THE IMPACT OF ORGANISATIONAL CHANGE ON MANAGERIAL ROLES IN THE PUBLIC SECTOR: A CASE STUDY OF A LOCAL AUTHORITY

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Thesis submitted for the degree of
Doctor of Philosophy in Management
to Canterbury Business School at the
University of Kent at Canterbury
February 1995

ACKNOWLEDGEMENTS

Considerable help and support was received during the completion of this thesis from many sources, and this assistance is gratefully acknowledged: Professor Scase, who provided excellent supervision, and unfailingly high levels of both intellectual and emotional support and encouragement. The managers of Barset County Council who made the empirical research possible, especially the middle managers who provided such invaluable information about their work experiences. Unfortunately, it is not possible to name them here for reasons of confidentiality. The staff at Canterbury Business School, who kindly provided me with a wide variety of practical and academic assistance. Members of staff at the Institute of Local Government Studies and the Local Government Training Board, who allowed me to use their libraries, and who provided a wide range of invaluable information. Finally, many others, who bore patiently with the exigencies of my research over the past years, especially Ian, Alan, Sarah, Thea, Tim and Chrissie, Chris, John, Simon, Peter, Grace and Julian.

DECLARATION

No portion of this work has been submitted in support of an application for any other degree or qualification at this or any other university or institution of learning

ABSTRACT

This thesis explores the impact of organisational restructuring upon the work roles and work satisfaction experiences of local government managers. Using Mintzberg's analytical framework, the thesis analyses the ways in which middle managers' interpersonal, informational and decisional roles change as a result of organisational change from bureaucratic and professionally dominated forms of "administration" to more flexible, customer orientated, private sector styles of "management".

The research is based upon empirical research of middle managers in a local authority selected as a "critical" case in terms of its adoption of "new" public sector management systems, as outlined in the literature.

The findings indicate that most managers made significant changes in their work behaviour within each of Mintzberg's three role categories, in accordance with the Authority's formally prescribed "new" management systems. They were familiar with the Authority's new corporate culture, and provided concrete evidence of application to their work behaviour. Job satisfaction levels tended to increase, despite pressures from continual change, and decreased job security. However, they also identified various constraints which limited changes in their behaviour - suggesting limits on the extent of the Authority's move from the traditional "administration" to the new "management" model of service provision. They experienced degrees of role tension and ambiguity, arising particularly from the Authority's introduction of internal market and devolved management systems.

The thesis concludes by considering factors which can inhibit full adoption, within public sector organisations, of the "new" management prescriptions (including structural, behavioural and change management constraints), and comments on the need for organisational restructuring to be strategically managed if job satisfaction and managerial effectiveness is to be enhanced.

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Introduction

AIMS AND OBJECTIVES OF THE RESEARCH

An increasing volume of public sector literature published during the 1980s and 1990s identifies the development of a "new" management model within local government, involving essentially a move from bureaucratic and professionally dominated "administration" to more flexible, customer orientated, private sector style "management" of service provision. However, the evidence suggesting that growing numbers of local authorities are adopting at least some features of the "new" management systems tends to be derived predominantly from "official" accounts of such changes, provided by senior managers. Relatively little empirical investigation has been undertaken into the extent to which these formal changes in management systems and role prescriptions have resulted in changes in work behaviour and job satisfaction experienced by managers. Formally adopted changes introduced by senior managers may or may not be manifested within the actual role behaviour adopted by middle managers. If little or no real behaviour change takes place at this level in the organisation, then, arguably, moves within local authorities towards the "new" management model are largely cosmetic. It is thus essential, when attempting to assess the impact of formally espoused changes within local authorities, to examine the extent to which, and the way in which, middle managers have adopted new forms of work behaviour in accordance with the "new" managerial role prescriptions.

The objectives of this research, therefore, are to identify the extent to which the formal managerial role prescriptions included in the "new" management model are being translated into actual behaviour change by middle managers. In addition to focusing on the extent to which the "rhetoric" of the "new" management model is percolating down the

organisational hierarchy to produce "real" behavioural change, the research is also concerned with the role of middle managers in implementing change. As a number of studies suggest (Scase and Goffee, 1989; Smith, 1990; Dopson and Stewart, 1990), middle managers play a key role in change implementation. It can be argued that the effective planning and management of change requires careful consideration of the impact of structural change on middle managerial work roles and work satisfaction levels - to minimise their resistance, and maximise their commitment to the continuing and accelerating pace of change within local authorities.

Mintzberg's models (1973, 1983, 1989) of organisational design and managerial roles are used throughout the research to provide theoretical coherence for analysing the general trends, reported within the literature, towards local government adoption of the new management systems. The same models are also used for analysing the data obtained from the empirical research, which utilises a case study approach. A local authority (Barset County Council), which adopted as a matter of policy most of the prescriptions and practices associated with the "new" management model, was selected as a critical case for examination. Documentary evidence and interviews with senior managers were used to analyse the authority's progression during the 1980s and early 1990s from the "traditional" to "new" forms of organisational structure and management systems. This was followed by interviews held with middle managers to identify the extent to which the Authority's formally adopted "new" managerial policies and role prescriptions permeated and changed their work behaviour. Semi-structured interviews were held with 48 middle managers located in four departments - two direct service provision departments (Social Services and Highways), and two support service departments - Finance and Commercial services.

ORGANISATION OF THE RESEARCH

The thesis is divided into ten chapters. The first four review the literature on changing patterns of organisation design and structure, and the impact of these changes on the nature of managerial role behaviour. Chapter one explores the main theoretical approaches to the analysis of organisation design and structure, including the the traditional "classical" theories of Taylor (1947), Weber (1947) and Fayol (1949), the human relations approaches, and the more recent open systems and contingency approaches. Included within the latter approach, Mintzberg's (1983, 1989) model of organisational configurations, design parameters, and contingency factors is then outlined and used to identify different forms of organisation structure, and current patterns of organisation restructuring.

The second chapter identifies the impact of organisational restructuring on managerial roles. After examining the concept of managerial roles and the nature of managerial work activities, functions, effectiveness, and styles, this chapter adopts a contingency model of managerial work to analyse the impact of organisational restructuring on middle managers' roles and work satisfaction levels. Mintzberg's (1973, 1989) contingency model of three managerial role-sets - interpersonal, informational and decisional - is used as a framework for analysing these changes in managerial work; as with chapter one, the emphasis here is on changes occurring within largely private sector organisations, on which most of the literature is focused.

Chapters three and four use the same (Mintzberg's) contingency approach to organisational structure and managerial roles to identify and analyse the patterns of change in local government structures and management systems during the 1980s and 1990s. Chapter three explores the changes

which took place during this period in the economic, institutional and socio-political environment within which local government operates, including a discussion of the key features which distinguish local authority sector from private sector organisations. The impact of these national developments, together with the part played by local contingency factors (both external and internal to individual local authorities) on local government structures is then explored, with a particular focus on the nature and extent of moves from "traditional" to "new" public sector management models. Chapter four examines the impact of moves towards the "new" management model on the work behaviour and work satisfaction of middle managers within local authorities. Mintzberg's three managerial role-sets are used as an analytical framework to explore the nature and extent of the progression outlined in the literature from the traditional emphasis on administrative and professional styles and competences towards the emphasis on the "management" approach associated with local authority moves towards divisionalised forms of structure. This analysis also focuses on the differentiation of managerial roles, within new market forms of service provision, into Purchaser and Provider functions.

Chapter 5 describes the research strategy and methodology, beginning with the reasons for choosing a case-study approach and for selecting Barset County Council as a critical case. This is followed by a description of the methods used to collect the data - documentary searches, semi-structured interviews with senior and middle managers, plus a short self-administered questionnaire to assess job satisfaction levels. The advantages and disadvantages of these methods are discussed, and the interview schedules are reproduced in two exhibits appended to the chapter.

Chapters six, seven, eight, and nine analyse the data obtained from the empirical research, using Mintzberg's models of organisational design and managerial roles as an analytical framework. Chapter six provides a detailed account of the extensive restructuring and changes in managerial role prescriptions introduced within Barset County Council (BCC) between the mid-1980s and early 1990s, which corresponded closely with the key features of the "new" management model identified in the local government literature. This account, based on the formal policies and managerial roles prescriptions developed by elected members and senior management, is then followed within the next three chapters, by an analysis of the views of middle managers themselves about the impact on their work-role behaviour of Barset's formally espoused "new" management systems. The objective here is to assess the extent to which the prescribed changes were realised throughout the organisation, as manifested within the degree of real behaviour changes adopted by middle managers - to assess the difference, if any, between the rhetoric and the reality of the new management approach.

Chapter seven focuses on identifying the changes in managers' interpersonal and informational roles, and chapter eight on changes in their decisional roles. Both chapters adopt an approach of outlining the key features of the changes described in the local government literature, followed by a brief outline of Barset's own (almost identical in most cases) prescriptions, and then assesses the nature of the behavioural changes, within these prescriptions, experienced by the managers. The chapters explore the extent of the managers' adoption of the new role prescriptions, and examine the various constraints which operated within each of the three roles to limit the changes in their work behaviour, and, hence, to limit the scope of the realisation within Barset of the new management model. Chapter nine assesses the impact of

the new managerial roles on the managers' work satisfaction levels, focusing on both the intrinsic and extrinsic rewards potentially available to the managers from their work. Their experiences of, and attitudes towards, change are also discussed in the context of Barset's change management policies and practices.

Chapter ten, in conclusion, summarises the major findings from the research, which indicated that most of the managers had made significant changes in their work behaviour within each of the three role categories - in accordance with BCC's new managerial role prescriptions. However, they also identified a number of constraints operating to limit the extent of these behavioural changes - suggesting, in turn, limits on the extent of Barset's transition from the "traditional" to the "new" management model. Key issues for further research are identified, concerned particularly with the various factors - behavioural, structural and change management constraints - which can inhibit full adoption by public sector organisations of the "new" management model. The chapter also discusses the need for organisational restructuring to be strategically managed if job satisfaction and managerial effectiveness is to be enhanced.

CHAPTER 1

Changing forms of organisation design

This chapter begins by examining the main theoretical approaches to the analysis of organisation design and structure, including the traditional classical theories of Taylor (1947), Weber (1947), and Fayol (1949), the human relations approaches, and the more recent open systems and contingency theories. From within the latter perspective, Mintzberg's (1983, 1989) model of organisational configurations, design parameters, and contingency factors is then used to identify different forms of organisation structure, and current patterns of organisation restructuring.

Child (1984, p4) defines the structure of an organisation as "all the tangible and regularly occurring features which help to shape its members' behaviour". These structural features essentially represent the way in which labour is divided into specialist or differentiated tasks, which then require integration or coordination to enable the organisation to achieve its objectives (Lawrence and Lorsch, 1967; Mintzberg, 1983; Drucker, 1974). Characterised by different degrees of complexity, behaviour formalisation and centralisation (Robbins 1990), the structure of an organisation will thus represent the pattern of individual roles and relationships which exist within it (Dawson, 1986). Many organisational theorists point to the evidence of such basic structural components within the very earliest organisations developed by the Sumerians, the Egyptians, and the Chinese (Clutterbuck and Crainer, 1990).

Reviewing the wide range of current approaches to organisation analysis, Reed (1992, p14) identifies "the very real differences of theoretical

orientation, substantive focus and ideological preference which now prevail." (p14). Towards one end of this ideological continuum are the "interpretive" or "subjectivist" approaches adopted by authors such as Bittner (1965) and Zimmerman (1970). They emphasise that the social world, including an organisation, is essentially a "subjective construction" of individuals who use language and social interactions to "create and sustain a social world of intersubjectively shared meaning. The social world is thus of an essentially intangible nature....Such a view does not allow for the existence of 'organisations' in any hard and concrete sense" (Burrell and Morgan, 1979, p260). Towards the other end of the ideological continuum are the "structural" or "objectivist" approaches, adopted by organisational theorists such as Child and Mintzberg, which emphasise the objective, tangible and concrete reality of societal and organisation structures, and the way in which these influence human behaviour. Thus, Child's definition of organisation structure quoted above, clearly focuses on the "tangible" nature of organisation structure; as Child explicitly states, his use of the term "organisational structure" is synonymous with the term "organisation". These approaches focus on the concept of organisations as concrete entities or structures - as machines or organisms, assumed to be stable, and assumed to be "rational, purposive, goal-seeking, adaptive enterprises coping with the demands of an environment." (Burrell and Morgan, p220). Within this approach to the analysis of organisational structure, four key schools can be identified - (1) the so-called "classical" authors (located within Morgan's (1986) "organisation as machine" model or "image" of organisation structures); (2) the "post-Weberians" (concerned with the dysfunctions of bureaucratic organisational forms); (3) the human relations theorists; and (4) the systems/contingency theorists, (located within Morgan's "organisations

as organisms" model). Each, in turn, will now be considered.

Classical approaches

Within the classical school, Morgan and Lessem (1989) single out Taylor (1947), Weber (1947) and Fayol (1949) as the key theorists who "tried to impose organisational order and objective reason on institutional whim and personal irrationality." (Lessem, p183). Each of these three classical authors wrote from very different perspectives: Taylor was an American industrial engineer, committed to improving organisational productivity on the shop floor through more efficient job design and reward systems; the German sociologist, Weber, developed his theory of bureaucracy as an ideal type of the legal-rational authority which he considered characterised contemporary capitalism; Fayol, a French industrial engineer and administrator, produced a set of general principles governing the effective design and management of organisations. Yet, as Morgan points out, they all use the analogy or metaphor of the organisation as a machine, involving the specification of an ideal blueprint design as the most efficient means (formal structure) for achieving predetermined ends (organisational goals). Thus, as Weber states: "Experience tends universally to show that the purely bureaucratic type of administration....is, from a purely technical point of view, capable of attaining the highest degree of efficiency .....it is superior to any other form in precision, in stability, in the stringency of its discipline, and in its reliability." (Weber, 1991, p124)

Weber's well-known distinguishing features of the bureaucratic organisation can be summarised briefly as follows: the sphere of competence or specialism of each office or role is clearly defined, and occupies a specific position in a hierarchy, with the incumbent

answerable to a superior for performance; the office is full-time and salaried with a career structure providing opportunities for advancement through the hierarchy; appointments are made on the basis of merit, preferably through qualifications: work activities are governed by a prescribed system of rules and procedures, which ensures formal equality of treatment for all individuals within the organisation and for members of the public. Beetham (1991) emphasises two distinctions made by Weber: firstly, between appointed officials and the corporate group - a local authority council, or a board of directors - which employs the bureaucratic officials to carry out their policies, and, secondly, between the appointed officials, whose essential characteristic is the exercise of authority, and office or production workers who do not exercise authority. Beetham does, however, highlight the problematic nature of this distinction, especially within public sector bureaucracies where front line workers have authority over members of the public.

These distinctive bureaucratic features are reflected within Taylor's scientific management principles (which differ significantly from Weber in only two respects - the absence of a career systems and fixed salaries (Littler, 1978)), and within Fayol's fourteen administrative principles. Fayol considered that all organisations should develop systems providing for: the division of work into specialised tasks; the allocation of authority and responsibility; disciplinary agreements; unity of command; unity of direction; the subordination of individual interest to the general organisational interest: the remuneration of personnel: the appropriate degree of centralisation; an hierarchical chain of authority; order; equity (kindness and justice for all employees); stability of tenure for employees; initiative (drawing up plans and implementing them); an "Esprit de Corps" to ensure harmony and

unity within the organisation. Individuals within the classical "organisations as machines" approaches are perceived essentially as depersonalised components of the machine, as demonstrated in: Taylor's concept of "economic man" (Schein, 1965); Weber's "dominance of a spirit of formalistic impersonality...without hatred or passion, and hence without affection or enthusiasm." (Weber, 1968, p127) which characterises the occupation by an individual of an official position or depersonalised role within the bureaucracy; Fayol's well known list of universal management roles or functions: "to forecast and to plan, to organise, to command, to coordinate and to control" (1949, p5-6).

It can be argued that the work of these three authors (with further clarification of their principles by Urwick (1943), including his well-known assertion about the optimum number of five or six subordinates for a manager's span of control), continues to underpin many current approaches to the analysis of organisational design and structures. Recent examples include: Burns and Stalker's mechanistic management system (1961); Handy's role culture (1976); Deal and Kennedy's process culture (1982); Hales' models of "rationalised" and "bureaucratic" organisations (1993); Mintzberg's machine bureaucracy (1983); and the machine metaphors of Watson (1986) and Morgan(1986). However, unlike the classical theorists, these authors identify the machine or bureaucratic model as just one of several different possible approaches towards designing an effective organisation, rather than as a universal prescription to be followed by all organisations - see the discussion of contingency theory later in this chapter. However, before discussing this theory, it is necessary to examine the work of two groups of authors, who identify problems and "dysfunctions" which can exist within bureaucratic forms of organisation, and which can interfere with the potential of such structures for achieving "precision,

reliability, efficiency" (Merton, 1968, p252).

Human Relations approaches

In contrast to the "organisations as machines" approach, where the design of organisations and the control of organisational members' behaviour was seen essentially as a "technical problem", the human relations theorists focus on the idea that individuals working within organisations are not just organisational "components", but: "are people with complex needs that must be satisfied if they are to lead full and healthy lives and to perform effectively in the workplace." (Morgan, 1986, p40). Thus, the seminal text, "Management and the Worker" by Roethlisberger and Dickson (1939) highlighted the presence of "informal structure - unofficial relationships within the work group " (Mintzberg, 1983, p8). These and other human relations authors drew attention to importance of ensuring that organisation structures met various psychological needs of organisational members, using Schein's (1965) "social man" and "self-actualising man" assumptions about employee behaviour. The former sees individuals as being motivated essentially by social needs, and as finding their identity through relationships with others. This involves paying attention to the roles of groups and teams within organisation structures and to adopting more consultative and participative management styles which focused on guiding and supporting staff rather than organising and controlling them (Likert, 1961; McGregor, 1960). The "self-actualising man" assumption focuses on organisational employees' "self-fulfilment" needs (Maslow, 1943), requiring organisation and job design structures which maximise the opportunities for more challenging and demanding work, including greater involvement in decision-making for staff at all organisational levels (Hertzberg, 1966; Argyris, 1964).

Post-Weberian approaches

The works of Merton (1968), Gouldner (1954), Selznik (1966), Blau (1955), and Blau and Scott (1963) are concerned with the "dysfunctions" to be found within bureaucracies. Merton argued that certain features of bureaucratic structures result in dysfunctional behaviour - i.e., behaviour which can frustrate the achievement of organisational goals. Employees are encouraged to adopt forms of behaviour prescribed by bureaucratic rules and procedures, and discouraged from improvising or innovating or being flexible, even when such behaviour could improve goal achievement (for example, more effective service to customers). Such rule-following behaviour can become and end in itself, resulting in "a displacement of goals...an instrumental value becomes a terminal value" (Merton, 1986, p253). Conscientious adherence to regulations may actually result in employees losing sight of the end goals towards which their behaviour should be directed. Failure to realise organisational goals can result in yet more rules and regulations designed to overcome problems and thus the situation deteriorates still further. Employees may manifest symptoms of the "bureaucratic personality", with an "almost compulsive adherence to institutional norms (in this case bureaucratic rules and regulations)" (Burrell and Morgan, 1979, p423).

Alternatively, employees can engage in "unofficial" or "informal" forms of behaviour, which exists alongside or which may break or bend formal rules and regulations. These can result in the more effective achievement of end goals - or be directed towards the realisation of a particular employee grouping's own sectional interests which may or may not be aligned with formal organisational goal achievement; see discussion below. Thus, following on from the conclusions reached by Roethlisberger and Dickson in their seminal work quoted above, Blau and Scott emphasise that "the formal structure is only one aspect of

organisational social structure and that organisational members interact as whole persons and not merely in terms of the formal roles they occupy" (Blau and Scott,1963, p35). Blau's (1955) classic law enforcement agency study illustrates clearly the way in which employees, in this case, sought advice and guidance from each other in the handling of cases despite regulations forbidding such practices; Blau concluded that such informal joint information sharing and problem solving actually improved operational efficiency. Similarly, Selznick (1966) and Gouldner (1954, pp218-219) considered that the formal structure of a rationally designed organisation was always subject to change and modification by the informal human behaviour. For example, Gouldner argues that effective organisational functioning depended on the extent to which members felt that particular rules and procedures were legitimate. He identifies three forms of bureaucracy: (1) "mock bureaucracy" where rules are imposed by an outside agency and where neither workers nor management accept them, and which results in a situation with little conflict between the two groups where "Joint violation and evasion of rules is buttressed by the informal sentiments of the participants"; (2) punishment-centred bureaucracy, where rules are initiated by management *or* workers, and where, under circumstances of considerable tension and conflict, rules are "enforced by punishment and support by informal sentiments of *either* workers or management"; (3) representative bureaucracy, where rules are initiated by both groups, with little overt conflict between the groups resulting in "Joint support buttressed by informal sentiments, mutual participation, initiation, and education of workers and management".

As Burrell and Morgan suggest, the work of these theorists draw attention to the fact that the "reality" of organisational life cannot be seen purely in terms of a machine or a system (see discussion below)

with a unitary goal; it is also an aggregate of individuals and groups working towards various ends. These may be functional or dysfunctional for the achievement of overall organisational goals - i.e. pursuit of such sectional interests may work with or against formal organisational objectives. Such a view moves towards a pluralist perspective with its emphasis on "the plural nature of the interests, conflicts and sources of power that shape organisational life" (Morgan, 1986, p185), where the concept of power becomes significant. Thus Crozier's study of two French public bureaucracies examines the links between the formal hierarchical structure and the networks of power relations which develop between various groups of employees such as maintenance specialists, managers and workers: "the behaviour and attitudes of people and groups within an organisation cannot be explained without reference to the power relations existing amongst them"(1964, p107). Increasingly, more recent organisational theorists place considerable emphasis on the importance of power for understanding how formal organisational structures work in practice, giving rise to Morgan's "organisation as political system" model, and Mintzberg's (1989) "Political Organisation" form.

The term power in current organisational literature is commonly seen as referring to a "relationship" where "the power of a person A over a person B lies in the ability of A to get B to do something that he would not have done otherwise" (Burrell and Morgan, 1979, p214). Within the "organisation as machine" model, power relations are seen as based on the formal, official and legitimate authority vested in the particular role occupied by individuals, and directed, essentially rationally and neutrally, towards the achievement of commonly accepted organisational goals. However, pluralist or "political" models of organisations see power as "the medium through which conflicts of interest are ultimately resolved" (Morgan, 1986, p158). Organisation structure is seen not just

as a pregiven "machine", or a "system" (see below), with positions of formal authority into which people are simply slotted, but as the outcome of power relations between individuals and groups of individuals, pursuing their own particular individual and sectional interests which may or may not be congruent with the "official" organisational goals set by senior management (Watson, 1980; Morgan; Reed, 1985; Pfeffer, 1981). Thus Pfeffer's "political power" organisational model sees the decision-making process as "Disorderly, characterised by push and pull of interests" between "shifting coalitions and interest groups", with "information used and withheld strategically", and with decisions made as the result of bargaining and trade-offs between these various interest groups (Pfeffer, p31).

Within this pluralist model, power struggles and conflicts between organisational actors are seen as inevitable components of organisational life, and as an intrinsic part of the structure of an organisation. Systems and contingency theorists such as Mintzberg acknowledge the inevitability of this "political" side of organisational and managerial processes. However, they tend to differentiate clearly between <u>legally</u> sanctioned power relations (based on the formally defined authority vested in official role structures, exercised through officially prescribed means to achieve officially prescribed organisational ends), and <u>illegitimate</u> or "political" power relationships (operating outside the official organisational structure, using illegitimate means to achieve ends which may be legitimate or illegitimate). In addition, the exercise of such political power tends to be analysed in terms of its functional or dysfunctional consequences for the effective and efficient operation of the organisational system: "Politics has to do with power, not structure...politics can be viewed as a form of organisational illness, working both against and for the

system. On the one hand politics can undermine healthy processes, infiltrating them to destroy them. But on the other, it can also work to strengthen a system, acting like a fever to alert a system to a graver danger, even evoking the system's own protective and adaptive mechanisms" (Mintzberg, 1989, p236). This system (represented in Morgan's "organism") model of organisational structures, is considered in the next section of this chapter.

Systems and Contingency Theories

In contrast to the "closed and somewhat static structure" of the machine metaphor" (Morgan, 1991, p90), Roethlisberger and Dickson, in their seminal text mentioned above, clearly perceived the organisation as a complex open system of interrelated parts or subsystems, which interact both within the organisation and with external environmental systems to satisfy the organisation's needs and ensure its survival.

Subsequent systems theorists refined and developed this model, including: Selznick's natural systems model (1948); Trist and Bamforth's socio-technical systems (1951); Burns and Stalker's (1961) organic system of management; Rice 's (1958) concept of the firm as an open system, interreacting with its environment; Katz and Kahn's social systems model (1966). Katz and Kahn saw organisations as social rather than biological systems, with a structure of events or relationships, rather than physical parts, represented within five subsystems - production or technical, supportive, maintenance, adaptive and managerial subsystems. Their concept of role within the systems model, emphasised, like Weber, the impersonal and rational behaviour model of the person occupying it, and also served as a differentiation mechanism, with organisation norms (standards of behaviour) and values

(representing contemporary theorists' definitions of organisation culture) providing integrative mechanisms. These concepts of organisational differentiation and integration were central to Lawrence and Lorsch's contingency theory approach, outlined in their seminal work, "Organisation and Environment" (1967).

Drawing upon these approaches, Burrell and Morgan (p170) summarise the open systems model of the organisation as "a process of mutual influence and interaction between four functional imperatives or subsystems and the environment in which they are located". They synthesise the following key organisational subsystems from the systems theory literature, each of which is conceptualised as a "functional imperative" (p168) because of its equal importance to the survival needs of the organisation: (1) the strategic control subsystem, operated by senior management, with the function of maintaining the balance between the organisation and its external environment, and determining the goals and direction of the organisation to ensure its survival; (2) the operational or productive subsystem, including staff roles such as personnel, sales etc., as well as line workers, which transforms inputs into outputs of products or services for customers or clients; (3) the human subsystem, which refers to the needs of the individuals occupying the roles and functional specialisms within the organisation; (4) the managerial subsystem, responsible for the function of internal control and coordination of the organisation.

The open systems approach continues to provide a framework for analysing organisation structure (Morgan, 1986, 1991). More sophisticated variants of the basic systems approach have evolved in recent years, including Morgan's cybernetic or "organisations as brains" metaphor with an emphasis on the "amazing" capacity of the organisation (as a brain) to "organise and reorganise itself to deal with the contingencies it

faces." (Morgan, 1986, p97). As represented in the concept of "the learning organisation" (Argyris and Schon, 1978; Senge, 1990), this model also involves a move towards social action and interpretive approaches, with post-modernist style deconstructions of the meanings underpinning individual actions to enable members of the organisation to develop effective learning and innovative strategies. These ideas correspond with recent developments in management training and development (Boyatzis, 1982; Mumford, 1989), which also reflect current perceptions about the changing roles of managers in contemporary organisation structures (see chapter 2).

Contingency theory uses and develops the systems concept of organisation structure in an attempt to identify the the "best fit" or most effective organisation structure for an organisation's particular situation or set of circumstances/contingency factors. Given that, within the contingency approach, different functional specialisms or parts of the organisation may well interact with different environments or use different production processes, it is clear that this differentiation will require different forms of structure for effective operation of these different functional subunits. Integrative mechanisms are then required, to coordinate all these different activities towards achieving the overall organisational strategic goals (Lawrence and Lorsch, 1967). Thus, different types of organisational structures or systems are required for different situations or contingencies, both for the various subunits within the organisation - different functional departments, for example - and for the organisation as a whole.

Hales (1993, pp152-153) identifies five sets of contingency variables which are most commonly seen by contingency theorists as influencing the structural form of an organisation: (1) the size (usually in relation to

numbers of employees) and age of an organisation; (2) an organisation's technology, in terms of (a) the level of sophistication of the technical system and the extent to which it controls work methods, and (b) the nature of the "transformation process" (turning inputs into outputs), including the degree of uniformity of inputs and predictability of methods (summarised by Burrell and Morgan (p173) as representing a continuum of degrees of "routine-ness" or "discretionary content" of the work process; (3) the organisation's environment, which can include a number of contextural variables such as markets, the economy, political and legal systems, all of which are characterised by varying degrees of "homogeneity (complexity/diversity), how rapidly it changes (stability) and to what extent change is foreseeable (uncertainty)"; (4) the different goals and activities of an organisation, including the different forms of ownership (including the public/private distinction), performance criteria, and the nature and range of its services/products; (5) the characteristics of an organisation's employees, such as their motivations, skills, knowledge base, and attitudes. In criticising what were perceived to be over-deterministic elements within these contingency variables, authors such as Child (1972) and Dawson (1986) stress the need to take into account the part played by key organisational actors in exercising choice over the contingency factors they choose to respond to or use: "The 'objective facts' of the context do not have an automatic effect on internal operations. They may be noticed and interpreted by individuals, all of whom have their own particular interests to safeguard and their own perceptions of the appropriate strategies and tactics that should be followed...People not only create the 'links' that exist between contingent factors and structure, but they are also creators of the contingency factors themselves." (Dawson, 1986, p128). Thus, for example, managers can choose to enter or leave a particular market; they can attempt to create

demand for their products and to control and change (through using various techniques such as mergers, joint ventures, lobbying governments about legislation) their competitive environments. Managers' scope for choice may be constrained by particular contingency factors, but such constraints will not necessarily determine managers choices for action.

An early example of the use of open systems/contingency approaches to identify particular forms of organisational design and structures, suitable for particular situational or contingency contexts, is the well-known study by Burns and Stalker (1961). They identified a continuum along which types of organisational structures can be located ranging from "mechanistic" at one end to "organic" at the other. The mechanistic or bureaucratic system had very clearly defined levels of responsibility and task allocation, with firm top-down systems of control and coordination, and an emphasis on vertical as opposed to horizontal communication systems. Strong adherence and conformity was expected towards an extensive system of rules and procedures. The organic system involved fluid definitions of roles and responsibilities, centred around expertise rather than hierarchical positions, with extensive horizontal and inter-departmental information flows, and maximum flexibility of structure to encourage innovative and problem solving behaviour by individuals. Bureaucratic structures were seen as more appropriate for organisations operating in environment with a high degree of stability and certainty, and where employees had low expectations of discretion and autonomy. Conversely, organic structures were more appropriate for firms operating within a complex and uncertain environment, with highly qualified, trained and skilled staff (reflected in Mintzberg's "adhocracy" or "innovative" models of organisational structure discussed below).

A number of subsequent studies focused on the systematic identification of various structural components and contingency factors to develop typologies of organisation structures, including the influential "Aston Programme 1" studies (Pugh and Hickson, 1976). These authors used three structural components - the nature of control over workflows, the extent to which employee behaviour was structured, and the degree of concentration or dispersal of authority - to develop a seven fold classification of structures. These range from the "full bureaucracy" (corresponding closely to the traditional Weberian type described above) to the "implicitly structured organisation" (reflecting the organic form). Each type of structure was associated with a typical pattern of contextual or contingency variables, suggesting that "bureaucracy takes different forms in different settings" (Pugh and Hickson, pp126-7).

The 1970s and 80s saw the proliferation of numerous structural typologies, located towards one or other end of this mechanistic-organic continuum. These include (moving from the bureaucratic to the organic): Handy's "role" as opposed to "task" cultures (1976); the "old model assumptions" compared with the "new model assumptions" (Kanter, 1984); the role (classic) organisation compared with the intrapreneurial organisation, which emphasises the importance of small autonomous and entrepreneurial work-groups (Macrae, 1982): type A and type Z organisations (Ouchi, 1981), focusing upon the need for American firms to move from inflexible and hierarchical structural forms towards the adoption of certain features of Japanese companies such as shared forms of decision-making, an emphasis on team work and cooperation, and life-time employment for key employee groups; modernist (Weberian) and postmodernist organisations (Clegg, 1990). In differentiating between these two models, which reflect the ending of the post-war boom in

western economies in the 1970s, Clegg (p181) sees the postmodernist structural form as "a more organic, less differentiated enclave of organisations than those dominated by the bureaucratic designs of modernity....Where post-modernist organisation was rigid, postmodern organisation is flexible. Where modernist consumption was premised on mass forms, postmodernist consumption is premised on niches.....Where modernist organisation and jobs were highly differentiated, demarcated and deskilled, postmodernist organisation and jobs are highly de-differentiated, de-demarcated and multi-skilled....".

Concentrating specifically upon human resource management strategies, along the same bureaucratic/organic continuum, other theorists have contrasted: control compared with commitment strategies (Walton, 1985); personnel management as opposed to human resource management (Guest, 1991; Storey, 1992); type 3 and type 2 management development strategies (Mumford, 1989). Public sector organisations have also been influenced by these largely private sector based typologies to produce similar models, involving a contrast between "traditional" and "new" forms of public sector management (Stewart, 1986; Pollit, 1990); see chapters 3 and 4 for a full discussion of such models.

Arguably, one of the most influential of these structural typologies was developed by Peters and Waterman (1982). These authors advocated the replacement of traditional rational/bureaucratic forms of structure by a more flexible, decentralised and task-based (essentially organic) approach, which was found to be associated with successful performance in a number of "excellent" companies. Their approach, using the McKinsey "seven S's" framework, emphasises the importance of processes - , values, staff, styles and skills - as well as structures, systems and strategies. Subsequent texts by Peters (Peters and Austin, 1985: Peters, 1988) emphasise particularly the importance of strong leadership

and culture, customer responsiveness, and the orientation towards continual improvement, innovation and change to ensure success within a rapidly changing environment. The 1992 publication continues the theme of going "beyond hierarchies" towards organic forms of "de-integrating" network structures which transcend both intra- and inter-organisational boundaries found within traditional bureaucratic approaches: "Most of yesterday's highly integrated giants are working overtime at splitting into more manageable, more energetic units - i.e., de-integrating. Then they are turning round and re-integrating - not by new acquisitions, but via alliances with all sorts of partners of all shapes and sizes." (Peters, 1992, p303). Clegg (1990, p181), too, emphasises the development within his postmodernist organisation of "more complex and fragmentary relational forms, such as subcontracting and networking". Although these authors differ on details, their models include broadly similar features (Dawson, 1986; Sisson, 1994), which can be summarised under the following three headings:

BUREAUCRACY	BUREAUCRACY IN TRANSITION	ADHOCRACY
Traditional hierarchical structure with many layers of command.	Flattened hierarchy with fewer layers and parallel organisational structures eg. project teams.	A team is formed to work towards a solution to specific problem, then dismantled when the task is completed.
Developed to respond to a slow changing environment. Emphasis on permanency.	Bureaucracy forced to change in response to an increasingly turbulent environment.	Developed to respond to fast changing environmental conditions. Emphasis on flexibility.
Vertical interaction and information flows, no lateral communication between departments.	Vertical and lateral communication between departments and between hierarchy and parallel organisations.	Technologies such as networks enable communications between individuals. Importance of right connections and skills to be part of the project team.
Problems and tasks broken down into specialist roles. Precise definition of operations, duties, powers and responsibilities.	Bureaucracy retained for administration. Parallel organisations developed to encourage innovation.	Jobs continually redefined through interactive self management, individual has to be motivated to produce high quality work.
Large % of operators and clerical workers.	Fewer middle managers and lower level operatives.	Large % of knowledge workers.

(Source: Watkins, Drury and Preddy (1992), From Evolution to Revolution; The, pressures on professional life in the 1990s, Bristol, University of Bristol, p30.)

