve through the sub-committee and its relationship with the Community Development and Economic committees".

During the early part of 1985 the Labour group were running into other difficulties. A split occurred between the traditional Labour members and the newer members who were further to the left (with the chairman of the Community Development Committee being part of this latter group). One of the issues in dispute was the de-privatisation of school cleansing. The "left" saw this as a manifesto promise, but only a pilot scheme of twelve schools were put forward for de-privatisation. There was only sufficient money to restore the DLO to schools in the north of the borough, where the contractors had been sacked. The Labour leader said they could not afford any more, but some of the "left" members felt that the leader was being kept in the dark by the Director of Finance and not fighting against it.

The split was compounded by the fact that Labour had lost its majority (with the defection of one of its members), and was thus finding it increasingly difficult to get things through the Council. All this created problems in the latter stages of Labour's control in 1984/85. Relationships within the Labour group had broken down and:

> "all the people the chairman of Community Development should have been talking to (Leader, chairman of Economic Committee, etc.), were hardly on speaking terms". (Officer interview)

The breakdown in the relationship between the chairman of the Community Development Committee and the Labour leader was said to have started from September 1984 onwards. Community development was associated with a growing source of power within the Labour group and this was threatening the balance of control within the group.

The 1985 Labour annual general meeting has been described by one Labour member as the "night of the long knifes". Most of the new (left) members lost any positions they held. The one exception to this was the chairman

of the Community Development Committee who, to the surprise of many, continued to be supported by the Leader.

9.1.3 An assessment of the first year of community development

To summarise then, in 1984/85 the Community Development Committee was mainly concerned with establishing its position within the authority; considering how it should work and then embarking on this process. There were problems of: duplication and demarcation; raising the expectations of the community without having the resources to deliver the goods; and trying to do too many things at the same time and becoming overloaded. There had been some successes as well. Priority areas had been identified and youth and community groups had got a voice onto the council. But even the successes had their problems; the priority areas were meant to act as a focus for all departments and committees and not just community development, however these priority areas were not readily apparent in the approach of other committees.

Despite the problems, the terminology and some of the "ideology" of community development had arrived. During interviews with chief officers and other senior officers in 1985 the majority mentioned the importance of being more responsive to the community. Their enthusiasm for community development was, however, blunted by concerns about boundaries of responsibility. Whilst there was increasing use of the term community development there was confusion as to what this really meant in practice (rather than just policy statements). Labour members have said that there was widespread support for the ideas of community development, but the practice in Midborough was associated with the "left" and there was some antipathy to this group and to the chairman of Community Development. The Community Development Committee was felt by some members to have invaded their territory, as ward members they saw themselves as the proper channels for community representation.

9.1.3 Community development 1985/86

When the Conservatives gained control by a narrow margin in Midborough in 1985 the Community Development Committee became moribund. It was not seen as an appropriate committee by the Conservatives, and in September

1985 the budget for Youth and Community Services (the main budget for the Community Development Committee) was transferred back to Education Committee. A resolution to disband the Committee went to the Policy Committee in December 1985, but surprisingly it was not accepted and officers were asked to consider the future role of the Committee. One explanation of this is that members "got cold feet" about the possible publicity associated with formally ending the Committee. Also the Conservatives only controlled with the casting vote of the Mayor, and at times found difficulty in getting decisions through.

It was anticipated by all the officers interviewed that Labour would regain control in May 1986, and hence community development was only likely to be "on ice" rather than abandoned altogether. The Chief Executive (prompted by the Chief Education Officer) recognised the need to keep some momentum going and in summer 1985 he asked that a Community Focus Team be established under the chairmanship of the Assistant Chief Education Officer. This move may have stemmed from a memo (May 16, 1985) from the Principal Youth and Community Officer on the need to continue promoting community development, possibly by a key group of officers from the four main departments.

It was intended that the Community Focus Team would have representatives from all the main departments. To begin with it was not well attended, particularly by the Housing and Social Services Departments. In response to this the Chief Executive wrote to all chief officers stressing the need for attendance. The Community Focus Team produced a committee report which tried to work through, in a logical manner, the future options for community development. The report was due to go to the February 1986 Policy Committee, but seems to have got lost in the system.

The Community Development Committee did not meet again until after the 1986 elections (a gap of six months from December to June). However, the Policy Committee in March 1986 resolved that the race relations and equal opportunities responsibilities from the disbanded metropolitan county council be given to the Community Development Committee.

For community development workers it was a year of quiet work and marking time. In the budget for 1985/86 (decided by Labour before they lost control) the number of area worker posts was increased to eight. During the year there were seven people in these posts, with the final post frozen.

9.1.5 Re-establishing community development in 1986

Despite some of the problems with the Community Development Committee during 1984/85, it was clear that it would be revitalised if Labour won the next local election. A policy conference of the Labour group in autumn 1985 decided that:

-       Community development would form one of the major platforms after May. More resources would be made available and there would be more accent on working with young people.

-       There would be a community development department/unit after May, probably with the Youth and Community Section of Education relocated to the Chief Executives.

Close to the elections (April 22, 1986) an article appeared in the local newspaper publicising Labour's intentions:

> "A pledge to bring the running of Midborough Council closer to "grass roots" opinion is included in the borough Labour Party's election battle plans. Party leaders say that they will revive a Community Development Committee with full speaking rights for the public if Labour takes control of the Council after the May elections".

In the May 1986 elections Labour swept to victory with a (unexpectedly large) 20 seat majority. Most discussion prior to this time had been about a Community Development Unit in the Chief Executive's office. However, as reported in Chapter 5, the Chief Executive had fallen out of favour with the Labour group because of his actions over the enterprise zone shopping development. On the Sunday after the elections the Labour leader called the chairman of the Community Development Committee and a Youth and Community Officer to his home. At this stage the Leader floated the idea of a new Community Development Department, based upon the Youth and Community Section of the Education Department. This was not the preferred strategy of the chairman, who said he still wanted a unit within the Chief Executive's office.

The next day (Monday evening) there was a meeting of youth and community officers with the chairman. The agenda consisted of the following items:

-       Proposed new committee structure and policies;
-       Budget costings;
-       The naming of personnel in the proposed new department;
-       Agenda items for the first committee meeting.

At this time the Principal Youth and Community Officer was being named as the Chief Officer of the new department. He was asked to draw up the structure for this new department, but was told it should have three strands: youth and community services, equal opportunities, and a community development training role. A management structure for the new department was drawn up, but then, after the initial high level of activity, things went quiet. Youth and community officers reported that none of the Labour politicians seemed to be willing to talk to them about the proposed new structure. On the surface it was quiet, but there were a lot of rumours about behind the scenes discussions between the Leader and some chief officers, particularly the new acting Chief Executive and the Chief Personnel Officer.

The new department was not discussed at the first Community Development Committee in June 1986, but eventually a meeting was held between the Chief Personnel Officer, Chief Education Officer, and youth and community officers. Personnel officers were unhappy with the new structure and the salary grades proposed. Youth and community officers were on Education related Soulbury scales, following a dispute and a national agreement some years ago. (These scales were significantly higher paid than the normal local government grades).

The chief officers who were interviewed during the summer of 1986 varied in their responses to the new department - from those totally in favour to those firmly against the proposal. All felt that if there was to be a new department, then a new chief officer should be brought in from outside. They did not think it was appropriate to appoint the Principal Youth and Community Officer to this grade.

Individual officers and members have different perceptions of the sequence of events following the officer meeting to discuss the structure of the new department. Youth and community officers expected further negotiations following the June meeting, but the next contact they had was being shown (unofficially) a copy of an agenda item to an August Policy sub-committee. This report, produced by the Chief Personnel Officer, proposed a separate department, but with a different structure and grades to that drawn up by youth and community officers. The chairman of Community Development was contacted by the youth and community officers and he said he would be opposing the report.

One view of what happened next is that prior to the committee meeting, at a political meeting of members, the chairman of Community Development said he wanted the original structure, but not as a separate department - rather as a unit in the Chief Executives. The Chief Personnel Officer's report was set aside and the chairman of Community Development's proposal was accepted, although the Leader is reported to have said that he still wanted youth and community officers off Soulbury scales. Others have said that the whole thing was discussed (by the Leader, chairman of Community Development, Acting Chief Executive and Chief Personnel Officer) and decided before the August Policy Sub-committee. The Leader and the chairman of the Community Development Committee were said to be persuaded by Chief Officer advice that the post of Chief Community Development Officer should be advertised externally, but because politicians had made some commitment to youth and community officers, they felt unable to do this. So instead, prior to the August committee they decided to "fudge the issue and as a compromise set up a Community Development Unit in the Chief Executive's office".

Possible additional reasons for the change back from a department to a unit have been given as:

-   Concerns about the financial commitment involved in setting up a new department.

-   Concerns about the possible electoral backlash if Labour were seen to be enhancing the salaries of officers (this had after all contributed to the Conservative downfall in 1984).

-   A cooling off of commitment on community development and in parallel the ascendency of economic development as the top priority

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- A feeling amongst some officers that certain chief officers had set up a "character assassination of the Principal Youth and Community Officer", because they did not consider him to be an appropriate chief officer.

For whatever reason, during August 1986 the decision was made to have a Community Development Unit in the Chief Executive's, but the structure and the grading of staff had not been resolved. Many of those interviewed, with the notable exception of the chairman of the Community Development Committee, compared the decision on community development with that on economic development (which was to get its own department and chief officer), and interpreted this as a sign that the Labour group were not really serious about community development this time around.

One interviewee commented that:

> "The bulk of the Labour group were interested in community development, but not in the way the Community Development Committee at that time were operating. They seemed to be concentrating too much on fringe matters".

They also contrasted the political astuteness of the chairman of Economic Development with the inexperience of the chairman of Community Development, and saw this as important in determining the final outcome. The chairman of the Community Development Committee said that he considered that community development had done better than economic development, that there was a problem of being marginalised if a separate department was set up. Youth and community services staff were demoralised. They were not against the idea of a unit in the Chief Executives, but because of first being offered a separate department they interpreted this, as others had done, as a sign that Labour were not serious about community development.

The decision about departmental status having been made, things began to settle down a little. Attempts were made to learn from what had gone wrong in 1984/85 (during summer 1985 the Labour group had an internal review of events during this year). As a result of this:

- Greater emphasis was placed on making the boundaries of community development clearer so that the Committee would not tread on the toes of other committees or get inundated with petty business. One of the problem areas in 1984/85 had been the responsibility

for responding to unemployment, resulting in a conflict between Economic Committee and Community Development Committee as to who should take the lead. This time around this was clearly stated as the responsibility of Economic Development Committee.

- There was an attempt to countermand the "loony left" image of community development. The former left wing Vice Chairwoman of the committee was replaced by a more moderate Labour councillor.

- There was a clearer officer support system, with the head of the Community Development Unit being the lead officer for the Committee (via the Chief Executive).

- There was a modest increase in budget and establishment for 1986/87 (a growth of £0.122m), with the promise of more for next year.

Policy statements for community development were agreed by the June 1986 committee. There was a general policy statement plus specific ones for youth, community, equal opportunities and training. These statements had much in common with the statements adopted in June 1984, but there were some differences and changes in emphasis. References to supporting groups which provide economic activities for young people and adults were removed. Whereas previously an objective of this committee had been to co-ordinate responses to the economic situation with primary reference to unemployment, this had now become "to establish effective means of monitoring the needs of young people and the community in relationship to the Youth Training Scheme and Community Programme". The specific objectives for youth, community and equal opportunities were more detailed this time around, and training was a new area. In looking at the consequences of the Committee's policy a new "implication" was added:

> "The adoption of the Community Development Committee's policy may on occasions lead to constructive criticism of the local authority's practice in relationship to the community. This, however, should contribute to an overall improvement in the relationships between the local authority and its community constituents"

There was some disagreement about the wording of one of the objectives for "an equal opportunity approach in Midborough". Initially this included a statement on tackling discrimination on the basis of sexual orientation. This was removed, but then under protest from some labour members was reinstated. This was a sign of things to come - there was

disagreement in the Labour group about the reality of discrimination and what the Council should be doing about it.

9.1.6 Progress during 1986/87

At first there were some optimistic signs for the future. In particular most people interviewed commented upon the more positive attitude of education officers (and members) this time around. In 1984/85 there were comments that education officers were obstructing the community development initiative. For example the requirement that everything on youth centres would have to be reported to Education Committee as well as Community Development Committee. However, the Chief Education Officer argued that this was required by the 1944 Education Act.

In contrast in 1986 a politician commented that :

> "Education seem to be bending over backward to help community development this time"

Officers reported that the Chief Education Officer frequently spoke up for community development when others were more reticent. There were, however, still some areas of disagreement and one officer referred to "being a bystander in the fight between Community Development and Education over community education, and in particular the Community Education Tutors", who eventually moved to Community Development.

One sign of better relationships, were the series of six-weekly meetings, established late in 1986, between the chairmen and lead officers of Education, Leisure and Community Development. These meetings were called to:

- discuss and cope with the overlap in responsibilities;
- thrash out new policies.

Again there were different perceptions - one participant described these meeting as one of the most successful things to have come out of the community development initiative, whereas another commented that the meetings were a start but they didn't get very far.