The advocates of moves towards these more organic/flexible adhocracy forms of structures argue that the traditional bureaucratic model "is no longer appropriate for effective organisation in much of the current business environment. The structures and systems associated with such organisational forms do not adapt readily to change, and are not flexible enough to anticipate change. Bureaucratic, hierarchical structures thrive on stability and certainty - a state which characterised previous environments, but not the one in which most organisations now operate. It is becoming widely recognised, therefore, that alternatives are needed and are appearing." (Tiernan, Flood and Wally, 1994, p4-5). Structural forms will undoubtedly continue to differ according to each individual organisation's circumstances/contingency situations, and the choices made by its senior managers (Baker, 1992; Francis, 1994; Hales, 1993). However, increasingly, the literature suggests that growing numbers of both public and private sector organisations are adopting, albeit in a partial format, some of the features associated with more flexible forms of structure.

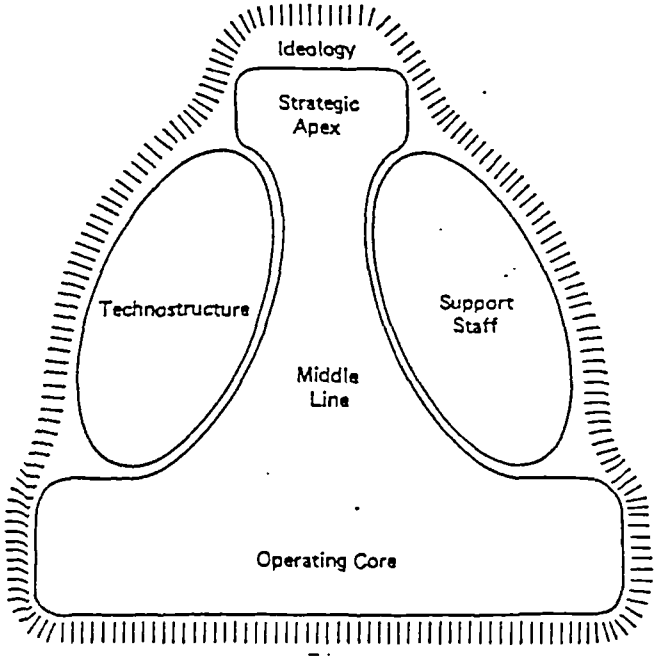
Mintzberg (1979, 1983, 1989) used the open systems/contingency approach to identify five key systems or parts of organisations, together with four sub-systems or design parameter components. These combine together in various ways, resulting in five main forms or configurations of organisation structure found within particular situational or contingency contexts. This model will be used for pulling together the various contingency and systems theorists' approaches to provide a framework for analysing current patterns of organisation structuring and restructuring; this framework will also be used in Chapter 3 for identifying recent changes in the structure and management systems of local authorities.

Mintzberg focuses initially on the two fundamental requirements of all

organisational structures - "the division of labour into distinct tasks, and the achievement of coordination among those tasks", (1983, p3). Five key mechanisms are used by different types of organisations, and at different levels within organisations, to coordinate work. The simplest mechanism is that of mutual adjustment where control of the work rests with the "doers" as in very small organisations, or amongst highly skilled and differentiated specialists in large organisations where the complex nature of the task requires mutual sharing and adaptation. Once organisations grow larger, the mechanism of direct supervision tends to be used, where "one person takes responsibility for the work of others, issuing instructions to them, and monitoring their actions." (1983,p4). The remaining three methods rely on impersonal mechanisms of standardisation. Where the nature of work processes can be highly pre-specified or programmed, as on an assembly line, coordination is achieved through standardisation of the work process itself, by determining to a high degree how the work is to be performed. Coordination through standardisation of outputs focuses not on the how but the what of the work process - on the outcomes or results of work activities, such as particular profit or output targets. When neither the work process nor work outputs can be standardised, coordination is achieved by standardising the worker - by standardising the skills and knowledge required for effective job performance by, for example, highly trained and skilled professional staff. Most organisations will use a combination of all five, with particular concentrations of particular coordinating methods used in particular parts of the organisation, in relation to particular forms of work, and also in terms of decision made about the nature of the control and decision-making systems considered appropriate for a particular organisation (see below).

Conceptualising organisations as configurations of systems, Mintzberg

identifies six basic organisational systems or parts:



(Source: Mintzberg (1989), Mintzberg on Management, New York, The Free Press, p99.)

The operating core consists of those members of the organisation who are responsible for actually producing products/services; coordination through one of the three standardisation mechanisms is likely to dominate here, especially in larger organisations. All except very small organisations also need four administrative and coordinating components. The strategic apex is composed of senior managers who have overall responsibility for running the organisation, including the formulation of strategy in the context of carrying out the policies of those in control - owners, and elected/appointed members in the case of public sector organisations. Given that the nature of work at this level is generally located at the low-routine, high-discretion end of Burrell and Morgan's technical system continuum, coordination is likely to focus around mutual adjustment. The middle line, of middle managers, joins the strategic apex to the operating core, thus building up an organisational hierarchy, which may be tall, as in the case of the traditional machine bureaucracy, or flatter, as in other organisational forms (see below).

All five forms of coordinating mechanisms may be found in the middle line, although more senior managers' work is likely to be less detailed and more aggregated than their juniors, moving toward high-discretion/low routine forms of work.

As organisations become larger and more complex, a technostructure will be developed, with staff located outside the middle line hierarchy - such as finance, information technology and personnel specialists, and planning and control analysts - who are responsible for developing systems to plan and control the work of others in the organisation, notably through designing standardisation systems. These include systems to standardise work processes, outputs and skills/knowledge for the operating core and middle line, and strategic planning and financial control systems to enable control by the strategic apex over the goal definition and attainment of major organisation units. Also located outside the middle line, may be a support structure; staff here are not involved in standardisation systems, but are responsible for providing a number of support and/or advisory services, such as social facilities, libraries, printing facilities, public relations, research and development etc., to all the other parts of the organisation. The 1989 text adds a sixth system or part - organisation ideology or culture - which reflects the increasing importance awarded to this concept during the 1980s (Meek, 1992). Mintzberg defines organisation culture as the "traditions and beliefs of an organisation" (1989, p98); in common with the emphasis on shared values within Peters and Waterman's seminal 1982 text, he stresses the key part increasingly played by the "rich system of values and beliefs" which distinguish one organisation from another, and which can provide an additional coordination mechanism - shared norms and values - to replace or complement standards and procedures.

These six organisational parts or systems, in conjunction with the coordinating mechanisms, combine to form five main organisational configurations or types of structure. Each configuration represents the "best fit" to be achieved between the organisation and its particular situational or contingency factors - age and size, technical system, the environment and the nature of the organisation's external control system. Thus, each configuration represents the type of structure which is considered to be most effective for different sets of contingency factors.

Mintzberg's five configurations (as listed in the 1983 text) reflect the mechanistic/bureaucratic - organic, organisation continuum of Burns and Stalker. Mintzberg's machine bureaucracy (renamed the machine organisation in the 1989 text) corresponds fully with the mechanistic form of organisation described above. The coordinating mechanisms of the machine bureaucracy focus on standardisation of work processes; the key part of the organisation is the technostructure, responsible for designing the work standardisation systems. This configuration tends to characterise larger, mature organisations with simple and stable environments, and is commonly found in mass production, mass service, and large government organisations. The organic end of Burns and Stalker's continuum is represented most fully by the adhocracy configuration (renamed the innovative organisation in the 1989 text) with its emphasis on: "expertise, organic structure, project teams, task forces, decentralisation of power, matrix structure, sophisticated technical systems, automation" (Mintzberg, 1989, p209). Coordinating mechanisms focus on mutual adjustment, and the configuration tends to characterise young industries, with complex and dynamic environments requiring frequent product changes, such as those found in creative, media, and high technology organisations.

Moving away from the bureaucratic towards the organic end of the continuum towards the entrepreneurial and innovative organisations, Mintzberg identifies two other configurations: the divisionalised form (renamed the diversified organisation in the 1989 text) and the professional bureaucracy (renamed the professional organisation in the 1989 text), each representing some dilution of the formal structures of the machine bureaucracy. The divisionalised form consists of market based divisions, loosely coupled together under a central headquarters, where divisional managers run their businesses in a semi-autonomous fashion, subjected to coordination mechanisms which focus on the standardisation of outputs. The diversified organisation form is characteristic of large and mature organisations, and increasingly of public sector organisations, with diversified product/services markets. The key part of the professional bureaucracy is the operating core composed of highly qualified and skilled professional staff, carrying out complex forms of work with coordination mechanisms focused around the standardisation of skills and knowledge. This configuration is found mainly within service sectors, including hospitals, social work agencies, universities etc. The simple structure (renamed the entrepreneurial organisation in the 1989 text) uses direct supervision as its main coordinating mechanisms, and the key part of the organisation is the strategic apex, reflecting the domination of the chief executive who exercises strong personal control over activities. This form is characteristic of smaller, and young organisations such as small fully owned businesses, or "brand-new" autonomous departments or divisions within larger organisations.

Mintzberg's work is generally considered to be representative of "the more complex, more reflective contingency analyses" of organisation design and structure (Dawson, 1986, p114). Thus it claims to go beyond

purely *predicting* the occurrence of particular events - providing grounds for expecting particular organisational design feature to occur - by providing a *causal explanation* of *why* a particular event occurred (Keat and Urry, 1982, p27), via the identification of a set of "intermediate variables" (the nature of the work tasks carried out in an organisation) through which the situational or contingency factors (independent variables affect the nature of the organisation's structure (dependent variables) (Mintzberg, 1983, pp122-123).

Yet, as Mintzberg himself acknowledges (1983, p122), his focus upon the independent situational variables determining (through the intermediate variables) the dependent organisational structure variables had to "be dropped" when analysing the particular design features of the various configurations outlined above - because of the complex interdependencies which exist between the various structural parts of an organisation. In addition, even in a *predictive* context, contingency theories suffer from the problem that the search for single independent determinate relationships between contingency factors and organisational structural features "crucially ignores interactive and sometimes contradictory effects among different contingency factors (e.g. stable routine technology but a turbulent environment)" (Hales, 1993, p173). Hales (p174) goes on to point out that even the more sophisticated contingency theorists such as Mintzberg, who consider intervening variables, tend to adopt an over-deterministic approach, with an over-reliance on "abstract" structural forces or laws determining the systems and role behaviour within organisations. They fail to consider the part played by the people in organisations in *constructing* their own realities - making their own identifications and interpretations of various possible contingency factors, and exercising varying degrees of choice about what (changes in) organisational structures and managerial role prescriptions

to pursue. (See further discussion in chapters 3 and 4).

Similarly, Mintzberg's (1973) contingency theory of managerial roles (see chapter 2) does not provide an *explanation* of how and why managerial behaviour takes particular forms in particular structural contexts, or changes over time. Relatively little attention is paid to "how such behaviour is produced, as to how people deliberately and self-consciously interpret external pressures, such as role expectations. There is no analysis of the meaning-structures at the level of each actor which produce the behavioural responses...given certain biological and psychological properties, expressed in terms of particular general laws, each individual is seen as the combination of the particular roles that he or she plays" (Keat and Urry, 1982, p94). In this sense, Mintzberg's approach remains more wedded to developing the predictive connections between variables, than to elaborating the notion of underlying causal mechanisms or processes. (Causal explanations involve going beyond the idea that the establishment of a regular relationship between two phenomena necessarily means that they are causally connected. In order to establish cause, it is necessary to "commit ourselves to the presence of some intervening mechanism which links them together" (Keat and Urry, p29).)

However, even given these problems with contingency theory, it remains a powerful tool for use in attempting to gain insights into complex and under-researched areas - providing, as it does, a clear and coherent ordering framework for the categorisation and analysis of public sector middle managerial role changes. Indeed, it can be argued that the establishment of such an understanding is a vital prerequisite for the development of an adequate causal analysis. In this sense, this thesis sets itself the task of pursuing such an ordering descriptive analysis,

and only suggests possible causal relations; the latter would form the subject of further research.

Mintzberg's contingency analysis of organisational structures and managerial roles is therefore used in the thesis to provide a clear and systematic *ordering* framework - for identifying (a) the key structural features of the various organisational models outlined above (positioned along the bureaucratic/organic continuum), and (b) the key features of the managerial role prescriptions associated with these different structural forms (see chapter 2). Thus the distinctive design features of these models can be clearly identified, and the extent of any movement within organisational structures and managerial roles from one model to another, both theoretically and empirically, can be clearly assessed. In addition, the use of this contingency framework approach also enables a systematic analysis to be made of the key differences between private and public sector organisations in terms of their situational, structural, and managerial role characteristics. Within this analytical framework, the contributions of a wide range of other organisational/managerial theorists are used to provide a comprehensive analysis of the nature and extent of the formal organisational restructuring and accompanying changes in formal managerial roles, currently taking place in both private and pubic sector organisations.

Mintzberg's contingency theory was chosen mainly because the more recent versions (1983, 1989) summarise and incorporate the work of other contingency theorists, and because the 1983 text was specifically designed to be used for empirical research purposes. The theory here is presented in a form which can be readily applied to the analysis of practice within organisations - as Mintzberg himself explains in his 1983 and 1989 texts, which are derived from the more purely "academic" analysis presented in the original 1973 and 1979 texts.

Mintzberg's model is therefore used here as a framework for examining current patterns of organisational restructuring, for analysing patterns of change within local authority structures, and for identifying structural change within the case study organisation. In the context of the five coordinating mechanisms, the six parts of the organisation and the five configurations, Mintzberg identifies four design parameters or structural components. Each parameter will take different forms within each of the five configurations. These parameters consist of: the design of positions within the organisation, including behaviour formalisation systems; unit/departmental groupings and size; lateral linkages, including planning and control systems; decision-making systems, including the degree of centralisation/decentralisation (1983, p27):

Group	*Design Parameter*	*Related Concepts*
Design of positions	Job specialization	Basic division of labor
	Behavior formalization	Standardization of work content
		System of regulated flows
	Training and indoctrination	Standardization of skills
Design of superstructure	Unit grouping	Direct supervision
		Administrative division of labor
		Systems of formal authority, regulated flows, informal communication, and work constellations
		Organigram
	Unit size	System of informal communication
		Direct supervision
		Span of control
Design of lateral linkages	Planning and control systems	Standardization of outputs
		System of regulated flows
	Liaison devices	Mutual adjustment
		Systems of informal communication, work constellations, and ad-hoc decision processes
Design of decision-making system	Vertical decentralization	Administrative division of labor
		Systems of formal authority, regulated flows, work constellations, and ad hoc decision processes
	Horizontal decentralization	Administrative division of labor
		Systems of informal communication, work constellations, and ad hoc decision processes

(Source: Mintzberg (1983), Structure in Fives: Designing Effective Organisations, New Jersey, Prentice Hall, p27).

These design parameters are described fully below, one by one, and used as a framework for identifying current patterns of organisational restructuring.

Design parameter 1 - Design of positions, behaviour formalisation, training and indoctrination systems

This first parameter refers to three key elements: the degree of specialisation and discretion involved in the allocation of tasks and responsibilities to individuals, or to the nature of the "roles" occupied by the incumbents; the nature of the behaviour formalisation systems, (concerned with the regulation, coordination and control of work processes and behaviour); the training and indoctrination (acquisition of organisational norms and and values) systems. The term role, in this sense, represents the crucial link between the person and the structure of the organisation (Pugh and Hickson), and is used by Mintzberg to refer to the "organised sets of behaviours identified with a position." (Mintzberg, 1989, p15).

Design of positions

At the bureaucratic end of the structural design continuum, individual job roles and tasks are tightly prescribed, with a large number of very sharply differentiated jobs and job grades, and extensive delineation of job activities and processes, rather than outcomes. At the other end of the continuum, tasks and job roles are characterised by high discretion and low prescription, with more emphasis on the personal style and discretion of the incumbent. Several authors suggest moves within a growing number of organisations toward the organic end of the continuum. Walton (1985), Storey (1992) and Macrae (1982) identify an emphasis on teams, rather than individuals, as basic job design and accountability units, with an emphasis on the Japanese style "collective" as opposed to

individual worker, and the de-differentiation of individual skills in favour of an emphasis on the overall skills of the work group (Clegg, 1992). Essentially, the multi-skilled, flexible and problem-focused teams approach is considered to be more effective in developing the adaptive, innovative and even risk-taking work approaches necessary for responding quickly to changing requirements and circumstances. As Peters (1987, pp302-3) comments: "performance will increasingly depend on quality, service, constant innovation/employment, and enhanced flexibility/responsiveness. Committed, flexible, multi-skilled, constantly retrained people, joined together in self-managing teams, are the only possible implementers of this strategy". In addition, the development of computer aided design and manufacturing systems, together with computerised information systems, is faciliating the adoption of these new forms of work organisation (Drucker, 1992).

This move towards job design on the basis of work teams rather than individuals also involves an emphasis on prescription of job outputs or "ends" rather than of processes or "means". Members of the largely self-regulating work group are allocated the discretion, or "empowered," using Clegg's (1990) terminology, to define their own work methods - to achieve the prescribed outputs levels. These changes can also result in a lower degree of job demarcation with fewer grades, and a flatter organisation structure and hierarchy (see discussion below). Wickens (1987) and Buchanan (1989) both identify trends towards a reduction in the number of job classifications, often accompanied by the introduction of person and/or team and output based payment systems, with gain-based (linked to labour cost savings) and profit related pay systems to encourage overall organisational efficiency (Mahoney, 1992). This trend is evident both within public sector professional bureaucracies and within private sector machine bureaucracies and diversified

organisations.

Buchanan (1994) considers that, unlike the traditional focus on individual job design: "Increasing team autonomy leads to changes in management structures and styles, and to revised systems for reward, appraisal and career progressions." (p105). Thus he argues that job redesign increasingly forms part of a more integrated approach towards establishing more flexible and effective organisation configurations, in the context of human resource management approaches where personnel management is seen as an integral part of overall strategy formulation and implementation. Reviewing recent studies on these more innovative approaches to work design, Buchanan suggests that growing numbers of manufacturing and, more recently, service sector organisations are moving towards adoption of at least some elements of these new approaches, although implementation may be only partial and full short of the "ideals" prescribed in the literature. Storey (1992, p97), too, in his analysis of changing human resource policies and practices in 15 major British organisations, comments that "even though most of the case companies were taking some initiatives in this direction, these endeavours often did not translate into a markedly changed employment pattern".

The roles of professional staff are also moving away from, the traditional focus on individual specialist roles located within specialist departments: "more and more are expected to work as part of a team either in a smaller centralised function which is advisory in nature; in profit centres; in smaller business units; or on a contract or fee basis. Their new roles demand....greater business involvement, high-level communications and negotiation skills for effective networking within teams, and offer rewards based on measures of

contribution." (Watkins, Drury and Preddy, 1992, p47). Management job roles are also becoming broader and less specialised (see discussion below under "unit groupings", and in chapter 2).

Behaviour Formalisation

Mintzberg defines three standardised methods of behaviour formalisation, which refer to techniques for prescribing and coordinating work behaviour: through work process/content (characteristic of the machine bureaucracy); through output prescription (the divisionalised forms); through skills and knowledge standardisation as represented most typically in professional bureaucracies, with clear specifications of the skills and knowledge required by role incumbents. The extent to which any one or mixture of these formalising methods are present in an organisation - operationalised by Pugh and Hickson (1976) in terms of the existence or not of written job descriptions, work specifications and general rules and procedures - will indicate the degree to which the organisation represents a full bureaucracy. Thus, in the study quoted above, Storey contrasts the full bureaucratic practices of precisely delineated written contracts of employment, and clear procedural rules with the more organic practices of "aiming to go beyond" the work contract, a "can do" outlook and impatience with rules, and managerial activities geared primarily to business needs rather than ensuring adherence to procedural controls (Storey, 1992, p28). Even a highly formalised full bureaucracy, however, cannot regulate everything, and will therefore include unwritten or informal behaviour formalisation and coordinating processes. (Crozier 1964; Blau and Scott, 1963). Thus, Mintzberg's two (non-standardised) mechanisms of behaviour formalisation and coordination - mutual adjustment and direct supervision, which characterise the adhocracy and simple forms respectively - will also be represented in the three types of bureaucratic organisations.

Many organisations will, in practice use a mixture of all five behaviour formalisation systems, with an emphasis towards one end or the other of the bureaucratic/organic continuum. It is important to note that the developments described above towards more flexible forms of behaviour formalisation does not necessarily represent a move to an adhocracy form of structure. These developments are more likely to take place in the overall context of a shift in emphasis within the standardised or bureaucratic system of behaviour formalisation - from standardisation by work or skills, to standardisation by output prescription - not necessarily from bureaucratic to organic systems. Moreover, different parts of the same organisation will be dominated by different behaviour formalisation systems. Thus, standardisation of behaviour - through the three methods outlined above - is more likely to be found in the lower middle line and operating core of the organisation, where both operating and managerial work is likely to be relatively more precisely defined, stable, and repetitive (apart from creative/high-technological industries and small entrepreneurial organisations). Organic formalisation systems are more likely to be found at the strategic apex of the organisation, where work is less programmed, and roles more fluid, with less prescription and high levels of discretion.

Training and Indoctrination Systems

Linked to the behaviour formalisation systems are the training and indoctrination systems, which also help to standardise the skills, knowledge and attitudes required for effective role performance. The provision of training is clearly linked with the complexity of job roles; tightly prescribed job roles with maximum task fragmentation and deskilling - taken to its extreme in the traditional mass production

assembly line - clearly require minimum training in the relatively low level of skills and knowledge required for effective role performance. The less bureaucratic, more flexible and multi-skilled job roles, mentioned above, require a more highly skilled "and constantly reskillable" (Clegg, 1992, p166) and adaptable work-force, for which the provision of training is essential (Walton; Keep, 1989,1992; Peters and Waterman). Moreover, training is increasingly seen not as a separate bolt-on activity, frequently provided in full bureaucracies by personnel specialists, but rather as constituting an intrinsic and integral part of effective role performance. Both individuals and teams, facilitated and nurtured by line managers, are increasingly seen as taking responsibility for improving their own performance, learning and skills, notably through the development of productivity or quality circles (Collard, 1992), through the concept of continuous professional and managerial self-development, and through the development of the creative and innovative, problem solving or "learning organisation" (Bate, 1992; Storey, 1992; Senge, 1990). However, despite the growing levels of rhetoric about the importance of training, the poor record of most British firms in training provision has been well documented, and still shows only limited improvement compared with other western and Japanese organisations (Keep, 1992; Handy et al, 1988). Many British firms appear to be rooted in the "low skills equilibrium" dimension of the full bureaucracy, at a time when increasing technological sophistication, more specialised and discerning market demand, and increased market competition on a global scale require the more highly trained, educated and flexibly skilled workforce associated with the less bureaucratised organisation.

Mintzberg suggests that formalised behaviour systems and training systems are basically substitutes for each other - particularly in the

case of professional bureaucracies, where professional workers are initially trained and socialised into their job roles outside the organisation, through their professional qualifying courses. This can result in a potential conflict between the "professional" or "cosmopolitan" and "employer" or "local" orientation of a professional (Gouldner, 1957; Laffin and Young, 1990). In an attempt to reduce the purely professional commitment of a professional, organisations can increase the provision of in-house training/socialisation programmes. Organisations in the public sector are also increasingly adopting the use of the standardised behaviour formalisation systems based on performance appraisal and review (Stoker, 1989). The standardisation of skills method is also being used to reduce the "professional" status of some professional occupational segments, with some skill areas being separated off into ancillary occupations which require a lower level of training (Rogers, 1991).

For "training" programmes provided by organisations, one can often read "indoctrination" programmes; Mintzberg and Smith (1990) both emphasise the covert or overt ideological component of training programmes. In addition to providing skills and knowledge training, these in-house programmes are often designed to socialise members into the behaviour patters and the underpinning beliefs, values and attitudes (or organisation culture) considered appropriate for ensuring effective role performance (Williams, Dobson and Walters, 1989; Turner, 1992)). In its popular 1980s/90s guise, a deliberately designed "organisation/corporate culture" reflects a move from the traditional concept of the pluralist organisation, with its institutionalisation of conflict and adversarial labour relations, to a unitarist view of employment relations. This development is sometimes accompanied by the localisation of collective bargaining, or even derecognition of the trade union altogether

(Jackson, 1991; Storey, 1992). It also emphasises the move away from the bureaucratic procedural controls and coordination mentioned above to a strategy of commitment, of "coordination and control based more on shared goals values and traditions" (Walton, 1985, p81), together with the desirability of a specific organisation mission or vision, redolent of the mission statements of Japanese organisations such as Matsushita (Quinn et al, 1988; Peters and Waterman). The disappearance of traditional status differentials - such as specially reserved car parks and executive dining suites for senior staff, and all the customary blue-collar/white collar divisions over practices such as clocking in, payment systems etc. - in favour of "harmonisation" of conditions of service for all ranks are all highlighted as significant cultural symbols of the equal importance and value attached to all employees in the unitary organisation (Price, 1989; Wickens, 1987).

This analysis of changes currently taking place within the first of Mintzberg's four design parameters of organisational structure - the design of positions - now moves on to examine patterns of change within the second group of design parameters.

Design parameter 2 - Design of the Superstructure: Unit Size and Grouping

Unit grouping - the grouping together of individual positions into units - and Unit size represent the second of Mintzberg's structural design features. The size of the unit groupings, including the "span of control" will depend largely on the nature of the coordinating and behaviour formalisation mechanisms. Where coordination is achieved through standardisation - of work processes, skills or outputs - unit size will tend to become larger, except for work units where considerable mutual adjustment is required between team members. Thus,

an autonomous work group or a multi-disciplinary professional group, and the strategic apex of the organisation, where the fluid senior management roles involve extensive mutual adjustment, will require a smaller unit size. Another important factor to consider when designing unit groups, is the type of interdependencies between the work tasks. Thompson (1967) identifies three types: reciprocal interdependencies, where work flows backwards and forwards between the tasks, sequential interdependencies, where work flows in a linear fashion from one task to the next, and pooled interdependencies, where the tasks are independent, requiring only the allocation amongst them of pooled resources.

The machine bureaucracy will typically group positions together on the basis of function - by staff expertise and skills, or the work process and function. The sequential and reciprocal interdependencies therefore flow across departmental boundaries. This causes difficulties in identifying clear accountablity for performance outcomes for any one unit, and also tends to result in inadequate lateral coordinating links between the units and departments, which inhibits flexibility and adaptation to changing environmental circumstances (Kanter, 1984; Peters, 1987). Staff also tend to develop strong sectional or departmental interests and loyalties at the expense of the overall corporate interest. The full bureaucracy does, however, have several advantages. Grouping by function provides career paths for staff based on their specialist expertise, which will also be strengthened and enhanced by the close contact with similar specialist workers. Economies of scale can result from grouping specialists together; the provision of centralised specialist "staff" functions such as personnel, data processing etc., can be more economical than dispersing such specialists amongst each department.

Large organisations moving away from the full bureaucracy model typically move towards a market based structure, characteristic of the divisionalised form (Mintzberg; Pugh and Hickson; Child). (The professional bureaucracy and adhocracy will tend to use a combination of both market and function bases.) It is important, however, to note, particularly in large organisations with a market based structure, that a degree of functional grouping is still likely to exist within the work process at the lower levels of the operating core. Associated with the market base of divisionalised forms are also the development of many small quasi-autonomous strategic business units operating as profit or cost centres (Purcell, 1992). Market based structures - based on product, client or geographical area - have the advantage of containing sequential and reciprocal interdependencies within one unit. This form also facilitates lateral coordination or networking between all the work functions (Burns and Stalker; Mueller, 1991), and can increase the capacity for adaptation, innovation and flexibility by the quasi-independent market based units (Peters and Waterman). Individual units can more easily be made accountable for the achievement of performance objectives. The major disadvantages with the market based structure include a tendency for specialist staff to feel isolated from their fellow specialists, thus possibly impeding their effectiveness and restricting opportunities for continued professional development; opportunities for specialist career progression within the organisation are also reduced. The duplication of specialist staff functions, such as personnel, marketing etc., at each of the market units, can also prove expensive. For example, Goodhart (1992) reported an increase in the number of personnel specialists, due largely to the decentralisation of pay bargaining (involving duplication of industrial relations personnel) to the market based units. Unproductive competition can occur between units with the same customer base (Solomons, 1965); this problem has

been highlighted by critics of the British government's plans for allowing schools to "opt out" of local authority control. Moreover, mechanisms for enabling lateral communication and information flows between the various semi-autonomous units can also be inadequate (see discussion below, under "lateral linkages").

The increased degree of dispersal of staff functions within the operating unit - especially within the divisionalised form - reflect the increased emphasis upon the primary importance of the production managers, and upon the operational servicing and enabling rather than the controlling role of specialist staff such as personnel officers (Sisson, 1989; Storey, 1989, 1992; Armstrong and Cooke, 1992). Kanter (1989) also emphasises the importance of staff functions geared specifically toward the needs of operating managers, and located close to the line manager "customer" or recipient of the central staff services. These developments include trends towards reducing the size of the centralised functional specialist staff departments, associated with the "simple form, lean structure" organisation structure advocated by Peters and Waterman and Kanter (1989). The distinctions between some specialist staff and line managers are also becoming blurred - corresponding more to the Marks and Spencer model of "every manager a personnel manager" (Tse, 1985, p28). The management role is becoming less specialised, and more generalist, moving some way toward the Japanese relatively non-specialised management roles and career paths identified by Ouchi and Clegg.

The market-based or federated structure also possesses the advantage of enabling a flat organisation hierarchy, as Mintzberg explains: "only a few functional units can be grouped into a higher-order unit, whereas, typically, many more market based units can be so grouped." (Mintzberg,

1983, p71). Aided by the development of computerised management information systems, which can render unnecessary some of the middle management layers intervening between the centre and the operating core, this move towards flat organisations is highlighted in a number of studies of recent organisation restructuring, summarised by, amongst others, Clegg, Smith, Kanter (1989), and Buchanan and McCalman (1989). As Tiernan, Flood and Wally (1994, p8) point out: "Reducing the layers in the hierarchy reduces costs, frees up information flows, speeds up communications, and allows more innovative ideas to flourish and to filter though the structure - rather than blocked by communication bottlenecks". However, as Jacques (1991) suggests, hierarchical structures do continue to possess the advantages originally highlighted by Weber and other traditional theorists, and are unlikely to disappear; the trend is towards streamlining and improving the functioning of hierarchies, rather than abolishing them.

This analysis - of changes currently taking place within Mintzberg's four design parameters of organisational structure - now moves on to examine patterns of change within the third group of design parameters.

Design parameters 3 - design of lateral linkages: planning and control systems, and liaison devices

Planning and control systems are essential in all organisations for directly specifying and monitoring the nature, quantity and quality of outputs, and are linked with the behaviour formalisation systems outlined above for regulating behaviour. Mintzberg identifies two basic forms of planning and control systems - performance control and action planning - which are both found to varying degrees within most organisations, although both these systems tend to exist at fairly minimal levels within the professional bureaucracy, simple structure and

the adhocracy. Action planning systems, operating basically from the top-down in the organisation, tend to prevail within the full bureaucracy, where strategic planning at the top is developed into specific programmes which are in turn "elaborated and scheduled, and eventually emerge as a set of specific operating specification which evoke specific actions directly." (Mintzberg, 1983, p79). Great emphasis is placed upon controlling every detail of the decision making and actions to be taken within the work process, as well as specifying the nature of the output produced, involving the extensive written procedures and specifications outlined above as characterising the full bureaucracy.

Performance control systems - imposing performance standards on outputs (ends), but intended to devolve to operating units control of the work processes or "means" - tend to characterise the market based structure of the divisionalised form, and are increasingly being adopted within public sector professional bureaucracies (see chapter 3). Operating both from top-down and bottom-up, as performance targets are negotiated between superiors and subordinates, corporate objectives are refined into more detailed performance standards down the hierarchy, and then passed back to the top for monitoring and review and further strategic planning. The much vaunted flexibility and autonomy apparently given to work groups and decentralised business units or profit centres within the divisionalised form tends, however, to take place within the context of extensive performance controls on outputs - financial targets and the like. These can actually constrain worker/manager actions and behaviour as stringently as the traditional bureaucratic controls on process, and, with the development of sophisticated computerised management information systems, possibly even more rigorously (Fincham and Rhodes, 1992). Moreover, the adoption of quality assurance systems, such as

BS5750, can involve detailed prescription of procedures, analogous to the action planning systems found in machine bureaucracies. Similarly, devolved responsibilities for resource management - for example through devolved budgeting - can involve extensive prescriptions governing the deployment of funds which limit the operating autonomy of business units. Payment systems within the performance control systems tend to move from job based to person and output based systems. Despite the reservations expressed by a number of authors about the efficacy of performance related pay - the difficulties of specifying precisely defined outputs for certain work activities, achieving fair and equitable systems for linking pay to achievement, and tendencies for individually-based systems to erode team cooperation - these systems are increasingly being adopted by growing numbers of both private and public sector organisations (Kessler, 1994).

As outlined earlier, planning and control systems involve the use of five basic mechanisms for coordinating and integrating organisational activities: direct supervision, characterising the simple structure; mutual adjustment in the adhocracy; the traditional bureaucratic methods of standardisation - of work processes, skills and outputs - for the machine bureaucracy, the professional bureaucracy and the divisionalised form. Child (1984) and Mintzberg (1983) identify the requirement for additional, structural forms of mutual adjustment to supplement standardised coordinating mechanisms. These can include the use of flexible work groups and multi-disciplinary professional teams in the operating core, already noted above, and the adoption, at higher levels in the organisation of liaison positions, task forces and committees, and integrative managerial positions, each of which can overlay the functional or market based structures. The ultimate liaison device is the matrix, which breaks the traditional bureaucratic imperative of the

unity of command. Matrices are designed to produce more flexible or organic structures, which can innovate and adapt to dynamic and complex environments through encouraging open lines of communication, and enabling the grouping and regrouping of flexible mobile staff members to carry out the required "uncertain, complex and interdependent tasks" (Child, 1984, p101).

Manifested in its purest form as Mintzberg's adhocracy, Mintzberg emphasises that, despite the currently fashionable nature of this matrix or organic structure, it is most suitable for new, young, high tech and creative industries, or sectors of industries, such as media organisations, advertising, aerospace, electronics etc.. However, a number of authors express doubts, even with these particular industrial sectors, about the efficacy of the full-blown formal matrix structure with its well documented problems of the extensive administrative and consultative arrangements required, plus the difficulties of role conflict and ambiguity for the participants (Child; Kanter, 1989; Peters and Waterman). However, Francis (1994) points out that, in the wake of increasingly complex and automated production technologies, more sophisticated products and increasingly competitive markets, growing numbers of firms are moving to matrix forms of organisation - partly in response to recent studies of the world automobile industries, which identified matrix organisation as one of the key causes of the superior speed and efficiency with which Japanese car manufacturers developed new models.

Certainly, a feature of all the organisation structures posed as alternatives to machine bureaucracies is the increased importance attached to developing both formal and informal horizontal communication and coordination systems between parts of the organisation, and a great increase in the fluidity of role positions within them: "we have gone

way beyond matrix.....There are so many lines of reporting that in some ways it's like having none. As a manager there is a lot of uncertainty that you have to take responsibility for. You have to negotiate for the authority to act, or sometimes you act first and hope to work it out later" (multinational corporation manager, quoted in Kolb et al, 1991, p222). Mueller (p155) highlights the growth in "networking" systems, both formal and informal, which, aided by the development of new technology, can distribute "powers and responsibility along horizontal or wavy lines (not the rigid, vertical lines found in bureaucracies)". Increasingly, organisations are introducing more sophisticated computerised information systems for improving information and communication flows at three levels - at work group, intra-organisational and inter-organisational levels (Tapscott and Caston, 1993).

With the growth in outsourcing or subcontracting (which Peters and Clegg call "de-integration") of certain organisational functions, and, in the public sector, the requirements to subject increasing numbers of services to compulsory competitive tendering (which splits the specification from the provision of services), organisations are increasingly becoming seen as loose networks or federations of more or less autonomous units (Francis). Here, hierarchies are being replaced by internal markets as a method of regulating or coordinating transactions between different units - increasingly such transactions may be between units both within the organisation and external to it, resulting in a blurring of inter-organisational boundaries. In turn, market relationships, for regulating transactions between these units are seen as being replaced by "network" relationships (Levacic, 1991). Network relationships between these units (whether internal or external to the organisation) require the longer-term development of mutual trust

and cooperation - negotiation or mutual adjustment - between equals, rather than reliance upon short-term, impersonal market mechanisms (Peters, 1992; Lorenz, 1991).

This analysis of changes currently taking place within the third of Mintzberg's four design parameters of organisational structure - the design of lateral linkages - now moves on to examine patterns of change within the fourth, and last, group of design parameters.

Design parameter 4 - Design of decision making systems: centralisation and decentralisation

Decentralisation refers to a situation where "the authority to make specified (usually operational) decisions is passed down to units and people at lower levels in the organisation's hierarchy", in contrast to centralisation, where the strategic apex at the top of the organisation retains authority over most decision-making (Child, 1984, p146). Mintzberg defines two types of formal decentralisation - vertical, when power is dispersed or delegated vertically to others in the chain of command down the organisation; horizontal, where power is allocated to persons outside the line management hierarchy such as functional staff specialists, and operators. The geographical dispersal of services amongst different locations may or may not involve elements of horizontal and/or vertical decentralisation.

At one end of the continuum, the simple structure and machine bureaucracy is characterised by a large degree of vertical centralisation at the strategic apex of the organisation, with, for the bureaucracy, limited horizontal decentralisation to the functional staff concerned with organising the standardised planning and control systems. A certain degree of vertical decentralisation takes place within the

divisionalised form, delegated from the centre to the quasi-autonomous divisions. Some horizontal decentralisation to specialist functional staff both at the centre and within the divisions may occur, with further horizontal and vertical decentralisation within the divisions and strategic business units. However, as noted above, a fairly high degree of vertical centralisation is likely to be retained within the divisions through the use standardised skill and work process behaviour formalisation processes as well as through standardised performance control systems.

The adhocracy is characterised by limited vertical and extensive horizontal decentralisation represented through its extensive use of flexible multi-disciplinary project work groups and teams. The greatest degree of both horizontal and vertical decentralisation is found in the professional bureaucracy, where power based on expert knowledge is concentrated at the bottom of the organisation, although the trend towards exercising control through the standardisation of outputs may be weakening the professional power base here. What Johnson (1972) calls the collegiate or professional method of occupational control, based on extensive control of the practitioner/client relationship by the professional, is increasingly being replaced by control exercised by the powerful "client" or "purchaser" functions within private and public sector organisations' internal market systems, which defines both the service standard to be achieved, and, increasingly, the methods to be used.

Essentially, both organisational centralisation and decentralisation represent different strategies for maintaining organisational control. In a relatively centralised organisation (such as the machine bureaucracy), the emphasis tends towards detailed control through direct supervision, through the standardisation of work processes, and through

formal rules and procedures. In more decentralised organisations (characteristic of more organic structural forms), the emphasis is more on lower level managers and staff taking responsibility for controlling their own, and their colleagues' performance - within a firm framework of clearly specified corporate policies, coherently articulated sets of organisational norms and values, and clearly formulated contractual objectives or service specifications for each unit (Hales). Control systems tend to focus on performance measurement, using performance targets based on both resource management and product/service delivery criteria. In practice however, many organisations are reluctant to reduce their reliance on relatively detailed and centralised control systems - especially when faced by hostile and threatening external environments - for reasons connected basically with senior management fears of losing power and status, and with the practical difficultiers of maintaining control over decentralised management units (Mintzberg; Hales, 1993; Robbins, 1990). Smith (1990) uses the term "coercive autonomy" to describe the situation where managers' devolved powers are so constrained by the imposition of such controls on the scope of their activities, that, in reality, their authority to act is severely retricted. Mintzberg's concept of the "pulls" which exist between the six basic parts of the organisation - with the groups within each part attempting to maximise their own power and influence - aptly illustrates these ongoing tensions and conflicts pushing and pulling organisations towards relative centralisation or decentralisation of decision-making authority.

Conclusion

The discussion above outlined the key changes currently taking place within each of Mintzberg's four organisational design parameters: the

design of positions; the design of the superstructure; the design of lateral linkages; the design of decision-making systems. The nature of these changes suggests that growing numbers of organisations are moving towards the adoption of structural features associated with the more organic forms of structure, rather than those characteristic of the mechanistic or bureaucratic end of Burns and Stalker's classic structural continuum. However, as indicated above, it is difficult, in this necessarily brief review of current developments, to distinguish clearly between rhetoric and reality in terms of assessing the extent to which the theoretical models in the literature actually represent changing practices within organisations. A number of authors - such as Walton, and Watkins et al. - identify intermediate or "transitional; positions between the bureaucratic and organic extremes, and suggest only partial adoption by most organisations of the new structural features outlined above. In any case, as Mintzberg himself states, from within the contingency theory perspective, the fullest expression of the organic structural form - the adhocracy - is likely to be appropriate only for firms operating in particular sectors.

Essentially, the adoption by many organisations of some of the new design features is likely to take the form of an amendment to, rather than a replacement for, more traditional bureaucratic structures, which, as Jacques (1991) and Hales (1993) suggest, continue to form the basic design pattern for most organisations. Nevertheless, it does appear, in the context of increasingly dynamic socio-economic and technological environments, that significant changes are occurring - albeit to different degrees, and in different ways, within different organisations - within the four design parameters. The following chapter examines the impact of these developments on the roles of middle managers located within these changing organisational structures.

CHAPTER 2

Organisational restructuring and middle managerial roles

The concept of role represents the link or point of contact between the individual manager and the structure of an organisation (Pugh and Hickson, 1976; Salaman, 1980; Hales, 1986), and can thus be used to "examine both the structural expectational determinants of behaviour and the effects of individual projects and choices." (Hales, p108). The structural organisational theorists discussed in Chapter 1 - the classical, post-Weberian, human relations systems and contingency theorists - all emphasise the structural constraints on an individual's behaviour within the organisation, notably through the concept of a specific organisational office, position or "role". These prescribe, with varying degrees of specificity: "the organised sets of behaviour associated with a position" (Mintzberg, 1989, p15), or "the bundles of expectations directed at the incumbents of positions in a given society" (Dahrendorf, 1968, p 36). After examining the concept of managerial roles and the nature of managerial work activities, functions, effectiveness and styles, this chapter adopts a contingency model of managerial work to identify the impact of organisational restructuring on middle managers' roles and work satisfaction levels. Mintzberg's contingency model of managerial roles - interpersonal, informational and decisional - is used as a framework for analysing these changes in managerial work, with particular emphasis on changing middle management work roles. As with Chapter 1, the emphasis here is on changes occurring within mainly private sector organisations, on which most of the literature is focused.

The concept of managerial roles

Whilst emphasising the potential usefulness of the concept of role for

analysing managerial work and functions, Hales emphasises the requirement to distinguish clearly between: the "structurally given demands (norms, expectations, taboos, responsibilities and the like) associated with a given social position"; the way in which an individual acts or behaves (with or without conscious intention); the individual's own personal "orientation or conception of the part he is to play in the organisation" (Levinson, 1966, p251). Using this approach, Stewart (1989) distinguishes between organisational job prescriptions, the individual manager's own constructs and agendas and the manager's consequent actions or behaviour.

Focusing on the nature of the organisationally given role demands upon an individual, Levinson identifies the importance of analysing the varying degrees of explicitness, clarity and consensus about the expectations and definitions of role requirements held by all the participants. These range from relatively tightly defined low discretion roles in the traditional bureaucracy to less specific, more ambiguous roles in more organic structures, with higher levels of discretion which require a greater degree of individual judgement and initiative (Stewart, 1982,1989, 1991; Marshall and Stewart, 1981; Smith 1990; Kanter, 1984, 1989; Snow et al, 1992). Organisations will place varying levels of emphases and compulsion on the behaviour requirements of managerial roles, through rewards and sanctions or control systems, resulting in "must-, shall-, and can-expectations" indications to the incumbent about the ranges of possible behaviour permissible within a managerial position (Dahrendorf, 1968, p69; Stewart, 1989). Sometimes these prescriptions can be inconsistent and contradictory. The allocation of more discretion to managerial roles, and formal requirements for more proactive and entrepreneurial role performance can conflict with the reality of the tighter controls and restrictions on

management autonomy, which frequently accompany organisational retrenchment, causing severe role conflict and ambiguity for the middle managers involved (Broussine, 1983; Smith, 1990).

In addition to constraining role behaviour, organisation control systems also attempt to influence role attributes - the "appearance and character" required of a role incumbent or "Organisation Man" (Whyte, 1957); contemporary management literature places considerable emphasis on the importance of organisational commitment and involvement strategies (Walton, 1985; Williams et al, 1989). Specifically designed organisational cultural and value systems become significant mechanisms for stipulating the scope of more broadly defined, high discretion managerial roles (Peters and Waterman, 1982; Schein, 1992). Also significant here, is the nature of the technology used within the organisation; as Levinson (1966, p255), points out: "technological and ecological facilities are not merely 'tools' by which norms are met; they are often a crucial basis for the maintenance or change of an organisation form". Thus the introduction of computerised technology for both production and information systems has had considerable impact on managerial role requirements (see below).

The impact of these various structural constraints on role performance, however, can only be understood and analysed in the context of an appreciation of the individual's own perception or conception of his/her organisational role identity and the nature of the structural constraints upon it: "a role is not simply an acting out of the rules and constraints that operate on a particular hierarchic position, but a constantly changing, negotiated product of the interactions of different purposes and priorities within a framework of rules and constraints." (Salaman, p130). Thus, individuals, or actors, will behave or act on

the basis of their own interpretations or definitions of organisational role demands and expectations (Rose, 1975; Silverman, 1970). They will exercise a degree of choice in their role performance, made in the context of structural constraints, which they personally perceive as significant in the light of their own needs, abilities and perceptions of their work-role identities and their "general personal philosophies of behaviour (Marshall and Stewart, p187).

Also significant here is the information which individuals will derive about expected role performance from their "role set" - the sources of the individual's information and expectations about role behaviour (Hales, 1986, p108). These sources will include the individual's work group and both current and previous superiors, plus external sources such as management education and training courses, the popular management literature of the 1980s (Abrahamson, 1991), trade unions, and professional associations and communities. Management literature from Taylor onwards contains extensive reference to the potentially problematic nature of such informal or "unofficial" organisational role models which can operate as alternative and sometimes oppositional sources of role expectations and behaviour patterns to those prescribed by the "official" organisational specialisation, behaviour formalisation and cultural systems (Salaman; Reed, 1985; Watson, 1980; Smith). Social work literature of the 1970s, for example, focused extensively on the conflicts existing between the "reality", or organisational demands of the social work job role in local authority bureaucracies, and the perceptions of the individual social workers about what these job roles should involve from their "professional" perspectives (Bamford, 1982; Pritchard and Taylor, 1978). Staff appeared to experience conflicting organisational, professional and client demands; for example, limits on the resources made available by senior management can constrain social

workers' autonomy in providing a particular form of service which is considered, on professional grounds, to be necessary.

The formal managerial role, and the organisation structure within which it is located, therefore provides a framework for influencing and constraining the degree of "negotiable space" (Stewart, 1989, p4) or "organisational opportunities and domains of action " (Smith, p26) which individual managers perceive as available to, and negotiable by them. This concept is reflected in Stewart's distinction between the managerial job seen as the "flexible and negotiable part of a role set" and as a "distinct and easily described entity", referring to the formal job description and the organisational rules and procedures prescribing behaviour (Stewart, 1989, p6).

The nature of managerial work - activities, functions, effectiveness, styles

Before analysing recent changes in managerial roles and managers' perceptions of them, it is necessary to consider the various approaches to defining and determining what Harrow and Willcocks (1990, p283) term the "social construct" of management, in the context of their identification of "the widespread ambivalence and confusion as to the nature of management work". Firstly, Stewart (1989, p4) poses the question, when reviewing studies of managerial jobs and behaviour, about what is being studied - "managerial work, managerial jobs or mangerial behaviour, or all of them together". Managerial work and behaviour are not necessarily confined to managerial jobs, and the extent to which non-managerial jobs also contain management work elements has not been empirically investigated (Hales, 1986). Stewart overcomes this problem by concentrating essentially on managerial jobs, although Hales points out that this approach results in tautology: management is what managers

do - what managers do is what management is. Moreover, this approach can be problematic for studying management in the public sector. Here, as Harrow and Willcocks point out, job titles less commonly include the word "manager" than would jobs of similar or lower positions in private sector organisational hierarchies; hence his idea of management as a social construct because, particularly in the public sector, the professional who has risen to a first line management position may or may not perceive his/her job as "managerial" rather than "professional". However, for the purposes of this study, anaylsis will focus on management jobs, defined as "the jobs that companies call managerial and which form part of the management hierarchy for selection, training and promotion (Stewart, 1976, p4).

Secondly, in a comprehensive review of 29 empirical studies of managerial work and behaviour, Hales (1986) outlines the confusion and inconsistencies, both between and within these studies, found in the use of terms and concepts such as managerial "behaviour, activity, task or functions". To resolve these ambiguities, he suggests using a continuum with "doing" at one end and "achieving" at the other. Thus, the continuum ranges from "simple '<u>behaviour</u>' stripped of context and intention, and therefore of meaning, through '<u>activities</u>' or complexes of behaviour endowed with context and/or intention based meaning, to '<u>tasks</u>', or the defined goals of activity and, finally, '<u>functions</u>' - the intended contribution of managerial tasks to the organisation as a whole." (Hales, p106, my emphases).

Minztberg's definition of the role of the manager can therefore be seen as the "organised sets of behaviour associated with a position" which are comprised of activities designed to achieve goals to ensure the effective functioning of the organisation. In this sense the "manager" and "management" are synonymous. The job (behaviour and activities) of

the individual manager is equated with the management functions or subsystems of an organisation, as represented by many authors' categories of management functions or roles of which the most famous is Fayol's - to plan, organise, command, coordinate and control (1949). This list was extended by Gulick in the 1930s, who invented the well-known acronym "POSDCORB" standing for planning, organising, staffing, directing, coordinating, reporting, and budgeting (Lessem, 1989). The open systems theorists such as Katz and Kahn (1966), with their emphasis on the importance of the interaction between the organisation and its environment, specified additional management functions concerned with change and adaptation. Their concept of "role" was also more sophisticated, including the specification of management role attributes - expected standards and styles of managerial behaviour based on organisational norms and values - and an emphasis on the value of coherent organisation cultures.

These concepts of the managerial role tended to emphasise the depersonalised or impersonal and rational conduct of the incumbent, in line with Weber's theory of bureaucracy, and tended to involve the unproblematic assumption that managerial behaviour would be derived from these functions. Reversing this procedure, a number of more recent authors, writing from the 1950s onwards, carried out empirical investigations into the nature of managerial work and derived implicit or explicit categories of functions or roles from managerial behaviour and activities, the most well-known of which are probably Sayles (1964) and Mintzberg (1973,1979). These studies are interestingly redolent of the 1970s "what is social work? - social work is what social workers do" debates, which attempted to resolve the problematic "vastness and vagueness of the social work task" (Goldberg and Warburton, 1979, p6).

Influenced by Sayles' work, Mintzberg used his own intensive observation or "shadowing" of managers' activities plus analysis of their diaries and records, as well as extensive analysis of other studies undertaken on a wide range of managers, in different functions and levels in a number of different organisations, to identify three types of roles with subsets for each, in the context of his contingency theory of management: interpersonal (figurehead, liaison and leader), informational (monitor, disseminator and spokesperson), and decisional (entrepreneur, disturbance-handler, resource allocator and negotiator). These roles, and their location within Mintzberg's contingency theory of management, are explained fully below.

Several authors point out that analysis of what constitutes "good" practice or effectiveness in management roles and behaviour has been largely absent from earlier management work analyses (Hales, 1986; Stewart, 1989; Silver, 1991; Pye, 1991). Hales states that "for me, 'effectiveness' denotes the extent to which managers actually do what they are supposed to do " (Hales, p88, his emphases), and contends that many definitions of managerial effectiveness do in fact reflect his definition (for example: Campbell et al, 1970; Drucker, 1970; Morse and Wagner, 1978; Reddin, 1970; Boyatzis, 1982). The key problem, with this approach, relates to identifying the performance standards of effective management against which management behaviour and work can be judged; basically: "effectiveness is a function of who defines it" (Lombardo and McCall, 1982, p62). Performance standards, and hence definitions of managerial effectiveness, will vary from person to person depending on where they derive their standards. These may emerge from their experiences and knowledge of prior performances by individuals who previously held their jobs, and/or from the consequent ideas about potential possible performances developed by their immediate superiors:

"Thus there is a fluidity and plasticity to the judgement" (Pye, p113). More clearly articulated and formalised organisational value systems, and performance measurement systems (as discussed in the previous chapter), also act to clarify expectations about the forms of competences and effectiveness required from managerial staff; there may well be differences here between different organisational departments or sections, as weel as between different organisations. Definitions of effective management behaviour and performance are therefore contingent upon the particular individual and organisational context (as outlined below in Mintzberg's contingency model of management). For this reason, Harrow and Willcocks conclude that it is not possible to make satisfactory descriptions or prescriptions about management activities and competences across the private sector - and certainly not across private and public sector organisations.

British governmental and various employers' organisations, including the British Institute of Management, became increasingly concerned during the 1980s about the effectiveness of managerial performance in British organisations, amid fears about the productivity of British industry under increasingly competitive market conditions. Compared with other countries, both the quantity and quality of management training and development were shown to be inadequate for ensuring effective managerial performance. (Handy et al, 1988; Constable and McCormick, 1991; Silver, 1991). Following the publication of the Constable and McCormick Report in 1987, an employer led organisation, the new Management Charter Initiative (MCI), was launched in 1988 and worked alongside the Training Agency's National Forum for Management Education and Development (NFMED) to improve British management education and training - through clarification of the purpose of management, and identification of the behaviour required to achieve effective

performance. Derived from ideas of "best practice" as identified by employers in a wide range of sectors, and agreed by managers employed in these organisations, four general managerial roles were identified - managing operations, finance, people and information. These would form the basis for qualifying courses in management up to, but not, as yet, including MBA level (MCI, 1994). Recognising a contingency theory of management - that different sectors place different emphasis on different managerial roles - industrial "lead bodies" are being set up to use this framework to define the specific competences required for particular sectors.

The MCI also include a requirement for developing the skills, knowledge, attitudes and attributes which are necessary for the individual manager to possess in order to achieve effective performance in carrying out his/her role or function (personal competence model). Studied by numerous authors (Boyatzis, 1982; Mumford, 1989; Pedler et al, 1986; Constable, 1988; Hirsh and Bevan, 1991), this concept of "personal effectiveness" departs from the concept of management effectiveness or competence expressed through role performance, and defines competence as "an underlying characteristic of a manager which, if used effectively, leads to effective behaviour." (Boyatzis, p21). Therefore effective performance (however it is defined) will emerge from the manager's competence in using appropriate skills, knowledge, and attributes effectively (Silver). Constable identifies three areas of competences: skills, for self-management, managing others, managing and controlling, and for managing relationships outside the organisation; knowledge, about relevant academic theories and the functional areas of management; attributes, referring to less tangible personal skills, styles, characteristics, orientations and motivations. Managers have to be competent in all of these areas to perform their roles effectively; a

model based on this approach and drawn up by Sheffield metropolitan district council is shown in exhibit 2.1. Similar clusters of skills, knowledge and attributes occur in many other competence models, although the precise nature of the competences required and the relative emphases placed on them will be contingent on the context of the particular management job and the organisation (Hirsh and Bevan; Boyatzis).

Related to, and included within, the concept of personal competence is the concept of management style - the way in which all the various management roles and functions outlined above are performed. Derived originally from systems organisation theory, the term is usually used in the context of the leadership function of management, referring to "the general way a leader behaves toward subordinates in order to attain objectives" (Mescon et al, 1981) - although the term is also used in relation to learning styles to identify the different ways in which individuals learn (Kolb, 1984). The concept of role within the traditional bureaucracy emphasised the depersonalised performance of highly specified tasks, with low discretion, although the capacity for discretion increased up the hierarchy of the middle line to the strategic apex. However, the systems approach, where organisations are perceived essentially as systems held together by psychological forces (Katz and Kahn, 1966), involved the concept of the social or human subsystem, within the overall organisation system, with its own needs (Roethlisberger and Dickson; Trist and Bamforth; Burrell and Morgan). The human relations theorists, with their focus on the psychological needs of individual organisational members (see chapter 1), also focused on the interactive nature of the relationship between the organisation and the individual. Thus, managerial role performance was derived not only from the organisation's formal authority structure of roles, job descriptions, budgetary control systems etc., but also through the

personal styles adopted by managers according to the needs of the individuals operating within their organisation or their section/department of the organisation and according to their own personal preferences and abilities. Focusing on management as a process, rather than as a relatively static role, a continuum of management styles, ranging essentially from autocratic or authoritarian to democratic/participative, has been identified by authors such as Reddin (1970), Tannenbaum and Schmidt (1973), Fiedler (1967), and Handy (1976).

These authors adopted a contingency approach to management styles, arguing that, to ensure effective management, a "best fit" was required between management style and the structural variables of the particular situation. Fiedler, for example identified these contingent variables as comprising the nature of the leader/member relations, the degree of structure in the task, and the degree of power and authority of the manager's position; Handy added to these the type of organisation culture, structure and technology, and the needs and expectations of subordinates. The role of "leader" also appeared as a constituent part of the effective management role, a development which presaged the emphasis (initially developed by Zaleznick, 1977) placed on the leader as distinct from the management role of effective managers in the organisational literature of the 1980s (see discussion below).

Consideration of changes in the management role will therefore require identification of the various formally prescribed role elements, plus the particular management styles and competences (clusters of knowledge, skills and attributes) required to ensure effective managerial performance in particular organisations.

Contingency Models of Managerial Roles

In the same way that contingency theory emphasises the importance of

designing organisation structures to achieve a "best fit" with the organisation's key contingency or situational variables (see chapter 1), the nature and effectiveness of particular managerial activities and roles are considered by many recent authors to be similarly contingent upon various intra- and inter-organisational differences (Ellis and Child, 1977; Handy, 1976; Fiedler, 1967; Hales, 1986, 1993; Stewart, 1976, 1989, 1991; Mintzberg, 1973, 1989; Boyatzis, 1982). In his 1973 text, drawing upon the works of several authors in addition to his own research, Mintzberg proposed a contingency approach to managerial work, similar to Stewart's (1989), which provides a useful, coherent framework for integrating the many diverse sources of research about the nature of organisation structures and management work:

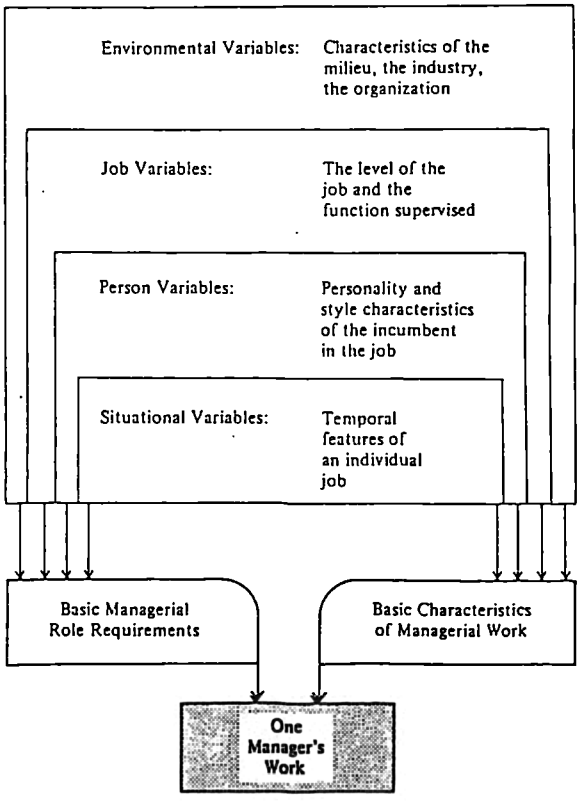


Figure 11. A Contingency View of Managerial Work

(Source: Mintzberg (1973), The Nature of Managerial Work, New Jersey, Prentice Hall, p103.)

The framework begins by identifying environmental variables, such as the composition of the stakeholders in an organisation and the nature of the industry, and the organisation's situational variables outlined in

chapter 1. Next to be considered is the management job itself - the significant variables here have been summarised by Stewart (1991) as the location of the job within "function; level in the hierarchy; general management and functional jobs; and operational and staff management" (p77), plus the characteristics and expectations of the people being managed, organisational cultural differences, and different time pressures. Then, Mintzberg considers the "person" occupying the role: "The evidence shows that the incumbent's values, his personality and his style, all contribute to the determination of the work he does." (Mintzberg, 1979, p118). Lastly, Mintzberg identifies situational factors related to time: seasonal variations throughout the year: patterns of change and/or stability in the organisation; organisational crises, arising from internally or externally generated problems and/or opportunities; new job patterns arising out of the experience acquired in a job by the manager over the years; changes in societal norms and values, which will have an effect on both the role expectations and work performance of managers and their subordinates.

Thus, each of Mintzberg's five organisation structures or configurations described in Chapter 1, with their different situational factors and design parameters, will prescribe different management roles, requiring different role expectations and behaviour patterns on the part of the incumbents. Moreover these managerial roles will differ, within each configuration, according to their hierarchical position and their location within particular functions (within the strategic apex, the middle line, the operating core, the techostructure or the support structure). Organisation restructuring, and moves from one configuration to another, will clearly also require restructuring of managerial roles and changes in managerial styles and behaviour.

A number of authors identify middle managers as an employee grouping who

have been, and who are continuing to be particularly affected by the patterns of organisational restructuring identified in the previous chapter (Wheatley, 1992; Smith, 1990; Dopson and Stewart, 1989, 1990; Kanter, 1984, 1989). Middle managers are located in the middle line of Mintzberg's organisational model (see chapter 1); Dopson and Stewart (1990) use the annual National Management Salary Survey model - which allocates managers to different levels according to their main responsibility zones - to define two levels of middle management. The more senior middle managers will "usually have significant supervisory responsibility but may include specialists with a strong professional role, with some years of experience or seniority." The more junior middle managers hold a position of "lesser importance" than those at the more senior level, in terms of a lower degree of size and/or complexity of responsibility: "They will have others reporting to them who may be first-line managers or foremen, or professional section leaders in specialist functions" (p6).

Traditionally, the hierarchical distinction between senior and middle management roles has been made on the grounds that, essentially, senior managers' work was concerned more with strategy formulation and decision-making, while that of middle managers was concerned more with operational activities: "there is considerable evidence that they differ in orientation. Specifically, managers at lower levels appear to be more concerned with the maintenance of work-flows.....for, example, we find that the chief executives collected a wide variety of information to be used in strategy-making of a broad nature; the lower-level managers collected information to maintain the steady flow of work in their organisational units" (Mintzberg, 1973, p110-111). Similarly, Fulop (1991) suggests that "in conventional text books on management and organisations, one of the singularly most important distinctions often

made between top and middle mangement is the extent to which the former is involved in strategic or entrepreneurial activities, while the latter is usually relegated to operational planning or implementation functions" (p25-26).

As Wheatley (1992, p5) indicates: "a trawl of the academic literature on the subject (of middle management) brings little contemporary research to the surface. What does emerge is largely negative". Some of the recent empirical studies on middle managers certainly suggest that middle managers tend to hold primarily negative views about the impact of changing organisational structures and cultures on their roles and work satisfaction levels (see, for example, Goffee and Scase, 1986; Scase and Goffee, 1989). Others present more positive middle management experiences - for example, Wheatley's own survey, and Dopson and Stewart's case study research (1988, 1990, 1990a). Dopson and Stewart, in surveying a number studies within both of these perspectives, suggest that different methodologies may, in part, be responsible for these different findings; in addition these studies were held at different times, and covered managers located in different public and private sector organisational contexts. All of the studies, however, agree that significant and extensive changes in all three of Mintzberg's middle management roles have, and are continuing to take place.

The major factors contributing to these role changes derive from the significant changes identified earlier as taking place within organisation structures (see chapter 1). Thus, as Wheatley points out, organisations were traditionally characterised more by "broad bureaucratic pyramids rising upwards in a constant ratio of manager to managed. Tiers of (middle) managers provided the only mechanism through which information could flow upwards and decisions flow downwards. As an

organisation grew...so did the need for layers of management... Join a growing company and promotion was virtually assured" (p5). However, this situation changed with the "delayering" or flattening of organisational hierarchies, where the shorter middle line tends to affect middle management numbers within organisations, with implications for job security and career progression.

Thus, Dopson and Stewart (1990, p13) point out that a common response (by their case study organisations to external pressures) was "the reduction in the number of staff, and in the number of management levels". Numerous other authors have drawn similar conclusions about the reduction in numbers and levels of middle managers arising from this flattening of organisational hierarchies (for example, Barham and Rassam, 1989; Goffee, and Scase, 1992; Smith, 1990; Wheatley; Rock, 1990; Coulson-Thomas and Coe, 1991). The recession of the early 1990s, is undoubtedly exacerbating the decline in the numbers of middle as well as other levels of management jobs, to the point where one survey, undertaken during the 1990/91 period, reported that "some individuals feel they are 'fighting daily' for their jobs" (Coulson-Thomas and Coe, p12). Similarly, Kanter (1989) draws attention to the need for managers to accept the demise of the traditional corporate career in favour of "hopping" between jobs - between project opportunities within the organisation, and between working for organisations and working for themselves - based on the value and importance of their own entrepreneurial and professional skills and ideas.

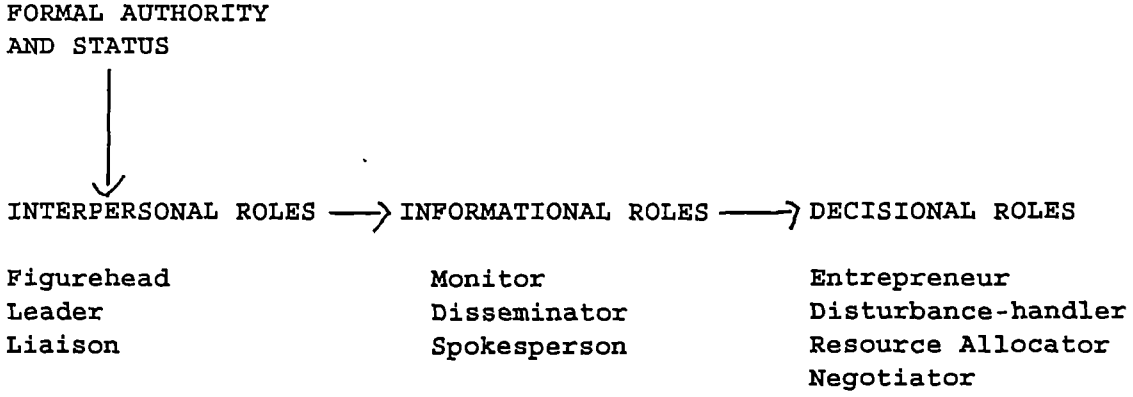
Changes in other elements of organisational design - such as the development of semi-autonomous work-groups and cost/profit centres within organisations; reductions in size of the strategic apex; control and coordination systems focused on more rigorous control over outputs (volume and quality); and the introduction of sophisticated computerised

technology - in service/production and information systems - all require significant changes in the functions, activities, style and competences of middle managers. Line managers are acquiring new responsibilities for a wider range of functions (including resource management), and are becoming more "visible" and accountable for achieving results within "high performance" cultures (Scase and Goffee, 1989). Similarly, middle managers within specialist functional areas, such as Finance and Personnel, are experiencing complementary changes; as line managers take on additional responsibilities for, say, personnel management, the role of personnel specialist staff and managers changes too. Thus, personnel managers are becoming more concerned with the adoption of facilitating and enabling roles - with assisting and training their middle line manager "customers" to carry out their new people management responsibilities, such as training and performance related pay assessments, within a framework of clearly specified but more flexible personnel policies designed to meet the business needs of production/service line managers (Storey 1992; Sisson, 1989). In addition, the focus on high performance and value-for-money standards required from these specialist managers are also resulting in much closer scrutiny of the effectiveness of their service provision; increased attention is being paid to setting "benchmarking" standards against which to assess Personnel specialist contributions, and to personnel audits (Holt, 1994; Storey and Sissons, 1993). Such pressures, together with increases in the outsourcing of various personnel activities, can threaten the job security and stability of these specialist managers, as well as requiring increased levels of accountability for results through the demonstration of "added value" accruing to the organisation from their policies and practices.

Moreover, middle managers are increasingly expected to adopt more fluid

entrepreneurial roles (in relation to the management of change); they are seen, increasingly, as key "change agents" (Kanter, 1983) - particularly within the network forms of organisation described in chapter 1. Thus, from within the context of the network or "boundaryless" organisations identified by Tapscott and Caston (1993), Peters (1992) and Francis (1994), Snow et al outline three key roles which managers should be prepared to adopt, where they are operating essentially as brokers - operating "across rather than within hierarchies, creating and assembling resources controlled by outside parties" (Snow, 1992, p15). The three brokerage roles include: the Architect, where managers design and facilitate the emergence of operating networks both inside and outside the organisation concerned with design manufacture and distribution; the Lead Operator, who builds on the groundwork of the Architect to establish the networks; the Caretaker who focuses on the maintenance and monitoring of the networks. While design decisions by Architects will tend to be made at senior management levels, middle managers will become increasingly involved in the Lead Operator, and, particularly, the Caretaker roles.

The nature of these changes, and middle managerial perceptions about the impact of the changes on their work roles, are considered in more detail below, from within the framework of Mintzberg's three management roles - interpersonal, informational and decisional (1989):



As indicated earlier, Mintzberg (1973:7) considered that the work of the classic management theorists such as Fayol, which focused on the objectives of managerial work, tended to produce "abstract generalities, devoid of the hard data of empirical research", which generated little knowledge or understanding of the complex reality of managerial work content - what activities are carried out by managers, and why. Mintzberg used his own intensive observation of managers' activities plus analysis of their diaries and records, as well as extensive analysis of other studies undertaken on a wide range of managers, to identify the three roles and ten sub-roles represented above. Restated in Mintzberg's 1989 text, and incorporated into his model of organisational structure used in chapter 1 for identifying patterns of organisation restructuring, his managerial role framework provides a useful diagnostic tool for analysing what managers do, and why they do it, and for examining the impact of organisational restructuring on this role behaviour.