Committee meetings were again held out in the community. There was usually a good public attendance at these meetings and most interviewees made positive comments about them. A number of new projects were set in train and some of these began to bear fruit. For example, the plans for a coffee shop and drop in centre in the town centre for the young unemployed. Some of these projects spanned departmental boundaries and signalled better interdepartmental working (for example, the Juvenile Liaison Bureau which brought together Social Services, Community Development, Education, and others).

Emphasis was placed on getting the community (adults and youths) to identify their own needs rather than imposing schemes upon them. Getting groups to organise themselves and agree upon their requirements was not an easy task. There were successes but these tended to be small initiatives (e.g. provision of a minibus, a driving school project, and so on) and not the high profile projects which attract attention and are usually seen as synonymous with success.

In the budget decisions between January and March 1987, the Community Development Committee achieved a sizeable increase in budget. There were comments that the size of the budget growth was not necessarily a sign of a commitment to community development, but a political move:

> "Give Joe Bloggs the money he wants and he won't fight against the rest of the budget".

So there were some positive signs that community development was making progress and becoming accepted, but these signs tended to be outweighed by problem areas. Some of the prominent problem areas are detailed below.

The chairman of the Community Development Committee has said that he was committed to a policy of strong political control over officers. Community development management meetings were established every Monday and involved Community Development Unit officers and Community Development Committee members (all the Labour members of the committee were invited). This management style on the part of the chairman ran into problems because of his lack of availability. Other commitments intervened, e.g. his parliamentary candidacy, and communication began to break down. This led to uncertainty amongst officers about the direction

of community development and future priorities. The lack of political leadership was not compensated for by officer leadership. The Acting Chief Executive was the lead officer, but he had little time available and was in any case having to cope with a new job (plus his own department). The head of the Community Development Unit was not part of the Chief Officers Management Team and so was not party to discussions at this level. He often lacked the basic information needed to provide such a leading role, for example, he did not receive all committee papers as did chief officers.

The issue of salary scales for Community Development Unit officers was not resolved. The letters offering the posts to youth and community staff took them off Soulbury scales, and they were not offered any more money for their perceived increase in responsibilities. They took issue not only with what had been done but also with the way it had been done. The trade union became involved and industrial action was threatened. In March 1986 these officers began a work to rule and overtime ban. There were reports that the Labour leader saw this industrial action as action against himself and hence his continued support of the Community Development Unit was brought into question. There had been some increase in the number of the community development officers, but they were still not well resourced to deliver the goods on all fronts. There was a general concern that the Community Development Committee was raising expectations beyond the power of the Unit to respond.

Community Development officers and members were beginning to be accused of starting things but not seeing them through to fruition. One interviewee commented:

> "If you want anything done don't go to Community Development they are not capable of delivering the goods".

Some of the problems of last time, trying to do too much too soon, were re-occurring. There were still some things landing at community development's door which were not central to their main task. For example, they were asked to produce a report on the Council and South Africa. Other initiatives were sought by the chairman, but again many felt that these detracted from the main aims of community development. One of these initiatives was the provision of a benefit's shop in the

town centre. The need for this was raised by the Effectiveness and Efficiency Committee and the implementation of it was "bid for" by the chairman of the Community Development Committee, in competition with the Finance Committee/Department. Community development "won" and were then responsible for establishing an advice centre which at the same time would house the voluntary organisations under one roof. There were delays in identifying a property for this centre and community development officers were criticised for the lack of progress.

It was acknowledged from the beginning that community development and the area worker approach could be contentious in that it was likely to question the existing working practices of the authority. During 1986/87 there were incidences of conflict between area workers and ward members and between area workers and other departments. An example of this, the dispute with the Housing Department over tenants' associations, is pertinent. Housing officers argued that the responsibility for tenants' associations should be theirs and they saw the involvement of some community development workers as a "take over bid". In Bowen the community development (area) workers were accused of whipping up opposition to the Housing Department, and of trying to make tenants' associations into pressure groups against housing. In parallel with this a joint member and officer group had been established (in autumn, 1986) to look at the council's policy towards voluntary groups (in the wake of the increased number of groups Midborough was being asked to support following the abolition of the metropolitan county council). This group decided that tenants' associations should be supported, but that the Community Development Committee should have the lead for these associations. When the Chief Housing Officer heard of this, a rearguard action was fought and representations were made to Policy Committee via the Housing Committee. These representations were successful and the Policy Committee gave the responsibility back to the Housing Department.

Whilst there were efforts to rationalise the overlap in responsibilities between community development and other departments, there were still problems which resulted in bad feelings. As one officer put it, there were four departments (Education, Leisure, Community Development and Social Services) with interests in community development, doing the same things sometimes with the same people. This led to some resentment. For

example, Leisure Services had to charge for their activities and on occasions they saw Community Development come along and set up what they regarded as rival activities free of charge (one instance of this was the provision of canoeing instruction in swimming pools). The potential resentment has been heightened by the fact that community development workers get paid more than leisure services officers.

9.1.7 Evaluation of the impact of community development

There was a general feeling in the council by 1987 that yet again the Community Development Committee had tried to do too much too soon. The comments were that community development had been side-tracked into areas that did not have popular support (particularly some aspects of the equal opportunities work) at the expense of those areas that did. The sum total of these problems led one chief officer to comment that:

"Community Development is a good idea gone wrong in Midborough"

Similarly a Labour councillor who was committed to community development expressed:

"A deep disappointment about the way community development has gone"

In terms of apportioning blame, participants have seen it in different ways. There is a strong feeling amongst some officers, and indeed some Labour members, that the Labour group handled things badly in not going for a separate Community Development department with its own chief officer. Although they stress that this would need to have been an outside appointment. This view is summed up in the comment of one officer:

"The history of community development over the last year is a catalogue of political mismanagement. A community development department with a separate chief officer was a necessary prerequisite for effective working..... From August 1986 there was no possibility of community development being successful".

Whilst accepting some of the above reasons, some other Labour members and officers transfer the blame back onto chief officers. They argue that the reason why a new chief officer was needed was because of the power of

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chief officers who resisted and blocked the community development initiative.

By the time of the May 1987 elections, some of the problems had come to a head. The availability of the chairman had deteriorated even further and led one chief officer to comment that:

> "The chairman had stopped going into the Community Development Unit and the staff in the Unit were working to rule. Community development had become paralysed and it seemed that the chairman didn't want to continue, he had washed his hands of community development".

As discussed in Chapter 5, the May 1987 elections saw the loss of five Labour seats and a heightened concern amongst the Labour group that they might lose control at the next local election. Following the 1987 election two things happened: firstly, there was a change in the chairmanship of the committee, and secondly there was a cut in the 1987/88 budget. The new chair was a woman whose views were reputed to lie to the right of the party. For many this was taken as a signal of a new low key approach to community development. Two such decisions were made at the first post-election Community Development Committee meeting: first the equal opportunities sub-committee was not reconstituted (this became the subject matter of a member working group), and second the Committee was no longer to go out into the community.

Following the election the messages being passed down to the Community Development Unit's officers consisted of:

> "The Unit has lost its credibility"

> "The Unit is on probation for a year"

It was also reported that a number of chairmen and chief officers had "their knifes out for Community Development". The possibilities being raised were:

Benefits' shop	to	Finance Department
Equal opportunities	to	Personnel Department
Community arts	to	Leisure Services
Work with the disabled	to	Social Services

By June 1987, the future of community development looked uncertain with some people having doubts about whether a separate committee and unit would continue to exist. Others were more optimistic and said that there was still a widespread commitment to the principle of community development. The morale of community development officers would appear to be summed up by the message on one of the office posters:

"We are the willing led by the unknowing doing the impossible for the ungrateful".

Whilst the future of the Community Development Committee and Unit was uncertain in 1987, the debate around community development during 1984-87 did have a wider impact. The Chief Education Officer commented that:

"One effect of Community Development having a separate identity has been a much more heightened debate within Education on the role of Community Education, which has involved two residential conferences for Headteachers, teachers, Community Development workers, plus the Chairman and Shadow Chairmen of the Education Committee, separated by 18 months of intense debate and working groups involving 120 people. The final report on this is due in January 1988. A secondary outcome has been a widespread commitment to the idea of a "bottom-up" approach, which has led to a significant rethinking of the Education Department's methods of operation".

9.2   ANALYSIS OF CASE STUDY

This section considers how the case study of community development in Midborough can best be understood. It does this by first looking at the shape of change and the factors which triggered it. The second part of the section looks in detail at ways of analysing the process of change

9.2.1   The shape and triggers of change

The shape of the change which emerges from the case study is much more disjointed than that evident in the housing decentralisation case. This may in part be due to the fragmented nature of the leadership in

community development. Unlike housing (which had a strong chief officer), there was no constant champion of community development. The various advocates operated from a limited and precarious power base. The first chair of the Community Development Committee was the closest figure to a "champion", but he was a new councillor who was heavily reliant on the Labour leader for his position power.

Despite the disjointed shape of change it is possible to identify certain stages in the progress of community development. These begin with the awareness of new ideas in relation to community development and then progress as follows: the adoption of these ideas by the Labour group; the perceived threat by service departments and committees; the denial of the need for a separate community development initiative; competition of ideas and competition for resources, co-optation of the community development ideology by the service departments; and finally the demise of community development as a separate initiative. Each of these stages is explored further below, in Section 9.2.2 on the process of change. These stage of change are rather different to the stage models outlined in Chapter 2 (such as Plant, 1987; Rashford and Coghlan, 1989). The latter models end up with acceptance of the original idea (reality acceptance) and pay little attention to the conflict and competition which may lead (as in this case) to a different definition of reality.

Chapter 3 commented upon the public sector's normal knee jerk response to changing demands of changing structures (Hoggett, 1987a; Stewart 1990). This to some extent holds good in this case study; although the initial focus was on the committee and not the officer structure, possibly due to the fact that members took the initial lead in implementing change. It will be recalled that Pettigrew (1987) predicted that the order of change would be core beliefs, structures, systems and strategy. In this case study there were no early changes in core beliefs. Although new ideas in relation to community development were being discussed, the primary focus was on changing structures and systems. Core values did not change dramatically, and the change that took place was spread over the period of the case study.

There are several triggers apparent in this case study. Externally, the environment of local government in the early to mid 1980s was questioning

the remoteness of local councils to their communities, and, as discussed in Chapter 6, this was a concern in Midborough. Internally, a new approach to community work (the "area worker approach") was being experimented with, and this approach offered a ready-made solution to accusation of remoteness. The area worker approach can be seen as a trigger in its own right (and this is explored below in Section 9.2.2, under the innovation heading), or it can be seen as one of the ingredients ready to be "churned" with other solutions and problems in the "garbage can" process of change (discussed in Chapter 2). Probably, the most important internal trigger for change was the local Labour party's adoption of community development as a platform for making their mark within the council and demonstrating to officers that they were in control. The question of who were the most influential group - officers or members - is difficult to answer. The Community Development Committee would not have been established without member initiative, but the practice of community development was shaped by some officers and blocked by others. A handful of Labour members also played an important shaping role.

It was noted in Chapter 3 that legislative changes have often been referred to as a key trigger of change in local government (PA Consultancy Group, 1990). This was not apparent in this case study, there was no legislation that directly impacted upon community development.

9.2.2 The process of change

The community development case study is fascinating because the process of change can be analysed using a number of different frameworks, each of which draw upon the models of change reviewed in Chapters 2 and 3. Each of these frameworks aids understanding, but none of them is sufficient on their own. Morgan (1986) encourages the use of a number of different perspectives (metaphors), in understanding organisations, and this is the approach which is adopted here. This section suggests four ways of analysing the community development case study: firstly by using an innovation framework, secondly by using the "vote motive" framework, thirdly by using a political framework, and finally by considering the case as a mechanistic issue.

The innovation framework

One way of understanding the community development initiative in Midborough is to adopt the framework of innovation (outlined in Chapter 2). Here the starting point is the idea or invention which is adopted locally, then moves through the stages of wider adoption, adaptation and diffusion. In the community development case study the initial idea, or invention, grew out of the action of one community tutor. His move into the community was a new departure for Midborough, but it was not unprecedented nationally. In the late 1960s and early 1970s there were a number of central government initiatives in community development. For example, the Community Development Project (Home Office sponsored) and the Comprehensive Community Programme (Department of the Environment sponsored).

The climate was suitable for invention; youth and community work in Midborough was already characterised by diversity, stemming from the differing approaches of the pre-1974 boroughs. The local adoption of the community tutor's approach was aided by two factors: firstly, the alliances he built with a local Labour councillor and an influential Bishop; and secondly, the desire of the council at that time to be seen to be doing something for the community. The success locally was partly diffused and led to the same solution being adopted in another area, with the creation of the second area worker post. The area worker approach to community development was more widely adopted in the mid-1980s as additional funds became available for community development. The diffusion process did not stop with the creation of the area worker posts. The ideas of community involvement and consultation filtered through to each service area, and they adopted and adapted it to suit their own purposes. As Schon (1971) argued, in this diffusion process the message did not remain unchanged. The notions of community development were adapted, and for many it meant consultation and involvement rather than "an educational process to enable marginal groups to play a real role in decisions about themselves" (Nutley and Skinner, 1987, p 4). By the mid-1980s the "innovation" of community development had diffused more generally within local government. In 1986 a limited survey of the 36 metropolitan district councils (excluding London) was

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conducted. A response was received from 21 districts (58%), and of these 15 had people employed on community development work. The extent and nature of this work varied. The number of people employed ranged from two to 30, with an average of 13. Most community development workers in these authorities were based in service departments, with the most common being Social Services, Education and Leisure Services. Four authorities based their community development workers in central service departments.