Mintzberg defines a manager as "that person in charge of an organisation or one of its subunits" (1989, p15). All managers are vested with formal authority over an organisational unit, and managers' three interpersonal roles - figurehead, leader and liaison - derive directly from their formal authority and status, and involve basic interpersonal relationships. Through these interpersonal contacts, the manager "emerges as the nerve centre of his or her organisational unit" (p17), in the context of carrying out the three informational roles - monitor, disseminator, and spokesperson. Information is then used as the basic input into activities arising from the manager's decision-making roles - entrepreneur, disturbance-handler, resource allocator, negotiator. Each of these roles is described fully below, together with an analysis of

the changes currently taking place within them, within the context of the structural organisational changes outlined in chapter 1.

Interpersonal Roles - Figurehead, Liaison and Leader Roles

The literature has little to say directly about the figurehead role - the performance of "duties of a ceremonial nature", both inside and outside the organisation, such as officiating at, say, a retirement party, or attending a local function (Mintzberg, 1989, p16). However, given the changes in the extent and nature of middle management leader, liaison, informational and decisional roles (outlined below), it can be argued that, as part of the trend towards the general broadening out of middle management functions, middle managers may be taking on more responsibility for this role, traditionally seen as the preserve of more senior managers.

Several significant changes have been identified in the nature of the manager's second interpersonal role - that of the leader, which refers essentially to the manager's responsibility "for the work of the people of an organisational unit" (Mintzberg, 1989,p16). The development of devolved management systems, and the greater emphasis on the roles of the middle manager as a "change agent" (see discussion below under decisional roles), has resulted in an increase in the extent of the accountability or what Dopson and Stewart (1990) describe as ' the "visibility" of middle managers, through the use of very specific performance targets which render highly visible the degree of success or failure achieved by the manager and his/her unit. The rise of contract management in the public sector, derived largely from compulsory competitive tendering legislation, has also involved a greater degree of "identification of individual 'local' managers" (Stoker, 1989, p34), with clear individual accountablity for performance achievement against

preset criteria. Given that the performance levels of managers' unit(s) will depend at least in part on the performance levels of their subordinates, the "managing people" management function is taking on increasing importance. Moreover, a key feature of the move from "personnel management" to human resource management strategies includes an emphasis on the primary responsibility of the line manager as a "personnel manager" for his/her staff, within a framework of corporate personnel policies, and specialist support and advice provided from devolved personnel staff (Storey, 1992).

The importance of the "leader" as opposed to the "management" role of the manager, together with the associated concept of entrepreneurialism (see below), has dominated the popular management texts of the 1980s (Peters and Waterman, 1982; Peters, 1987; Kanter, 1984). Within the tightly defined role structure of the traditional hierarchical bureaucracy, the power and the authority of the manager is clearly defined by his/her hierarchical position, with an emphasis on conformity by both manager and subordinates to rules and procedures, and on the processes rather than the substance of decision making. This equates with the "management" role or reactive behaviour identified by Zaleznik (1977), and to the "transactional" leadership style identified by Bass and Avolio (1991). While the personal style of the manager is clearly a factor, the exercise of any degree of innovative or proactive behaviour, or consultation with and involvement of subordinates in decision making is limited by formal role constraints and the "role" culture pervading bureacratic structures, especially for lower level managers (Handy, 1976).

However, the move towards more organic and loosely structured "task" orientated organisations, with increased delegation of work process control to semi-autonomous work groups, requires a different, less

reactive and more proactive managerial style, corresponding to Zaleznik's (1977) "leadership" model, and Bass and Avolio's (1991) "transformational" leadership style. The manager's authority is based less upon formal role prescriptions, and more upon personal expertise and attributes, using innovative and proactive approaches towards problems solving and decision making. The manager is expected to inspire subordinates through the projection of personal enthusiasm and commitment: "Every manager must motivate and encourage his or her subordinates, somehow reconciling their individual needs with the goals of the organisation" (Mintzberg, 1989, p16). Managers are encouraged to adopt involvement and "empowerment" strategies which create an environment in which new ways are valued' and in which people are encouraged to try new ideas. Increased worker autonomy, together with socio-economic changes and the the spread of white collar unionism, all tend to undermine the traditional basis of managerial authority, and result in the rejection of more directive or autocratic management styles (Goffee and Scase, 1986, 1992).

With the exception of organisations facing a "crisis", which requires adoption in the short term of directive and assertive "crisis" management styles, this "leadership" model of the managerial leader role is identified as necessary to ensure effective management in contemporary and future organisations, by interviewees (directors and top/senior managers) in the studies undertaken by Barham and Rassam (1989) and Coulson-Thomas and Coe (1991). This model is also advocated in several local authority management texts (see chapter 4). However, middle managers' own perceptions about the impact of the "leadership" model upon their own management styles can be less positive. Firstly, "empowerment" strategies can make these managers feel "by-passed" (Schlesinger and Oshry, 1984). Such strategies can, through their

allocation of increased autonomy and discretion to the workforce, perhaps through the use of productivity or quality circles, cause middle managers to feel insecure from a perceived reduction in their formal authority, and from fears that their position may eventually disappear altogether (Collard, and Dale, 1989; Collard, 1992). Managers may also be reluctant to delegate control to subordinates when performance control systems clearly hold the manager responsible for the achievement or non-achievement of performance targets.

Secondly, many managers appear to prefer "directive" to "consultative" management/leadership styles. As Buchanan (1992) points out in a study of autonomous group working: "Some managers found it 'painful' to relinquish their traditional directive management style and moved to other parts of the company." (p148). Scase and Goffee found that even in loosely structured organisations, where consultative management styles would be expected to predominate, only just over 50% of the middle managers actually preferred this style, and in bureaucratic organisations, the percentage dropped to only 36%. The reasons for this reluctance to adopt consultative leadership styles appear to relate to the generally directive styles pursued by senior managers, who will act as role models of acceptable behaviour for more junior managers, and to the managers' "doubts about their ability to manage through face-to-face negotiation and to exercise more personal forms of leadership." (Scase and Goffee, 1989, p76). The managers in most of the studies quoted above placed training in people management, and interpersonal and leadership skills high on their lists of priorities for training; however, numerous texts also highlight the failure by many companies to provide adequate training in these and other areas to help managers adapt to new roles (Silver; Handy et al; Constable and McCormick, 1987; Keep, 1989). These concerns reflect the well documented anxieties, insecurities and

dislikes that many managers display, not only towards consultative leadership styles but also towards the ambiguous roles, vague job descriptions, absence of clearly formalised behavioural regulations, and uncertain authority/power relations which can characterise more loosely structured or organic organisations (Ellis and Child, 1977; Mintzberg; Robbins, 1990; Scase and Goffee, 1989; Hucynski and Buchanan, 1991).

In addition, the move to "transformational" leadership styles can be inhibited by the increasingly widespread introduction of formal performance review and performance related pay systems, which apply not just to managers, but also to their subordinates. The difficulties inherent for managers - both as appraisers and appraisees - in the introduction and operation of performance appraisal and review systems have been well documented. These problems include, amongst others, undue emphases on quantitative at the expense of qualitative performance criteria, a tendency towards short-termism at the expense of longer term strategic issues, conflicts between the controlling or judgemental objectives and the developmental or "coaching" objectives of the process, unclear and/or contradictory performance targets and a sometimes unproductive emphasis on individual at the expense of collective or group performance targets. (Randell, 1989; Livy, 1988; Fletcher and Williams, 1985). These difficulties are particularly apparent in the public sector where performance measurement is in any case a relatively new concept, and where clear performance criteria for measuring effectiveness are extremely difficult to identify, given the absence of a consensus both locally and nationally about the appropriate objectives of many public services (Kelly, 1991; Lawton and Rose, 1991). Moreover, within performance measurement systems which give primacy to quantitative short-term financial and/or productivity targets, managers may be reluctant to spend time on longer term personnel management

activities, where realisation of benefits is longer term, and more difficult to quantify (Purcell, 1989).

Mintzberg's third interpersonal role, the liaison role, refers to the contacts which a manager makes outside the vertical chain of command; Mintzberg found that managers spent as much time with peers and other people outside their units as they did with their own subordinates, and significantly more than with their own superiors. Moves from formalised hierarchies to the more flexible, open and fluid structures of organic organisations involve a significant increase in the volume of lateral communications, described as "networking" by Mueller (1991), and as "horizontal management" by Barham and Rassam (1989, p109): "Managers in the future will have to manage an increased and more diverse range of lateral relationships, including those with managers from different functional areas, other business units, project teams, team members, customers, suppliers, joint venture partners etc.".

This increase in lateral communication activities reflects the changes discussed above in the leadership role; managers need to acquire greater knowledge and understanding across an increased range of specialist areas, both inside and outside the organisations; moreover, managers will be unable to rely on formal status and authority in many of these encounters, which will require extensive negotiating and influencing skills, similar to those needed for effective consultative leadership styles (Kanter, 1984). Freed, to an extent, from the traditional organisational communication barriers (where an individual's access to information is specifically defined and constrained by hierarchical position, specialist role and formal managerial authority (Megginson et al, 1983)), the manager will need to use a high degree of initiative to both actively seek out information, and to operate effectively within an

informal communication network which is likely to be highly political: "Easy and unlimited access to information is not always welcome; it challenges authority, undermines power structures and opens to view the daily corporate disasters, most of which are usually kept under wraps" (Barham and Rassam, p108). Moreover, in the context of the increase in inter-disciplinary and cross-functional project and group working associated with moves towards matrix or "network" forms of organisational structure with less functionally specialised management roles, managers are increasingly involved in liaison with staff from other disciplines, from other functions, and from other organisations (Watkins, Drury and Preddy, 1992; Wheatley, 1992). The increasing levels of frequency and significance of such liaison activities constitute an integral part of the development of Snow's three "brokerage" roles outlined earlier - the Architect, Lead Operator and Caretaker.

Informational Roles - Monitor, Disseminator, Spokesperson

Through the contacts developed within the liaison role, the manager will collect, process and distribute a large volume of information, much of which takes oral rather than written form, "often as gossip, hearsay and speculation." (Mintzberg, p18). Numerous popular management texts point to the increasing significance of the informational role of the manager, due to a number of developments. Firstly, the pace and speed of change in the external environment requires managers to be more sensitive to and aware of the potential and actual effects of these political, social, economic, and, more recently, ecological/environmental developments (Wilson and Rosenfeld, 1990).

Secondly, in addition to increases in lateral information flows, outlined above within the context of "horizontal management", increased emphasis is being placed upon the importance of vertical communication

both up and down the organisation (Walton, 1985; Wickens, 1987). The move from control to involvement and commitment strategies for motivating and managing the workforce, including the development of more flexible and autonomous work roles, requires the manager to disseminate a much wider range of information about more general company issues, using more sophisticated communication channels and a much more open leadership style, as discussed above, with an emphasis on facilitating rather than directing, especially at first line/supervisory levels (Townley, 1989).

Thirdly, the development of computerised production and information systems is changing the nature of the manager's informational role. Surveying fifteen studies assessing the impact of new technolgy on managerial roles, Dopson and Stewart (1990) identify essentially two perspectives. The first perspective identifies a largely negative impact on the managerial role. It is argued that computers will, in effect, replace the middle manager as an information gatherer and disseminator: "the computer provides most of the information flow to top management that was once provided by middle management and can accomplish this task with greater speed, accuracy and selectivity" (p5). The middle management role may disappear altogether, as first-line and senior managers use computers to communicate and make decisions without the relaying role of the middle manager. Alternatively, it will become deskilled and routinised, degenerating into a kind of "super clerical" function servicing the demands of a computerised information system, with close monitoring by senior managers of performance which will reduce scope for middle management discretion and autonomy. The more optimistic view argues that computers will "release managers from their traditional coordinating functions to take on new challenges." (Dopson and Stewart, 1990, p8). Freed from the burden of spending considerable

amounts of time obtaining information, sometimes of questionable reliability and from unwilling sources, managers can concentrate on developing their data selection and processing skills to enhance the quality and certainty of their decision-making, and to focus on more strategic, longer term planning issues.

Scase and Goffee's managers produced similarly polarised views, with just over a third of the women and half of the men located towards the "agreement" (with claims that new technology is increasing stress levels) end of the "agree/disagree" continuum. Clearly, new technology can be used to either "free-up", or to restrict and even remove managerial roles, depending on the culture and structure of the organisation, and the nature of the strategic context within which new technology systems are introduced. (McCloughlin and Clark, 1994). Thus even within one organisation, the application of new technology, and the consequences for the roles of the middle managers, varied between the three departments of the American bank studied by Smith (1990), because of their different structures, products and functions, and, hence, the differences in the roles of the middle managers in each department. Few of the middle manager respondents in Wheatley's more recent study (1992) expected computer developments to have much impact on their future roles, although 59% reported the recent installation of a new computer network. Wheatley attributed this reponse at least in part to the fact that more sophisticated (and hence more wide-ranging in their impact) computerised systems - such as electronic data interchange which can link different companies together - had probably yet to be introduced fully in most of his respondents' companies.

The difficulties which some managers experience with the introduction of tighter performance control systems and more autonomous and skilled subordinates, which can accompany the introduction of new technology,

have been outlined above. Changes may, of course, be minor, given the tendency for particularly first generation computerised information systems to simply replicate the existing manual systems. Syedain (1991) argues that while the current generation of middle managers is tending to work with both computerised and manual information systems running in parallel, new generations of more "computer-literate" individuals moving into middle management positions will adopt more fully the more sophisticated applications, thereby rendering "whole swathes" of management becoming superfluous. Whatever the nature of managers' own perceptions about the impact of new techonology on their particular roles, it is clear that they will require additional skills and knowledge to use the technology effectively; "discerning" skills are particularly important, as computerised management information systems tend to generate more data that managers know what to do with.

As Tapscott and Caston (1993) point out, the growing adoption of more sophisticated computerised technology will intensify and increase the communication and information flows at three levels in organisations - at work group, inter-unit and department, and inter-organisational levels - and will exacerbate the tendencies outlined above towards "horizontal management".

Decisional Roles - Entrepreneur, Disturbance-handler, Resource Allocator, Negotiator

As Mintzberg points out, the manager's informational role behaviour is not an end in itself; information is the basic input to decision making: "The manager plays the major role in his or her unit's decision-making system. As its formal authority, only the manager can commit the unit to important new courses of action.....only the manager has full and

current information to make the set of decisions that determine the unit's strategy." (1989, p19).

As outlined in Chapter 1, organisations differ in the extent to which the formal authority to take (usually operational) decisions is centralised largely at senior management level (characteristic of bureaucratic forms of organisation) or decentralised vertically down the hierarchy to lower level managers and staff (characteristic of more organic forms). Horizontally, authority can be decentralised away from line managers to specialist managers in the technostructure (including personnel and finance functions). As noted in chapter 1, there has been some increase in the degree of both horizontal and vertical authority devolved to middle managers, within the constraints of control systems focused increasingly on performance outcomes.

Within the entrepreneurial role, "the manager seeks to improve his or her unit, to adapt it to changing conditions." (Mintzberg, p19). Replacing the conventional distinction usually drawn between top management and middle management, where the former are largely responsible for initiating change and innovation from the top down, with middle managers concentrating upon on-going incremental change and on fine-tuning implementation plans, the popular management literature of the 1980s places considerable emphasis on bottom-up or grass-roots entrepreneurship and innovation as an important part of the work of all managers (Fulop, 1991). Thus, for example, Peters (1987) urges managers to "learn to love change", and Kanter (1984, p212) sees middle managers as key change agents in the organisation, going beyond the established definitions of their jobs to focus on: "change, a disruption of existing activities, a redirectional of organisational energies that may result in new strategies, products, market opportunities, work methods,

technical processes or structures.....beyond what it takes to do the routine job, to maintain already established strategies and processes". One of the managers interviewed by Dopson and Stewart (1988) also emphasised the increasing importance of the entrepreneurial role of the middle manager: "They are the change agents for the future" (p9).

There are two problematic issues behind this rhetoric. Firstly, Kanter and the other "excellence" texts emphasise the importance of the key role of top management in designing looser and more organic organisational structures and cultures to ensure the "empowerment" of middle managers to carry out this entrepreneurial role effectively. However, as described above, decentralisation requires tight controls over performance and resource allocation to ensure conformity to overall corporate goals and culture, especially in times of recession, resulting in the paradox that middle managers are required to be more autonomous and innovative, while, at the same time, they are subjected to increasingly tight controls and resource constraints which restrict their autonomy (Smith, 1990; Donaldson, 1985). These authors note that it is not uncommon for strategic management to use middle managers' apparent refusal to become more entreprenueurial as a scapegoat for their organisational deficiencies, when, in fact, their own policies and practices are the problem. As Smith points out, middle managers are not just agents of change, but also objects of change. Moreover, as discusssed above in the context of the leader role, senior managers, accustomed to bureaucratic structures, can find it difficult to adopt an "empowering" leadership style.

Managers may rapidly assimilate what they perceive to be the "right" words which are currently in vogue, and be eager to take up fashionable new ways of working, whilst "still retaining their previous views, opinions and perspective." (Coulson-Thomas and Coe, 1991, p11). A

number of barriers can inhibit real behavioural change. Real internalisation, and subsequent operationalisation of concepts such as "empowerment" require deep-rooted attitudinal changes which can take a long time to acquire (Williams et al, 1989). Moreover, senior managers can be reluctant to relinquish decision-making power to lower level managers (Hales, 1993). Thus, the impact of changes in this decisional role on the manager's job will clearly be effected by the organisational context. The managers in the studies by Smith and Scase and Goffee felt increasingly constrained in the scope of their decision-making freedom, reflecting contexts of increasingly tight controls and increased concentration of decision making at senior management levels. However, many of the managers in Dopson and Stewart's study reported real increases in the devolution of responsibility and control over more resources. Some middle managers felt that they had a wider and more legitimate authority base for making decisions within the areas delegated to them; their status and importance had increased with the greater responsibilities which they carried in their "slimmer organisations." (Dopson and Stewart 1988, p9).

Secondly, in addition to the pressures arising from these structural constraints, middle managers' reactions to the requirement to become more innovative will also depend on their own preferred work strategies and styles. Kanter's three-step prescription for effective entrepreneurial management - problem definition, coalition building and mobilisation of resources - clearly requires extremely proactive and opportunistic styles of information gathering, resource acquisition, networking and political activity, corresponding to the proactive leadership styles and horizontal management described above. Adoption of these more flexible and high discretion roles can raise problems for some managers, especially for those managers accustomed to more

specifically defined and constrained job roles, and particularly for women, who can find it difficult to break into male-dominated informal networks, and who can operate more easily within more formal roles structures (Scase and Goffee, 1989).

These significant changes in the entrepreneurial decisional roles are accompanied by associated changes in the other three of Mintzberg's decisional roles. The role of the resource allocator - where the manager makes decisions about resource allocation, including his/her time, and designs and allocates work to subordinates - is undergoing several significant changes. Firstly, the development of autonomous work groups requires extensive delegation of work design and allocation processes to the group members themselves, thus requiring the manager to adopt more consultative and facilitating leadership styles outlined above. Secondly, as outlined in chapter 1, within the context of moves towards more decentralised decision-making systems and towards control systems focused around standardisation of outputs or performance outcomes, organisations are introducing devolved management systems. As Barham and Rassam (1989), and Dopson and Stewart (1988, 1990) suggest, middle line managers are acquiring new responsibilities for "staff" functions such as personnel and financial areas of work which had previously been the province of staff specialists: "Now.....section managers are responsible for production, are custodians of the technology and are involved in commercial deals, not passively but actively. In short, they manage the total of the business aspects which were functional activities." (ICI executive, Dopson and Stewart, 1988, p44). Conversely, specialist managers are requiring increased knowledge and understanding of other functional areas in the organisation, including a thorough understanding of the organisation's business and good knowledge of marketing and finance. Phrases such as the requirement for all managers to have

"business awareness" and a "commercial orientation", to act in a "business-minded" way with an "awareness of what's best for the bottom line" were used frequently by the interviewees in Barham and Rassam's study (pp114-5). Moreover, managers are increasingly required to be mobile across their organisations, and to work in a variety of functions (Coe and Stark, 1991; Nicholson and West, 1988; Inkson and Coe, 1993).

Whilst some managers appear to welcome the broadening of their job roles and the greater freedom to take a wider range of decisions without necessarily involving functional specialists (Dopson and Stewart, 1988), others regret the dilution or removal of some task elements which they had enjoyed. Some managers, especially those in the public sector, who saw themselves primarily as professionals particularly regretted the removal of some specialist technical or professional aspects of their work and the presssure to move to managerial roles (Dopson and Stewart, 1988, 1990; Torrington and Weightman 1982; Watkins, Drury and Preddy, 1992). Feelings of isolation and problems with maintaining an adequate level of professional/technical expertise were also reported amongst those specialist managers who had moved from centralised functional departments to posts located within decentralised business units based on production/service delivery functions. New responsibilities, for functions such as human resource management - including responsibilities for implementing formal performance appraisal systems, and for ensuring the provision of suitable training and development programmes - require additional managerial skills and time. Yet the manager will have to reconcile these demands with the requirement to achieve the financial and other quantitative performance targets against which his/her performance will be predominantly assessed, and rewarded (Purcell, 1989; Kinnie, 1989). Moreover, in addition to the importance of achieving performance results for ensuring career success, the emphasis on

corporate cultures means that managers are also likely to be assessed against additional less tangible attributes. Trustworthiness and reliability, the ability to work in teams and commitment to "organisational ideals" were all seen as very important success criteria against which managers were judged in Scase and Goffee's study (1989, p88).

Devolved management involves the allocation of responsibility - for functions such as resource management and service product delivery - to line managers, who become accountable for achieving results against product/service delivery and resource utilisation targets (Henley et al, 1992). However, the term "to devolve" simply means to transfer or to pass over, and it is important to distinguish between the devolution of responsibility for various functions to middle managers, and the delegation or decentralisation of decision-making authority, which may or may not form part of the devolved management process (Horngren and Sundem, 1993). Thus, for example, with regard to devolved budgetary management, managers may be held responsible for, and their performance assessed against financial and service/product delivery targets, for, say, maintaining spend within their allocated budget totals - or for generating a particular rate of return on capital employed. However, these managers may lack the authority to exercise control over key budget elements such as staffing, or using underspends in one area to finance additional expenditure in another (Solomons, 1965).

Control systems, especially in periods of organisational decline and retrenchment, tend to become tighter and more centralised, threatening a diminution in the levels of operational decision-making autonomy allocated to managers under the more decentralised devolved management systems (Hales, 1993). The manager's degree of freedom to manage within

the framework of performance outcome targets and criteria can become constrained by increased levels of action planning and control over work processes as well as over outputs (Smith, 1990; Cameron et al, 1987; Robbins, 1990). Smith recounts the way in which senior management attempted to dictate the methods and approaches which their middle managers were to use to achieve strategic objectives. She also highlights the different strategies adopted by the managers to limit this encroachment on their freedom. Managers' location within a particular function or department, characterised by particular forms of work technology and processes, affected the degree of authority and power they possessed to resist senior managers attempts to reduce their levels of operational autonomy, and hence led to the adoption of different "resistance" strategies by these managers.

Lastly, as both public and private sector organisations attempt to make more efficient and cost effective use of their resources in increasingly competitive market conditions, managers are becoming subject to increasingly severe resource constraints. Thus, many managers, even those welcoming these additional responsibilities, felt pressurised by the combination of increased responsibilities, the consequent requirements for new skills and knowledge, and decreases in the resources available for them to discharge these new responsibilities. All of these difficulties will be exacerbated by the current pressures on managers, arising out of organisational retrenchment in both the private and public sector, "to do more with less" (Coulson-Thomas and Coe, 1991, p12) - to achieve higher performance levels, often with fewer resources, for what many managers perceive as inadequate reward levels in terms of career and salary prospects and increasingly dire penalties for failure: "One of the pressures is fear of failure...the day of accountability has come....Jobs aren't on the line because of one

mistake, but certainly they are if there's continued failure...Reporting lines are now much stricter and tighter..." (Scase and Goffee, p32). (The consequences of failure to achieve performance targets for public sector managers are particularly significant because of the high degree of public accountability surrounding their activities). Conversely, some of the managers in Dopson and Stewart's study reported that tighter performance control had made them feel more in control of their jobs: "Accountability.....had brought with it the freedom to take initiatives which 'the company were willing to back'."(1988, p45).

Mintzberg's other two decisional roles include the disturbance handler, where the manager has to deal with unforeseen or unexpected pressures, and the negotiator, where the manager spends time in negotiations with colleagues outside his/her immediate work unit, including individual and groups outside the organisation. Both of these roles are likely to assume more significance for the middle manager in the context of the changes taking place in the other managerial roles, and in relation to changing organisational structures. As organisations increasingly adopt "parallel" forms of structure, involving profit centre, business units and project teams - based on market-like or networked structures as opposed to hierarchies, managers are becoming increasingly involved in the "horizontal management" role behaviour outlined above. The transaction required between these teams and units - whether organised on a market or networking basis (see chapter 1) - increasingly involve managers in negotiating and consulting forms of behaviour with the members of other work units. Increasingly the managers work takes place within teams - both permanent and temporary - with individuals operating from within different professional/functional specialisms; high-level communications, conflict-resolution and negotiating skills are clearly required to ensure effective working both within and between these teams

(Wheatley). Moreover, with the development of the "boundaryless" organisation (Francis, 1994), the scope of these activities increasingly involves managers in negotiating and liaising with the members of other organisations.

In concluding this section of this chapter, it is clear that changes in organisational design and structure have resulted in significant changes in the nature of the roles prescribed for middle managers across all three of Mintzberg's managerial role sets - interpersonal, informational and decisional. However, as Mintzberg's contingency model of management suggests, the precise nature of these changes will vary according to particular types of organisations, the location of a particular manager's role within the organisational hierarchy and functional department or section - and also according to individual managers' own preferences for working within particular kinds of management styles. A key component of the "new" more decentralised organisational structures and management systems involves giving middle managers a greater degree of discretion over how they carry out their responsibilities, which requires, in turn, greater reliance on "self- or mutual regulation, intrinsic rewards and an achievement ethic.....rewards emphasise the intrinsic satisfaction of individual autonomy, team work and task accomplishment..." (Hales, 1993, p158). As expectancy theorists such as Vroom (1964) suggest, managers will differ in the extent to which they perceive such rewards as being available from their restructured roles, the extent to which they seek to realise such rewards from their work, and in the degrees of work satisfaction they derive from realising these rewards. Many of the studies quoted above identified various changes - both increases and decreases - in the levels of work satisfaction reported by managers, as a consequence of organisational restructuring and managerial role changes, and the results of these studies are

summarised in the next section of this chapter.

The impact of managerial role changes on work satisfaction levels

There are numerous studies of work satisfaction, despite an absence of agreed definitions of what constitutes 'job satisfaction'. However, discussions tend to draw upon a combination of: (1) the work of the 'content' theories of Maslow and Herzberg (assuming that all individuals seek to satisfy certain key needs or drives); and (2) 'process' theories such as Vroom's expectancy theory. These emphasise that individuals will maximise effort towards achieving the particular rewards which they choose to seek from their work, where the extent of their job satisfaction derives from the extent to which their work offers them opportunities to obtain their chosen rewards (Wilson and Rosenfeld, 1990; Poole et al, 1981; Scase and Goffee, 1989; Mansfield and Poole, 1991). Thus, these studies use the term 'work satisfaction' to refer to the extent of managers' satisfaction with the intrinsic rewards (such as self-respect and status, independent thought and action, and personal growth and development), and the extrinsic rewards (job security, working hours and conditions, pay and promotion prospects) available from their work activities. These categories are drawn from Herzberg's own identification of satisfying and dissatisfying factors; intrinsic rewards are those derived from the nature of the work itself, and extrinsic rewards are those derived from other facets of organisational policies and management systems. Drawing on the expectancy theorists' approaches, by attempting to assess the extent to which these rewards are considered important by managers as well as the extent to which their work offers opportunities for realisation of the rewards, indices are constructed upon which questionnaires are designed to measure employees' feelings of relative satisfaction and dissatisfaction with each reward category.

Each of these intrinsic and extrinsic reward categories has been shown (in the studies listed above) to be important for most managers in terms of generating high levels of work satisfaction. Looking first at changes in the levels of work satisfaction derived from the extrinsic rewards associated with job security, hours of work, pay and promotion prospects, flatter organisation structures can mean fewer opportunities for promotion. and decreasing career opportunities arising out of flatter organisational structures and reduced middle manager numbers. In more recent studies, ER Consultants (1992) reported that almost half of senior management believed that there were fewer promotional opportunities for middle managers than five years ago, and two thirds of the middle managers were "worried" about their opportunities for promotion. Wilsher (1993) reported that around three quarters of managers surveyed in a recent study (not just middle managers) expressed anxiety about job security and career prospects. Scase and Goffee emphasise the threat posed to the conception of a career as "a meaningful progression through a series of related jobs" (p79). Those managers, who gained their sense of personal development and identity, and related ideas of success or failure, through such an orderly career progression, felt threatened by actual or possible reductions in promotion and security - especially those managers "anchored" (Schein, 1978) to their careers through desires for career stability and security, or through "vertical" career growth by climbing the corporate ladder to more senior positions.

In addition, many of Goffee and Scase's middle managers tended to comment adversely on increased distancing of their positions from senior management decision making. In comparing the results of a 1980 survey with their 1990 survey, Mansfield and Poole found that the largest

difference was found in relation to levels of satisfaction with job security, which had diminished - most markedly amongst public sector managers, who, as will be seen in the next two chapters, saw the virtual disappearance during the 1980s of the high job security levels traditionally associated with public sector employment. Dissatisfaction with pay levels had also increased amongst public sector managers (much less so amongst private sector managers), which reflected the increasingly large differences in pay between private and sector managers which had occurred at the time of the second survey.

Conversely, whilst Dopson and Stewart (1990) reported some concerns about future career paths, many of their managers, particularly in the private sector, felt that "increased responsibilities and accountability had, in part at least, compensated for uncertain career paths and had made their work more rewarding in itself." (P14). Wheatley (1992, p4), too, found fairly positive responses amongst his middle managers about their job security and promotion opportunities; four fifths of the managers felt that "de-layering" exercises posed "no threat" to their current jobs. Moreover most managers were "remarkably sanguine" about the future: "three quarters anticipated remaining in a management role in an organisation throughout their career. Over half the managers surveyed expected that their next career move would be upwards, and no one expected a downwards move". Dopson and Stewart (1988) and Stewart (1991) also found that the shorter hierarchy had placed middle managers closer to senior management strategy and policy making areas, with fewer levels above them to control them and distance them from key strategic decisions.

Secondly, whilst managers may be made redundant, some of their functions and responsibilities will not. Whilst some tasks are simply no longer necessary in the new slimmer organisations, the managers remaining in

the organisation after job restructuring and redundancies are frequently required to absorb the work responsibilities of the redundant managers, a process which results in many organisations in "fewer managers doing more work" ((Coulson-Thomas and Coe, 1991, p23). Similarly, the ER Consultants' study cites an increase in both workload and responsibility reported by three quarters of the middle managers. In a number of studies, managers tended to report lower levels of resources, significant increases in the hours worked, and insufficient and ineffective levels of training provision to help the managers cope with the increased pressure (Scase and Goffee, 1989). Dopson and Stewart found that even those managers who welcomed the challenge of enlarged and more responsible jobs felt pressurised by increased workloads - to the point where one manager said "it's fine if your hobby is the job." (Dopson and Stewart, 1988, p45).

In terms of the levels of intrinsic rewards - such as self-respect and status, independent thought and action, and personal growth and development - similarly conflicting reports about increases/decreases in work satisfaction levels can be identified within the studies. (Self-respect and status rewards meet the needs of individuals for recognition by others of their achievements, their competence, and the relatively high importance and prestige of their work. The other two rewards meet individuals' needs to "grow, develop, and realise one's potential", and to have the freedom to exercise a good degree of creativity and independence of judgement in defining and achieving their work role objectives (Hunt, 1979, p25).) The managers in Dopson and Stewart's study reported increased levels of job satisfaction, related to new freedoms to take on challenges, to reallocate resources according to job priorities, to innovate and risk-take, and to develop and extend their management expertise. Moreover, those managers, who had "survived"

the reorganisations, had, as a consequence, gained confidence in their own abilities; some also felt that they were "more in control of their own destiny" (Dopson and Stewart, 1990, p14), and more confident about moving to other organisations or setting up in business on their own if necessary.

Whilst the managers in these case studies showed some concern about reduced career paths, they tended to feel that the increased responsibilities and rewards from their work as a result of restructuring partly, at least, compensated for these reduced promotion opportunities and possible redundancy threats. Managers from both private and public sectors tended to feel that, in general, the changes in their roles "had created a more challenging environment in which to work. Most of the public sector managers .....said that they enjoyed their work more because they were more accountable; jobs were also viewed as more interesting, both because of the increased responsibility and because of the new management systems that had clarified objectives...The private sector managers whom we interviewed felt more in control of the resources which they needed to achieve their objectives. They now often controlled resources for which previously they had had to rely on service departments to provide." (Dopson and Stewart, 1990a, pp38-39).

The managers in other studies appeared to respond more negatively: "Many feel overburdened and underappreciated. Even though they escaped the cutting axe, they have difficulty forgetting how their companies treated their peers, They are restless and dissatisfied." (Robbins, p286). Many of Scase and Goffee's managers reported increased levels of stress, frustration and work pressures, with a predominant response of resistance to, and anxiety about what they perceived as the major

impacts on them of organisational restructuring - : more rigorous performance standards to achieve, often with inadequate resources, a requirement for greater commitment to the job and the organisation, inadequate training facilities for both managers and subordinates to adapt to the new roles, and erosion of managers' traditional, legitimate bases of authority. In addition, managers who entered their organisation with a largely professional orientation towards their work, and who derived much of their work satisfaction, from the exercise of their professional skills and competences and from their status and work identity as a "professional", may resent the loss of such rewards when required to adopt a more managerial role (Laffin and Young, 1990; Watkins, Drury and Preddy, 1992).

Even amongst the managers in Dopson and Stewart's case studies, increases in work satisfaction levels were diluted to an extent by increased levels of work stress amongst public sector managers (arising from increased workloads and decreased resource levels), and the pressures to achieve tighter and more rigorously scrutinised performance levels, experienced by private sector managers. Amongst public sector managers, political constraints, and the associated requirements for public accountability, unique to the public sector, also inhibited middle managers' freedom to introduce innovations. Similarly, the private sector managers in Smith's study expressed frustration with senior management attempts to constrain their levels of operational decison-making autonomy. Scase and Goffee found evidence to suggest the adoption of more calculative and extrinsic work orientations, with declining levels of commitment, decreased levels of intrinsic job satisfaction and fewer opportunities for exercising independent judgement and thought, and for personal growth development. Similar findings by Peppercorn and Skoulding (1987) amongst their managers

compared unfavourably with the much higher levels of intrinsic job satisfaction reported by the managers running their own business in their survey. These authors predicted that managers were increasingly likely to move from large companies to medium ones (under 2000 employees) or to set up their own businesses in the search for more fulfilling and autonomous work roles. Interestingly, this prediction was not fulfilled in Wheatley's 1992 survey, where about three-quarters of the middle managers expected to remain within organisations, and only 6% envisaged setting up their own business.

The different responses of the managers within these different studies can be attributed in part to different methodological approaches, and also to the fact that they were undertaken in a variety of both public and private sector organisations at different times. As Tyson and Jackson (1992) point out, work satisfaction is a volatile concept, which is difficult to measure, and which is highly susceptible to changes in managers' organisational, job, and personal circumstances. Differences between, and changes in, individual managers' expressed levels of work satisfaction are likely to arise from a number of factors.