The "vote motive" framework

It was noted in Chapter 3 that public choice theorists (Downs, 1957; Niskanen, 1971; Tullock, 1976) argue that the "vote motive" shapes the decisions made by elected members in the public sector, and that budget maximisation is the concern of paid officials. Certainly another way of looking at the community development case study is to consider it as part of the politics of electability, and a symptom of the competition between officers and members. In this reading of the case, community development became centre stage because it was seen by Labour councillors as both a good electoral strategy and a means of showing officers that they meant to take control. As such the seeds of the community development initiative are to be found in the meetings between the Labour shadow chairmen of the Education and Leisure Services Committees, where they discussed what they would do if and when they took control. The wide remit given to the Community Development Committee can be seen as a deliberate strategy to challenge the main service departments and the chief officers group. It can be argued that the chief officers fought back by giving the committee what it wanted and, in the process, sabotaging it by swamping it with business. The demise of community development, after the enthusiastic start, can be understood under this framework as part of the realisation by the Labour group that rather than an electoral asset, community development might prove to be an electoral liability due to its growing "loony left" image. In addition, the Labour group at this time had split and easing back on community development was seen as a way of punishing the left of the party. Given, under this reading of the case study, community development only emerged centre stage because of political patronage, once this patronage had ceased community development fell into decline.

The political framework

A third way of reading the community development case study, which builds upon the second, is to identify the vested interest groups and consider the political dynamics of the situation. The service departments most immediately affected by the initiative were Education, Leisure, Housing and Social Services. Each of the these could and did argue that community development was part of their remit, and thus the change process can be viewed as a contest for control. Back in the late 1970s there had been some territorial conflict between the Education and Leisure Services departments as to who should manage the Youth and Community Service. On these occasions the Education Department had won the battle to retain control. When the Community Development Committee was established in 1984, Education once again fought to remain involved, using "rational" arguments (the importance of an educational focus) and the control of resources (they still retained the Youth and Community Service.

The new Community Development Committee was perceived as a threat to existing ways of working. The first reaction to this was in part a denial of the need to have a new community development structure " we're doing it anyway". Early denial of the need for change was mentioned several times in the literature review in Chapter 2 (Schon, 1971; Plant, 1987). As the enduring reality of community development set in, the politics of competition emerged. The political strategies identified by Mumford and Pettigrew (1975) were readily apparent. The existing chief officers restricted access to information and the head of the Community Development Unit was not allowed to receive all council papers "because he was not a chief officer". In addition, it could be argued that some of the existing chief officers prevented his becoming a chief officer. There were attempts to damage the credibility of the Community Development Unit and its lead officer - "If you want a job doing don't give it to community development".

Several interviewees referred to the character assassination which occurred in 1986 when it was mooted that the head of the Community Development Unit might become a chief officer. There were attempts to

marginalise the role of the Community Development Committee and Unit
(this appeared to be the initial strategy of the Education Department).
Territorial defence continued, for example, in the Housing Departments
defence of its right to "control" tenants' associations. Once the
support of the Labour leadership waned the Community Development Unit did
not have a power base from which to fight back. The officers used their
"negative power" (Handy, 1985) in beginning to work to rule following the
regrading decision, but other bases for power were absent. Using Handy's
categorisation, there was little in the way of power due to the control
of resources, given that the Community Development Unit was very small
compared with competitor departments. There was little in the way of
position power, given that there was no chief officer for the Unit. The
Unit did have expertise, but their profession (community work) was not a
traditional profession and was not readily recognised. Finally personal
power had all but disappeared, the head of the Unit had been visibly
shaken by the character assassination which he considered had occurred in
1986.

As noted in Chapter 2 (Schwenk, 1989; Carnall, 1990) the competition was
not just about the control of resources, but also a contest of ideas
about what community development meant (and as Goetschius, 1969, reveals,
they had a rich variety of definitions from which to choose). By 1987
the battle of ideas seemed to have been won by the traditional service
departments, and in large part these departments had also managed to
retain control of the key resources. However, this does not mean that
the traditional views of local government operation won through
unscathed. During 1986, the threat of community development having been
minimalised, the vested interests moved into the phase (identified by
Cyert and March, 1963) of co-optation. This is where threats (internal
or external) are averted by absorbing them. Departments incorporated a
community focus into their own work, hence rephrasing the old dictum to
read "you can beat them by partly joining them". They also established
joint working arrangements - the tripartite meetings between Education,
Leisure Services and Community Development. Other specific joint
ventures were embarked upon (such as the juvenile liaison bureau), and
whilst these included community development, by the same token they did
not exclude the traditional service department. So, in using the
political framework, the community development case study can be seen as

passing through the following stages during the 1980s: perceived threat, denial, competition, co-optation.

Warwick (1975) argues that unless strongly checked public sector bureaucracies, following reorganisation, will grow back to their original state. To some extent this is borne out here. For example, by 1987 the Community Development Committee had again become a traditional committee which no longer held meetings in the community, and some of the powers given to the Committee had reverted to their former holders (for example, tenants' associations).

The mechanistic framework

The fourth and final way of looking at the community development case study is to take a mechanistic view of why it ran into problems. One of the metaphors outlined by Morgan (1986) is to view organisations as if they were machines. From this perspective the problems can be analysed in terms of a breakdown in the working of the component parts of the machine of local government. One of the problems for community development was the lack of clear role definitions for the main actors. For example, when the new committee was established it was unclear as to who should take the officer lead, and how the committee would link with other committees. Due to inadequate role definitions there was ambiguity and overlapping responsibilities which caused problems. In a similar vein it could be said that the Community Development Committee was given too diverse a task - service delivery and policy development - and that each of these made competing demands on priorities and time. The result was too much business for the Committee and Unit to deal with, which in turn led to machine breakdown.

Interpreting the case study using the mechanistic metaphor is akin to adopting a rationalist view of change. That is, the change ran into problem because the rationale was wrong. There were specific attempts at rational planning as a means of bringing about change, but perhaps not surprisingly these did not get far. For example, the Community Focus Team in 1985/86 carried out an analysis of the situation, considered future options for community development and made recommendations. As pointed out in the case study description, these recommendations were

"lost in the system" and the rational plans got nowhere. Similarly, there were early attempts in 1984/85 to identify community needs and designate priority areas via a research approach. Priority area were identified, but these were not adopted or implemented by other departments. Even within the Community Development Unit the reactive response to demands seems to have had a greater impact on action in the end.

Each of the four ways of reading the change processes in the community development case study has something to offer. The mechanistic model demonstrates some of the underlying design problems which proved easy to exploit in "engineering" a breakdown. The initial invention and diffusion of the community development approach is useful in partly explaining how these ideas came into good currency. However, the most powerful explanation of the case study is based upon an analysis of the vested interests, and the political processes which unfolded, as these vested interests competed for the control of ideas and resources.

On the face of it community development might be considered as a planned change which in large part failed to achieve its aims. Although this should not be interpreted as implying that no change occurred. Some clues to the apparent lack of success can be found in the existing literature. As mentioned in Chapter 3, Metcalfe and Richards (1990) argue that one of the conditions for successful change is that it is sponsored from the top over an extended period, and that it starts with a narrow focus and moves outwards. The community development case study supports their view in that it met neither criteria and it was not successful. Whilst community development was initially sponsored from the top, this sponsorship was not sustained. The aims of community development were wide in scope and thus formed an ambitious starting point. It was also pointed out in Chapter 3, that Wilenski (1986) concluded that reforms stand the greatest chance of taking root where there is dissatisfaction with the existing forms of operation. Again in Midborough, whilst there was some concern about the lack of community involvement, the level of dissatisfaction was not high.

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9.3   SUMMARY

This chapter has considered how community development rose to prominance in Midborough in the mid-1980s, but by 1987 had fallen from grace. The community development initiative was largely triggered by factors internal to the organisation, although this action was informed by events and ideas from elsewhere. The threat posed by community development to traditional ways of working has been discussed, together with the rearguard action of the traditional service departments. The shape of change is described as disjointed, although it has been possible to indentify certain phases, in what might otherwise be seen as the chaos of the 'garbage can'. The process of change can be analysed using a number of models, but it is best understood by employing a political model of the change process. The community development initative was in many ways unsuccessful, and this in part can be attributed to its wide-ranging focus and the lack of sustained leadership and support from the top of the organisation.

The contrasts between the two detailed case studies (housing decentralisation and community development) have been highlighted. In addition Chapters 5 and 6 provided other varied pictures of the change events occurring in Midborough. It is now appropriate to see if these various pictures can be linked in such a way as to provide a model of change which explains the existence of diverse triggers and patterns of change. This is the subject of the next chapter.

CHAPTER 10: DEVELOPING A MODEL OF CHANGE FOR THE PUBLIC SECTOR

Having reviewed the existing literature on change in both the public and private sectors, and considered in some detail change in one public sector organisation, it is now appropriate to draw together the threads of theory and practice to identify any emerging model of change. After briefly recapping on the existing models of change, this chapter proposes two synthesised models of change (a short wave and a long wave model), and then goes on to test the validity of the proposed models by applying them to the Midborough case studies. It concludes that these models help in explaining events in Midborough, and their application to other local authorities and the public sector in general is also considered. The chapter ends with a discussion of what the emerging models of change imply for practitioners.

It was noted in Chapter 2 that most existing models of change assume organisational pluralism and conflict, rather than a norm of unity and order (Cyert and March, 1963). They also tend to stress the reactive nature of change as the organisation responds to changes elsewhere (Hoggett, 1987a). The change processes described in these models frequently focus on the identification of interest groups and the politics of conflict between them (Pettigrew, 1985). The resulting shape of change is often described as incremental, but with occasional radical transformations (Miller and Friesen, 1980; Brunsson, 1982).

In looking specifically at existing models of change in the public sector (Chapter 3), a similar picture emerges, although with some additions and alterations. It is frequently argued that the bureaucratic nature of the public sector makes such organisations especially resistant to change (Warwick, 1975). Hence change needs to be forced from outside (Warwick, 1975; Biggart, 1977). In British local government there is a perception that the main external force for change is central government legislation (PA Consultancy Group, 1990). Politics is used to characterise the process of change, and a plurality of interest groups is usually identified. In British local government this pluralism is usually associated with the different professional groups (Greenwood and Stewart, 1986). In addition to the plurality of professional interest groups

amongst the paid officials, a dichotomy is often drawn between officers and politicians, both in local and central government. In the 1980s the importance of political will in bringing about change in the public sector in general has been stressed (Wilenski, 1986 and Metcalfe and Richards, 1990). In looking at the main target for change several writers have commented upon the tendency for public sector organisations to introduce structural change as a panacea for all ills (Hoggett, 1987a; Garner, 1987; Stewart, 1990). The shape of change is frequently described as incremental (Lindblom, 1959), but during the 1980s researchers began to wonder whether the changes occurring might in fact denote a more radical transformation (Wilenski, 1986; Metcalfe and Richards, 1990).

One thing that is clear, from both the literature reviewed and the case studies reported in this thesis, is that any explanatory model of change will not be a simple one. Public sector organisations are complex and, as highlighted in Chapter 3, are characterised by goal ambiguity, diffuse authority and centralised accountability mechanisms. Such organisations are not unitary but pluralist (in terms of interest groups and ideas), although within this plurality of interests there may be elitist groups who normally dominate. Pluralism means that changes within the public sector are not unidirectional and controlled from one centre. The experience of Midborough during 1974-87 (Chapters 5 to 9) revealed that numerous changes occurred at the same time and each of these changes was paced differently and took a different form. A good example of this is the contrast between the top down, "logical" incrementalism of the decentralisation of housing and the fragmented and disjointed nature of the community development initiative. Any model of change needs to be able to explain these differences.

The research reported here has adopted a "grounded theory" approach (Glaser and Strauss, 1987), building upon observations, and has complemented this with a dialogue with the existing literature (Pettigrew, 1985b). The result is that a tentative model of change emerges. It is tentative in that it is based on one research site (Midborough), in one time period (1974 - 1987), hence the model may be seen as a series of hypotheses that still require more extensive testing in other research sites and other time periods.

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It is proposed that what is required in order to understand change in the public sector is both a "short wave" and a "long wave" model (to borrow terms from the fields of economics and physics). The short wave model is that which helps us understand a particular change project or event. The long wave model considers how these projects or events might be linked together to provide a picture of an organisation over, say, a 20 year plus period. This chapter looks at both of these models, beginning first with the short wave. Having been developed in the context of an empirical study of a local authority, the models may be most relevant in understanding change in local government. However, on the basis of research reports on changes occurring elsewhere in the public sector (Metcalfe and Richards, 1990), the models developed here would seem to have a wider validity and applicability.

10.1   A SHORT WAVE MODEL OF CHANGE

The short wave model aims to explain the micro processes of change which are evident when an event or project is investigated closely. The main strands of the model proposed are depicted in Figure 10.1. This model has been built on an analysis of change in Midborough, an analysis which was informed by the existing literature on change. The model is first described, and is then applied by using it to explain events in the housing decentralisation and community development case studies.

The triggers for change (denoted in Figure 10.1 by square boxes) in this model are varied and interact with one another, so that it is difficult, if not impossible, to establish cause and effect. Strong, if not essential, triggers are the changes (actual and predicted) which are occurring in the operating environment of an organisation. These changes may relate to the resources available (economic changes), the customer or client base (social changes), the rules of operations (legislative and other governmental imperatives), or the means of production (technology changes). The short wave model does not place any more emphasis on legislative imperatives than any other environmental factor in bringing about change in the public sector. Certainly in the case of Midborough, legislation was not a primary trigger of change. However, the detailed study of Midborough ended in 1987, and one year later a whole raft of legislation was passed (see Chapter 3) which may have had a more profound

Figure 10.1: A Short Wave Model of Change

DIFFUSION OF IDEAS FROM ELSEWHERE

INDIVIDUAL INVENTION & EXPERIMENTATION

ENVIRONMENTAL CHANGE
resource changes
client/customer changes
rule changes
production changes

MEDIATORS
existing diversity
new people
external focus

ORGANISATIONAL INTERDEPENCIES

INCREASING AWARENESS

BIDS FOR POWER

SEARCH FOR READY MADE SOLUTIONS

BENEFITS OF ADOPTION RECOGNISED BY INDIVIDUAL(S) WITH POWER

SOLUTIONS SEEN AS THREATS
Denying need for change
Territorial defence
Fillibustering
Damaging credibility of opponents
Controlling information
Marginalising new ideas
Establishing alliances
Building & broadening support

POWER DETERMINES BALANCE & OUTCOME

SOLUTIONS SEEN AS OPPORTUNITIES
Allaying fears
Selling new ideas
Discrediting existing ideas
Forming alliances
Pilot schemes
Working groups
Building & broadening support

Resistance high & power for change low

NARROW FOCUS, POSSIBLY MOVING OUTWARDS CHANGE

Resistance low & power for change strong

TOP DOWN & WIDE-RANGING CHANGE

Diffuse power with no overall person or coalition shaping the way forward

STALEMATE OR FRAGMENTED & DISJOINTED CHANGES

BARGAINING, COALITION OR CO-OPTATION

FORMAL APPROVAL

STRUCTURAL CHANGE
CHANGES IN PROCEDURES & POLICIES

REINFORCING MESSAGES
from outside
internal communication & training

GROWING BACK

ADAPTATION

ADOPTION/INTEGRATION

Espoused theories
(Unfreezing)

(Moving)

Theories in use
(Refreezing)

effect. Legislation may be important in the change process in moving individuals and organisations on from denying the need for change.

In addition to environmental changes, there are also ideas and innovations which may reside both within and without of the organisation. These may act as triggers in their own right (where the "inventor" campaigns for their adoption), but they are more likely to act as a reservoir of "answers" when the search for ready-made solutions is underway. Individuals may also experiment with new ideas because of "the desire to modify the attitudes, motives, behaviour, knowledge, skills and relationships of the organisation's members in the interests of performance" (Buchanan and Huczynski, 1985, p 414). To this can be added the experimentation with ideas as part of a bid to gain or extend power. There may be a desire by some staff to make a name in their profession by being identified with particular changes/solutions, and this may incline them to be inventors or "early adopters". Another internal trigger for change may be the organisational interdependences which exist (Buchanan and Huczynski, 1985, p 414). This means that change in one part of the organisation may have "knock-on" implications for other parts. Good examples of this are the changes which have occurred in local authority central services departments as a result of the knock-on demands of the competitive tendering legislation (see Griffiths, 1989).

Changes in the operating environment may present a powerful argument for change, but they are not sufficient in their own right (the environment does not determine the shape of the organisation). For change to occur people (or a powerful person) within the organisation need to recognise that there is a problem to address. This awareness can be mediated by several factors: firstly, an existing diversity within the organisation may increase its receptiveness to new ideas (Johnson, 1988); secondly, the extent to which the organisation looks outwards (for example, via professional networks) may aid its awareness of external factors; finally, awareness of external circumstances is likely to increase the more the organisation brings new people in from outside (Pettigrew, 1985). In local government the first two of these factors - existing diversity and an external as well as internal focus - are likely to exist. The extent to which new people join from outside varies over time and between organisations.

Once a group within the organisation has recognised that the organisation has problems and/or there is a need for change, the first response appears to be a more or less systematic search for ready-made solutions (as predicted by Cyert and March, 1963). Within the public sector, and local government in particular, the existing diversity of organisations generally means that there is no shortage of possible solutions (Greenwood and Stewart, 1986). The benefits of adopting one of these solutions (either an imported solution, or one that has been internally generated) needs to be recognised by an individual (or individuals) in power before the change can move forward. If this does not occur then the ideas for change are unlikely to get anywhere. For example, in Midborough the ideas promoted by the Chief Executive's research group in 1986, about the need to set up officer-member working groups, got nowhere until after the election, when it was a way of working which was adopted by the new acting Chief Executive and new Leader of the Council. Once the ideas have been adopted by those in power, they then try to sell these ideas to those who need to be persuaded (both the decision makers and the "operators"). The focus will be on trying to sell the opportunities and benefits afforded by the change, and where this is successful the process may proceed through the phases (shown in the right hand shaded box in Figure 10.1) of: trying to allay fears; selling the ideas of a new way of working; discrediting existing ideas; forming alliances to get further support; establishing pilot schemes and/or working groups; working via communication, demonstration and negotiation to build and broaden support. There is unlikely to be a neat pass through each of these phases, and they may not necessarily occur in this order, but some or all of them are likely to be evident.

It is highly unlikely that all of those who need to be persuaded will see the new ideas (be they about procedures, structures or technology) as opportunities. In many instances there will be resistance by those who see the proposed changes as a threat. This perception may be due to entrenched attitudes - "we've always done it this way" - or because the changes materially threaten individual or group power bases or job security. Where the reaction to change is a perception of threat, some or all of the following reactions may occur (shown in the left hand shaded box in Figure 10.1): denying the need for change; territorial

defence; filibuster tactics; moves to damage the credibility of opponents; attempts to control the access to information; attempts to marginalise the new ideas, by keeping them at the boundary of the organisation, rather than centre stage; establishing alliances and broadening support. The chances of resistance are much reduced if the change, at least initially, is only likely to threaten one domain (to use the terminology of Kouzes and Mico, 1979).

The short wave model predicts that where resistance is low and the power for change is strong, the changes may be top down and wide-ranging. Where the resistance is high and the power of those for change is limited, the change is likely to have a narrow focus to begin with and, if it takes hold, grow outwards. The contest between those for change and those against will be played out both overtly and covertly. It will be a contest of ideas as well as a competition for the control of resources (Bryman, 1983). In this contest both sets of groups will try to bring "on-side" those groups who may not be directly affected, but whose support will be important in getting or blocking the formal approval of change. The groups to be won over are likely to include both officers and politicians. The competitive process (Cyert and March, 1963) may result in a negotiated bargain, a coalition of forces, or co-optation (where one group overpowers and absorbs another). The competition may, at least temporarily, result in a stalemate. In this latter situation the power bases remain diffuse and there is no overall person or coalition with sufficient power to shape the way forward. Such changes that do occur in such a situation are likely to be disjointed and fragmented.

If the forces for change are able to achieve an agreement for action, then it is at this stage that formal approval is likely to be sought. The implementation of change following this approval is likely to involve changing structures first, with procedures following. In the public sector (as Stewart, 1990 and others have suggested) there seems to be a predilection for structural change. Structural change is not the end of the process, as part of the adoption and integration process there are likely to be a number of reinforcing messages. These may occur via parallel actions; in Midborough in the 1980s the new ideology, referred to in Chapter 7, was reinforced by several parallel developments -

privatisation, income generation, service reviews, and so on. The reinforcement may also occur via formal communication and training sessions, as happened in the housing case study.

The changes may be adopted wholesale, or in the process of implementation they may be adapted by local staff (the street level bureaucrats - Lipsky, 1980) to serve the local perception of what is needed. Adaptation is the more likely outcome unless there is a strong and continuing monitoring of implementation by the centre. Even in these circumstances some adaptation can not be ruled out, as was witnessed in the housing case study. If the formal structural and procedural changes are not reinforced by further actions they may well fall into disuse and former practices and structures re-emerge in their place (as predicted by Warwick, 1975). Local adaptations over a period of time may have a similar effect, with the old organisation re-emerging by the incremental adaptation of the new.

The short wave model anticipates that changes in structures will precede changes in procedures and strategy. However, the timing of attitude change is likely to be more disparate. During the early phases of change, new beliefs are likely to be voiced, but these may amount to little more than "espoused theories". At this stage the focus will be on questioning existing attitudes and beliefs (the unfreezing stage identified by Lewin, 1947). Where a change moves through to adoption and integration, it is at this stage that the "espoused theories" are likely to become the "theories in use" (Argyris and Schon, 1978). Not all attempts at change result in integration, and in these cases core beliefs may remain largely unaffected.

It is clear from the model that both internal and external factors are important for unfreezing the organisation. Similarly, both make a contribution in refreezing it. Hence the model does not whole-heartedly concur with Warwick's (1975) conclusion that external factors are the most important for unfreezing, and internal factors for refreezing; although the difference in perspective may just be a matter of degree. One final word of warning, the model as presented in Figure 10.1, gives the impression of being rather more linear than is the case in reality. Whilst the two-way flow of some of the arrows tries to give the

impression of fluidity, the whole process may be rather more iterative than the diagrammatic representation implies.

Having outlined the emerging short wave model of change it is now "tested" by applying it to the two case studies described in Chapters 8 and 9. As was noted at the beginning of this chapter, the changes occurring in these case studies followed a different course, and it is important that any model of change is able to account for such differences.

10.1.1 Housing decentralisation and the short wave model

Looking first at the housing decentralisation case study, the short wave model can help in describing and explaining what happened. Figure 10.2 is indicative of how the general model (Figure 10.1) can be translated and applied to an event, this is described further below.

The triggers for change identified in Chapter 8 are both external and internal, and fall within the scope of the model. The rule changes relating to housing benefit and the prospective legislation in relation to tenant choice of landlord were factors. In addition to these actual and predicted environmental changes, there was also the diffusion of ideas from elsewhere; neighbourhood offices were being established in other local authority housing departments.

The model argues that mediating factors will be important in understanding how these triggers become acknowledged by the organisation. In the housing case study, a recognition of these factors was mediated by the professional network of the housing profession (of which the Chief Housing Officer was an active member) and the existing diversity within the housing department (which was already partly decentralised). This recognition process was aided by the management consultants' review, which carried with it the threat of redundancies. The model goes on to predict that there will be a search for ready-made solutions. In this case study the trend in decentralising to neighbourhood offices was adopted. Furthermore it made progress because, as the model suggests, a champion was found. The need for change and the ready-made solution, in the form of estate offices, was readily adopted and championed by the

Figure 10.2: A Short Wave Model of Housing Decentralisation

DIFFUSION OF IDEAS FROM ELSEWHERE

Neighbourhood offices in adjoining borough

MEDIATORS

Existing part decentralisation
New ACHO
Professional network
Concern for security

ENVIRONMENTAL CHANGE

Rule change - Housing benefit
" Choose a landlord"
Production change -
Computerised rent accounting

INCREASING AWARENESS

Management Consultant Reviews

SEARCH FOR READY MADE SOLUTIONS

CHO ADOPTED DECENTRALISATION TO ESTATE OFFICES

SOLUTION SEEN AS THREAT

2nd tier district office staff
filibuster over grades
Alliance with labour over grading

POWER DETERMINES BALANCE AND OUTCOME

SOLUTION SEEN AS OPPORTUNITY

Allay fears of redundancy
Selling new ideas
Discrediting stay same
Alliance with Penley DHM
Penley Pilot
Building and broadening support with other DHMs

Resistance low and power for change strong

TOP DOWN AND WIDE-RANGING CHANGE WITHIN HOUSING DEPT.

RESISTANCE BOUGHT OFF

FORMAL APPROVAL FOR DISTRICT-WIDE CHANGE

STRUCTURAL CHANGE CHANGE IN PROCEDURES & POLICIES

REINFORCING MESSAGES

Training
Memos
Meetings

ADAPTATION

ADOPTION/INTEGRATION

ATTITUDE CHANGE THROUGHOUT

Key:

CHO   Chief Housing Officer
ACHO   Assistance Chief Housing Officer
DHM   District Housing Manager

Chief Housing Officer. This officer was someone with an acknowledged power base both within the department and in the wider council.

According to the model, the next phase for those advocating the change is to begin persuading others of the opportunities. In the housing case study, the Chief Housing Officer set about selling the need for change, and the proposed solution, as an opportunity. In doing so many of the tactics highlighted in Figure 10.1 were apparent. He spent quite some time allaying fears about job security and selling the benefits of the new form of operation (see Chapter 8). He established a pilot scheme to demonstrate both that things were changing and that they could change. In doing so he formed an alliance with one of the district housing managers to get the pilot underway.