Firstly, managers differ in terms of their personal expectations about the amount and nature of the rewards to be gained from their work activities; these expectations will tend to differ amongst managers of different ages, marital status and gender, at different stages in the career life-cycle. Managers expecting an orderly career progression up the organisational hierarchy will find these expectations frustrated by the reduced opportunities for promotion arising out of organisation decline downsizing. Middle aged managers in Schein's "midcareer crisis" stage, will have to re-assess their career progress against their ambitions, "dreams and hopes vs realities" (Schein, 1978, p43), and reassess the relative importance of work and family and another non-work

aspects of their lives; this process may be painful and difficult for promotion orientated managers. Moreover, organisational requirements for higher productivity and increased commitment make it difficult for these frustrated managers to adopt response, strategies of psychological distancing or disengagement (Scase and Goffee, 1989) or of relatively yielding and passive "easy life" strategies (Marshall and Stewart, 1981). Others, particularly older non-graduate managers, who have already, perhaps, progressed as far or further than they expected to, may not wish for further vertical mobility, and others appear to reject the increased pressures of "even harder work, more risk and, in some companies, more travelling." (Dopson and Stewart, 1990, p14), which they perceive as characterising senior management positions. Younger managers, in the early/mid-career cycle, will tend to particularly dissatisfied by reduced career/promotion opportunities, although they may find it easier to rise to the challenge of a new job (Nicholson and West), and, if unmarried, are more likely anyway to expect to move both within and between organisations to further their careers; they are more willing than their older, married counterparts to move geographically (Coe and Stark, 1991).

There is evidence, marked amongst married managers, for a diminution in the centrality of work identities, and a rise in the importance attached to non work roles, especially the family (Nicholson and West, 1988) Bellah et al, 1986), with increased interest amongst older mangers in early retirement and earlier disengagement from the career cycle: "learning to manage a life that is less dominated by work" (Schein, p45), and refusals to move, primarily to avoid disruption to family life and social networks. (Institute of Manpower Studies, 1987). Partners' careers also represented a significant factor, reflecting the increased number of "dual career" couples. Women managers were even more

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less likely to accept job mobility, especially if married.

Gender differences amongst managers are also important. In addition to the decreased promotion and career opportunities for all middle managers, women continue to feel discriminated against in the workplace (Collinson et al, 1990). Increased hours and work pressures intensify the home/work conflicts experienced by many women managers. They feel more pressurised than men to achieve high performance results, and feel disadvantaged in more loosely structured and fluid role structures due to difficulties experienced with operating in largely male dominated informal networks. (Nichols and West, Scase and Goffee). Senior management role models tend to be male, and the more autocratic and directive management styles practised by these men tend to be difficult for women to adopt without risk of ridicule or resentment from male subordinates and colleagues. Yet, while disagreeing with the stereotype of men managers as competitive and ruthless and women as more co-operative and concerned about the personal well-being of colleagues and subordinates, McCloughlin (1992) argues that the moves towards empowerment, improved communication and less directive management styles, together with the need for more "caring" human resource management strategies, may actually benefit women managers, with whom these attributes are popularly associated.

Moreover, individuals simply differ in their tolerance of change, in their preferences for more or less highly stable and structured work roles, and in the extent to which they wish to be proactive rather than reactive in their jobs. (Marshall and Stewart, 1981), These preferences tend to reflect the kind of organisation that the manager works in; a high degree of association has been found between a manager's expressed preference and his/her organisational role characteristics (Nicholson

and West; Ellis and Child, p45). Changes in managerial roles arising from moves from essentially bureaucratic to more organic forms of organisation would therefore appear to require, in many cases, fairly substantial changes in some managers' fundamental orientation towards particular styles of working. Certainly, organisations differ in the extent to which change is perceived as a normal "way of life". Miles and Snow (1978) identify two contrasting types of organisation here - the "defenders" where the prevailing culture emphasises the desirability of stability and conservative risk strategies, compared with the "prospectors" where the dominant climate is one of innovation, risk-taking and continual change. Managers here are more likely to become accustomed to, and learn to work effectively within, more fluid roles and structures; continual organisational change or "learning" is built into their roles (Starbuck et al, 1988). The location of a manager within particular stages of a change process - identified by Nicholson and West as involving four stages of preparation, encounter, adjustment and stabilisation - is also likely to influence the nature of his/her responses at any particular point in time. It is interesting, for example, that the most positive perceptions about the impact of managerial role changes on work satisfaction levels in Dopson and Stewart's study came from the ICI managers, "where the change was completed some time ago." (Dopson and Stewart, 1988, p11).

Lastly, the way in which changes in work roles impinge upon work satisfaction levels is likely to be affected by the particular circumstance surrounding organisational changes, and the way in which they are planned and implemented. Firstly, managers are more likely to respond positively to changes if they perceive the reasons for the change to be valid. For example, competitive threats to the private sector organisations in Stewart's survey were seen as more legitimate

reasons for change than the largely political reasons for change in the public sector organisations. Secondly, management responses will be greatly influenced by the nature of the change process within the organisation. In order to ensure positive commitment from the managers concerned, numerous texts on effective change management identify the need for carefully planned and integrated management of change, including extensive consultation with and participation by the managers involved, good communication and training to ensure effective implementation, and the redesign of reward systems to reinforce the desired behaviour and attitude changes (Brookes, 1980; Burnes, 1992, Beckhard, 1992; Williams et al 1989; Plant, 1987).

Particularly when change is introduced in the context of organisation decline (decrease in personnel numbers) and organisational downsizing (reducing the levels in the hierarchy), which was the case in many of the middle managers' organisations mentioned above, these prescriptions for effective change management are less likely to be followed, thus increasing the incidence of negative responses. Moreover, control systems are likely to become more centralised and formalised (see discussion above under decisional roles). Political infighting, especially over the allocation of reduced levels resources, is likely to intensify, with reduced levels of morale amongst staff, and the erection of barriers to change amongst senior and middle management (Robbins; McKinley, 1992; Cameron et al, 1987). The claims made that middle managers act as barriers to effective change, are caused primarily, according to a recent survey, by top management failing to adopt appropriate change processes: "middle managers need to be integrated with the change process and made comfortable with it..They must be given the skills to handle their new roles as change leaders, rather than being left to flounder" (People in Business, 1992, p15; see also Smith,

1990).

As this quotation suggests, the provision of appropriate training and development opportunities to ensure that managers acquire the skills and competences necessary for performing effectively in their changing roles. All of the changes discussed above, in the interpersonal, informational and decisional managerial roles - plus the general requirement for managers to become more effective - clearly require the development and acquisition by middle managers of additional knowledge, skills and attitudes. Management jobs have tended to become less specialised and more generalist in scope, with increased responsibilities, a larger span of control, and a wider range of tasks, together with increases in the skill/knowledge range and mix of subordinates, who have been awarded increased levels of autonomy and flexibility over organising their work. Barham and Rassam use the term "the all-round manager" (1989, p114) to conceptualise these new management roles.

While the training and development needs of each manager will obviously differ according to his/her specific role requirements, there is a general emphasis in the literature about the need for additional additional knowledge - about financial and personnel management, information technology systems, marketing and strategic planning - and increased information and understanding about events and developments taking place both around them in the organisation, and outside. (Stewart, 1991; Peppercorn and Skoulding, 1987). The new skills and attributes required include a particular emphasis on people management skills - team building, communications skills such as influencing, delegating, negotiating, conflict resolution, counselling, leadership, and motivation - together with the ability to adopt more

flexible proactive and adaptive responses and attitudes towards an environment characterised by ongoing turbulence and change: "Change must become the norm for middle managers" (Dopson and Stewart, 1988, p10).

Whilst some organisations are increasing their investment in training and development programmes to prepare managers for these role changes, many have not: "what many organisations have failed to appreciate is the importance of training, development and re-skilling...some companies have actively sought new opportunities and increased training in the search for competitive advantage....Other companies have retrenched and pursued defensive survival strategies." (Coulson-Thomas and Coe, p22). Moreover, both in companies which provide systematic management development programmes, and in companies which do not, managers are subject to increased pressure to take responsibility for identifying and providing their own training requirements, "to take control over and responsibility for.....themselves and their own learning." (Pedler et al, 1986, p3).

Whilst the efficacy of this technique for achieving attitudinal and behaviour change has long been recognised by management development specialists (Mumford 1989; Pedler et al; Margerison, 1991), the necessary resource allocation in terms of time, finance and other forms of support for the manager from the organisation may well not be forthcoming. This can result in yet another pressure on the manager, whose skill and knowledge deficiencies will, in any case, become more visible as a result of more rigorous monitoring of performance levels. As ER Consultants demonstrated in their middle management survey: "Many may feel threatened by their perceived lack of skills at a time when managerial jobs are being shed. While they have a responsibility themselves to maintain their own skill base, over half clearly feel they do not receive adequate support from their organisation" (1992, p7).

Conclusion

This chapter analysed the complex nature of management work, with particular reference to the concepts of managerial roles, behaviour, competences, effectiveness and styles. Mintzberg's model of managerial roles - interpersonal, informational and decisional - was then used to examine the extensive changes which appear to be taking place within middle managerial work, in the context of the moves (identified in chapter one) from bureaucratic to more organic forms of organisational structure. The impact of these role changes on managers' levels of work satisfaction - both positive and negative - was also discussed, together with an assessment of the various factors which can act to enable or disable managers' attempts to adopt the required changes in their role behaviour, and to limit or enhance their opportunities for gaining intrinsic and extrinsic rewards from their work.

As explained in chapter 1, with reference to the extent to which organisations were, in reality, adopting more organic forms of structures, it is difficult also to identify the extent to which the changes outlined above in middle management role prescriptions and behaviour are actually occurring. Clearly, much will depend on the extent to which organisations are adopting the new structural forms which require such changes in management roles. Thus, within organisations moving towards the more organic forms of structures, these structural changes will need to be complemented by the introduction of changes in managerial role prescriptions and behaviour. In organisations with more traditional, predominantly bureaucratic forms of structures, management roles are likely to exhibit fewer changes.

Moreover, as Mintzberg's contingency model suggests, the precise nature of such changes and their impact on managers' work behaviour and job

satisfaction levels are likely to vary significantly between different managers in different jobs in different organisations. Key contingency factors here include the particular type of organisation, its location within particular product/service sectors, the position of the individual middle managers within particular functional areas, and the way in which particular managers interpret, react to, and choose to implement, changes in their prescribed role requirements. With regard to the latter, an additional important factor here relates to the way in which organisations introduce, plan and manage the change process, which can have a signficant impact on managers' adoption of new role behaviour, and on their work satisfaction experiences.

Both chapter 1 and chapter 2 looked at the general changes currently taking place within organisational structures and management roles; the next two chapters use this theoretical framework to focus specifically on changing local authority internal structures and management roles.

CHAPTER 3

Changing forms of structure within local authorities

The previous two chapters adopted a contingency approach to examine the general changes currently taking place in organisational structures and management roles. Chapters 3 and 4 of this thesis adopt the same theoretical approach to identify and analyse the patterns of change in local authority structures and management systems during the 1980s and 1990. Using Mintzberg's (1983, 1989) contingency model of organisational design, chapter 3 examines the changes which have taken place during this period in the environment and internal structures of local authorities. Chapter 4 then adopts Mintzberg's (1973) model of management roles to identify the impact of this restructuring on middle management role prescriptions and behaviour.

The origins of local government in England and Wales date back to the Anglo-Saxon period, with the establishment of the shires which form the basis of many present-day counties. The foundations of contemporary local government functions were laid in the nineteenth century, emerging from the needs of the new industrialists for improved infrastructure provision and the concerns of social reformers with the social problems arising from urbanisation (Laffin and Young, 1990). The Municipal Corporation Act of 1835 was followed by the Local Government Acts of 1888, 1894 and the London Government Act of 1899, which established an essentially two-tier system: 58 counties, which ran major services such as education, major roads, planning, personal health, welfare, and the police: 259 municipal boroughs, 522 urban and 469 rural district councils which were responsible for environmental health, libraries, housing and minor roads (7,500 parish councils formed a third tier, responsible for various minor local amenities). In addition, 83 county

boroughs, based on royal charters, formed a parallel single tier of local government which was responsible for all local services and which operated independently of the counties (Johnson, 1966; Greenwood and Wilson, 1984).

In 1963, the London Government Act replaced the old London County Council with the Greater London Council (GLC) and 32 London boroughs. The 1972 Local Government Act established 47 non-metropolitan Councils, 369 district councils (including 36 metropolitan districts) and 6 metropolitan councils; the latter, together with the GLC were abolished by the Local Government Act 1985, and their functions transferred to the London boroughs/metropolitan districts respectively and to various joint committees. (Greenwood and Wilson). The third local government tier - about 8,000 parish councils with responsibility for minor local functions - was also maintained. At the time of writing, central government has set up a Commission to consider further reorganisation, involving different combinations of single- and two-tier authorities to suit the particular needs of different local communities. County councils' principle responsibilities include the provision of social services, education, highways, structure plans, libraries, police and fire services and consumer protection; non-metropolitan district council functions include housing, amenities and recreation, road and footway maintenance (through agency agreements with the counties), car-parking, local plans and refuse collection. Metropolitan districts and London boroughs operate essentially as single tier authorities responsible for most of these functions, with the exception of some, such as waste disposal, which have been transferred to joint committees.

As explained in chapter 1, the contingency approach argues that there is a "best fit" or most effective form of structure for an organisation's particular set of circumstances or contingency factors (Mintzberg,

1983, 1989). In relation to local government, Greenwod et al (1980) divide these contingency factors into two groups. Firstly, there are external factors - the organisation's age and environment - which, for local government includes not only the individual citizen and local community problems/demands/needs which local authorities are required to service, but also the institutional framework within which local authorities are required by statute to operate, and which provides and governs their funding and spending (Hinings and Greenwood, 1988; Greenwood and Stewart, 1986). Secondly, there are the internal factors, involving size, type of work processes, and form of external control or ownership (including the type of organisational goals/activities), all mediated through the perceptions and strategic choices made by senior members of the organisation. As outlined in chapter 1, Mintzberg identifies five main types of organisation structure or configurations, each appropriate for particular contingency situations - the machine bureaucracy, the divisionalised form, the professional bureaucracy, the simple structure, and the adhocracy - ranged along Burns and Stalker's (1961) bureaucratic/organic management continuum.

This analysis of the contingent environmental factors of local government focuses initially on the national changes which took place during the 1970s, 80s and 90s in the economic, institutional and socio-political environment which impacts on all local authorities - with particular emphasis on changes which occurred after 1979, when the first of several successive Conservative central governments were elected. The analysis then considers local variations in local authority structures and management systems in the context of the local contingency factors. These include: size; the local economic, social and political environment; the particular technical (production) systems; the nature of their external control systems (elected members and their

political composition). They combine to provide a unique history and set of municipal traditions, influencing the development, within the national statutory framework, of each authority's own local structures and management systems (Greenwood et al, 1980; Elcock et al, 1988).

Changes in the external contingency factors of local government - age, institutional framework and environment

As Mintzberg points out, "An organisation's structure seems to reflect the age of the industry in which its operates," (Mintberg, 1983, p106), and all contemporary local authorities share (within the context, of course, of local variations - see discussion below) a common age and history including the development of key institutional features, which originated in the nineteenth century. The key nineteenth century developments of professionalised corps of officers, to combat local corruption and nepotism (Laffin and Young, 1990), and elected member committees, responsible for particular functions and services, continue to influence the structure and management systems of contemporary local authorities. (Knowles, 1977). Morris, writing in 1990, comments on the extent to which, in today's very different world, the original Victorian constitutional rules, procedures and standing orders remain "instantly familiar in their language and in daily application." (Morris, 1990, pX).

The institutional framework of all local authorities, enshrined in the legislation which set them up and in the numerous statutes which empower them to carry out their functions, involves certain features which continue to distinguish local authorities from other public, private and voluntary organisations. Greenwood and Stewart identify five key institutional features characterising local authorities. Firstly, each authority operates with a local focus on a specific geographical area,

and (until the 1980s) operated on the assumption that it should be self-sufficient - that it should possess all the skills and resources needed to provide services, and that the local authority should itself deliver the services for which it is responsible. Secondly, local authorities have a degree of discretion and choice about the scope and method of their service provision within a statutory framework of national legislation; the extent of this local choice and discretion, and the distribution of power between central and local government, remains a subject of considerable contention. Thirdly, and linked to the former, local authorities have the right to tax - to raise money locally, currently through the council tax (business rates are now determined centrally by central government, instead of being set locally). Fourthly - the most critical characteristic - they have a local electoral base, legitimating their decision making and ensuring accountability to the local community. Fifthly, they are not all-purpose public authorities; as the legislation described above demonstrates, only certain functions are carried out by local authorities. The division of functions between County and District authorities, plus the allocation of other functions (such as health, water provision etc.) to other agencies requires extensive inter-agency coordination to ensure effective planning for the local community as a whole.

These key institutional features, which remained largely unchanged until the 1980s, influenced strongly the type of organisational structure adopted originally in the nineteenth century, which, again, remained largely unaltered until the latter part of the 1970s. The traditional characteristics of local authority structures and management systems included: (1) committees of elected members, accountable to the electorate, who carry executive responsibility for particular functions

or service areas; (2) bureaucratic administration systems, based on hierarchical positions, and an emphasis on standardised and formalised procedures, rules and activities (with little emphasis on output measurement) designed to ensure elected member/political control, uniformity of service provision, and a high degree of procedural and substantive integrity and probity (Hood, 1991); (3) a culture of professionalism, usually based on service departments each with their own dominant professional culture and expertise, derived largely from from externally provided professional training and socialisation (Greenwood and Stewart; Stewart, 1986). In relation to Mintzberg's organisational configurations, this traditional form of local authority structures equated essentially with Mintzberg's machine bureaucracy, plus elements of the professional bureaucracy within those departments providing professional services, and staffed by professionally qualified and trained staff.

Challenges to the traditional professional and departmental domination of local authority structure and management systems evolved initially in the early 1960s. Increases in rate levies combined with staff shortages to stimulate interest in productivity gains and increased levels of administrative efficiency. There was more use of "management services" such as work study and operations research, aided by the new (mainframe) computers, and an increase in the hitherto small number of specialist support staff located in Mintzberg's technostructure part of the organisation (Knowles, 1977, p224). The Local Government Training Board (LGTB) and the Local Authorities Management Services and Computer Committee were both established in 1967 to help local authorities improve their management systems - they both merged in the early 1990s to form the Local Government Management Board (LGMB). There was an overall emphasis on the <u>management</u> rather than the <u>administration</u> of

local authorities in the texts of the time (Keeling, 1972), which largely reflected the Burns and Stalker distinction between mechanistic and organic management models (Burns and Stalker, 1961).

A second phase of management reforms in local government, began in the middle 1960s (Cockburn, 1977). This was concerned not just with efficiency, but with promoting an integrated or corporate management system for the authority as a whole - in contrast to the highly differentiated nature of most authorities, where professionally dominated service departments operated virtually autonomously, held together only by strong centralised control over the deployment of financial, staff and other resources (see further discussion below under planning and control systems). The pressures for these reforms emanated from a variety of sources. Council boundaries had become increasingly inappropriate for changing population distributions, especially in the wake of post-war reconstruction and the advent of large-scale car ownership. It was difficult for the smaller councils to manage efficiently the increased number and complexity of functions allocated to local authorities. The division and fragmentation of service responsibilities, both between the different departments of each authority and between many different authorities, made coordination and effective planning extremely difficult; there was also increased public concern about the rising levels of public expenditure (Hepworth, 1980). Commissioned in 1964 and published in 1967 in response to these problems, the Maud Report, recommended the adoption of both vertical and horizontal coordinating or integrative approaches, together with reduced differentiation through fewer committees, subcommittees and departments (Cockburn, 1977, Greenwood et al, 1980).

The Maud Committe's concern with corporate <u>management</u> - with resource

management and overall efficiency - began to give way from 1967 onwards to an emphasis on corporate planning, focusing on the effectiveness of the local authority in meeting the needs of the local community. This trend was stimulated by a variety of developments - central government innovations in the control of public expenditure, a plethora of government reports on urban problems hinting at the need for more integrated approaches, growing opposition to the professional dominance and control of so many public services (Laffin, 1986), and a large number of new councillors elected between 1966 and 1972 which unsettled established attitudes. The corporate planning approach, derived initially from the American Planning-Programming Budgeting System (PPBS), also emerged at this time. Information about the approach was disseminated by the Institute of Local Government Studies (INLOGOV), through various management consultancy reports (such as those produced by McKinsey and Co. Inc.) commissioned by several local authorities, and in a series of articles published in 1971 by Local Government Chronicle (Hambleton, 1978). The approach was legitimised through its inclusion in a number of central government reports published in the early 1970s, including the Bains Report (1972) on management structures for the new reorganised local authorities established in 1974 in England and Wales.

The Bains Report made a significant observation about the purposes of local government: "Local government is not, in our view, limited to the narrow range of provision of a series of services to the local community....It has within its purview the overall economic, cultural and physical well-being of that community." (Bains, p6). It recommended the replacement of the traditional departmental approach by a more integrated and wider-ranging corporate planning strategy - see further discussion below. (The corporate planning approach, as outlined repeatedly in the literature of the period involves the adoption of the

following cyclical procedures, based on the traditional "rational" decision-making procedure: assessing needs; setting objectives; identifying alternative ways of meeting objectives; evaluating the alternatives; deciding on a course of action; implementation; monitoring the the action; and reviewing the process (Haynes, 1980).)

Other key developments during the 1970s included the end of "the era of growth" in public expenditure in 1974/5, following the economic crisis (Stewart, 1986, p19), plus growing levels of disillusionment expressed by a more discerning and better educated electorate with "public services which appeared to be provided by insensitive, monolithic bureaucracies in conformity with rigid and apparently unnecessary rules (Elcock, 1993, p154). The latter development, plus the wave of public sector strikes which occurred at the end of the 1970s, contributed to the national electoral success of the Conservatives in 1979, who came to power with a manifesto committed to reform of the public sector, including local government.

From 1979 onwards, following the election of successive Conservative Central Governments, with strong ideological views about the roles of the public sector, the local government environment and institutional framework changed significantly - between 1979 and 1990, 124 pieces of legislation which had an application to local government were enacted (Local Government Information Unit, 1990). The overall impact of this legislation has tended to reduce local government autonomy from central government and reduce the powers of local authorities to decide on the nature and scope of their spending and service provision (Stoker, 1988). Three main trends can be discerned since 1979 in central government's policies towards local government organisation and management of service delivery.

Firstly, from 1979 onwards, increasingly stringent central government restrictions on local government spending levels required authorities to make cuts in expenditure (Cook, 1993). The "cap" on permitted spending levels (now applied to all authorities, not just "high-spenders") includes limits on the amount which can be raised locally from the council tax. The non-domestic (or business) tax base has been removed from local authority control, and authorities may spend only a limited proportion of any capital receipts obtained from selling assets such as council houses. Arguably, all these constraints mean that: "Effectively then, it is the Minister and a small group of civil servants, rather than elected members, who are deciding the absolute and relative growth of budgets in local authorities (Gibson, 1992, p21). Less than 20% of local authority expenditure is now financed locally, with severe consequent reductions in local accountability.

These spending constraints compelled local authorities to look for ways of improving the efficiency and effectiveness of their management and service service delivery systems. In addition, the Audit Commission was established in 1983 with powers to compel local authorities to improve the three "E's" - the economy, efficiency and effectiveness - of their management and service delivery systems, through the exercise of its auditing role, and through its publication of comparative data about local authority performance. Mintzberg (1983) and Hinings and Greenwood (1988) also draw attention to the important role of ideas and "fashions" which can influence local authority decision-making. These "ideational" influences operate both at the political level (through ruling group political manifestos and ideologies), and at the level of management fashions (the pursuit of "currently popular design parameters" (Mintzberg, 1989, p109). They stem from many sources, which include: central government; national political parties; numerous publications

advocating "best practice" management models from agencies such as the Audit Commission and the Local Government Management (formerly Training) Board (LGMB); popular management texts - such as "In Search of Excellence" (Peters and Waterman, 1992), whose influence can readily be discerned in a number of publications issued by the LGMB during the 1980s. Acting in combination with the severe financial constraints outlined above, these institutional/ideational pressures, from a variety of sources, encouraged growing numbers of local authorities to introduce changes in their management systems and organisational cultures.

Secondly, local government was subjected to the "establishment of market conditions, through transferring services or assets to private ownerships, encouraging competitive tendering for services, or creating internal markets." (Elcock, 1993, p155). Under Compulsory Competitive Tendering (CCT), and other legislation concerned with particular service provision - for example, social services and leisure - local authorities are required to distinguish between the "purchasers" and the "providers" of services. Services are no longer expected to be provided solely, or even primarily, by local authorities themselves; local authority provider units are increasingly required to compete on the open market with providers from the voluntary and private sectors to win service delivery contracts. Originally focused towards manual services, such as refuse collection, this market regulation of service provision is increasingly being extended to professional services such as engineering, finance, computer services etc. Legislation related to particular service areas is prescribing to an increasing extent the methods and processes to be used in service provision - for example, the NHS and Community Care Act, 1990 (Moon and Kendall, 1993). Certain services are being removed from local authority control altogether, such as polytechnics and further education colleges and schools who have

chosen to "opt out" of local authority control. There has also been an increase in the introduction of "arm's length" agencies such as Training and Enterprise Councils (TEC) and Urban Development Corporations, with whom local authorities have to work. (Stoker, 1991; McKie, 1992). These measures are indicative of a trend towards the concepts of the "enabling" and "fragmented" local authority. operating from within a "mixed economy" of service provision (Stoker, 1989; Elcock, 1993). The term "Enabling" is used here not in the sense of "empowering" the local community through more effective democratic processes (LGMB, 1992, Citizens and democracy) - although this strategy can be, and is, pursued by some local authorities (Leach et al, 1994) - , but more in the sense of local authorities having the responsibility for defining the need for and ensuring the provision of services, but not for delivering them.

Thirdly, there were moves towards the development of a "'public service' orientation, focusing on the public as clients, customers and citizens, with a move away from supply-led to demand-led services, no longer dominated by professional providers but responsive to the needs of those being served." (Farnham and Horton, 1993, p239). This development arose partly as a result of government policies, and partly as a result of demographic and socio-economic changes. Central Government launched the Citizen's Charter in 1991 (with a relaunch in 1992), which required public bodies, including local authorities, to adopt a number of "public service principles" that all citizens were entitled to expect from public organisations (Spencer, 1992, p88). These include entitlements to certain standards of service provision, to more involvement in decision-making, to information provision, to more clearly specified complaints procedures etc. This initiative reflected the growing demands of more highly educated citizens, with higher expectations about public service quality standards (including suspicion of, and reluctance

to accept unquestioningly, the "expert" judgement of professional groups about problem definitions and solutions), for service provision which was more responsive to their needs. The demands and pressures from local groups and sections of the community for particular local services targeted more precisely to their own more clearly articulated needs, have increased significantly in number and intensity since the late 1960s (Gyford et al, 1989).

In terms of changes in the "markets" of local authorities - the problems/needs/demands they are required to service - a number of other socio-economic and demographic changes impacted on local authority service delivery policies during the 1980s and early 1990s. These changes included an ageing population, an increase in single person households, significant levels of unemployment and homelessness, and a continuing increase in middle class occupations at the expense of traditional working class occupations. Thus, local authorities needed to target their increasingly scarce resources more effectively towards those most in need, whilst at the same time meeting the demands of more prosperous and discerning groups for more sophisticated and effective services in areas such as leisure and education (Radley, 1992).

Internal contingency factors - size, technical systems, external control systems and strategic choice

The post-1974 local authorities (pending reorganisation in the wake of the Local Government Commission recommendations) vary extensively in size from a few hundred staff in the smallest district councils to over 50,000 in the larger counties and metropolitan districts (Audit Commission et al, 1985). Local authorities are generally labour intensive organisations, with staff costs as a percentage of the total running at between around 55% for a large county, and 65% for a small

district. National staffing levels across all local authorities in England and Wales are estimated to have fallen between 1975 and 1993 by about 13.3% (about 278,000 full-time equivalents), due partly to central government policies such as removal from local government control of further education colleges, and the introduction of CCT (LGMB, 1992a, 1994a; Nulty, 1994). Trends differ, however, within different functional/service areas, with a general decrease in manual staff levels (arising largely from CCT initiatives), and increases in some administrative, technical and professional staff categories, including police, social services, housing, computing, and (due to the community charge) finance.

In relation to technical systems, Greenwood et al (1980) focuses upon the different number of tasks or range of functions performed by each authority, rather than using the routine/non routine and low discretion/high discretion dimensions to categorise local authority technical systems, As noted in chapter 1, the impact of technical systems upon organisation structure is most significant at the work unit level (Robbins, 1990). While many local authority texts stress the pre-eminence of professional cultures, Stewart (1992) draws attention to the immense diversity of the work systems and processes existing within each authority. These range from, say, the highly complex and non-routine work of the professional social worker to the more standardised and routinised work of processing housing applicants, where strict rationing criteria have to be applied and where outcomes can be defined in advance; from refuse collection, where professionalism characterises the design but not product delivery to education where professionalism dominates the service delivery. Outside the professional service delivery systems, there are, of course, technical systems where the work is more susceptible to routinisation,

standardisation and specification of work outcomes in advance, such as council tax collection, street cleaning or refuse collection. The growing use of computerised work systems and management information systems are also affecting the nature of work processes within many local government occupations (see discussion below).

Greenwood et al (1980) use the term "public accountablity" to characterise the nature of the external control systems of local authorities, which involve two key aspects; firstly, the extent to which the councillors "formally organise themselves into into identifiable political groupings: this is the extent of political organisation.....Secondly there is the complexion of the controlling political party: whether it is Labour, Conservative, or some other party." (pp120-121).

The external political control of local authorities means that, firstly, decisions about which services to provide and the method of provision are made, within the statutory framework, on the basis of balancing resource availability criteria with essentially political, value-based policy choices about local needs and demands. To meet public accountability requirements, local authority elected members need to provide justification for, and explanations of, both the ends and means of service delivery policies and practices. Secondly, the "market" of local authorities is different from that of the private sector, in that, despite the 1980s rhetoric about "customers", local authorities are not concerned "with demand for products at a price in the market." (Stewart and Ranson, 1988, p3); nor are they dependent upon the market for revenue, deriving this largely from central government and local taxes. Defining the local authority "customer" remains a complex process. In addition to individual, plural (children, parents, local employers for a school) and collective (the local community) customers or users, Stewart

(1992) argues that different aims underpin the provision of different services - to compel, to ensure, to encourage or to ration (where demand or need outstrips supply) the use of the various services (p11). Each type of service will have its own management requirements.

Since the Widdicombe Report (1986) and the subsequent legislation regulating local political control systems, the extent of political organisation has increased: "Partisan conduct is rapidly becoming commonplace, with members of both major parties increasingly bound by (political) group decisions and reflecting this changing expectation in more partisan voting both in council and - a notable change this - in committee meetings." (Young and Davies, 1990, p60). From the early 1980s onwards, growing numbers of authorities have made efforts to defend and justify the role of local government, in response to the changes (or threats) imposed on local government autonomy by successive Conservative central governments. Increasingly, local authorities are issuing political manifestos outlining the particular policies, values and missions which underpin their emphases and choices about service provision and delivery (Stewart, 1986; Butcher et al, 1990; Gyford et al, 1989). (This is occurring across the political spectrum , although with differences remaining; Labour are more likely to do so than Conservatives, and both parties more likely to do so in urban rather than rural areas. Much depends on the nature of local political competition and the perceived safety of ruling group party majorities.) Implementation of such manifestos requires a more cohesive and disciplined approach to political group organisation although the styles of such approaches will vary between parties (Stoker, 1988).

The nature of the political complexion or party control - the political composition of the ruling group, or, a new development since Greenwood's

survey, of the "hung council, with no overall one party majority - is also a significant contingency factor. This is probably more the case now than at the time of the survey, in the context of the "repoliticisation" of local government external control systems which occurred during the 1980s, and the growth during this period of "hung" Councils - involving increased representation of the Liberal Party at local levels. The growing numbers of "hung" Councils, and the various methods used to "govern" under such regimes, also tends to raise the political consciousness of the political groups involved. These developments were a response, in part at least, to the increasing intensity and polarisation of political ideologies at central government levels during the decade (Butcher et al, 1990). In addition to important ideological differences between political parties about both the role or "product" of local authorities and the nature of their structures and managment systems, Stoker (1991) identifies several key factions, within each party. These include, for example, the Conservative "urban ideologues" such as those who dominated Westminister and Wandsworth Borough Councils in the late 1980s/early 1990s, and Labour's "urban left" in several metropolitan districts and London boroughs - each with their own strong ideological bases. These can produce significant variations in service delivery priorities, and variations in structures and management systems based on different attitudes to the nature of power and control systems within work organisations - such as the role of trade unions (Laffin, 1989), and the perceived desirablity, or otherwise, of privatisation and CCT (Audit Commission, 1988).

The nature of the political control of a local authority moves this discussion about contingency factors towards consideration of the differences between local authorities in terms of their own local contingency characteristics, and also raises the issue of the part

played by strategic choice exercised by key organisational members in making particular interpretations of the contingency factors, and particular form of structure.

In terms of variations between individual local authorities in the forms of organisational structure and management systems used to deliver services, Greenwood et al (1980) identified eight different patterns of management to be found within local authorities. They used three structural components to identify differences in local authority structures: differentiation (in the sense of number of committees, sub-committees and departments); integration (greater use of policy and resource committees/subcommittees, corporate groups, functional specialists etc.); a rather difficult-to-measure component of "style of integration" or "concentration". This referred, basically, to the hierarchical level where patterns of interaction and involvement in the integrative mechanisms tend to take place (pp 57-63) The eight patterns of management ranged along a continuum from authorities with high integration and low differentiation at one end to authorities with low integration and high differentiation at the other. Using statistical analysis, Greenwood then demonstrates that local authority management structures (particularly the extents of differentiation and integration, less so the degree of concentration) are influenced by their different environmental characteristics. Thus, for example, the greater the range of environmental problems, the more differentiated, integrated and deconcentrated the authority will be, regardless of its type (district, county, metropolitan district). (The impact of the availability and predictability of resources was much less, and demand articulation was not included due to measurement problems.) The greater the functional diversity (range of services provided) the greater the differentiation, although integration and concentration were largely unaffected.

The effects of size, political organisation and party control were less straightforward, varying between the type of authority. The nature of the controlling political party was found to have a greater impact than the degree of political organisation, with for example, Labour counties and metropolitan districts having higher levels of differentiation than their Conservative counterparts; little difference was identified between Labour and Conservative controlled district councils. More extensive political organisation was associated with greater degrees of integration: "the creation of various co-ordinating structures as the majority party seeks to exercise its political will." (p149). However, as Greenwood stresses: "The important point to note here is that the metropolitan and shire districts, and the shire counties, are all affected in some way by the variety of environmental problems, the scale of the organisation, the measure of political organisation and the complexion of party control." (p153).

The extensive changes, outlined above and at the beginning of this chapter, in all of these contingency factors during the 1980s and 90s, have undoubtedly influenced strongly the nature of the structural changes which have taken place during this period, and it would be interesting to compare the finding of a similar study undertaken in 1992 with the 1980 study. For example, the increases during the 1980s and 90s in the extent of political control and politicisation of authorities probabably contributed towards many authorities' increased use of formal integration methods (such as strategic planning systems) to ensure the implementation of political manifestos. These developments correspond with Mintzberg's suggestions that "the greater the external control of an organisation, the more centralised and formalised its structure" (Mintzberg, p109). The impact of CCT on structures and management systems also requires a systematic and detailed study (Walsh, 1992),

as does the associated development of the "board-member" role for members (Leach et al, 1994). While the extent of "local choice" is being increasingly contrained by the increase in central government financial and other regulations, it can be argued that the increased politicisation of many local authorities has increased the exercise by members of the "local choice" options which remain.