The model suggests that we should also identify those threatened by the change; a remarkable feature of this case study is the limited resistance which it encountered. The housing benefit rule changes were initially perceived as a threat by rent collectors, but the proposed solution safeguarded their jobs, so they were more readily persuaded of the benefits of change. The district housing managers were concerned about how to make the new system work, out did not appear to be threatened by it. The district housing managers generally perceived the change as enhancing rather than diminishing their role. The group most threatened by the proposed changes were the second tier district office staff. They were not in a strong position to resist the change. They tried to deny the need for a change in their own roles, but in the end had the changes imposed on them. Their resistance took the shape of filibustering with regards to the grades of their posts. They eventually received a regrading by first forming an alliance with some Labour members, and then getting the support of senior managers. In the end it could be said that the resistance from these second tier officer was bought off by a regrading. In this case then, the power of those resistant to change was limited and the forces advocating its introduction were strong. According to the model the change could, by this token, be top down and wide-ranging. Top down it certainly was, and it was also wide-ranging within the sphere of the Housing Department.

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The Chief Housing Officer broadened the support for estate offices to include all senior officers and senior Council members (of both parties). Part of the negotiated bargain for member support was that they would be involved with choosing the location of estate offices, and that the opening of these offices would be sensitive to the timing of elections. There was also the promise that the estate office concept would not be costly. In these circumstances the formal approval was almost a formality.

As the model suggests, structural changes were the first to be introduced, this was then followed by a formal statement of the new procedures. According to the model, for lasting change to occur the formal changes need to be reinforced. In the housing case the implementation was reinforced by training events and a great deal of communication (both in the form of meetings and memos). The centre, particularly the Chief Housing Officer, tried to keep a tight control on what was being implemented, and used a housing advice officer (later to become the training officer) to assist him in this. Yet despite this tight control, there was still some evidence of adaptation at the local level, and the model allows for this.

Finally, the model suggests that attitude change will occur throughout the change episode. In the housing case there was evidence of some attitude change throughout the period of the case study; a development which no doubt continued after the end of the study period.

So, in analysing the housing decentralisation case study, the short wave model appears to be a good reflection of reality and aids our understanding of why things happened in the way that they did.

10.1.2 Community development and the short wave model

Turning now to the community development case study, the model is tested in a different setting. In this case study there were many triggers for change. One of these was the "invention" of the community tutor who adapted his own role to become the first community development area worker in Midborough. The model can help us understand why this invention did not spread further than a second area post during the

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1970s. Firstly, there was little awareness of a need for change, and no person or persons with sufficient power were at this stage looking to champion such a change. The community tutor's power base was limited and his way of working did not spread until the council began its search for ready-made solutions some years later. This later search was in part triggered by a changing external social and economic environment - more unemployment and growing dissatisfaction with council services - it was also influenced by the diffusion of ideas from elsewhere. An important trigger was the increasing concern amongst Labour councillors to have something to offer the community at election time, and to demonstrate to officers that they meant business. In terms of the model this might be interpreted as a desire on the part of key individuals to improve performance, or a bid for power.

In this case study, whilst there was a general awareness of "problems in the community", there was little agreement as to how these should be tackled. Once elected the Labour party established a Community Development Committee. So in terms of the model, at this stage the community development idea was adopted by those in a position of power. When established the Community Development Committee was given the task of deciding what to do. There was the familiar search for ready-made solutions, looking both internally and externally. In this case the awareness of different ways of working was mediated by the existing diversity within the Youth and Community Service. In addition the Youth and Community Service was one of the few areas which had recruited new people from outside. On the member side the Community Development Committee was chaired by a newcomer, and numbered several other young Labour politicians amongst its membership.

A ready-made solution in terms of area workers, and a "bottom-up" strategy, was adopted by the committee. What then remained was to persuade service departments and other committees of this approach and get them to work differently. The model suggests that the chances of succeeding in this will depend on the power balance within the organisation, particularly the strength of those threatened by the change. In this case study resistance was high and the resistors (departmental chief officers and others) operated from a strong power base. It was clear that the resistors saw the new form of operation as a

threat, either because they saw community work as their own prerogative (the Education, Social Services and Leisure Services Departments), or because they felt that part of their existing responsibility could be removed (e.g. tenants associations from the Housing Department). In resisting the community development changes these officers adopted many of the tactics mentioned in Figure 10.1. Initially there was some denial of the need for change, because they were doing it already, and in parallel with this there was a defence of their own territory (see Chapter 9 for a description of the Education Department's territorial defence). Some of the obstacles laid in the path of the Community Development Committee can be seen as filibustering on the part of service department officers. When it seemed as if community development might get a stronger foothold with the establishment of a department, the credibility of the existing community development officers was brought into question, and these officers were denied access to information. The departmental resistors gained ground when the support of the Labour leader was withdrawn from the Community Development Committee and Unit.

Those promoting the changes, the new Labour members and the members of the Community Development Unit had a limited power base from which to operate. This base was severely limited when the support of the Labour leader was lost. Their "failure" can be seen as much in what they did not do as in what they did do. There was no attempt to allay fears because the Community Development Committee was intended to challenge the existing ways of operating and "put officers in their place". There was some selling of the new ideas, but this was mainly for the external electorate, rather than for the internal actors. There was little attempt to form alliances with key groups within the organisation. The bottom up approach to community development meant that there were few visible signs of success that proponents could point to. Many of the proponents commented that the Community Development Committee and Unit got so bogged down in the day-to-day operation that it gave little attention to advocacy and selling the new approach.

From this background it can be seen that the competition between the advocates and the resistors was an uneven one. A shrewd move on the part of the resistors was, having limited the threat of community development, to adopt and adapt the ideas and present them as their own. Having in

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part marginalised the committee and unit, the resistors established an alliance with them (the tripartite meetings referred to in Chapter 9). This was a form of coalition - working together - but can also be seen as co-optation, as the ideas of community development became absorbed into the "resistors" own views of community involvement.

In this case study the resistance was high and the power of those for change was eventually limited. The short wave model predicts that in such a situation the change is likely to have a narrow focus. Whilst initially the community development committee tried to achieve a wide-ranging change, its focus was eventually narrowed to a considerable extent. In the end the power bases of service department chief officers remained intact, each one (with the possible exception of the Education Department) continuing to "own" their part of the community. In such a situation, the model predicts that any emerging changes are likely to be disjointed and fragmented. This certainly appears to be so in the community development case study. By 1987, there were few substantial changes moving through to implementation.

In the community development case study, one part of the formal approval occurred at at the ideas stage, with the establishment of the Community Development Committee. This demonstrates that the seeming linearity of the model depicted in Figure 10.1 must not be interpreted too literally. However, the formal approval of the officer side of the operation (Community Development Unit or Department) did not occur until the various tactics and bargaining processes described above had been enacted. As the model suggests, in this case the first focus for the changes was structural and only then was consideration given to how the system would work. Finally, in Chapter 9 it was noted that there appeared to be some change in the attitude of the organisation to the community during the period of the case study. It is difficult to say, however, whether the views expressed by participants were ever more than "espoused theories".

Having tested the short wave model by applying it to the two Midborough case studies, the conclusion is that the model provides a useful descriptive and analytical framework when considering particular events. However, as was pointed out in Chapter 1, in addition to explaining

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particular change episodes, a model of change also needs to explain how the multiple events occurring over an extended time period link together and thus provide the picture of continuity and change that was noted in Chapter 7. This is considered below in the next section which discusses the long wave model of change.

10.2   A LONG WAVE MODEL OF CHANGE

The long wave model of change proposed here argues that there will be a pattern of incremental change occurring on a continuous basis throughout the organisation, and that this will be made up of change events described in the short wave model. The change events will not follow one another, but will overlap, and in a large organisation (like a local authority) there are likely to be a number of change events occurring in parallel. Depending upon the extent of a shared ideology (what Johnson, 1988, refers to as ideological homogeneity), these change events may form a pattern of logical (and evolutionary) incrementalism, or have a more disjointed pattern. Whether evolutionary or disjointed, these periods of incremental change are likely to be interspersed with shorter periods of more radical transformation. The periods of more radical change are likely to be associated with two factors:

-         Firstly, the periodicity in the external environment, identified
          by "long wave theories" of economic and technological change
          (Kondratiev, 1935; Peres, 1983; Marshall, 1987), discussed in
          Chapters 2 and 3.

-         Secondly, the periodic shifts which occur in the dominant ideology
          of an organisation (Starbuck, Greve and Hedberg, 1978; Brunnson,
          1982).

Looking first at the periodicity in the external environment, the evidence from long wave theories suggests that the pressure for change will vary on a periodic basis (the Kondratiev/Schumpeter cycle is 50 to 60 years long). As was pointed out in Chapter 3, the impact of these cycles is not only felt in the private sector (Hoggett, 1987b). However, an automatic organisational response to changes in the operating environment should not be assumed. As discussed in Chapter 2, Johnson (1988) suggests that the ongoing incremental changes will not keep pace with external demands (and may not even acknowledge these demands), so

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that a gap opens up between environmental pressures and organisational operation.

Organisational operation will be shaped by the dominant paradigm/ideology of the organisation (which will in turn be influenced by the dominant paradigm in the organisation's sector). This paradigm or ideology relates both to the perception of what "reality" is, and to the perception of what the organisation's tasks and strategy should be in relation to this reality. The internal actors' perception of what environmental reality is will vary. As Schutz (1962) suggests, multiple definitions of reality will exist within an organisation, although there is likely to be a dominating ideology. The dominating ideology (the ideas in good currency) will tend to filter out or dismiss those messages for change which are inconsistent with its vision. However, this denial will be difficult to sustain when the resources available to the organisation run contrary to it. In the private sector such contrary evidence is likely to involve a sharp decline in sales revenue. In the public sector it could involve a sharp decline in budget allocation.

In proposing a long wave model partly based on paradigmatic shifts, it is important that the model does not fall into the "Catch 22" situation of not being able to explain change because of the all pervasive nature of the existing paradigm. A way out of this dilemma is to acknowledge that people do not have to think ideologically, it's just that they normally do. Carnall (1990) argues that people can be compelled to support a view into which they have been socialised, but at the same time, individually, experience feelings which might impel them to a different view. According to Carnall it is this tension which leads individuals to question their roles. The dominating ideology will not, in any case, be all pervasive, especially if the organisation is heterogeneous (Johnson, 1988) The diversity of the public sector in general, and local government in particular, was one of the features noted in Chapter 3. Hence the management of change can be seen as the management of contradiction. Major transformations are likely to occur when multiple realities coincide, or where they are in such stark contrast with one another that differences cannot be ignored. The implication being that if you can agree to disagree then change can be piecemeal. As was noted

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in Chapter 7, when paradigmatic shifts occur, there is not a total discarding of what has gone before; some elements of the past continue.

So, how do the ideas of the long wave model stand up in relation to the public sector in general, and local government in particular? Looking back to the period immediately following the Second World War, there was a shift in the dominant ideology of the public sector with the emergence of the welfare state. It was a shift associated with a coincidence of multiple realities, and it led to a broad agreement as to the role of the public sector. As was noted in Chapter 3, in relation to local government, there was a coincidence of views at both the national and local levels on the role and purpose of local authorities. The dominant ideology of local government during the 1960s and early 1970s envisaged expanding and comprehensive services provided by local authorities. With this ideology as the guiding principle it was possible to respond to changes in demand (due to demographic changes for example) by incrementally adding to the existing structure. This avenue was limited following the oil crisis of the 1970s and the subsequent cuts in public expenditure. During the 1980s it became increasingly difficult to respond to continuing changes in demand by adding onto existing services. The dominant ideology could not respond and this created a vacuum which alternative ideologies sought to fill.

By the mid 1980s these alternative ideologies (typified by the radical right and the radical left) were in such stark contrast to one another that, according to the long wave model, the time was ripe for an ideological shift. As was pointed out in Chapter 7, what happened in Midborough at this time was a coming together of a number of parallel changes, which, when taken together provided the beginnings of a new dominant paradigm. The ideological shift seems to have been apparent in Midborough before it was in many other authorities. The following factors were evident in Midborough at an early stage: the pressures of financial restraint; the moves to achieve value for money, via service reviews, the privatisation of services and the focus on income generation; the adoption of commercial practices with the establishment of self financing units. However, the difference between these changes in Midborough and in other local authorities appears to be more related to timing than to substance.

The paradigmatic shift witnessed in Midborough during the 1980s appears to have occurred in other local authorities during the late 1980s and early 1990s. As was discussed in Chapter 3, the raft of legislation passed during the late 1980s (on local management of schools, compulsory competitive tendering, and so on) appears to have been an important factor in signalling or reinforcing the need for change (Stewart and Stoker, 1990; Brooke, 1990). One can argue that so many different demands were being made of local government at this time that it was difficult for anyone within it to deny the reality of change. This message was reinforced by the changes occurring in the rest of the public sector (particularly in the NHS and within the civil service). It is likely that this acknowledgement of the need for change, and the championing of these changes internally, was made easier by the fact that by the late 1980s many of the chief executives and chief officers appointed in 1974 had retired or were about to retire. The new people who were brought into these positions (sometimes on fixed term contracts) had the explicit remit of introducing change (as exemplified by their job descriptions).

The shift in the ideas and outlook of the public sector during the 1980s has been noted by many writers (see Chapter 3). In local government the shift has been referred to as a significant break with the past (Stewart, 1990). In the public sector generally, the emerging dominant ideology has been characterised as the "new public management" (Pollitt, 1990; Hood, 1991). This ideology is evident in central government (Metcalfe and Richards, 1990) and in local government (Clarke and Stewart, 1988). However, if the long wave model of change is correct then the paradigm of the 1980s and early 1990s may not be the one which takes the public sector into the 21st century. According to Hall (1986) the fifth Kondratiev cycle will take off from about 1995 onwards. Clarke and Stewart (1990) suggest some possible alternative visions for the future of local government.

Hood (1991) warns against analysing the shift in the dominant ideology of the public sector (during the late 1980s) in isolation from the changes in the economic and socio-technical system. He suggests four sets of

conditions which may have helped to precipitate the "new public sector management" ideology:

- changes in income levels and distribution which laid the conditions for a new tax conscious winning electoral coalition;

- the development of new technologies which serve to remove the traditional barriers between public and private sector work;

- an emergence of intensive polling of key groups in the electorate allowing professional party strategists to have greater clout in policy making;

- a more socially heterogeneous population less tolerant of uniform approaches in public policy.

The importance of new technology in allowing different forms of operation and organisation has been noted by others. For example, Hoggett comments:

"I have been struck by the key role new technology has played in facilitating programmes of decentralisation". (1987b, p 225)

Referring back to Chapter 2, it is important that any model of change is able to explain both stability and change. In both the short and long wave models, change may occur for a number of reasons: changes in the environment, the diffusion of ideas from elsewhere, internal experimentation, and changes in the balance of power within the organisation. The latter three triggers may be fuelled by changes in the environment, but these environmental factors do not automatically lead to organisational change. Stability, on the other hand, occurs in a number of circumstances: where the dominating ideology (or paradigm) leads to signals from the environment about the need to change being ignored; or where the balance of power internally is in a stalemate position. In the latter situation there may be people or groups who are trying to change the organisation but these groups do not at this stage have sufficient support to introduce change. More frequently, however, the contrast is not between change and stability, but between change and relative stability.

Having proposed two models of change (the short and long wave) it is important to address the question of how they relate to one another. This is not an easy question to answer, but this is not surprising given

that economists have long been seeking a satisfactory explanation of the link between micro and macro economics. The short and long wave models of change emerged from this research (via a grounded theory approach) rather than the research being designed to specifically test the validity of, and the linkages between, these models. Hence this thesis cannot make definite statements about the ways in which the short and long wave models relate to one another. Instead it can only suggest possible linkages and the questions which need to be addressed by future research.

The relationship between the short and long wave models rests on the extent to which, over a period of time, the short wave "adds up" to the long wave. That is, whether the long wave pattern can be traced by adding together all the short wave events. It might be supposed that in a relatively stable situation, over a period of time, the short waves will add up to the long wave. However, there may be difficulty in adding together short wave events, given that this would seem to imply that all time is homogeneous. Clark (1985) has discussed how time can be "lumpy" rather than even. Whipp and Clark refer to the subjectivity of the experience of time and whether time should be considered as "single, unitary, homogeneous time" or as "a plurality of time-reckoning systems" (1986, p 18). Certainly, given that short wave events do not always consecutively follow one another, but also occur in parallel and in overlapping periods, any "addition" will be difficult.

In understanding the relationship between the short and the long wave, and the way in which long wave patterns relate to one another, a dialectical analysis may provide a useful framework. Morgan outlines three principles of such an analysis:

> 1. "The mutual interpenetration (struggle, or unity) of opposites.
> 2. The negation of the negation.
> 3. The transformation of quantity into quality." (1986, p 258)

Such a model of change process suggests that each phase in the long wave model is both a consequence of the previous phase and a cause of the next. However, in subsequent phases there will be remnants of earlier phases. The third principle relates to what Marxists refer to as "totality shifts", where changes in quantity eventually lead to a

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catastrophic events leading to a change in quality. Any application of a dialectical analytical framework needs to acknowledge that change events and phases are not linear, but overlap and exist in parallel.

To pursue analysis further, research is required on any differences in the way in which the short wave relates to the long wave. Are any such differences due to internal differences in the organisations in question? Or are they due to differing external factors? To answer such questions longitudinal research is required in a number of different organisations over the same time period, and research in the same organisation over different time periods.

10.3   THE WIDER IMPLICATIONS OF THE EMERGING MODELS OF CHANGE

Having outlined the models of change to emerge from this research it is appropriate to consider how far the learning from Midborough is likely to be applicable in understanding change in other local authorities, and in the public sector more generally. As was pointed out in Chapter 1, the choice of Midborough as a research site was in no way based on a search for a typical authority. However, Midborough does share the features of many public sector organisations explored in Chapter 3: goal ambiguity, diffused authority, centralised accountability mechanisms, dominance by professionals, and formal control by directly elected politicians.

The long wave model certainly seems to have wider applicability, as was discussed in Section 10.2. There is reason to be hopeful that the short wave model will also be appropriate for analysing change events in other local authorities and other non-trading public sector bodies.

The final area for consideration is what are the implications of these emerging models for managers and others within the public sector. It will be recalled (see Chapter 1) that one of the aims of this research was to better understand the process of change so that those involved with making changes in the public sector would be better informed. The long wave and short wave models have a number of implications for practitioners, and these are discussed below.

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One of the key messages from the short wave model is the importance of mapping the distribution of power within an organisation in order to understand the process of change. Thus those concerned with introducing change should pay as much attention to analysing the way power is distributed within the organisation and the forces for and against change, as they do to choosing possible methods of future operation. Having analysed the existing distribution of power, it is then important to consider the political tactics which can be employed in shifting the balance in favour of change. Some of these tactics are outlined in Figure 10.1, and they include: building alliances, negotiation and bargaining. The organisation development literature provides some useful tools to help with this political analysis (for an explanation of force-field analysis and mapping key relationships, see Plant, 1987).

Part of the mapping of vested interests, and the power associated with these, will entail the identification of those groups and individuals likely to offer the greatest resistance to the changes. This resistance may be due to a real or perceived threat. One thing is clear, practitioners of change management should expect to encounter resistance and, having considered the reasons for this resistance, decide how to work through it. Schein (1969) provides a range of possible strategies ranging from education and communication, through consultation to suppression. Child (1984, pp 281-82) discusses when consultation and participation are likely to be appropriate. The short wave model suggests that where the resistance to change is low and the power of those for change is high, the change can be wide-ranging and introduced in a top down manner. However, where the resistance to the change is high and the power of those for change is limited, change is best focussed narrowly at first, if possible in a bottom-up manner, which may then grow outwards. The short wave model in conjunction with the long wave model suggest that change events should not be seen as discrete episodes of problem solving. Dialectical analysis suggests that each action will lead to a reaction (the negation of the negation), and hence change will be never ending, although its intensity and pace will vary.

This thesis has not specifically considered the effect of change on individuals or on performance. Although in both case studies it is notable that performance suffered when change was introduced. For

example, in the housing case study, rent arrears increased immediately following decentralisation. Carnall (1990) provides a good discussion of how change affects individuals and how managers can help themselves and others to cope with the stress that change induces.

A clear message from both the short wave and long wave models is the importance of ideas in the change process. These ideas (or rationalities) are a key factor in explaining both resistance to change and its advancement. Hence those introducing change should place emphasis on communicating and selling their ideas and place these in the context of a new rationale for the organisation's operation. These ideas appear best communicated when associated with powerful imagery (Peters and Waterman, 1982; Bennis and Nanus, 1985). The importance of imagery has led to a new term being coined for the qualities required in this situation - "transformational leadership" (Bryman, 1989).

Finally, the long wave model suggests that periods of relative stability will be interspersed with periods of crisis and rapid change. Whilst the periods of crisis may be perceived as problems, in some ways they may be seen as opportunities, in that the denial of the need to change may be weakest at these points. However, there is likely to be a great advantage in trying to smooth these crisis points and so spread the changes over a longer time period. The implication for managers is the need for them, periodically, to take the "helicopter view" and analyse where their organisation is in terms of the long term trends for their sector. The anticipation of crises and the construction of them in advance, for the internal audience, is an important role for senior managers (Pettigrew, 1985; Buchanan and Huczynski, 1985). The evidence from Midborough seems to suggest that the early signals of the need for change can be acted upon, given both the political will and favourable internal "mediators" (i.e. existing diversity, new people, and so on).

10.4   SUMMARY

This chapter has brought together the theory and practice of change in the public sector and proposed a short and a long wave model for understanding change in the public sector. The short wave model aims to explain the micro processes of change, at the level of a particular

change project or event. The long wave model considers the macro picture of how these events are linked and how an organisation changes over a longer period of time (say, over 20 years). The chapter concludes that both of these models aid understanding of the changes occurring in Midborough between 1974 and 1987. It also concludes that, based upon existing literature, the short and long wave models appear to have wider applicability and validity. However, both models require testing in other public sector organisations and over different time periods. The final chapter provides the conclusion to this thesis by considering the extent to which it has added to the existing body of knowledge on organisational change.

CHAPTER 11: CONCLUSION

This thesis has argued (Chapter 1) that there has been insufficient research on the process of change in the public sector. This paucity of research is particularly apparent in British local government. In the public sector in general, and in local government in particular, there is a wealth of useful research which describes what changes have occurred over the years (see Chapter 3). However, this literature has focused on describing the outcomes of change rather than the change processes themselves. There are a few notable exceptions (Warwick, 1975; Biggart, 1977; Wilenski, 1986; Metcalfe and Richards, 1990). This research thesis has endeavoured to make a contribution towards bridging the gap by providing an in-depth longitudinal case study of one local authority. The limited nature of the research on the process of change in the public sector does not mean that there is no useful research and literature to draw upon. In Chapter 2 the existing models of change and change process were reviewed. It was noted that many of the models of change process were derived from the organisation decision-making literature.

Chapters 2 and 3 considered the what, why, when and how of organisational change. In looking at <u>what</u> changes, the distinction has been made between changes to structure, procedures/processes and ideas/attitudes. It was noted (in Chapter 3) that in the public sector the primary focus appears to have been on structural change. The reasons for the changes (the <u>why</u>) have been divided into external and internal factors, and the conclusion (in Chapter 3) was that much of the recent literature stresses the duality of external and internal triggers. In considering <u>when</u> change occurs, four "shapes" of change were outlined (see Figure 2.2, in Chapter 2) - discrete, evolutionary, radical packages, and periodic cycles. It was pointed out that in the private sector, at least, much of the recent research on organisational change points to a radical packages shape. Here periods of relative stability are interspersed with concentrated periods of radical transformation. Finally in looking at <u>how</u> the change process unfolds, a number of models were drawn (in Chapter 2) from the organisational decision-making literature. The alternative models of change process can be characterised as rational, incremental, garbage can anarchy, political and political/cultural. In the research on change in the public sector, incrementalism has been the model most

favoured in describing decision-making and change process. However, by the 1980s researchers were beginning to question whether they were witnessing more fundamental changes than incrementalism implied.

Having considered the detailed changes and change processes occurring in Midborough during 1974-87 (Chapters 5 to 9), the "reality" of change was compared with the existing research and models of change. It was found that the existing models aided understanding, but none of them was sufficient on its own to capture all that was important of the "reality" of Midborough. The extent to which existing theories on the what, why, when and how of organisational change stand up to scrutiny in the light of the research on Midborough is summarised below.

In looking at what changes, the primary focus on structural change was confirmed. However, conscious attempts to change policies/procedures and idea/attitudes were also noted. In considering why change occurs, the duality of external and internal triggers was also confirmed. External (environmental) factors often provide important (but not necessary) pre-conditions for change; with internal factors providing the necessary "spark". The shape of change (the when) observed in Midborough is not easy to characterise, and the picture presented (in Chapter 7) was one of both continuity and change occurring alongside one another (see Figure 7.1). In looking at particular change events, different shapes of change were apparent. The housing decentralisation case study was characterised as logical incrementalism, with an evolutionary shape; whilst the community development case study was seen as more disjointed. Whilst focusing on the micro level, incrementalism (evolutionary or disjointed) seemed to provide the best description; when stepping back to consider the shape of change in Midborough council as a whole, a different picture began to emerge. It was noted (in Chapter 7) that a number of change events occurred in the 1980s, and when these are taken together they signify more of a radical transformation than an incremental one. Finally, the models of change process (rational, incremental, garbage can anarchy, political, and political/cultural) all seemed to have something to offer in understanding how change processes unfolded in Midborough. Individuals frequently acted "rationally" in pursuit of their own interests; a limited set of closely allied alternatives were often the only choices being considered (incrementalism); problems and

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solutions sometimes appeared to be thrown together (garbage can anarchy); the politics of controlling information, discrediting opponents, alliance building, negotiation and bargaining were frequently evident; and, finally, these political processes not only related to the control of resources but also to the dominance of ideas.

At the end of Chapter 3 (Section 3.4) a number of generalisations were set out which summarised the present state of understanding about change in the public sector. These generalisations were "tested" in relation to the Midborough research in Chapters 7, 8 and 9. The outcome of this "testing" can be summarised as follows:

1. The new vision of the state which developed during the 1980s has provided a powerful impetus for change.

2. Legislation was not found to be as important a trigger for change as was previously suggested.

3. As was pointed out above, there has been a focus on structural change, but not to the exclusion of other changes.

4. Whilst resistance to change, often rooted in departmentalism, was evident, there is no clear evidence to suggest that dissatisfaction with existing forms of operation and organisation are a necessary condition for change to take root.