The use above of the term "choice" is an important reminder of the need to avoid an over-deterministic view about the impact of contingency factors upon organisational structures. Implicit within the inclusion of the "political complexion" amongst the contingency factors is recognition of the role of strategic choice - by key political actors and senior management in the case of local government - in choosing to adopt a particular service strategy, and, hence, a particular organisation structural form. Thus, individual local authorities can choose to respond or emphasise or play down the particular environmental problems in their areas. Within national statutory and local electoral feasibility constraints, they can to an extent create their own environment or "product" market. For example, Canterbury City Council members, following a change in political control in 1991, chose to focus on the leisure needs of the community; they built two swimming pools and a leisure centre, demands for which had been continually refused over a number of years by the previous ruling group. Authorities can influence demand articulation by introducing measures to discourage/encourage the demand for services, such as setting up decentralised area/neighbourhood service outlets to increase service usage, and to improve responsiveness to local needs. The well documented practices of using ingenious accounting devices to circumvent central government spending restrictions represent very deliberate attempts on the part of some (especially Labour) authorities to influence resource availability

(Elcock et al, 1989; Elcock, 1993).

Greenwood (1987) applied Miles and Snow's (1978) typology of strategic style - prospectors (who seek to pioneer new ideas and products), defenders (who seek stability) analyzers (who combine the characteristics of the previous types) and reactors (who have no coherent strategy) - to identify differences in local authorities' strategy choices, and then to identify the impact of the adoption of each style by a local authority on its structure - most importantly, the extent of its structural differentiation and integration. He found that the orientation to change (adoption of the prospector style) was associated very positively with decentralisation of personnel and finance to service departments, although there was no relationship with two other differentiation measures concerning numbers of committee and department structure. The prospector authority was also more likely to use a larger number of integrative or lateral devices such as interdepartmental groups and committees. He concludes that his research demonstrates that "in the local authority context, strategic style appears to elicit an appropriate structural response" (p310). Using a similar typlogy of strategic styles, Elcock (1987) and Leach et al (1994) also emphasise the range of strategic choices available to individual local authorities. The latter actually develop, within the "new" management approaches (see discussion below) a range of possible strategic approaches: the residual enabling role (emphasising business values); the market enabler role (emphasising customer values), and the community enabling role (emphasising citizenship values). Each strategy has different implications for the role of elected members, the role and structure of committees, the organisational culture, and the nature of the authority's internal structure and management systems.

Hinings and Greenwood (1988) also stress the importance of strategic choice when attempting to understand the processes of organisational change or inertia manifested by different local authorities. As Hales (1993) points out, contingency theory is based largely on comparisons made between different organisations at the same point in time, with relatively little attention paid to the process of organisational change in relation to changing organisational circumstances. Hinings and Greenwood (1988) attempt to identify the key factors which precipitated some local authorities within their study more than others to move away from traditional departmental and professionally-dominated bureaucracies to more corporate forms of organisational structures. Essentially, these precipitating factors included two pressurising factors - a high level of institutional and ideational pressure (as described earlier), and a strong value commitment to change on the part of the organisational elite - and at least one of the enabling factors. These consisted of moves towards a transformational leadership style (which involves the definition and restatement by senior management of "values, directions and organisational forms" (p60), plus mobilisation of commitment to these and/or the existence of expertise/competence within the organisation in corporate planning and change management systems and processes. In general, it can be concluded, that even within the extensive pressures for particular changes exerted by central governmment legislation (Young and Mills (1993) found this to be the most significant factor precipitating change), financial constraints and other pressures outlined above, strategic choice on the part of elected members and senior management plays an important part in determining the strategy and internal structure of individual local authorities.

As a consequence of all these changes in both external and internal contingency characteristics during the 1980s, growing numbers of local

authorities appear to be changing their internal structures - moving away from the traditional bureaucratic model described above to what many authors have described as the "new" public sector management model (Hood, 1991).

The "new" local government management model

The key features of this model are outlined below in a diagram adapted from a Local Government Training Board publication (Stoker, 1989, p7):

Traditional management		New management trends
self-sufficiency	---------->	the enabling authority
near-monopoly	---------->	the competitive council
hierarchical & central control	---------->	management by contract & influence
direct management of services	---------->	devolved management
uniform & standardised services	---------->	customer orientation, quality & choice
stable employment	---------->	flexible employment structures

This model demonstrates the nature of the moves from the traditional "self-sufficient" local authority, which enjoyed a near-monopoly in service provision, to the "enabling", "competitive" and "mixed-economy" authority. Local authorities, acting as purchasers are responsible for clearly specifying and then enabling, rather than directly providing themselves, the services to be delivered by providers - from private and voluntary sector organisations in addition to the authority's own workforce (Brooke, 1989). Traditional management systems, based on direct, detailed, hierarchical, and relatively centralised control systems are seen as giving way to "arm's length" negotiated relationships between groups of managers. More decentralised control systems, focus on clear specification of performance outcomes, within

the context of strategic and devolved management systems. Systems for organisational regulation move from hierarchies to markets - and, possibly, to networks, characterised by longer term collaborative , partnership arrangements between purchaser and providers in an almost "boundaryless" organisation (Francis, 1994, p79; Peters, 1992; Flynn, 1994; Thompson et al, 1991). Devolved management involves "managers at the lowest possible level having: more authority over resources; greater scope for decisions; accountability for achieving agreed targets." (Stoker, 1989, p33). These managers operate within a context of authority-wide mission and "core-value" statements, and strategic planning systems which include resource utilisation and service delivery targets against which each manager's work unit performance is assessed (Caulfield and Schultz, 1989). Considerable emphasis is placed on tailoring local service provision more specifically to particular individual and community needs, through the use of various strategic and consumer marketing techniques (Walsh, 1989).

The extensive implications of these changes for local authority staff correspond, broadly speaking, to moves from personnel to more flexible human resource management strategies (Fowler 1988a; Storey 1992; Sisson 1994). Professional staff may acquire resource management responsibilities, and tend to become subject to central management's "policing role, encroaching on professional activities through such techniques as cost-centre budgeting and performance indicators" (Lawson 1993, p74; Watkins Preddy and Drury, 1992). Middle managers, who usually begin their careers as professionals, are also likely to experience similarly extensive role changes - to be analysed in detail in chapter 4.

Overall, these changes in management systems and roles can be seen as as

representing a move from cultures "dominated by traditional public service values to ones attuned to the market, business and entrepreneurial values of the 'new' public service model." (Farnham and Horton, 1993, p238). Advocates of the new model claim that it "increases accountablity, fosters efficiency and improves organisational performance....by stressing the management of resources, providing better information on which decisions can be taken, and hence leads to greater control" (Gray and Jenkins, 1993, p22). Semi-autonomous business units, operating within a clear strategic framework, become more responsive to local customer and community needs. In addition, workforce motivation is strengthened; the use of coherent organisational cultures emphasise "commitment" rather than "control" strategies for regulating performance (Walton, 1985). Critics of the new model claim that it is largely "hype" or rhetoric in that, apart from the terminology, little has really changed, and that it promotes the interests, mainly, of an elite group of "new mangerialists", rather than customers or lower level staff. The main result has been "a rapid middle-level bureaucratisation of new reporting systems" and the weakening of "elementary but essential competences at the front line" (Hood, 1991, p9).

Hood and Gray also query the claims that the new model can be seen as purely technical or "neutral" mechanism, suitable for enabling the achievement of goals set by elected representatives - local or national. It is argued that the contingency characteristics of local government continue to differ from that of the private sector - including differences in the nature of the customer relationship, in basic goals and purposes, the criteria for assessing organisational effectiveness, the nature of external ownership/centrol, and the institutional framework outlined at the beginning of this chapter (Greenwood and Stewart, 1986; Broussine, 1992; Stewart and Ranson, 1988). Key

differences between local government and private sector organisations include local government's concern with matching service provision to publicly defined needs, and with ensuring equity of provision to all entitled to particular services, compared with private sector concerns with product demands at a price in the market. Public accountability is "required for both means and ends.....to explain and justify actions taken" (Stewart and Ranson, 1988, p4) rather than private sector accountability to the market. The political process (the political control system) is an integral and essential condition of public sector management whereby collective needs are defined; the political process tend to be seen as an irrelevance or a problem in the private sector. Thus, despite the growth in arguments during the 1980s that public/private sector differences were becoming blurred, most authors continue to support the view that "the two sectors have features which are unique and not shared with the other", thus requiring different forms of structure and management systems to ensure maximum effectiveness (Broussine (1992), p6).

However, most of the local government chief officers represented within Broussine's (1988) research felt that many private sector management techniques were applicable to the public sector if they were adapted to operate within the constraints of the local government institutional framework. Broussine argues that there is a trend away from the purely "public administration is unique" approach to management roles and processes in the two sectors to the view that "Public service management needs to change, but retain and strengthen its distinctiveness" (Broussine, 1992, pp7-11). In response to central government policies, which are perceived in many academic and political circles as posing a threat to the continued existence of local government, many of the authors referred to above seek to emphasise the strengths of the unique

characteristics of local government, whilst acknowledging the needs for changes in structures and management systems to reaffirm and improve the unique contribution of the local authority to the well-being of both the local community and individual citizens.

The Audit Commission/LGTB publication (1985) , "Good management in local government" is a good example of this genre. In 1985, the LGTB also produced the first of many papers noting the limitations, but also the possibilities of applying the eight attributes of the successful companies outlined in "In Search of Excellence" (Peters and Waterman, 1992) to local authority management systems (Clarke et al, 1985). Thus, under "close to the customer", the authors noted the problems in local government of adopting the private sector approach of the customer or the market as the authoritative judge of what products are required. Nevertheless, they suggest using the concept of the "customer" to develop greater responsiveness (involving having to think about and justify the role and value of local authorities) both to the local community and also to individual customers' needs. Similarly, Stewart and Ransom's use of the term "market", which would have been almost unknown in local government circles until the 1980s, acknowledges in itself the application and relevance of such concepts to local government management, even when used to point out the differences. Thus, the private sector marketing framework has been used to reaffirm the importance of public accountability through, for example, "learning from citizens about their understanding of needs" (Stewart and Ranson, p3), rather than assuming that councillors somehow know this anyway. Although private sector marketing "cannot be modelled on the private sector alone" (p3), the inference is clear that the concept does, albeit in a different way, have its place in local government. Similar points can be made about all the other categories listed by Stewart and Ranson,

and it can be argued that the changes in internal local authority structures described above, while reflecting many trends taking place during the 1980s and 90s in the private sector, are nevertheless taking place within the established institutional framework which continues to distinguish local government from the public sector.

It should be re-emphasised that the whole point of the contingency approach is to identify which type of organisational structure will best enable the organisation to operate effectively in its environment. As noted above, in the context of the Bains Report's definition of the purposes of local government, the ultimate outcome or "product" of local authorities is difficult to identify or measure in quantitative terms. The criteria for assessing the effectiveness of local authorities remains essentially a politically based value process - at both central and local government level - rather than in terms of the assessment against predominantly economic goals and criteria (ultimately profitability) which characterise the private sector. The extensive external political control of local authorities - legitimated by direct elections, as noted in the key characteristic four of the institutional framework - and their statutory obligation to provide specific services and ensure equity of provision requires a critical degree of central coordination through senior management to the elected members, who are responsible (and directly accountable to the public) for their activities. This suggests that local authorities need to retain, albeit in amended and more flexible forms, at least some of the elements of an hierarchical and bureaucratic organisational form.

The next section of this chapter uses Mintzberg's model of organisational structures to examine in more detail the changes which the literature suggest are being made by increasing numbers of authorities in their internal structures. Mintzberg's four structural

components or groups of design parameters were described fully in chapter 1, and are reproduced here in brief diagramatic form (Mintzberg, 1983, p27):

Group	*Design Parameter*	*Related Concepts*
Design of positions	Job specialization	Basic division of labor
	Behavior formalization	Standardization of work content System of regulated flows
	Training and indoctrination	Standardization of skills
Design of superstructure	Unit grouping	Direct supervision Administrative division of labor Systems of formal authority, regulated flows, informal communication, and work constellations Organigram
	Unit size	System of informal communication Direct supervision Span of control
Design of lateral linkages	Planning and control systems	Standardization of outputs System of regulated flows
	Liaison devices	Mutual adjustment Systems of informal communication, work constellations, and ad hoc decision processes
Design of decision-making system	Vertical decentralization	Administrative division of labor Systems of formal authority, regulated flows, work constellations, and ad hoc decision processes
	Horizontal decentralization	Administrative division of labor Systems of informal communication, work constellations, and ad hoc decision processes

(Source: Mintzberg (1983), Structure in Fives: Designing Effective Organisations, New Jersey, Prentice Hall, p27).

Design Parameter 1 - design of positions, behaviour formalisation, and training and indoctrination systems

Design of positions

Individual job roles and tasks within local authorities were traditionally tightly prescribed, involving relatively inflexible employment contracts, detailed and activity-based job descriptions, detailed work study specifications for manual/clerical workers,

extensive written rules and procedures, and detailed centralised personnel control over the duties, numbers and grades of staff. (Fowler, 1988). Nationally prescribed conditions of service and grading structures, with a long hierarchy of numerous grades with narrow salary ranges, reinforced these tendencies towards the high degree of job specialisation associated with the machine bureaucracy. Professional jobs were narrowly defined on the basis of the particular professional skills, knowledge and expertise required to provide highly specialised services. In general, neither these staff nor their managers (who had probably begun their local government careers as professionals) had responsibility for, or control over, the resources - personnel, finance etc. - used to deliver services; these tended to be controlled by centralised specialist staff (see discussion below under decision-making systems).

During the 1980s, local authorities were exhorted to adopt more flexible patterns of role specialisation to achieve the more flexible and innovative services provision and management required to become more responsive to customer needs, and to meet the requirements of CCT. A number of publications have recommended the adoption of many of the private sector style initiatives described in chapter 1 (Audit Commission, 1988, 1989, 1990, 1991; Clarke et al, 1985; Fowler, 1988; Stoker, 1989). These initiatives include more flexible patterns of labour utilisation, such as more flexible employment contracts to increase the transferability of staff between work units, and to enable the adoption of functionally flexible working practices especially amongst administrative and manual staff. Job descriptions focus less on prescriptions about activities and methods, and more about purposes and outputs, linked in to the adoption of more rigorous performance control systems. New incentives for manual workers are based on group rather

than individual schemes, with fewer rules and procedures to maximise individual judgement and initiative and encourage innovation and more flexible staffing/grading structures, linked to flatter organisational hierarchies. Recent surveys, discussed below, show that such practices are increasing, especially in the south-east, where there were recruitment and retention problems in the late 1980s (Local Authority Conditions of Service Advisory Board (LACSAB), 1990; Kessler, 1990).

Thus, the proportion of part-time staff within local government is rising; for example, non-manual part-time staff numbers increased by about 25% between 1984 and 94; full-time numbers decreased by about 10% (LGMB, 1994a). In addition there has been an increase in the number of mainly very senior officers on fixed-term contracts, and, increasingly, numbers of manual workers are effectively employed for specific fixed term contract periods for CCT services. Around 30-40 councils have withdrawn from national bargaining, mainly in the south-east, designed to aid recruitment and retention as well as to achieve higher levels of functional flexibility (Donaldson, 1992). Both manual and, with the extension of CCT to white-collar services, non-manual staff enjoy significantly reduced levels of job security than those traditionally associated with public sector employment - particularly those located within provider, as opposed to purchaser, functions.

The LACSAB survey demonstrated that 33% of authorities surveyed (52% of the total in England and Wales) had introduced flatter structures; 22% had introduced extended salary scales; about a quarter had adopted performance related pay (planned by a further one-fifth); one third had adopted performance appraisal systems (planned by a further quarter). Young and Mills (1993) reported that about 40% of their responding authorities used performance related pay for various proportions of

their white-collar staff. Over a quarter had carried out job redesign exercises to ensure better use of skills. Traditional rigid job demarcations in the Direct Service Organisations had increasingly given way to more flexible, multi-skilled workgroups under the impetus to win tenders under the CCT legislation (LACSAB). These pressures are likely to extend to other sections of authorities' with the forthcoming extension of CCT to professional services. It is important to note, however, as the authors of this survey suggest, that these figures provide only a very general indication of recent trends, with little detailed analysis of their impact on structure and management systems. In addition, it is clear from the survey that many authorities had not reported such changes in their employment practices.

Professional jobs are also being redesigned; the Audit Commission (1989a) urges reassessment of the skills required to perform "professional" tasks, to identify those which require "limited professional expertise" (p9). These specialised tasks, requiring lower levels of individual discretion and judgement, can be allocated to non-professional staff, or be contracted out to the private/voluntary sectors. The job roles and responsibilities of professional staff and managers are becoming broader. They are taking on responsibilities for new functions such as resource management, and, whilst retaining their own professional specialisms, are likely to be working increasingly within multi-disciplinary project teams and work groups - across professional and departmental boundaries, both within the authority, and with other agencies, in the context of the "enabling", "competitive", and "mixed economy" council (Watkins, Drury and Preddy, 1992). Professional jobs are also increasingly being redesigned according to the two different roles required within the functional purchaser/provider split (see discussion below) required in some service

sectors, such as social work, by government legislation.

Behaviour Formalisation

As indicated above, the mechanisms for formalising behaviour in the operating core of local authorities traditionally involved fairly extensive standardisation of work processes. These involved detailed written job descriptions, and procedural rules and regulations associated with the machine bureaucracy for manual, clerical and administrative staff. Standardisation of skills, associated with the professional bureaucracy, was used to formalise the work behaviour of professional staff, plus personal supervision. Some recent changes in the nature of local authority behaviour standardisation systems can be identified, corresponding to the changes outlined above in the design of positions - towards standardisation on the basis of outputs or performance. It is important to note that this method still tends to involve continuing use of (bureaucratic) written prescriptions, and can actually increase the extent of behaviour standardisation for managers who previously were not subject to formalised performance control. Moreover, "adherence to procedures, proper records, detailed accounting are backed by past traditions of public accountability." (Greenwood and Wilson 1984, p22). Despite the trends towards greater devolution of operational authority from members to officers, and from senior to more junior managers (see below), the public accountability obligations of local authorities will continue to require more operational regulation - over means as well as ends - than private sector organisations, who are not subject to the same public accountability requirements.

In contrast to the concentration on structures which characterised the Bains report, recent initiatives also address issues of process - of ensuring the adoption of the appropriate beliefs, values and attitudes

(or corporate/organisational cultures) required to ensure effective changes in behaviour (Flynn, 1994). Thus increased emphasis has been made on identification from the top of specific corporate values, visions and goals which are then expected to be disseminated downwards through the management hierarchy to the operating core. A recent LGMB survey (Young and Mills, 1993) found that about 80% of the 285 responding authorities had already adopted, or were considering adoption of, core value or mission statements. Many examples of these local authority corporate cultures or styles (Stewart, 1986; Audit Commission, 1985; Issac-Henry and Painter, 1991) are often obviously derived from "In Search of Excellence" (Peters and Waterman, 1982), and include references to the need for more risk-taking, more innovation, increased customer orientation, concern for staff etc. The pamphlet issued by the London Borough of Bromley (1986, reproduced in exhibit 3.1) provides a good example of the genre.

Acting in combination with corporate training policies (see below), such corporate cultures also represent attempts to limit the "cosmopolitan" orientation of professional staff (to their national/professional association ethics and values) in favour of the adoption of a "local" orientation (to the particular service policies and objectives of the professional's own employing authority) (Gouldner, 1957; Laffin and Young, 1990). However, staff attitudes and values are not easily changed. Staff with traditional departmental loyalties and professional service ideals may view with scepticism the commitment to the "customer" approach espoused through an official corporate culture, especially if they have to restrict their range of service provision due to expenditure constraints (Clarke, 1984, 1988; Harrow and Willcocks, 1990). In any case, specific sub-cultures will still tend to develop within each of the many, of differentiated work units in local

authorities; increased levels of devolution to performance or cost centres will reinforce the need for the development of strong corporate cultures to limit these sub-cultural variations.

Training and Indoctrination Systems

As noted above, the effective dissemination of corporate cultures and the effective operation of new formal standardisation methods such as performance control systems, requires implementation programmes carefully designed to socialise staff into the new behaviour patterns, and underpinning values and attitudes, necessary for ensuring effective role performance (Griffiths, 1989). LACSAB (1990) reported an increase in the use of various communication and involvement strategies: briefing groups/team briefings, staff consultation procedures, suggestion schemes, improved communication systems (including staff attitude surveys) staff welfare programmes (to promote the "caring" employer image, and improvements in workplace and social facilities. The reasons for the introduction of these measures were diverse, and included strategies to improve staff recruitment and retention at a time of staff shortages, but these developments certainly correspond to the measures being adopted in the private sector to increase corporate commitment.

Training provision is also an important method, not just for developing skills but also for socialising employees into the norms and values of an organisation. Local authorities have traditionally relied on external training provision for its professional staff, which contributed significantly to the predominantly "cosmopolitan" service orientation of many of these staff, rather than the "local" commitment to a particular local authority's policies and values (see discussion above). The LACSAB survey reported an increases in training provision for professional

staff, focused significantly on traineeships and career grades in key skills shortage areas, which enables recruitment at lower skills levels and which also "tailors training towards corporate aims." (LACSAB, report 3, p111). An increased number of local authorities were also systematically reviewing training needs (68%) and revising the content of training to reflect service needs and corporate aims; three-quarters of the authorities had provided courses on "dealing with the public".

The LGTB (1988a) and Fowler (1988) also urged adoption of management training and development systems to develop corporate managerial role identity, as opposed to the professional role identity of service managers, who tend to be recruited from the ranks of professional staff. Quoting practice examples from many local authorities, both texts attached considerable importance to designing training programmes to reflect the authority's own definition of the kind of managers it needs, "who are capable of working with the organisation's future priorities. For example, the challenge of competitive tendering, the changing roles and relationships between councillors, officers and the public, the moves towards a more market-centred approach, the importance of inter-agency working...." (LGTB, 1988a, p45). Local authorities are increasingly being urged to develop into "learning organisations" ,with their staff involved in continuous improvement, change and adaptation (Clarke and Stewart, 1988; Flynn, 1992; Stewart 1986). Some, albeit limited, increases in management development/training provision during the 1980s were reported by 70% of the 223 local authorities responding to a LGTB (1990) survey. Young and Mills (1993) reported that three-fifths of their responding local authorities had increased their resource commitment to management development/training over the previous three years, although a few had reduced spending here, due to budgetary pressures and constraints.

Design parameter 2 - Unit Size and Grouping

The core professional workforces of local authorities have always tended to work in fairly small work units or teams, especially where, for example, in social work, their work carries a fairly high degree of interdependence. The development of flatter organisation structures and increased decentralisation (see below) has tended to result in the proliferation of larger numbers of smaller service delivery units, either on a geographical area basis, or on the basis of the type of service provided.

Professional staff in the operating core were traditionally grouped into specialist service departments according to their function based on the nature of their knowledge, skills, and work processes. Since their clients select them/are served on this basis, the groups were market-based as well - providing specific products or services such as education, sports services etc. for specific client groups, within highly differentiated service-delivery based units and departments. Support/control functions, such as personnel and finance, were located within specialist departments, - the technostructure and support structure parts of Mintzberg's organisational model - with a management team, of departmental chief officers, headed up by the chief executive, at the strategic apex.

During the 1980s there were moves towards grouping professional service staff together on the basis of location or geographical area, with several services within an overall professional specialism provided together in, for example, neighbourhood offices (Stewart, 1988; Lowndes 1992). (These arrangements may or may not involve devolution of managerial and/or political power - see below, under "decentralisation".) By the early 1990s, this decentralised area-based

grouping had increased significantly amongst social services and housing departments (Young and Mills, 1993). Some (mostly Labour/Liberal controlled urban authorities) have taken dispersal of service provision beyond traditional departmental boundaries, with area-based offices which provide a range of interdepartmental services (Lowndes, 1992; Lowndes and Stoker, 1992, 1992a; Stoker et al, 1988). For example, within Tower Hamlets, the Liberal ruling group, after gaining control in 1986, split the authority into seven neighbourhoods, each with its own neighbourhood chief executive, and its own neighbourhood committee, made up of councillors elected for the area, which was responsible for all service delivery in the area (Lowndes and Stoker, 1992, p49). These developments, aided by the development of new information technology, reflect similar moves in the private sector towards market-based groupings. They are underpinned by a philosophy of getting closer to the community and the "customer" to improve identification of, and response to, their needs: "the spatial principle provides a strong countervailing force to the functional principle." (Stewart, 1986, p148).

The introduction of internal market systems - required by central government CCT and other service-specific legislation - is also making a profound impact on departmental structures. The split required between purchaser and provider functions, has involved restructuring along these functional lines both between and within service departments affected by this legislation (Fowler, 1988; Young and Mills, 1993). Thus, for example, many authorities, in response to CCT requirements, have set up a separate department with its own chief officer to manage and run all the manual contracting service provision subject to CCT; the service departments affected by CCT become managers of the client or purchaser functions (Fowler, 1988). One district council is currently evolving a purely functional split of just two principal departments - one for the

authority's client/purchaser role and one for the contractor/provider role (LGTB, 1991). In response to the 1990 NHS and Community Care Act requirements, almost half of the authorities' social services departments in the Young and Mills (1993) survey had reorganised around a purchaser/provider split; almost half were either planning or considering such a split. It is also important to note that, under the "mixed economy" service provision, provider functions are carried out by provider agencies located outside as well as inside the local authority - in private or voluntary sector organisations. These arrangements have significant implications for both the nature and quantity of "lateral linkages" required to ensure cooperation and coordination between these functions (see next section below).

Forthcoming extensions to CCT - to professional services such as personnel, information systems, finance and engineering - will undoubtedly result in further such restructuring. Around one third of Young and Mills' local authorities had introduced budget-holding cost centre arrangements and service level agreements to regulate transactions between direct service manager purchasers of legal, financial, personnel and computer/IT services and the providers of these services. CCT has also focused attention on the costs and methods of central charging for these support services (Walsh, 1991). Provider managers, required to minimise costs to win tenders under the CCT regulations, are increasingly questioning the value of these services, and, in some cases, either opting out of their use altogether or requiring service level agreements to ensure good value of money from the central services they receive (Kay and Malone, 1990). Particularly amongst larger authorities, there is a growing trend towards dispersal of these support services to direct service departments, reflecting similar developments in the private sector. Thus, for example, service

departments may have their own personnel unit, whose head may be executively responsible to either the service chief officer or the head of central personnel (Fowler; Audit Commission, 1991). The idea, as in the private sector, is to steer support staff service provision towards meeting the needs of the "production" or service departments, rather than focusing on the traditional controlling role which can inhibit efficient service delivery (Kessler, 1990) . As in the private sector, dispersal of staff support services can prove expensive, and the intensifying local authority expenditure constraints of the early 1990s may result in recentralisation (Drummond, 1992).

Within the traditional service and function groups, other changes have also occurred. Virtually all authorities established chief executive posts in 1974 as recommended by the Bains Report, and most authorities also have a management team, composed of the major departmental chief officers and led by the Chief Executive (Audit Commission, 1989b). Developments since then have included the increased attachment of various support functions to the chief executive's department such as public relations, corporate planning, personnel, management services and administration. The number of departments - and chief officer posts - has tended to decrease, with functions regrouped within a smaller number of larger departments or directorates (Young and Mills, 1993). Some authorities have established a few large directorates which group services together, where the directors concentrate on strategic issues, leaving each service head to concentrate on operational management. In many authorities, some completely new departments, such as Direct Service Departments (managing manual services subject to CCT legislation) and economic development have been established, with the functions of others regrouped as certain services declined in importance. There are moves towards "flatter" organisation hierarchies

within some authorities, with a shorter middle line of management layers. The LACSAB survey (1990) reported that a third of the authorities had already reduced the number of management layers, and a further 5% were planning to do so. For example, North Tyneside district council replaced its "fossilised" departmental structure, with as many as 16 layers between directors and employees, by a flatter structure with no more than three layers between "the heads of functions and the people on the ground." (Tighe,1992, p14).

Elected member structures also changed slightly by the early 1990s. The Audit Commission (1990) recommended fewer and larger service committees and increased numbers of smaller sub-committees or informal work groups to improve decision making and maximise member involvement. Reflecting these recommendations, Young and Mills (p13) reported a general trend towards streamlining management and decision-making structures with a "slimming-down in the number and frequency of committees and sub-committees" (reflecting moves towards the consolidation of departments into larger directorates), and "a complementary trend towards use of member working parties". In combination with the area structures described above, a few authorities (mostly Liberal/Labour) have developed multi-service area committees (Stoker et al, 1988; Lowndes). In 1991, a central government consultation paper queried for the first time the need for the conventional committee structure. It outlined, amongst other options, the possibility of introducing "cabinet-style" government, perhaps involving direct election of its members (Stewart, 1992). Such moves would "inevitably concentrate power within a smaller number of hands (i.e. centralise the political decision-making structure)...and also markedly affect the respective roles of executive members and chief officers" (Leach et al, p162).

Design parameter 3 - Planning and Control Systems, and liaison devices

Many councils adopted the outward structural features of a corporate management approach following the recommendations of the Bains Report, although most did not adopt a comprehensive system of corporate planning (see discussion above, under 'external contingency factors'). Amongst those authorities which did, changes in their management and service delivery systems tended to be largely cosmetic rather than real (Greenwood, 1975). The main problem with the Bains Report was its emphasis on the need for a structure designed to promote the corporate approach rather than on the corporate planning process. This mechanistic approach tended to reinforce the weaknesses inherent in traditional local authority structures. Based on the committee setting, this bureaucratic mode and the professional culture lacked the flexibility and outward focus to adapt quickly to the increasingly dynamic environment, and failed to monitor effectively the implementation of corporate policy (Stewart, 1986; Greenwood and Stewart, 1986); less than half of the authorities set up performance review subcommittees. Most authorities failed to introduce interdepartmental liaison groups, so that departmental coordination took place only at the top of the organisation - within the management team and specialist corporate support sections. This reinforced the traditional independence and separatism of the strong, departmental, professional "baronies", who tended to dominate policy formulation, acting largely in their own departmental interests. Little real discussion took place about the values (political or otherwise) on which these policy decisions were based (Hambleton, 1978; Cockburn, 1977). Little or no attention was paid to the need for planned change in the new authorities' cultural or behaviour formalisation and indoctrination systems to ensure the changes in role expectations, values, and behaviour necessary for the effective

adoption of more flexible, interdisciplinary and integrated corporate planning approaches to service management and delivery (Haynes).

In practice, for most authorities, the annual budget - the plans which specify the costs of outputs for a given time period - was the traditional dominant management tool for overall planning, coordinating and controlling activities: "the budget was one of the few (if indeed not the only) points at which an overall view of the range and cost of a local authority's activities was possible" (Elcock et al, 1988, pp86-7). The process was dominated by a "bottom-up" approach. Bids for resources, originated by managers of the various service sections, were made by the service departments and then matched with the supply of money available for the coming year: "the annual battle between 'Advocates' and 'Guardians'" of the resources available" (Tonge, 1993, p76).

During the 1980s and 1990s, several developments listed above - such as central government funding and spending constraints, pressures to improve value-for money, requirements for more flexible and responsive services provision, the "repoliticisation" of elected members - stimulated the development of a more strategic approach to service planning and management within growing numbers of local authorities. This strategic approach is defined in the local government literature as involving more than "just a set of financial and manpower projections. 'Strategic' means taking a broader view...examining issues that are seen as important for the authority as a whole and the community it serves...being concerned with inter-connected issues, and those that have an impact beyond their own immediate effect." (Caulfield and Schutz, 1989, p6). Noting the disenchantment with Bains-style corporate planning systems, the Audit Commission (1988, p10) recommended the use of a simpler but more effective planning system. Elected members would work with officers to identify the main issues facing the council, to

debate the best ways of dealing with them, and to ensure that members' objectives are translated into into action by officers: "Unlike the complex and detailed planning systems once in vogue, what is required is quite a simple process, focusing on a limited number of key issues, and with most of the subsequent work undertaken within individual departments". The Audit Commission also stressed the importance of defining and meeting local consumer needs, and of adopting performance measurement and review systems, which, it was suggested, should focus more on service delivery quality and effectiveness, as well as on economy and efficiency (Rogers, 1990).

These prescriptions reflect the private sector changes in emphases (identified by Mintzberg) from action planning systems which regulate specific action, characteristic of bureaucracies - with a heavy top-down emphasis involving considerable written and prescribed detail - to performance control planning systems, regulating overall performance, characteristic of more decentralised market based structures. "There was no longer a belief in the possibility of centralised and comprehensive 'rational' planning within corporate organisations. Instead, it was argued that strategic managers had the task of identifying key issues on which their organisations should focus, while ensuring that their decentralised divisions were able to respond flexibly to and create demand for their products. They needed to be in touch with the demands of the consumers" (Cochrane, 1994, p152).

Surveys, plus local authority examples quoted in various texts, suggest that growing numbers of authorities are adopting various features of the strategic management approach advocated by the Audit Commission (for example, Buckland and Joshua (1992); Issac-Henry and Painter (1991); Lavery and Hume, 1991; Caulfield and Schutz (1989). Almost 60% of

the Young and Mills survey authorities had adopted, and 21% were considering adopting, core value or mission statements. Slightly more uneven progress was reported towards the adoption of corporate/strategic plans (mostly for three year periods with an emphasis predominantly on annual reviews); just under 50% had adopted, (28% were considering) such systems. Just under half of the authorities had introduced authority-wide performance review committees (a similar proportion had neither adopted such arrangements, nor were considering doing so); about three-quarters had adopted/were considering systems for performance review at departmental levels. The survey also suggested trends towards a commitment to "Quality" (defined variously as a tool for achieving greater effectiveness/means of meeting customer requirements/means for achieving cultural change) through the development of explicit policy statements/local charters, officer working parties and specialist posts, and training provision. Customer involvement in setting performance indicators was, however, relatively low compared with that of members, and officers, and only 40% of the authorities had adopted arrangements for providing user feedback in their performance review systems (a further 20% were considering making such arrangements).

Clearly, individual authorities continue to vary in terms of the extent to which they are adopting various aspects of a more strategic approach to service planning and delivery. In an attempt to discover the extent to which local authorities actually "conduct themselves in a strategic manner" as opposed to simply reporting the existence of a strategic planning system, Young and Mills reported that half the county council chief executives claimed that their teams spent at least half their time on strategic issues, with much more uneven practice reported by other types of authorities (p25-26). In addition, 38% of all the authorities had established specialist strategic management posts, plus increases in

the creation of specialist policy units. The increases reported earlier in management training/development also suggest that authorities may be paying increased attention to organisational processes and behavioural change management, as well as to simply changing formal systems and structures. Such a focus was found to be an important characteristic of sixteen "well-managed" authorities, identified in a recent study (LGMB, 1993a).

However, Caulfield and Schutz (in examining a number of local authority strategic planning systems) considered that many authorities' strategic planning systems represented little more than the simple bringing together of service plans, with little systematic performance review. They tended to conclude that many of the problems experienced in the 1970s with corporate planning were resurfacing: "Above all there does appear to be a lot of emphasis on the mechanics, and a relative neglect of the underlying culture.....the moral is clear: the style, approach and vision of the local authority are more important than the bare achievement of producing a strategic plan" (1989, p94). Similarly, Jackson (1993) reported that "few of the (public sector) organisations studied employed an explicit strategic-management framework". They paid only very limited attention to the need for change management, and tended to focus on operational rather than strategic performance, with little use of performance measures and indicators to assess, the achievement of longer-term or strategic, as opposed to operational, objectives. Moreover, in terms of increased member involvement in, and control over the strategic planning processes, Chief Officers were still considered, in general, to exert significantly more influence over the development of strategic thinking than members, raising questions about the extent to which traditional "professional" domination of policy making is being reduced (Young and Mills, 1993) (see discussion below).

The use of performance measurement systems in local government have been heavily criticised for concentrating on the "economy" and "efficiency" rather than the "effectiveness" components of the three 'E's. Moreover, measurement of the latter tends to focus on largely quantitative output targets rather than on the definition and measurement of the expected outcomes of service provision (Jackson, 1993; Elcock, 1993a; Flynn, 1993; Lawton and Rose, 1991. Recent central government initiatives, such as the Citizen's Charter, have argued for "an increased emphasis on notions of quality rather than value for money, with the argument that successful business organisations were run in ways which ensured quality, rather than in ways which emphasised retrospective scrutiny of the extent to which they achieved their financial targets." (Cochrane, 1994, p152). However, there is confusion about the precise meaning of the term "quality", as shown in the definitions provided within the (1993) survey quoted above, and in the different meanings attributed to the term in the Citizens Charter initiatives (Spencer, 1992).

However, a recent survey of performance management systems used in local authority service departments (Palmer, 1993, p32) suggests that despite the growing emphasis on the need for more qualitative performance indicators, the indicators most commonly collected by these departments were quantitative. They related to costs, volume of service, utilisation rates, time targets and productivity: "indicators of quality of service, customers' satisfaction and the achievement of goals appear less often, if at all.....Authorities, perhaps not surprisingly, concentrate on measuring what is easily measurable and this reults in a bias towards measuring performance in terms of economy and efficiency, rather than effectiveness". As Jackson suggests, this tends to reduce the extent to which these performance management systems can contribute towards organisational learning and improved service delivery, or inform the

strategic planning and decision-making process. Palmer concludes from her research that performance indicators are more often introduced within local authorities "as an act of policy, or in compliance with external directives, rather than as a means of developing performance monitoring as part of the managerial culture" (p36).

Walsh (1992) also draws attention to the impact of market systems on the complexities of local authority strategic planning processes. Increasingly, in the context of market rather than hierarchical regulation of service delivery activities, strategy formulation (and inputs by less senior managers into the process) will occur primarily within the "purchaser" group of managers. They will assess consumer needs/demands, make policies (embodying elected member values and strategies), develop new service provision ideas, define the quantity and quality of service required, employ the contractors or service "providers", and assess their performance against service specifications, and measures of consumer satisfaction (Brooke, 1989, pp20-21; Audit Commission, 1989). As Walsh suggests, in the context of the planned extensions of CCT to various white-collar professional services, formalised contract and service specifications cannot easily be written in a way which allows amendment and change in the context of policy changes to be made by the authority in response to changing political and environmental circumstances. He also draws attention to the lack of discussion about the impact of contracting out service provision on the role of elected members, which "may indicate the significant depoliticising capacity of competition" (1992, p73), and which raises serious questions about consequent reductions in local accountability. Even more importantly, echoing Mintzberg's assertion about the difficulty of distinguishing clearly between professional service delivery and informal/formal policy making, Walsh points out

that "Strategy is not something that can be done in abstraction from specific services. If everything is contracted out, it is difficult to see how those few strategists left will develop the understanding of and familiarity with services that will be necessary for concrete action" (1992, p78).

Lateral Devices

In addition to the coordinating mechanisms of direct supervision and standardisation of work processes, skills and outputs, organisations require additional systems to ensure liaison through mutual adjustment both within and between departments and sections. The traditional "departmentalism" of local authority structures and management systems - the division of local authority functions into rigorously differentiated departments based on professional specialisms - has always emphasised vertical rather than horizontal or lateral flows of information and communication (Haynes,1980). The latter tended to take place mainly at senior levels in the organisation - in the strategic apex. As part of its advocacy of a corporate approach, the Bains report urged the adoption of lateral devices such as a management team (subsequently established in nearly all local authorities), and interdepartmental groups. Of both a temporary and permanent nature, these groups were to cut across departmental boundaries - programme area teams grouped around the overall objectives of the organisation, and project control groups to implement specific projects. In addition to senior management teams, Greenwood and Warner's (1985) survey identifies the presence of deputy chief officer groups, administrative officer groups, interdepartmental programme groups organised on a topic or service basis, and, more recently, area-based teams relating to service delivery organised on a geographical area basis. Most of the latter are centred around one

service sector, such as housing, with a small number involving "one stop shops" for a variety of services (see discussion above). Provision of such devices varied from council to council, ranging, for example, in the case of interdepartmental programme groups from 43% of the metropolitan districts to 80% of the London boroughs in the 1985 survey. The trends during the 1980s towards the creation of specialist units or posts within service departments for central services such as finance and personnel also provide additional mechanisms for liaison between service and central support service departments, in a matrix form of structural relationships (Greenwood and Warner; Young and Mills, 1993).

At member level, Young and Mills also report increases in informal member and member/officer working groups and parties. In addition to the formal Policy Committee, providing overall direction for the authority and established by nearly all local authorities in 1974, new approaches are increasingly being adopted (in addition to formal committees meetings). These include: leaders' (of each of the service committees) meetings; councillor panels and working groups to explore specific policy areas and issues; new committees not concerned with running services such as equal opportunities committees; informal seminars for committees to review their working (Clarke, 1985; Davies, 1986). Small increases (from 23% in 1980 to 25% in 1988) in the relatively few number of councils with committees responsible for particular geographical areas were reported by Stoker er al (1988). Closer working relationships between officers and members are developing, with an increase in officers attending party group meetings and increased contact between the chief executive and the council leader (Young and Davies, 1990), with increased contact between councillors and departmental officers directly, rather than through the chief officer

(Stoker, 1991). .

In the context of the requirements for local authorities to replace "organisationally determined" service provision (Clarke et al, 1985) by more "user-friendly" systems of service delivery and increased emphasis on quality of service provision and responsiveness to local community needs (in the context of the strategic planning approach described above), a number of publications urge the development of more flexible communication, coordination and liaison systems both vertically and horizontally across hierarchical and departmental boundaries (for example: Clarke and Stewart, 1989; Jackson and Robson, 1989; LGTB, 1988a; LGTB, 1987; Stoker, 1989). The development of market systems for regulating local authority service provision also require increased levels of "horizontal" liaison between purchasers and providers of services. Increasingly, in the context of the "mixed economy" and "enabling" council, such liaison devices have to operate not just across internal departmental boundaries, but across organisational boundaries, as provider units become located increasingly in external private/voluntary sector organisations.

Both purchasers and providers have to work in close liaison with other agencies and community groups, who contribute towards policy formulation, service provision and performance review processes (Cochrane). The "enabling" council, with its increased levels of involvement with external providers, with partially locally authority controlled "arm's length" agencies, partnerships, and part-ownerships within various joint bodies, will require extensive formal and informal lateral devices to ensure effective joint planning, working and collaboration. Thus: "officers will have a major preoccupation with inter-organisational relationships and the creation of networks to achieve the Council's strategic goals...the Chief Executive and Chief

Officers will see an increasing role in looking outwards at their area as direct service provision by the authority declines....Members and Chief Officers will spend more time in developing convergent strategies with external agencies and in developing joint networks for service provision" (Brooke, p21). Corresponding changes can be identified in middle management role prescriptions and behaviour (see discussion in the next chapter).

These developments can be seen, in conjunction with changes in unit grouping (discussed above), and more decentralised decision-making systems (see discussion below), as representing an apparent move from hierarchical to market through to the "network" form of an almost "boundaryless" organisation (Peters, 1992; Francis, 1994). Aided by more sophisticated computer technology, this organisational form is characterised by longer-term "horizontal", cooperative and non-competitive relationships between all parties concerned (both within and outside the organisation), to the mutual benefit of all, with an emphasis on more use of the the "mutual adjustment" coordination strategy, characteristic of Mintzberg's adhocracy configuration.

However, the limitations on the realisation of such a model in practice (apart from a few specific product/service sectors, discussed in chapter 1) tend to bear even more heavily upon local authority organisations, with their more ambiguous purposes and functions, and public accountability requirements, than on private sector firms. For example, in relation to the "mixed economy" approach to care under the NHS and Community Care Act, Langan and Clarke (1994, p88) argue that the idea of the "seamless web" or "network" provision of services shared between a large number of private, voluntary and public providers suffers from two competing injunctions: "One is to use the competition inherent in the

mixed economy of welfare to obtain 'value for money' services. This places a premium on contracting, looking for market advantages and exercising purchasing power. The second is concerned with the 'enabling' and 'partnership' visions of service delivery. These stress the role of the authority in fostering alternative service providers, building up good relations, developing multi-agency working and joint initiatives. It is not clear that these two versions of the local authority role sit comfortably together".

Langan and Clarke go on to suggest that these functions may operate at different levels in the organisation, with lower level managers concentrating on the "bridge-building" activities. Yet, even here they draw attention to the problem of possibly conflicting strategic priorities between partner organisations, and also to the different processural and behavioural characteristics of the partner organisations. Traditional differences, conflicts and tensions between different professional and departmental groups within the same authority are likely to be even greater between different organisations with different priorities, professional cultures and power constellations. Quasi-market regulation of transactions between purchaser and provider groups within the same or different organisations are also unlikely to provide a satisfactory mechanism for encouraging mutual collaboration between the two functions. Walsh (1992, p77) draws attention to the "contract bureaucracy" which can characterise attempts to apply the discipline of service level agreements and service specifications to more complex professional services: "contract management may easily become proceduralised and bureaucratised with variation orders for any change, and a plethora of work orders and invoices...Lines of communication may thus become longer and more complex".

These problems may be less evident with more easily specifiable and

measurable manual services. In any case, market systems within local authorities vary from an "arm's length" relationship between purchaser and provider functions, with hardly any competition at all to fully fledged private sector style competitive markets, where, for example (within legislative constraints), a Direct Works Department faces competition from other private/public sector organisations, and can supply services to a range of organisations (Stewart and Walsh, 1992; Walsh, 1991; Stewart, 1992; Flynn, 1994). It is importants to recognise the high degree of differentiation between local authority services, by applying contingency theory approaches within as well as between organisations - different services require different forms of structure and management systems to maximise organisational effectiveness.

At the macro level, within the context of the institutional framework of local government, local authorities remain, as argued earlier, publicly accountable organisations - required to justify and account for both the ends and the means of public spending and service provision. The use of the lateral devices and mutual adjustment mechanisms listed above may reduce the inflexibility of the traditional hierarchical, bureaucratic and departmental structures. But they are likely to be an addition to, rather than a replacement for, other more bureaucratic coordination/liaison mechanisms: "the nonbureaucratic organisation exists in theory but, it is argued, does not provide practical alternatives for local government." (Davies, 1986, p3.26). The more fragmented forms of service planning and delivery described above, within an overall strategic framework, are likely to be subjected to formalised, bureaucratic forms of coordinating mechanisms, similar to those of the more traditional, in-house, hierarchical systems. An important factor here is the extent to which these forms of service provision involve more decentralised operational decision-making

systems; developments here are discussed below, within the last of Mintzberg's four design parameters.

Design parameter 4 - decision-making systems: centralisation and decentralisation

Mintzberg (1983) and Child (1984) define decentralisation as the devolution of (usually operational) decision making powers - horizontally, outside the line management hierarchy to support/control departments, and/or vertically, down the hierarchy to lower level line managers. Several authors describe the traditional emphasis by local authorities on detailed, centralised, procedural and operational control at the expense of strategic overall direction (Audit Commission, 1988, 1989, 1990; Stoker, 1989; Campbell, 1991; Kay and Malone, 1989). Thus, councillors have tended to focus on operational management issues and the production of services rather than on strategic area needs and consumer requirements; committees on routine business rather than policy analysis or review. Central services focused on detailed central control of planning, resources and personnel, rather than providing corporate direction. Professional managers and staff used their expertise to control departmental service provision and needs definitions rather than on accountability to politicians.

Assessing the limitations of this relatively centralised approach, Stoker argues that, in many authorities: "control is exercised at too detailed a level at the expense of effective resource management and policy direction. Too often, detailed control has been a substitute for deciding what needs to be controlled. Detailed supervision can reflect a lack of willingness to develop staff to exercise management responsibility. The passing of issues up the hierarchy may reflect a lack of clarity about the authority's goals." (Stoker, 1989, p33). The

strength of this centralised decision-making tradition, from operational levels through the chief officer to the elected member committees, is illustrated by the fact that the London Borough of Bromley (1989) found it necessary to specifically include, as one of the components of its move towards a new more accountable management style, the delegation to staff of the power to sign letters and write official reports in their own names instead of that of the chief officer.

During the 1980s and 90s, there were moves amongst some authorities (under the stimulus of the contract management systems required by CCT legislation, and, for example, under the 1988 Education Act enforcing local financial management systems for schools) towards a more devolved management style. High levels of detailed control over operational decision-making were replaced by "more effective overall control" (Stoker, 1989, p34). This involved the delegation of greater operational responsibilities and more control over finances and other resources to managers at the lowest possible levels, within a framework of clear organisational and departmental goals, and the development of clear service specifications and performance indicators. Young and Mills reported that, within the three service departments covered by their survey: " Decentralisation continues steadily in housing services, with more than two-thirds of authorities now operating a wholly - or partly - decentralised service...almost half of all Social Services Departments are seeking further decentralisation in the context of a move towards specialisation (of service provision)...close to half of the Local Education Authorities are seeking 'maximum feasible decentralisation' to schools under Local Financial Management, which has seen very large increases in the proportions of schools affected between 1990 and 1992." (p21-22). Some, mainly urban authorities - such as Tower Hamlets - introduced decentralised political as well as service delivery systems,

with local area committees of councillors responsible for all service provision within a specific geographical area (Lowndes).

A 1988 survey, which predates the development of schools' local financial management, reported an increase from 12.4 % to 26.2 of local authorities who had adopted devolved budgetary control to unit/centre managers in some or all departments, although the authors stress that the extent of resource deployment flexibility and/or autonomy given to these managers was not examined (Stoker et al, 1988). Some authorities (nearly half of the Young and Mills survey authorities) have developed comprehensive cost centre management systems throughout their organisations; an example often quoted in the literature is Berkshire county council with its 600 cost centres, excluding individual schools (Geeson and Haward, 1990). These trends towards decentralisation of service delivery also involve changes in the role of the central services. As Young and Mills point out, traditionally, these services have been centrally maintained, with some partial decentralisation within larger authorities. Managers operating under the constraints of CCT and/or within more decentralised service delivery systems have demanded both greater operational freedom and better value for money from central services, resulting in close scrutiny of both the functions and cost of central services provision (Walsh, 1991; Kay and Malone). Young and Mills reported various new approaches to central service provision, involving varying degrees of decentralisation of such services within some authorities, including the introduction of Service Level Agreements, and (but by only 10% of the authorities) the adoption of a trading account format.

It is important to stress that, as Stoker (1989, p33) points out: "The aim (of devolved management) is not to remove control over managers but

rather to change the nature of the control exercised by the administrative and political centre of the authority" - to move towards control systems based on the standardisation of outputs, using clearly defined performance standards, rather than through detailed operational controls. Correspondingly, the role of the centre should move from an emphasis on centralised routine intervention towards "more discriminating strategic guidance" (Campbell, 1991, p13), both in relation to its controls over the performance of the service departments in relation to strategic objectives and in relation to its own service provider role. The latter should distinguish clearly between, for example, fairly routine personnel service provision and the strategic role of central personnel in devising appropriate personnel strategies for the whole authority, integrated within and contributing to the authority's overall strategic plan (Audit Commission, 1991).

These developments, and the trends outlined earlier towards the "enabling" role of local authorities through CCT, "arm's length" agencies, neighbourhood offices etc., - the drift "towards the 'Quango' agency model" (Campbell, p12) - parallel the trends in the private sector towards the divisionalised form outlined in Chapter 1. As Mintzberg (1989) points out, however, there are problems in attempting the adoption of a divisionalised structure for public sector authorities, connected particularly with the use of performance measures: the public sector's goals "are largely ill-suited to performance control systems. In other words, many of the goals most important for the public sector...simply do not lend themselves to measurement, no matter how long and how hard public officials continue to try" (Mintzberg, 1989, p171). As noted earlier, it is difficult to specify performance <u>outcomes</u> as opposed to more easily quantifiable <u>outputs</u>, and managers can be drawn towards concentration on tangible

ecomomic/volume output goals at the expense of more intangible and qualitative, but equally, or more important, social goals. Pressures to achieve measurable goals tend to drive out goals that cannot be measured, such as service quality, pride in work, and good service to the customer. Moreover, rigorous performance measures can reduce managers' inclinations to innovate; fear of failure or making mistakes can also inhibit the degree of delegation down to lower level managers - especially in politically sensitive service areas such as, say, social work. Mintzberg concludes that: "appearances and even trends notwithstanding, the diversified configuration is generally not suited to the public and not-for-profit sectors of society....public-type institutions that wish to divisionalise to avoid centralised machine bureaucracy may often find the imposition of performance standards an artificial exercise. They may thus be better off trying to exercise control of their units in a different way" (Mintzberg, 1989, p172). Mintzberg goes on to suggest a "normative" control system based on coherent and specific organisational values and cultures within which managers could be allowed to manage freely - similar to Walton's commitment strategy (1985). In the same vein, Campbell urges the adoption of some private sector firms' practices, where "the traditional multi-volume codes of practice, in areas such as personnel, are being jettisoned in favour of broad company principles" (1991, p20).

However, the local authority managerial requirements, involving rules, procedures and standards to ensure public accountability, and impartiality, neutrality and predictability in service delivery (Stewart and Ranson, 1988) would appear to mitigate against the use of such a strategy as a primary means of control by local authorities; its most likely use in local government is as a kind of "overlay" over conventional bureaucratic controls. (Moreover, such "cultural" control

cannot easily be transferred to arrangements with other voluntary/public/private sector agencies.) Thus, in addition to fulfilling specific performance targets and procedural requirements, managers may be required to follow less quantitative but equally important corporate principles enshrined within the corporate culture, values and mission statements produced by many authorities (see above under behaviour formalisation and training). Increased delegation to local authority departmental/divisional heads and line managers of devolved responsibilities for previously centralised functions such as personnel, finance etc. has to be made within a regulatory framework of central monitoring and control and appropriate resource allocation - especially under the present central government tight expenditure controls over local authorities.

Similarly, in relation to decentralised service delivery systems, control of professional work activities through performance outcomes (derived from strategic plans) is likely to be supplemented by operational rules and procedures issued by the senior management of each department or division. These are designed to ensure statutory compliance, uniformity and equity of service provision, plus consistency of standards and practice. In addition, "rationing" devices are also likely to be employed to fit the available supply to the potentially unlimited demand for services. The requirement for public accountability, through the chief officer to the elected member committees (plus statutory requirements) limits individual professional autonomy and choice about the nature of work activities, and the composition of the client group. Johnson (1972) identifies this as the "state mediation" strategy for controlling practitioner activities (the key characteristic of a professionally controlled occupation is that professional staff control the composition of their client groups and

the nature of the service rendered to them). In general, as Mintzberg points out, "public service regulations on appointments and the like, as well as a host of other rules, preclude the degree of division manager autonomy available in the private sector" (1989, p172).

It is therefore difficult to avoid the conclusion that decentralisation or divisionalisation in local authorities involves service and resource utilisation performance controls and cultural "overlays" in addition to only partially reduced procedural and operational controls. This may tend to result in more rather than less bureaucratisation, and only limited decentralisation of operational decision-making powers to unit managers lower down the departmental or divisional hierarchy. The continuing local public accountability requirements of local authorities can also inhibit the degree of decentralisation within partner or co-working arrangements with other agencies. For example, in the context of a community care implementation exercise: "one particularly striking feature was Health Service complaints about the slowness of local authority decision-making and impatience with the need to 'consult politicians.'" (Langan and Clarke, 1994, p88). (This need - basically to ensure public accountability - is, of course, one of the reasons put forward by authors such as Walsh and Stewart against the extensive contracting out of local authority services to voluntary/private sector agencies: "the contractor is....not subject to the requirements imposed on, for example, local authorities by public accountability, such as access to information...nor is the interpretation of the contract necessarily so clear that it can be enforced by the client in the way that in principle, if not always in practice, it can be enforced in a hierarchy" (Stewart, 1993, p5).) The recent report by the Public Accounts Committee highlighted the need for more effective controls over public spending by semi-autonomous agencies: "Taxpayers...want to know

that it is not being spent in ways they disapprove of" (Willman, 1994).

Thus, there is a temptation for public sector organisations, including local government, to avoid the dangers of public censure by adopting control mechanisms which become so detailed and prescriptive that they seriously limit the operational decision-making autonomy of local authority unit managers; the increases in their new devolved responsibilities may not be aligned with increases in the levels of decision-making authority devolved to them over their resource deployment and service delivery operations. This issue is explored further below in chapter 4, which examines the impact of the "new" management systems on middle management role prescriptions and behaviour.

Conclusion

This chapter has outlined the extensive changes, particularly since 1979, which have taken place in the external environment (including particularly the institutional framework, of local government). It has examined the way in which such changes, mediated through the strategic control exercised by a local ruling group (of elected members) have precipitated extensive changes in the internal structure and management systems of many authorities. Across all four of Mintzberg's design parameters - design of positions and behaviour formalisation systems, unit/departmental grouping and design, planning and control systems, decision-making systems - growing numbers of authorities have made, and are continuing to make, significant moves towards the "new" management systems identified within the public sector and local government organisational literature. However, individual local authorities continue to differ significantly in the extent and nature of the changes they have introduced in these structural components. It is clear from

the literature and the surveys quoted above, that many authorities have made only partial moves towards the "new" model, for reasons connected predominantly with different local political control systems and strategies.

Overall, the "new" model appears to represent moves from the bureaucratic structures traditionally associated with local authorities (emphasising direct, detailed hierarchical and relatively centralised control systems), towards more flexible structures with relatively more decentralised control systems. These are based on specification of performance outcomes, within a framework of clearly specified organisational values, formalised strategic planning, and devolved management systems - essentially, the private sector style divisionalised form. Within this framework, in the context of the "enabling", "competitive", and "mixed economy" council, and the purchaser/provider split, there is more emphasis on horizontal as well as vertical hierarchical regulation of activities. This operates through market/contractual relationships between purchasers and providers operating increasingly at "arm's length" from the authority, within semi-autonomous business units located inside the authority, or within external voluntary/private sector/other public sector organisation.

Yet, as discussed above, within each of the four design parameters, it can be argued that these changes represent more of an amendment to, rather than a replacement of, traditional hierarchical forms of local government organisation and management. As noted above in chapter 1, many private sector organisations are reluctant to reduce their reliance on relatively detailed and centralised control systems - especially when operating within rapidly changing/hostile external environments - for reasons relating to senior management fears of losing power and status, and with practical difficulties of maintaining control over

decentralised management units (Mintzberg; Hales, 1993; Robbins, 1990). Such problems are exacerbated within public sector institutions, such as local government, subject to strong external political control systems, and required to operate within a national institutional framework.

As Mintzberg indicates, the whole point of the contingency approach to organisation design is to identify the form of structure which will best enable an organisation to operate effectively in its environment. As noted earlier, it is difficult to identify the ultimate outcome or "product" of local authorities. The criteria for assessing the effectiveness of local authorities remains essentially a politically based value process rather than the predominantly economic goals and criteria, used to assess the ultimate effectiveness of private sector organisations operating within market systems. The extensive external political control of local authorities - legitimated by direct elections, as noted in the key characteristic four of the institutional framework - and their statutory obligation to provide specific services and ensure equity of provision would appear to require a critical degree of central coordination and control through senior management to the elected members. The latter are responsible (and directly accountable to the public) for the activities of local government service providers, not only in terms of outcomes (however these may be defined), but in terms also of methods and processes - "means" as well as "ends". This suggests that local authorities may need to retain, albeit in amended and more flexible forms (including more opportunities for involvement by more "empowered" local communities and citizens in decision-making processes), many elements of hierarchical and bureaucratic organisational forms to regulate the activities of both their own staff, and also those of external contractors.

These issues are explored further in the next chapter, which examines the impact of internal structural change within local authorities on the role prescriptions and behaviour of middle managers, who arguably play a key role in the implementation of many of these changes. The extent to which changes are occurring in their work-role behaviour serves as a useful indicator of the extent to which the changes described above have actually had an impact on local authority processes and functioning.

Chapter 4

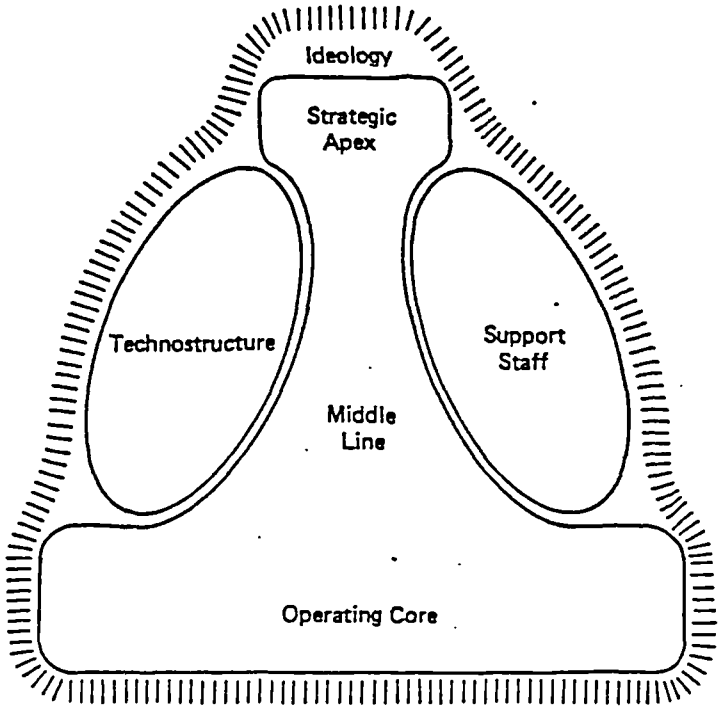
Organisational restructuring and changing managerial roles in local government

The contingency model of management was used in chapter 2 to analyse, at a general level, the impact of organisational restructuring on middle management roles. This chapter uses the same approach to identify the impact of local authority restructuring (outlined in the previous chapter) on local authority middle managers' role prescriptions and behaviour. Contingency approaches indicate that the nature of managerial work and style is contingent upon a number of situational factors (Mintzberg, 1973, 1989; Stewart, 1976, 1982, 1989, 1991). This contingency framework includes: the internal and external situational factors described in chapter three, such as the institutional framework of local government, and the strategic choices exercised by the elected members and senior management of a particular local authority; the location of particular managerial posts within particular departments and/or functions, at particular hierarchical levels; the "person" occupying the role and his/her own values, style, skills and attributes (competences); lastly, time factors such as seasonal variations in workloads.

The moves identified in the previous chapter from "traditional" to "new" forms of local government structure and management systems involve extensive and significant changes in the roles of local authority middle managers - defined here, as in chapter two, as managers with significant supervisory responsibilities, who report to more senior managers, and who have first-line managers/supervisors and/or senior professionals/professional section leaders reporting to them (Dopson and Stewart, 1990). Local authority middle managers are located in service

provision departments in the middle line of Mintzberg's organisational model, between the strategic apex at the top, and the operating core at the bottom, and also in the technostructure and support structure parts of the organisation, such as finance and personnel:

Six Basic Parts of the Organization



(Source: Mintzberg (1989), Mintzberg on Management, New York, The Free Press, p99.)

The "new" local government management systems involve fundamental redefinitions of the managerial role, frequently described in terms of a move from "professionalism" to "managerialism" and/or from "administration" to "management" (Flynn, 1993). Focusing first on the "professional" aspects of local authority management, "traditional" middle management tends to operate from within a largely "professional" orientation within the specialist departments responsible for service provision - such as social services, education, planning etc. This focus reflects Gouldner's (1957) "cosmopolitan" orientation, involving attempts at adopting a traditional "professional" form of control over operations - defined by Johnson (1972) as a control strategy which empowers practitioners to define the composition of the client group,

their problems/needs and the type of service to be provided. Similarly, Flynn describes this approach as involving three key features: professionals are managed by other professionals, who are largely autonomous from management structure imposed from outside the profession; service provision is governed by standards and codes of practice derived from professional associations, rather than the host organisation; professionals - not their clients - have expert knowledge about problem definition and the service required to resolve these problems - services are provided essentially to people not with them (Walsh, 1989).

It is, of course, important to emphasise that this professional ideal was never realised in local government to the extent that it was, perhaps, in "traditional" professions such as law and medicine. Because of the public accountability requirements - through departmental chief officers to committees of elected councillors - most local government professionals tend to exercise what Rowbottom (1974) describes, for example in the social work context, as "delegated discretion" rather than professional autonomy. There are parallels here with Johnson's second occupational control strategy - patronage - where a powerful employer "client" (in this case, the local authority) exercises, to varying degrees, power over client and need/problem definition and service provision. In addition, Johnson's third occupational strategy - state mediation - can be seen clearly to apply to local authority professionals whose role and functions are circumscribed by the increasingly rigorous and detailed legislation governing local authority service provision. Nevertheless, professional staff have tended to seek to maximise their areas of professional autonomy - to varying degrees of success, depending in part on the nature of the historical development and relative status of the different professional groups (Johnson, 1974;

Laffin, 1986; Laffin and Young, 1990). For example, housing professionals have not been able to attain the same degree of autonomy over their work as, say, teachers (although the national curriculum is currently diminishing the autonomy of the latter).

Conflicts over professional autonomy can operate through the existence of competing segments within professional groups (for example, residential, field and community based workers within social work), each with their own commitment to particular interests, work methods etc. (Bucher and Strauss, 1961). Conflicts can also exist between core professional staff's tendencies towards "cosmopolitan" orientations - to national professional codes of standards values, and practices - and the more "local" orientation - towards the particular local authority's policies and resource constraints - manifested by members/chief officers (Gouldner, 1957; Watson, 1975). The latter are likely to focus more on "coordinative and management tasks, regulating the work of their staff and influencing members' policy making, whilst still maintaining professional legitimacy for their authority" (Laffin and Young, p25). Lower level managers, who entered local government originally as professional staff with professional experience and training, were, and, indeed, continue to be, located in the middle of these tensions and conflicts between core staff and senior management. Thus, in exploring problems faced by first-line managers, a LGTB study (1984, p4) found that: "There was a reluctance to let go of professional or technical work. For some managers whose authority and competence is predominantly legitimated by, and derived from, their professional expertise, such role extensions can prove problematic; in addition they can be perceived by their professional staff as "selling out" to senior management". The extent to which such conflicts operate between middle managers - located between first-line managers/senior professionals and more senior

managers - is not explored in the literature, but they are likely to exist to at least some extent. At senior levels, too, similar tensions can emerge, between members, (with their political-based strategies) and chief officers, who traditionally tended to hold what Laffin and Young (1990, p76) call the "professional advocate" approach: "their primary commitment being to the development of their service locally, and, in some cases, nationally as well".

Under the "traditional" local government management systems, the managerial (as opposed to the professional supervision and regulation) functions of these departmental "professional" middle managers tended to involve largely "administrative" activities - as did also the roles of managers in clerical/administration/manual work departments. Managerial roles involved essentially "administering systems which are in a steady state" within a departmental framework of tight budgetary and procedural controls (Flynn, 1993, p191). Middle managers had little or no control over, or responsibility for, the management of finance and other resources; these were controlled centrally by centralised finance, personnel etc. departments (Campbell, 1991). As discussed in chapter 3, this old-style administration operated essentially within "an organisation obsessed with budgets and procedures and forgetting about the users", and tended to be dominated by professional adherence to professional standards and prescriptions with little regard for community/consumer needs and involvement in service planning and delivery (Flynn, 1993, pp191-192).

During the 1980s and 90s, local authorities increasingly moved away from this traditional system, based on "administration", towards the new "managerialist" approach" - based on the view that "managers have 'the right to manage, which means that they should be in control of the

organisations which they run, and that they should be very proactive....It is this view of managers as controllers which underlies many of the managerial reforms in the public sector." (Flynn, 1993, pp190-191). These developments tend to bear particularly heavily on local authority middle managers, in the context of prevailing views that management functions are increasingly becoming distributed throughout the authority: "Management is best defined not as a limited number of 'top' or 'leading' positions, but as a set of competences, attitudes and qualities broadly distributed throughout the organisation." (LGMB, 1993a, p8). In the context of the moves towards the divisionalised forms of structure outlined in the previous chapter, middle managers are likely, as managers of semi-autonomous "provider" business units, to acquire responsibilities for new functional areas such as finance, personnel and other resource management. They are expected to become proactive and outward- rather than inward-looking - to the customer and the local community, to their local authority "purchasers" or clients, and to opportunities for generating more businesses, and providing a responsive service which meet "purchaser" and end-user/local community needs/demands (Stoker, 1989; Stewart, 1988a). In the context of the "enabling" authority, middle managers are also becoming increasingly involved in complex networks of relationships both with the authority and with other community and voluntary/private sector agencies through joint-planning, co-working and contractural arrangements and activities - which will operate for both "provider" and "purchaser" managers (Brooke, 1989).

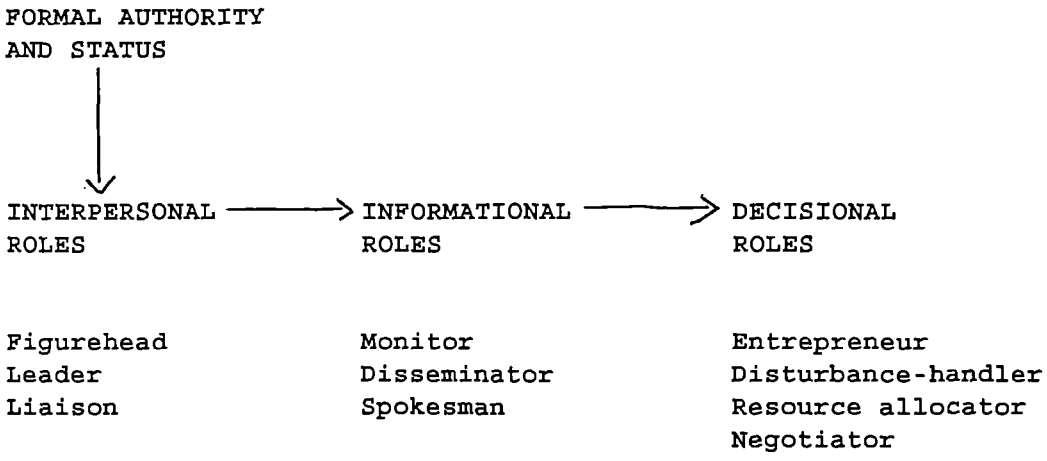
Professional orientations, within the context of more formalised strategic planning, are required to move towards a firm "local" orientation, corresponding with Johnson's "patronage" strategy for occupational control, with a large powerful client - the local authority

purchaser - defining service objectives and, increasingly, the scope and nature of professional service delivery. Within performance management systems, both middle managers and core professional staff are having to accept "calls for greater accountability to politicians and managers" (Stoker, p64). Moreover: "Professional expertise, traditionally associated with the delivery of services, will no longer be an adequate substitute for managerial competence. Professional staff will more and more seek to augment their specialist knowledge by management training..." (LGMB, 1993a, p13; Watson, Preddy and Drury, 1992). Similarly, the role of middle managers will focus less on professional supervision, and more on the new "managerialist" aspects of their roles (see discussion on previous page). Chief officers' roles tend to move towards that of the "engaged professional advocate": "Instead of the earlier adovocate stance of Olympian detachment and assumed indifference to local politics, the contemporary professional advocate adopts a stance of engagement in and concern for local political processes, and will generally work comfortably enough with a council whose political persuasion strongly favours the development of the particular service" (Laffin and Young, p111).