5. Again as pointed out above, incremental processes of change are those which are most apparent, but this does not preclude the explanatory power of other models of process.

6. In considering specific change events it may be possible to determine periods of unfreezing, moving, and refreezing. However, there is no neat pass through these stages, and they do not provide a sufficient model of change when considering the organisation as whole. At this level numerous changes occur in parallel and each of these is paced differently.

7. Power and the politics of bargaining and negotiation are important concepts in understanding how the process of change unfolds. Officers rather than members appeared to be the most influential actors in the Midborough case studies.

8. There was plenty of evidence in the Midborough case studies to support the proposition that public sector organisations seek ready-made solutions, and professional networks were important in diffusing these solutions.

9. Whilst there was evidence of change which grows outwards and is sponsored from the top leading to lasting change (for example, the housing case study), this is not the only model of change which was successful. As the short wave model (outlined in Chapter 10)

suggests, the successful format of change is likely to depend upon the level of resistance and the power of those in favour of change.

10. Whilst changed policies or practices may be marginalised (as in the community development case study), this does not mean that real change does not occur. There were plenty of examples in Midborough of change going beyond the "rearrangement of the deck chairs".

Whilst many of the existing generalisations about change in the public sector were confirmed, they in themselves did not add up to a theory or model which was sufficient to capture all that was important in understanding change in Midborough. Hence this thesis has attempted to build upon existing theories and models, and in doing so has proposed two linked models of change process (in Chapter 10). The short wave model aims to explain the micro process of change at the level of a particular change project or event. It emphasises the multiple triggers for change (external and internal); the role of mediators in recognising the need for change; and the importance of mapping the forces for and against change, and the political tactics used by both sides, in understanding how the process of change unfolds. The long wave model considers the macro process of how change events or projects are linked and how an organisation changes over a longer period of time (say, over 20 years). It suggests that whilst there may be constant incremental changes, periods of relative stability will be interspersed with concentrated periods of more radical transformation. These periods of transformation will be associated with the periodic cycles occurring in the business and technological environment, and the periodic shifts in the dominating ideology of the public sector.

The proposed models (a short wave and long wave approach to understanding change) provide a good explanatory and analytical framework when applied to the Midborough case studies (Chapter 10). It is also anticipated that they will have wider application and validity in explaining change in other public sector organisations. They are not inconsistent with the descriptions of change in public sector organisations provided by other researchers (such as Wilenski, 1986; Metcalfe and Richards, 1990). However, as pointed out in Chapter 10, this wider applicability can only really be tested by in depth case studies of other public sector organisations in other time periods.

It is appropriate at this point to return to the questions posed in Chapter 1, page 9, to see if answers to them are now possible. The first question asked was whether local authorities are in a constant state of flux or whether there are identifiable periods of change followed by periods of stability. The results of this research suggest that change is a constant feature of local councils, with a number of parallel changes taking place at the same time. However, whilst there are constant changes, there are also patterns of continuity. The long wave model (developed in Chapter 10) suggests that occasionally these patterns of continuity are broken, and this occurs during periods of more radical transformation. A feature of these transformations is a change in the prevailing ideology.

The second question posed (in Chapter 1) was whether changes were just a superficial rearrangement of the chairs, as is sometimes perceived, or whether they have a more fundamental impact on the way the organisation operates. There is no doubt that many changes do not run deep or persist in their original form. However, there were plenty of examples in Midborough of changes which had a significant impact on the operation of the council, if not always the impact which was intended. Change is rarely taken lightly, because the political processes leave open the possibility of losers as well as winners, and most changes had a long term impact on ideas and attitudes.

In answer to the third question on the main triggers of change, as was pointed out above, change may be triggered by several factors and these can be external or internal to the organisation. The fourth question related to the process of change. As should be evident from the short wave model, the process is not a simple pass through a limited set of stages. The short wave model stresses the importance of a "champion" who adopts new ideas or perceives a need for change. Frequently ready-made solutions to problems are sought. The process which ensues, as the champion(s) of change try to introduce new ideas, can best be described as political. In simple terms it is possible to map out the interest groups for and against change, and identify the political tactics they use in pursuance of their interests: controlling information, building alliances, promoting new ideas, discrediting opponents, and so on. The process may be "resolved" by one side winning and the other losing, but

more often than not compromises are struck or one side co-opts the other.

The fifth question related to the choices which managers have in the process. The first thing to stress is that managers (and politicians) do have choices, and they are not at the mercy of environmental forces. Their chances of being able to pursue or implement their choice of action is dependent upon how the power is distributed within the organisation. The final question posed related to whether there is a "best way" of changing local government organisations. The simple answer to this question is no. The success of different change methods is contingent upon a number of factors:

> The level of receptiveness to new ideas
> The power of those for change
> The power of those against change
> The level of the reinforcing messages

Having considered the findings of this research it is appropriate to reflect upon the methodology which led to them. The methodology employed in this research has been to conduct a longitudinal case study of change in one organisation. The case study approach has been found to be highly appropriate in studying change. Changes are considered in their organisational context, and the impact of one change event can be related to another. Considering an organisation over a reasonably long period of time has also been found to be important. It enables both change and continuity to be identified, and allows the researcher to consider how the organisation as a whole changes over time. The case study methodology has been combined with a "grounded theory" approach, which builds upwards from identifying patterns in case study observations. In order to develop an understanding of organisational change, the process of mapping observations against time has been found to be important (Figure 7.2), as has the process of model building (Figure 10.1) and the use of analytical schemas. Such a "grounded theory" approach cannot ignore the existing literature in the area, and indeed it would be inappropriate to do so. In this thesis the grounded theory approach has been combined with a dialogue with the existing literature. That is, patterns have been built from case study observations and the adequacy of existing theories and models in explaining these patterns (and suggesting new ones) has been investigated.

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To conclude this thesis it is appropriate to indicate its significance and how the author believes it has contributed to the existing knowledge on organisational change. The significance of the thesis rests on the contribution it makes in two areas. Firstly, the extent to which it enables managers in the public sector to respond in a more informed way to the challenges with which they are faced. Secondly, its contribution to the academic development of the study of organisational change. Both of these contributions are considered below.

Looking first at the significance of this thesis for managers, as discussed in Chapter 10, both the short and the long wave models provide important messages for managers in the public sector. As pointed out in Chapter 2, the prescriptive organisational development literature has frequently been based upon limited and inadequate models of change. The messages for managers from this literature are frequently based upon rational models of change process (Plant, 1987 and Carnall, 1990, are notable exceptions). This can lead to frustration and confusion for managers when their carefully structured, rational plans and critical paths run into problems. The Midborough case studies had many such examples of rational plans for change which fell by the way-side.

The short wave model can assist managers in both the analysis and the management of change. It brings together a number of existing, but disparate ideas, in a structured way. Thus it can assist managers in identifying the triggers of change (by focusing attention on the different sources of these triggers), and this in turn enables managers to build upon these triggers and use them in increasing the awareness of those around them of the need for change. The identification of the mediating factors enables managers to consider which of these factors they can influence and use. Whilst the identification of the forces for and against change has long been a technique available in the toolkit of managing change (i.e. force-field analysis), the short wave model builds upon this by allying to it an analysis of the tactics associated with resistance and those associated with support. The short wave model suggest that the analysis of power and politics is a key factor in understanding change, and by implication it is also the key to the successful management of change. The organisational development and

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management of change literature has in general underplayed the importance of power and politics. Instead it focuses on the psychological roots of resistance and the ways in which psychological techniques can assist in countering this resistance. The short wave model also provides important assistance for managers in demonstrating how an analysis of resistance and power can lead to the adoption of a change strategy which has the greatest chance of success. So, in summary, the short wave model is important in assisting managers in handling short term change

The long wave model is significant in that it encourages managers to stand back periodically and take a helicopter view of where they are in relation to the long wave of change. This in turn should impact upon how short term changes are handled.

Turning to the academic development of the study of organisational change, this thesis is significant on four counts. Firstly, it has provided a detailed study of change in the public sector. This adds much needed data on change processes in the public sector, which can be set along side similar pictures from the private sector (Pettigrew, 1985; Johnson, 1987; Smith et al., 1991). Secondly, this thesis (in Chapter 2) has brought together a number of formerly disparate theories of change and change processes and used the framework of considering what, why, when and how change occurs to demonstrate the linkages and contradictions present in the existing theories. Thirdly, this thesis has endeavoured to judge the adequacy of existing models of change by applying them to the detailed case study data. Fourthly, this thesis has attempted, based upon this data, to produce new linked models of change. What is written here is by no means the last word on organisational change in the public sector. There are a number of areas which require further research. One of these is the need to test out the short and long wave models in different public sector organisations and over different time periods. Another is to specifically focus on reconciling the short and long wave models; that is how the short wave "adds up" to the long wave. This latter area of research also requires the contrast between different organisations and different time periods to be made.

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APPENDIX 1: FIRST STAGE INTERVIEWS - POSITIONS OF THOSE INTERVIEWED

Chief Officers

Chief Executive
Chief Recreation Officer
Chief Legal Officer
Chief Personnel Officer
Borough Engineer
Borough Planning Officer
Chief Environmental Officer
Chief Planner/Architect
Chief Housing Officer
Chief Administrative Officer
Chief Education Officer
Chief Finance Officer
Director of Social Services

Other Officers

Borough Librarian
Principal Training and Development Officer
Team Manager Social Services
Chief Education Advisor
Property Manager, Planning and Architecture
Senior Assistant Chief Recreation Offficer
Deputy Chief Personnel Officer
Senior Assistant Borough Engineer
Assistant Chief Education Officer (Schools)
Head of Research Unit, Chief Executive's
Senior Assistant Chief Housing Officer
Principal Assistant, Research Unit
Assistant Borough Engineer
Deputy Borough Planning Officer
Deputy Chief Environmental Officer
Deputy Director of Social Services
Assistant Director of Finance
District Housing Manager

FIRST STAGE INTERVIEWS - INTERVIEW SCHEDULE

A. PERSONAL DETAILS

1   Name

2   Department

3   Position and Job Title

4   Length of service with Midborough
    with other local authorities

5   Different jobs over that period

6   What is your present role and how has this changed during your
    time in that position?

B. DEPARTMENTAL DETAILS

1   Thumbnail sketch of the organisation's structure

2   Main tasks/specialisms

3   Importance of links with other departments - outside bodies?

4   What is going on "out there" which is affecting the work of the
    department (eg. other departments, clients/public, and central
    government)?

5   What are the main opportunities on the horizon?

6   What are the main threats on the horizon?

7   What are the present strengths and weaknesses of the
    department?

8   How is success measured in the department, for example:

    What are the successful projects and why?
    Who are the successful people and why?

C. PRIORITIES

1   What are the key priorities for:

    whole department?
    your own work unit (if appropriate)?
    yourself?

2   What were the key priorities two years ago?

3   What do you envisage being the main priorities during the next 1 to 2 years?

D.   CHOICE OF ISSUES/SUBJECTS TO STUDY IN DETAIL

1   What have been the main changes in the history of the department over the last 10 years?

2   What have been the main changes in the history of the authority over the last 10 years?

3   What issues/subjects do you consider merit in-depth consideration?

> Past issues
> On-going issues
> Possible future problems

APPENDIX 2: FEEDBACK TO INTERVIEWEES FOLLOWING FIRST STAGE INTERVIEWS

To all interviewees
Midborough Metropolitan Borough Council

18th October 1985

Dear

Phd Research: Organisation Change in Local Government

Having completed the first round of interviews, I thought it an appropriate point to feedback to participants some initial thought.

The preliminary round of interviews had a twofold purpose. Firstly, to get to know something about the past, present and possible future of the borough. Secondly, to identify 4 - 5 "change areas" which I can follow up in detail during the remainder of 1985 and throughout 1986. To date I have spent eleven working days in Midborough and interviewed 31 chief officers and senior managers.

I now have some feel for the history of the borough and the present concerns of its senior officers. It is impossible to do justice to the wealth of information I have collected in a brief resumé, but I have listed my initial impressions in the attached summary. I have also derived a short list of the "change areas" I would like to research in greater detail (see the attached summary). I have indicated my four preferences, but have also included four other possibilities. I am open to some negotiation on the final choice of areas.

I have sent this note to all the officers I interviewed during September. I would welcome any comments. Depending on the feedback I receive, I intend to proceed by contacting the chief officers of the departments primarily associated with the final choice of "change areas". This contact will take place during November and I will establish with each department an appropriate time-table for my research.

I would like to take this opportunity to thank you all for the time and help you have given me. The warm welcome I have received has made this project a joy to work on, and I am looking forward to spending more time in Midborough.

Yours sincerely,

Sandra Nutley

SUMMARY OF PRELIMINARY INTERVIEWS

Initial impressions

1   The history of Midborough is important in understanding its present position.

2   One strand of this history has been the formation of the borough council by an amalgamation of several smaller authorities (or part authorities) in 1966 and 1974. Amalgamation has not led to homogenisation and the continued existence of separate centres and communities is an important feature.

3   Midborough has a long history as a low spending authority. It has a reputation of being either "penny-pinching" or "shrewd".

4   Its low spending base in 1979 has seriously affected its present position (ie establishing the baseline for subsequent "targets").

5   Possibly as a consequence, in many service departments a great deal of importance appears to be attached to getting additional funds into the authority.

6   Recent frequent changes in political control have caused and continue to cause much uncertainty.

7   Most officers referred to the Management Consultants era as being an important watershed in the history of the authority. Wounds are still evident and feelings run high.

8   Many of the senior officers have been with the authority since 1974.

9   Many of them referred to the post '74 period as invigorating and rewarding. The era of the central co-ordination team was felt to be an important one.

10   In contrast there is now widespread concern about the lack of corporatism in the authority. In particular, most officers were dissatisfied with the operation of the chief officers management team; most attributed this to the absence of trust.

11   Departmentalism is strong, both in terms of loyalties and priorities.

12   Many day to day cross department links were cited and there appeared to be some strong informal networks.

13   The authority has a strong culture. The overwhelming majority of the officers interviewed appeared to be proud to be working for Midborough. The neighbouring borough was frequently used as a "whipping boy".

14   Whilst departments are endeavouring to measure performance in a systematic way (eg output measures, unit costs, etc), the

overwhelming impression is that success is subjectively measured either in terms of survival or by the absence of things going wrong.

15 There is an interesting dichotomy between those who see Midborough as a pioneering authority and those who see it as very traditional and anti-innovation.

16 Midborough has seen many changes. I need to explore just how "radical" these are.

17 In describing change(s) most officers see the stimulus and lead for change as coming from outside the authority.

18 I was struck by the amount of "entrepreneurial" activity taking place, eg. in tourism, recreation, TVEI, DLO, local economic development, etc.

19 There are some officers within the authority who see themselves as "change agents". They have personal models of how to bring about change, but these vary and as far as I could tell these officers rarely work together or share strategies. I need to pursue my initial impression further.

Short list of change areas for detailed research

1 Decentralised of housing services, particularly the establishment of estate offices. The research would look at how decisions on organisation structure are made and what methods have been/are employed to bring about change. What effects structural change has on the attitudes of housing staff, particularly looking at the changed role of rent collectors. Finally consider how changes in organisation structures affect the service given to clients. Time frame for the research - past, present and future.

2 The budget making process. The budget can be described as the central operational plan of an organisation. The budget process and results would be researched and used as a means of monitoring how far and to what extent new ideas and strategies are put into practice. The question I would be seeking to answer is whether the budget making process is responsive to changes in ideas. Time frame for the research - past, present and future.

3 The abolition of the metropolitan county council. By what process has the local authority planned to respond to abolition? What is the impact of the abolition on Midborough and how does it cope with this impact? There would be a general overview, but the research would largely concentrate on one area of change, either strategic planning responsibilities or waste disposal. Time frame for research - recent past, present and future.

4 Community development initiatives. How is community development perceived in the authority? What initiatives exist and by what process did they come into being? I would follow the progress of community development throughout 1986; what happens, when, how and why. Time frame for research - recent past, present and future.

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Other possibilities

1   The establishment of Midborough's enterprise zones, and the way in which the authority copes with their future implications.

2   The effectiveness of curriculum development groups in bringing about change in education, staff development and schools.

3   The reorganisation of social services and the proposed move from a case work relationship with clients to one of team work with key workers.

4   The process by which the Direct Labour Organisations were established and the subsequent development of their operation.

APPENDIX 3: POSITIONS OF THOSE INTERVIEWED IN THE SECOND STAGE INTERVIEWS

Chief Executive
Head of Researh Unit, Chief Executive's
Chief Legal Officer
Chief Administrative Officer
Chief Housing Officer
Chief Personnel Officer
Borough Planning Officer
Principal Assistant Research Unit
Senior Planning Officer
Deputy Borough Planning Officer
Acting Chief Executive
Principal Planning Officer
Chair of Planning Committee
Chief Education Officer
Assistant Chief Education Officer
Chief Recreation Officer
Youth and Community Officer
Area Youth and Community Officer
Former Youth and Community Tutor
Chair of Community Development Committee
Senior Assistant Chief Recreation Officer
Chair of Education Committee

APPENDIX 4: HOUSING DECENTRALISATION QUESTIONNAIRE

SURVEY OF HOUSING STAFF VIEWS ON DECENTRALISATION

QUESTIONNAIRE

CODE NUMBER

☐☐☐

YOU AND YOUR JOB

1.   What job are you currently performing?

Rental Assistant/Senior Estate Officer   ☐

Maintenance Programmer   ☐

Lettings Assistant   ☐

Estates Officer   ☐

Assistant Estate Officer   ☐

Estates Assistant   ☐

Other (please specify)   ☐

2.   Has your job title or the content of your job changed during
        the last 12 months.

YES   ☐

NO   ☐

If yes, please give brief details

(E.g.New areas of work)

....

....

(E.g. Areas of work list)

....

....

3.   What age group do you belong to?

Under   25   ☐

            25 - 30   ☐

            31 - 35   ☐

            36 - 40   ☐

            41 - 45   ☐

            46 - 50   ☐

            51 - 55   ☐

Over   55   ☐

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AREAS OF WORK - HOW DO YOU SPEND YOUR TIME?

4.   For each of the following possible aspects of your job please indicate:

      (i)   the approximate % of your time spent in undertaking this work;

      (ii)   your view on the importance of it.

Task Area	(i) Time Taken	(ii) Importance of Task (See explanation of categories below)

Please place a cross on scale line.

(ii) Importance of Task categories: 1 2 3 4

Task Area	Time Scale (0 – 100%)	1	2	3	4
Rent Collection (inc. Rent Accounting)	0 20 40 60 80 100%	☐	☐	☐	☐
Rent Arrears	0 20 40 60 80 100%	☐	☐	☐	☐
Housing Benefit	0 20 40 60 80 100%	☐	☐	☐	☐
Repair Enquiries	0 20 40 60 80 100%	☐	☐	☐	☐
Letting of Property	0 20 40 60 80 100%	☐	☐	☐	☐
Void Inspection	0 20 40 60 80 100%	☐	☐	☐	☐
Repairs Inspection	0 20 40 60 80 100%	☐	☐	☐	☐
Co-ordination of multi-skill operation	0 20 40 60 80 100%	☐	☐	☐	☐
General Enquiries	0 20 40 60 80 100%	☐	☐	☐	☐
Supervision of Staff	0 20 40 60 80 100%	☐	☐	☐	☐
General Administration	0 20 40 60 80 100%	☐	☐	☐	☐
Estates Management	0 20 40 60 80 100%	☐	☐	☐	☐
Management Meetings	0 20 40 60 80 100%	☐	☐	☐	☐
Training	0 20 40 60 80 100%	☐	☐	☐	☐
Others (please specify)	0 20 40 60 80 100%	☐	☐	☐	☐

....

....

....

....

Categories of Importance

1	=	Not important
2	=	Average importance
3	=	Important
4	=	Very important.

(NB where an area of work is not applicable to you please enter N/A.)

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5.   Are there any problems you would like to highlight or comments you
        would like to make about any of the above tasks?

        ....

        ....

        ....

SATISFACTION - WHAT DO YOU LIKE MOST?

6.   Which aspects of your job give you most satisfaction?

        ....

        ....

        ....

DISSATISFACTION - WHAT DO YOU DISLIKE MOST?

7.   Which aspects of your job cause you most dissatisfaction?

        ....

        ....

        ....

COMMUNICATION WITHIN THE HOUSING DEPARTMENT

8.   How much influence do you think you have on policy-making within the
        Housing Department?

                                        A lot of influence   ☐

                                        Some influence   ☐

                                        A little influence   ☐

                                        No influence at all   ☐

9.   How much discretion do you have in the day to day operation of the housing service?

                                        A lot of discretion   ☐

                                        Some discretion   ☐

                                        Little discretion   ☐

                                        No discretion   ☐

10.   Are you working with the new system of estates offices?

                        YES   Please answer Question 11

                        NO   Please skip to Question 12

11.   Is there adequate communication between Estates Offices
        and District Offices?

                                        Totally Inadequate   ☐

                                        Inadequate   ☐

                                        Adequate   ☐

                                        Very adequate   ☐

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QUALITY OF SERVICE - WHAT DO YOU THINK ABOUT THE SERVICE TO CLIENTS?

12. Are you satisfied with the service provided to Housing Department Clients?

Very Dissatisfied ☐

Dissatisfied ☐

Neither satisfied or dissatisfied ☐

Satisfied ☐

Very satisfied ☐

13. Do you consider that the service to clients has improved or deterioriated under the new system of estates office? Is it better or worse than it was previously?

A worse service now ☐

No improvement ☐

Some improvement now ☐

Much improvement now ☐

14. Do you consider that the service to clients is likely to improve under the new system of estates office?

Likely to be:

A worse service ☐

No improvement ☐

Some improvement ☐

Much improvement ☐

IS THERE ANYTHING ELSE YOU WOULD LIKE TO ADD?

15. Please add any further comments you would like to make?

....

....

....

WOULD LIKE TO BE INFORMED ABOUT THE RESULTS OF THIS SURVEY?

16. If you would like a copy of that part of my final report which relates to housing please tick this box.

☐

Please return the completed form to Sandra Nutley in the stamped, addressed envelope provided.

Thank you

APPENDIX 5: POSITIONS AND FREQUENCY OF THOSE INTERVIEWED FOR THE COMMUNITY DEVELOPMENT CASE STUDY

Youth and Community Officer	Interviewed 9 times during the period
Area Youth and Community Offiver	Interviewed quarterly
Assistant Chief Education Officer	Interviewed quarterly
Chief Education Officer	Interviewed annually
Chief Recreation Officer	Interviewed annually
Chief legal Officer (then Acting Chief Executive	Interviewed once on Community Development
Chief Environmental Officer (the 2nd Acting Chief Executive)	Interviewed once on Community Development
Chair of Community Development Committee	Interviewed once
Chair of Education Committee	Interviewed once
Clerk for Community Development Committee	Interviewed once
Sen. Assistant Recreation Officer	Interviewed once on Community Development
Youth and Community Tutor	Interviewed once
Principal Assistant, Research	Interviewed once on Community Development

APPENDIX 6: THE FINANCIAL RESOURCES OF MIDBOROUGH

From the mid 1970s onwards restricted resources have been a feature of local government's environment. DoE circular 157/73 (1973) outlined the broad policy of public expenditure for 1974/75, and required councils to make an overall reduction of 20% on capital expenditure and 10% saving in revenue expenditure. Similar circulars followed throughout the 1970s, and Midborough, unlike some other councils, endeavoured to keep within central government guidelines. In November 1976, the Policy and Resources Committee resolved that in view of the present economic situation the Council should proceed to a zero growth situation in real terms for the year 1977/78. Any new growth was to be met from savings. Ironically this stringency made the resource position worse for Midborough as subsequent goals for expenditure and rate support grant were based on the previous year's expenditure. In particular the low spending base in 1979 adversely affected grant entitlement during the 1980s.

Tables A.1 provides details of the council's expenditure over the period 1974/75 to 1985/86. As can be seen from this Table, expenditure (in cash terms) increased throughout the period 1974/75 to 1985/86, with the highest increases occurring in the years 1979/80 to 1981/82. However, this increase in expenditure does not necessarily mean real growth because of the effects of inflation. When inflation is taken into account expenditure only just kept pace with inflation for much of the period, and at times lagged behind (see Figure 5.3 in Chapter 5).

In keeping expenditure in line with inflation there has been an increasing reliance on rate income as opposed to income via the Block Grant from Central Government. In 1974/75 Block Grant funded 50% of net expenditure. By 1985/86 this percentage was only 38%. Conversely, in 1974/75 rate income funded 48% of net expenditure, by 1985/86 this percentage was 68%.

Table A.1: **Midborough Council**
General Rate Fund Summary for years ending 31st March

Year	Expend. £'000s	Growth in gross Exp. (%)	Net Expend. £'000s	Block Grant £'000s	Block Grt. as % of Net Expend	Rate Income £'000s	Rates as % Net Expend
1974/5			27460	13856	50.46	13166	47.95
1975/6	43886		34529	17496	50.67	17242	49.93
1976/7	49263	12.25	39583	18151	45.86	20650	52.17
1977/8	52681	6.94	41697	16396	39.32	26500	63.55
1978/9	57925	9.95	46038	16853	36.61	30497	66.24
1979/0	68741	18.67	53548	18377	34.32	36184	67.57
1980/1	82851	20.53	60648	22831	37.65	39673	65.42
1981/2	97109	17.21	76696	31122	40.58	42141	54.95
1982/3	101760	4.79	80102	31562	39.40	48960	61.12
1983/4	111066	9.15	83340	33006	39.60	50567	60.68
1984/5	117977	6.22	85909	34781	40.49	50421	58.69
1985/6	125222	6.14	90646	34242	37.78	61727	68.10

SOURCE: Annual Reports and Accounts, Abstract to Accounts, and Finance
Department

- Note: The figures in the Block Grant column up to 1981/2 represent the
Rate Support Grant (needs element)