CCT legislation, including particularly the forthcoming extension of CCT to hitherto largely untouched white-collar professional services, and the trends towards flatter hierarchies, pose a threat to the job security and opportunities for promotion up the hierarchy which were traditionally enjoyed by local authority managers, in the context of the local authority as "model" or "good practice" employers (Farnham, 1993). Job satisfaction and commitment levels may be affected by pressures for more accountability, combined with increasingly stringent resource constraints and the need to acquire new "managerialist" competences, within an environment of accelerating and continual change (Leach et al,

1993)

Essentially, the new management model operates on the assumption that the differences outlined in chapter 3 between local government and private sector management styles and systems are disappearing in the sense that running, say, a leisure department is basically the same as running a company. Certainly, the changes summarised above in middle management roles reflect the changes occurring generally across all employment sectors, as identified in chapter 2. However, as suggested in the previous chapter, it can be argued that the institutional framework of local government, with its unique local public accountability requirements, continue to place constraints on the extent to which the new managerialism can be applied to local authorities. Moves towards the new management model, plus the constraints on such moves, are analysed fully below, using Mintzberg's (1973,1989) managerial role framework to analyse changes in local authority middle managers' work. This framework, described fully in chapter 2, involves three types of roles, with subsets for each (1989, p:16):



Interpersonal Roles - figurehead, leader, liaison

The figurehead role, "the performance of duties of a ceremonial nature" (Mintzberg, p150), has always been prominent in local authorities

amongst senior managers such as the chief executive and the chief officers, given the formal role of local government and its attendant rituals and traditions deriving from its nineteenth century origins. Thus 67% of the chief executives considered that representation of the authority's interests on formal occasions constituted an essential part of their role (Norton, 1991), and the Clarke (1988, p8) mentions the importance of the "ritual function in the external environment" of chief officers. The growth in public relations activities associated with the development of the more "responsive" local authority is also likely to increase the significance of this role (Franklin, 1988). The extent of the involvement of middle management in such activities is not assessed in the literature, but, in the context of increased decentralisation of decision making powers and the growing importance of customer relations, their role in this area would be expected to become more significant. With regard to the ceremonial role inside the the local authority, this is likely to assume more importance for managers throughout the hierarchy, given the increased significance of the leader role (see discussion below.

The leader role, refers essentially to the manager's responsibility "for the work of the people of an organisational unit" (Mintzberg, 1989, p16). Changes here are arising from the increased devolution of responsibilities/authority to middle managers (see discussion below under decisional roles) resulting in increased "visibility" of middle managers in terms of their accountablity for performance against pre-set targets, the broadening of job roles as managers acquire new responsibilities such as personnel and finance in their new devolved roles, and increased emphasis on use of the leader's personal style to motivate and "empower" his/her team of staff.

In general, the concept of leadership in local government is relatively new. Local authorities' tradition of "administration" rather than "management" (as discussed above) tended to emphasise a largely administrative role of "carrying out, obeying, the demands of seniors" rather than either the more reactive management/"transactional" style of "providing hierarchical leadership and supervision" (Snell, 1985, table 1) or the more proactive management/"transformational" style of inspiring and motivating subordinates. (Within the former, the power and authority of the manager is clearly defined by his/her hierarchical position, with an emphasis on conformity by both manager and subordinates to rules and procedures, and providing rewards for appropriate levels of effort. The latter is based less upon formal role prescriptions and more upon personal expertise and attributes, with the manager using innovative and proactive approaches towards decision-making, and manifesting personal enthusiasm and commitment to inspire, motivate and encourage subordinates to "go beyond" contract in their work activities (Zaleznik, 1977; Bass and Avolio, 1991); see full discussion in chapter 2.)

A number of publications emphasise the growing importance of the leadership role for the chief executive (Norton, 1991), for senior officers (LGTB, 1988, 1984; Jackson and Robson, 1989), for first line managers (LGTB 1984), and for all managerial staff (Clarke and Stewart, 1990; Hadley and Young, 1990; Buckland and Joshua, 1990; Issac-Henry and Painter, 1991; LGMB, 1991, LGMB, 1993a). These concepts of the leader role tend to reflect the private sector developments outlined in chapter 2 towards more "transformational" styles. Thus, Clarke and Stewart (p26) stress: "there will be a premium on leadership.....at all levels in the organisation.....The ability to inspire and motivate staff to innovate and develop service and to be their own agents for change, as well as to

understand and marry the needs and interests of service users with those of the organisation and its personnel are essential". They identify the need for managers to develop both the task (setting performance standards, and clarifying the basic values underpinning the authority's policies and approaches to service delivery) and the people components of the leadership role (motivating staff and evaluating their performance), with an emphasis on communication, staff development and providing a "role model" of personal standards for staff to follow). Similarly, the LGMB (1993a) stresses the importance of both "leadership" and "people management/relationship" skills for managers throughout the organisation: "Leadership skills - the ability to demonstrate leadership.....both 'Individual' Leadership and 'Team' Leadership, to inspire, guide, motivate individuals and teams. 'Strategic Leadership' in setting and maintaining organisational direction and Leadership of 'Change' to maintain momentum and enthusiasm in change efforts....Well developed people management/relationship skills - Skills to relate to, motivate, develop, appraise, empower and release potential of staff. Ability to develop and lead a team. The personal flexibility to act as both a team member or team leader. Ability and willingness to delegate...An ability and enthusiasm to manage diverse workforces with proven commitment to positive action and equality..." (pp23-25).

Clearly, the extent to which these approaches are actually being adopted by local authorities will vary from authority to authority. Some of these publications provide examples of applications in particular authorities. For example, Hadley and Young describe the transformational-style "synergic" leadership approach adopted by East Sussex for managers throughout the authority, and especially at lower levels, involving "the underlying notion of creating conditions in which increased scope for the growth and development of the worker and

workgroups can contribute directly to the goals of the organisation" (Hadley and Young, p154). Thus considerable emphasis is placed upon enabling and "empowering" the members of a work group - both within professional service delivery and within administrative and manual services - to encourage group member involvement and participation in new initiatives within the framework, conveyed by the leader, of the authority's values and "vision". Similarly, in Nottingham (Buckland and Joshua, 1992), the development of strong leadership at all levels in the authority is seen as essential to communicate "vision", identify the new direction, and gain the commitment and confidence of staff in the context of moves towards a new culture emphasising the importance of high levels of performance and service quality, improved financial management and more responsive service delivery systems.

Trends identified in the previous chapter towards increased use of performance appraisal systems, increased emphasis on training provision, and the development of devolved management systems (see below under decisional roles) also suggest the adoption by middle managers in growing numbers of authority of at least some aspects of the new leadership approaches. For example, managers are expected to take responsibility for ensuring the development and training of their staff in Nottingham City Council's new devolved management system. More formalised performance appraisal systems require managers to focus on the assessment of each individual staff member's performance, plus their training/development needs (Fowler, 1988)

A number of problems can emerge in relation to the adoption of these leadership approaches by middle and junior local authority managers. Effective adoption by middle managers of these transformational style leadership roles requires time for them to develop new forms of behaviour, training to help them acquire the necessary skills, and

resources to meet the development/training needs of their staff identified through performance appraisal processes. General increases in training/development resources and provision were identified within many authorities in the previous chapter. Yet such increases may not be sufficient (especially in circumstances of more rigorous spending controls) to meet the training needs of either the middle mangers or their staff, resulting in frustration and disillusionment amongst both parties. Only 46% of the respondents to a LGMB (1994) survey considered that they received sufficient training for their jobs. Pressures on managers "to do more with less" in the context of the resource constraints which frequently accompany devolved management systems can result in temptations to cut back on the time-consuming activities associated with these leadership approaches in favour of concentration on the achievement of more tangible and measurable performance targets connected with resource utilisation and service delivery.

Moreover, some managers may simply find it difficult to make the required changes in behavioural styles and attitudes. Despite a planned management of change programme, including training provision, Hadley and Young (p40) reported on the differing capacities of their lower level managers to adopt more "transformational leadership styles: "Some understood its demands well.....you see the importance given to team building, to briefing members on developments in the wider organisation and their implications for the team, and the care that is taken to push out the frontiers on shared decision-making as interest and ability to cope develop. But other managers have had difficulty in accepting the need for participation and have sometimes run into opposition and confrontation as a result". Respondents to a LGMB (1994) survey, identified various areas for improvement in their superiors' leadership behaviour, concerned mostly with: indadequate communication (both to and

from subordinates) and information provision (see discussion below under informational roles); the limited extent to which managers acted on their subordinates' suggestions; an absence of clear work objectives and feedback on performance. Half of all the respondents felt that good performance was not recognised, and that little was done about poor performance.

Managers can certainly experience problems in carrying out formal aappraisals of their staff performance. Many managers in two recent surveys (Spence, 1990; Palmer, 1993) expressed fairly positive views about the introduction of performance management systems. They considered that such systems improved communication between employee and manager, clarified organisational goals and work objectives, and were useful for justifying the use of resources, measuring progress aginst plans, and raising staff/management consciousness about economy efficiency and effectiveness. However, some managers were concerned about the time required to carry out staff appraisals; they experienced feelings of stress arising from criticisms of their own performance as appraisers by their staff; they disliked the "uncomfortable experience" of being compelled to judge the performance of others; they did not consider performance review to be necessary: "there appeared to be some resistance to the idea that employees should be managed proactively to ensure that their potential is realised." (Spence, p4). Some managers in Palmer's survey resented the heavy reliance on quantitative indicators, which were seen as less valid than the less frequently used qualitative indicators (see discussion below under decisional roles)

Campbell (1991), too, comments on the difficulties of ensuring that line managers, with their new devolved powers, duties and performance targets to meet, delegate in turn to their own supervisors and staff. Middle

line managers "will often tend to restrict the autonomy of their own subordinates" (p11) - for reasons connected essentially with fears about loss of power and status, and with the technical problems of maintaining control over more autonomous subordinates (see discussion below under decisional roles). For first-line managers in a LGTB survey (1984) a central concern surrounding their decisions about the scope of delegation "was the anxiety of relying on another person's competence and standards" (p4). Similarly, for middle managers, the introduction of more rigorous monitoring and assessment of their more "visible" performance levels may inhibit the extent to which they are prepared to risk delegating performance responsibilities (on which their own performance will be assessed) to their staff. Managers can become concerned that the justification for their position might be diminished, resulting, ultimately, in the possible disappearance of these posts. Moreover, senior management role models may not reinforce the acquisition of more "empowering" leadership styles by lower level managers. Some middle managers in the Nottingham and East Sussex studies quoted above resented the way in which they were being urged to adopt "empowering" management styles themselves, while senior management did not always adopt such styles towards them.

Many of these problems reflect those reported in the private sector with the more "transformational" leadership roles, but an additional constraint, arguably exacerbating these problems, relates to the institutional framework of local government. While there is undoubtedly scope for managers' workforces to become more involved in team decision-making and to exercise more control over work processes, public accountability requirements can place constraints on the extent of "empowering" leadership styles: "In a hierarchical organisation, ultimately answerable to a committee of elected representatives, the

team manager carries the final responsibility for the performance of his team. In this sense, his role in ensuring at least the minimum required standards of performance is more negotiable within the team than the standards themselves and his stance has to be directive" (Hadley and Young, p140).

Mintzberg's third interpersonal role, the liaison role refers to managerial contacts outside the vertical chain of command; there appears to be a trend towards an increase in such activities for middle managers in the context of the general moves away from "vertical" hierarchical to more "horizontal" market and/or "network" forms of management described in the previous chapters. Thus, managers need to develop the abilities to build and maintain complex relationships with a wide variety of key people" (LGMB, 1993a, p23). In the context of developing a more flexible "learning organsation" Clarke and Stewart (1988, p12) emphasise the need to "actively encourage horizontal as much as vertical communication and activity". The "learning organisation" requires managers to take the initiative in developing both themselves and their organisations. When accompanied by devolved management systems, which encourage middle managerial innovation and a "willingness to challenge traditional thinking", such initiatives increasingly include cross-organisational and inter-organisational activities such as participation in working parties, secondments, involvement with professional associations etc. (LGTB, 1988). Middle managerial roles increasingly involve work within a context of interdepartmental and interdisciplinary groups and project teams, which require more understanding and knowledge of additional specialist areas, more contacts with managers from different functional areas, and "intelligence and information systems which cross professional boundaries." (LGTB, 1988, p64; Watson Preddy and Drury, 1992). For

example, the move towards area divisionalisation in East Sussex social services department broke down the barriers, previously significant, between the various social work professional specialisms such as field and residential staff, and used management team meetings to ensure lateral communication flows between the new area based work units.

In the context of the "enabling", "competitive" and "mixed economy" council, differentiation on the basis of professional specialisms is being supplemented by a greater degree of functional differentiation: "between purchaser and provider, customer and contractor, strategic and operational, the generalist managers and the professional" (LGMB, 1993a). Such differentiation involves middle managers in increased volumes of liaison activity between these functions. This includes, increasingly, contacts with voluntary/private/other public sector agencies located outside as well as within the local authority - as well as with a wider range of customers and local community groups, in the context of more responsive service planning and delivery systems. Within devolved management systems, middle managers are becoming increasingly involved in these contacts. The liaison role of the middle manager is seen as crucial in ensuring effective implementation of these market/networking forms of organisation: "Inter-organisational partnerships will founder if middle management do not share a sense of commitment to joint working" (Brooke, 1989, p55).

In addition to joint-working arrangements with other agencies, middle managers, as purchasers of services, become involved in extensive liaison with their provider counterparts both within and outside the authority - both in the initial negotiation of the service level agreement or contract, ongoing amendments to it, the actual service delivery, and the monitoring/evaluation of the delivery (see the discussion of Snow's (1982) Lead Operator and Caretaker roles in

chapter 2). Greater awareness of the need to become closer to customers' wants, needs and priorities - both at the individual and the collective level - involves more extensive contact with these individuals and groups (especially by purchaser managers) to ensure their involvement in the planning and monitoring of services (LGTB, 1987; Walsh, 1989). For example, one of the reasons for East Sussex's decentralisation of social services provision to area teams was to improve liaison with local groups. In the context of a "new, outwards-directed" local authority managerial style, this "governance role" focuses more and more on maintaining existing external relationships, and building new ones: "Management involves community leadership and the creation and maintenance of networks within the authority's social and economic environment. Management will help give voice to public grievance and suggestion, and enhance the ability of citizens to acquire leverage not only in their delaing with the authority itself, but with other public service providers operating in the locality" (Hadley and Young, 1990, p11-12). In some authorities, middle managers will also be in closer contacts with councillors, as a result of the trends towards councillor contact directly with the relevant officer, rather than through the chief officer. Geographical service decentralisation is also likely to increase contacts with local councillors (LGTB, 1989; Hadley and Young; Lowndes and Stoker, 1992a).

The purpose of these liaison activities is to gather, process, exchange and disseminate information (informational roles), which, in turn is used to inform and support the manager's decisional role performance; each of these role sets is discussed below.

Informational Roles - Monitor, Disseminator, Spokesperson

A key role of the manager refers to collecting, processing and

distributing a large volume of information, much of which takes oral rather than written form (Mintzberg, 1973). The enhancement of the leader role, in conjunction with a number of developments described in the previous chapter, such as increased use of strategic management approaches and performance management systems all suggest increases in "vertical" information and communication flows - especially with the growth of information technology (IT) utilisation within local authorities. Similarly, the increase in the "horizontal" liaison activities noted above suggest significant increases in the volume of information processed by middle managers. Particularly in the context of more devolved management systems, these managers are expected to play a key role in these information processing activities, which form a complex web of "horizontal" and "vertical" communication channels both within the authority and between the authority and other agencies/community groups, as well as customers (both individual and collective).

In the context of examining the potentially radical impact of sophisticated computerised technology on these information systems, and, ultimately, on organisational structures, Tapscott and Caston (1993) suggest that information flows have three main functions - to improve work-group performance; to ensure effective integration, coordination and control of activities within the organisation; to ensure the same between the organisation and external agencies. These critical shifts in the use of IT thus potentially enable enterprises "to have a high-performance team structure, to function as integrated businesses despite high business unit autonomy, and to reach out and develop new relationships with external organisations - to become an 'extended enterprise'" (p14) - reflecting the boundaryless or network forms of structure described in chapter 3. A recent survey by the Society of

Information Technology Managers (1991) suggests increasing investment in more sophisticated IT systems by local authorities. These systems are increasing authorities' capacity for achieving integration of various information systems across the organisation, and, although to a lesser extent, with other agencies: "most authorities now have a considerable infrastructure of terminals and personal computers in their offices which could be used for electronic communication, and facilitate access by one part of the authority to information held in another....Authorities now need to work more closely with with health authorities, housing associations, voluntary associations and private companies. They need to examine the information systems and facilities which are available to them for communicating and exchanging information with these agencies" (LGMB, 1993b).

For example, Hampshire County Council has developed a large network, of over 3000 computer terminals used by 7000 people, which provides information on a large variety of topics. Stevenage Borough Council has developed an IT system including a mainframe computer with the capacity to run both current systems and new ones as required, plus a network of workstations throughout the organisation (LGMB, 1993c). While, partly due to resourcing problems, these systems do not as yet appear to meet the sophisticated and fully integrated ideal identified by Tapscott and Caston - especially in relation to inter-organisational integration - they are undoubtedly increasing the volume of information circulating within authorities. In addition to the increased information flows arising from the growing development of inter- as well as intra-organisation work and management systems, devolved management systems also involve managers in more operational information management activities in the context of increased responsibilities for resource management. Indeed, it can be argued that the development of IT

information systems played a key part in facilitating the development of such devolved/management by contract systems (Hambleton and Hoggett, 1990; Langan and Clarke, 1994).

Looking first at primarily "vertical" communication and information flows, the emphasis on core values and policies emanating from the centre, and on strong leadership at all levels of the local authority, requires effective dissemination of these downwards through middle managers to front line staff. Various improved communication system include the use of e-mail, newsletters, staff presentations, briefing sessions, training programmes, and meetings, briefings etc. - used by managers at all levels to "sell" the changes to their work-teams through the proactive leadership styles described above (LACSAB, 1990; Buckland and Joshua; Issac-Henry and Painter). The "well-managed" authorities in Leach et al's (1993) study all emphasised the need for "A commitment to informing, developing and motivating staff, to create the climate of identity and motivation necessary to deal with the pressures of change" (p20). Opportunities for feedback from staff on these developments, up through middle mangers to the centre, are also needed to ensure realisation of the "caring, sharing" employer image, and encourage commitment to change by lower level managers and core staff. The advent of strategic planning and/or devolved management systems also requires the dissemination downwards, to middle managers and their work units, of the departmental strategies, business plans, performance targets and resource allocations which govern middle manager decisions about service planning and delivery, and target-setting for their staff and/or provider units. Conversely, middle mangers are required to monitor, and then disseminate the information upwards, the extent to which they and their work units (and/or provider units/contractors) are meeting performance criteria/resource utilisation targets (Rogers, 1990;

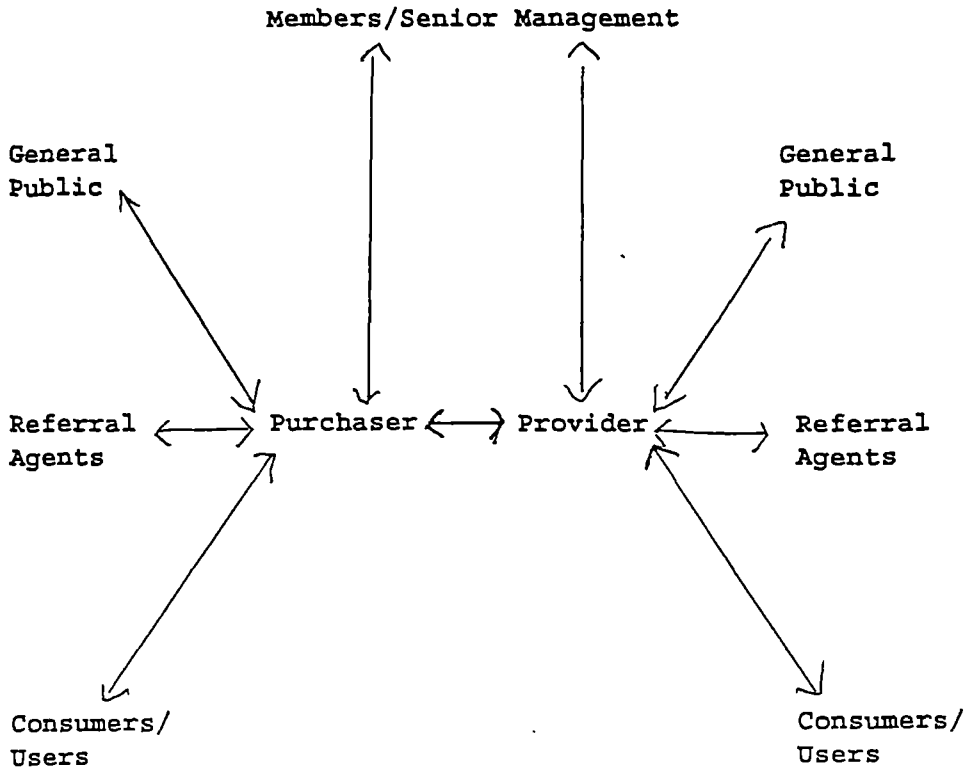
Caulfield and Schutz, 1989).

Thus, to take the Stevenage example quoted earlier: "Managers are expected to monitor and review constantly the way in which their services are provided to ensure that service delivery and service development are progressing according to plan and that the quality of service, as laid down in service specifications, is achieved. The development of the Council's information techonology system has made possible the generation, dissemination and use of key information to underpin these processes" (LGMB, 1993c, p44). In addition, purchaser managers will be expected to obtain operational information collected about a wide range of service delivery issues - such as, for example, customer satisfaction/unmet needs - for feeding into, contributing to, and informing the strategy formulation process. Hadley and Young (p132) stress the extent to which devolved management "creates pressures for more detailed information and more sophisticated criteria on which to assess performance" (p132). A comment by one manager, listing the performance standards which he had to follow and on which he had to provide information, aptly illustrates this point: "reviews need to be completed on time, and are subject to disciplinary procedures. Complaints procedures, professional standards, staying within budgets, allocation of hours...no overtime working, no car travel excess, no subsistence claims above normal, health and safety checks, fire drills, home-help hours, staff development reviews and many other standards..." (pp122-3).

The growth in middle managers' liaison role described above - in relation to increased multi-disciplinary, project team/group working both within authorities and across authority boundaries with other agencies, increased customer/local community group contact, and the

purchaser provider split - also suggests increased levels of middle managers' involvement in monitoring, disseminator and spokesperson activities. Attempts to achieve better service quality and improved customer relations in many authorities - plus the stimulus provided by the government's Citizen's Charter initiative - have resulted in an increase in marketing type activities to identify needs, involve users/user groups in service planning, "advertise" service availability and monitor the effectiveness of service provision (Walsh, 1989; LGTB, 1987; Audit Commission, 1985). As the LGTB (1993a, p25) points out, managers need to develop "Marketing skills - ability to analyse and understand the needs and aspirations of the variety of service users, develop responsive services and promotional skills" (25). These developments suggest significant additional responsibilities for the middle manager. These responsibilities include the monitoring and dissmination of strategic and consumer marketing-type information, and increases in the number of occasions on which s/he may have to act as spokesperson to local groups to explain council policy/seek local opinions (LGMB, 1993a). Thus, for example, Nottingham council canvasses consumer views through "direct contact, customer satisfaction returns, user groups, suggestion boxes and consultation exercises" in addition to improving customer complaints procedures. (Buckland and Joshua, p22).

The purchaser/provider split has also undoubtedly added to the middle managers' liaison and information role activities; the following diagram illustrates the complexities of the liaison and information processing/exchanges involved in these market/network service delivery systems (adapted from Scrivens, 1991, p21):



Thus, purchaser managers, hierarchically accountable to senior management and members in the context of the strategic planning process, will liaise with referral agents (such as, for example within social services, the NHS, education, police, housing, district councils etc.), direct consumers and the general public, as well as with providers to draw up service specifications and monitor the provider units' service delivery. Provider managers, hierarchically acountable to their senior management, are responsible to Purchasers for delivering services according to the agreed service specifications. This involves information exchanges/contact with the service consumers/users, the processing of referrals (including relevant service provision) from other agencies, and various contacts with the general public.

As the LGMB (1993b, p19) publication points out, a more open "information" culture has to be developed within the authority, to ensure that all managers and staff recognise the value of information,

and become committed to using it and managing it effectively. However, a number of barriers can operate to inhibit free liaison and informational exchanges within local authorities, and between authorities and other agencies, in the context of moves towards more "open" and integrated forms of management and delivery delivery systems.

Firstly, the use of computerised technology can pose problems for some managers, whose attitudes towards IT can vary between those of "luddites" and "enthusiasts" with most people located within these two extremes (LGMB, 1993a). Assessing the impact of IT systems, Davis-Smith (1987/8, unnumbered pages) emphasises that middle managerial roles may be particularly affected by the use of IT: "The role of middle managers may change quite significantly because of the way in which information-handling develops". Reflecting the discussion on this issue in chapter 2, she contrasts the potentially positive aspects, involving opportunities for more challenging and satisfying work and for more freedom through an increases in the extent of delegated responsibilities, with the more negative aspects (from the managers' point of view) where IT can be used "to impose greater control and tighter checks on employees' outputs...loss of job security and prospects...fears of deskilling, loss of job satisfaction and an erosion of status and power". Managers and other staff require training to equip them with the appropriate skills, knowledge and attitudes necessary to enable them to make full use of IT; care is also required when designing IT systems to make sure that they meet user requirements (see discussion below).

In addition, particularly in the context of devolved management systems, as noted above, sophisticated IT systems are required to meet both corporate needs for information standardisation, consolidation and control, and the budget-holder managers' needs for information tailored

specifically to their own particular departmental needs which is 'easily accessible, flexible in scope and content, up-to-date, and easy to interpret' (Rawlinson and Tanner, 1990, p34; Audit Commission, 1989). User-managers need to be involved in the design of information systems to ensure that these meet their "business" needs. The emphasis needs to move from information systems designed primarily to meet professional accounting needs to systems designed to help line managers to make more flexible use of their budgets to provide more efficient and effective services. Several authors suggest that many local authorities may still be deficient in meeting many of these informational requirements (Lowndes and Stoker, 1992a; Lawson, 1993; LGMB, 1993b).

Secondly, in both market, and the more traditional hierarchical and departmentalised forms of regulation, the establishment of an "information" culture requires significant attitude changes on the part of the managers involved, including a shift towards seeing information as "corporate property" rather than as the jealously guarded property of particular individuals or departments (LGTB, 1990). Information possession can constitute an important source of power and status for both individuals and departments; individuals may resist what they perceive as a threatening loss of control over access to "their" information, resulting in "authoritarian barriers to lateral or systemic thinking" (Hood, 1991, pp14-15). The purchaser/provider split can form a barrier inhibiting free information exchanges/communication between the two sides, with the every-present risk of the "contract bureaucracy" discussed in chapter 3. As Hulme (1994, p56) illustrates (using the "prisoners' dilemma" analogy), contract regulation, especially under conditions of uncertainty and only limited competition (quasi-markets), can result in "selfish" behaviour involving the withholding of information, rather than the "collaborative behaviour" where both

parties freely agree to share information and ideas. Lateral communication between managers in each function may also be further complicated by the appointment of specialist liaison manager to assist in establishing and regulating contractual relationships. Moreover purchaser managers may become increasingly remote from the "coalface" of service delivery/need identification, thus inhibiting the effectiveness of the contributions made by such managers to the strategic planning process (Walsh, 1992).

Professional staff, too, can be reluctant to accept the principle of publishing and sharing information: "To many professionals 'information is power' and 'hoarding information' is one of their less worthy characteristics" (Watkins, Drury and Preddy, p87). Such tendencies can restrict the amount of information provided to the members of professionals' own work units, and to the multi-disciplinary and cross-functional groups within which, increasingly, they and their managers are likely to be working. These practices can also have a deleterious effect on the effectiveness of inter-departmental and inter-agency working - exacerbated by continuing differences here in the cultures, professional ideologies, and priorities of different agencies. Enabling open access by both individual and collective local customers/community groups to certain "sensitive" information can also be inhibited by fears that it could be used to put pressures on authorities to provide additional services, and/or draw unwelcome (to the ruling political group/senior managers) attention to deficiencies in resourcing or service delivery. For example, in the context of problems over matching needs with available resources within community care programmes, the chief inspector of the Social Services Inspectorate, in a "leaked" confidential communication, "warned councils not to tell older and disabled people of their rights under the new system unless

funds were available to deliver the relevant services.....'practitioners will have to be sensitive to the need not to raise unrealistic expectations on the part of users and carers'" (Langam and Clarke, p87). Similarly, officers can be reluctant to make increased (computerised) information available to councillors because it is seen as increasing member control over internal management processes, at the expense of their own. (Stoker et al, 1988).

Organisational "political" pressures and managerial desires to maintain power and status - combined with technical deficiencies in information systems design and IT applications, and lack of managerial competence/inadequate training - can also inhibit internal information flows up and down the organisation. Despite various initiatives undertaken by some authorities to identify employee views about the effectiveness of their communication systems, Skelcher (1992) found that many employees were dissatisfied with the quality and quantity of downward communication. They felt they had to rely too much on the informal "grapevine" channels, rather that the preferred source of meetings and discussions directly with their managers. Similarly, the majority of the respondents to a LGMB (1994) employee attitude survey were a little more likely to feel that they receive at best limited information (53%) than they were to feel fully (7%) or fairly well informed (37%). More senior officers and/or managerial staff tended to be the most critical. Over 60% felt that "too little information" was provided on the reasons behind major decisions, and decisions taken by councillors, rising to over 70% on "plans for the future".

Opportunities for upward communication also appear to be limited in many authorities; Skelcher suggests that "employees often experience communication as a one-way process - downwards!", with inadequate

channels for conveying their views about service delivery and other issues upwards: "when there is an opportunity to express opinions and ideas they seem to disappear into a vacuum since no feedback is given on what has subsequently happened." (p8,11). Just over two-thirds of the LGMB (1994) survey respondents expressed similar views. In addition, Skelcher found that many employees felt that their managers were poor at communicating information about the goals of work units and how these related to the overall organisation strategy; the time and attention paid to review of individual employees' performance and development needs was perceived as insufficient.

Thus, while many publications stress the importance of improved vertical and horizontal information/communication flows up and down the organisation, it appears that progress may be limited within many authorities. Contributory factors are likely to involve the attitudinal/power/status problems mentioned above, including the new tensions arising from market regulation of service provision, insufficient training provision for enabling managers to function effectively within an "information culture", and technical problems arising from inappropriate communication/information design. Essentially, however, managers themselves, within the new "information culture", are increasingly required to: accept responsibility for managing their own information; develop an understanding of the IT facilities available; become competent in using facilities such as personal computers "which are fast becoming standard in the offices of all local authorities" ((LGMB, 1993b, p20).

Such requirements apply particularly to middle managers operating under devolved management systems; changes in managerial work behaviour under these systems are analysed in the next section of this chapter in the context of Mintzberg's third managerial role set - the decisional

roles.

Decisional roles; resource-allocator, entrepreneur, disturbance-Handler, negotiator

Information monitoring, processing and dissemination, is not, as Mintzberg points out, an end in itself; it forms the basic input into managerial decision-making: "The manager plays the major role in his or her unit's decision-making system. As its formal authority (leader role), only the manager can commit the unit to important new courses of action; and as its nerve centre (information role), only the manager has full and current information to make the set of decisions that determine the unit's strategy" (1989, p19). Corresponding to the changes in the interpersonal and informational roles outlined above, the local government literature exhorts local authorities to devolve operational decision-making powers to lower level managers, in the context of the strategic planning and devolved management systems described earlier.

Resource allocator role - devolved management

Devolved management systems involve the allocation of (usually operational) decision-making responsibility and/or authority to line managers who become accountable for managing the resources (such as finance and personnel) used to deliver the services for which they are responsible. The term "to devolve" simply means to transfer or pass over, and it is important to distinguish the devolution of responsibility to middle managers from the delegation or decentralisation of decision-making authority, which may or may not form part of the devolved management process (Horngren and Sundem, 1993). For example, as discussed in more detail below, managers may be held responsible, and their performance measured against resource utilisation and service delivery targets, for, say, maintaining spending within

their allocated budget totals. However, they may lack the authority to exercise control over key budget elements such as staffing, or using underspends in one area to finance additional spend in another. The devolution of budgetary authority involves at least a degree of organisational decentralisation, which occurs when "the authority to make specified decisions is passed down to units and people at lower levels in the organisation's hierarchy". This is in contrast to organisational centralisation where the strategic apex at the top of the organisation retains authority over most decision-making (Child, 1984, p146). As noted in chapter 3, growing numbers of authorities are introducing devolved forms of resource and service delivery management (Stoker et al., 1988; Young and Mills, 1993).

From the examples of local government devolution provided in the literature, it would appear that the primary emphasis is on achieving a degree of vertical decentralisation through the devolution of operational decision-making powers down the hierarchy to middle and junior managers (see studies by Lowndes and Stoker, 1992, 1992a; Blake et al, 1991; Issac-Henry and Painter, 1991; Hood, 1991; Buckland and Joshua, 1992; Duffield and Chuter, 1990; Scales, 1988). For example, within Berkshire, middle managers have been empowered to make more operational decisions concerning the work of their line units, including the deployment of financial, personnel and other resources. They have become accountable for their performance against various performance criteria (focused as noted above on financial and other resource utilisation targets, and on service delivery targets) within a framework of clear organisational policies (Geeson and Harward, 1990). Increasingly, under the contract management approach to service provision, decentralisation of resource management (within a strategic planning and budgetary framework) takes two forms - to the client or

purchaser managers who have delegated powers to make decisions, in accordance with corporate policies, about using their budget allocations to buy specified levels of services from providers (located either within or outside the authority), and to the provider managers who are responsible for deploying their resources to provide services to the standards and costs set out in the service level agreement or contract agreed with the purchaser (Walsh, 1991, 1992).

The aim of devolved management is to enable managers to improve the efficiency of their resource utilisation, and to achieve more flexible and creative service provision which is more responsive to local community needs and demands: "their energies can be focused upon getting on with the job rather than being diverted by elaborate bureaucratic rituals or protracted lobbying and negotiations with senior management for the resources they want but do not have" (Hoggett and Bramley, 1989, p10). Moreover, given that managers tend to value opportunities for independent thought and action, and for developing skills and competences (Stewart, 1982; Scase and Goffee, 1989), budgetary devolution is intended also to enhance motivation and job satisfaction levels, and strengthen organisational commitment.

The introduction of a decentralised resource management system requires changes within the organisation's financial and other management control systems. Thus, in the context of encouraging local authorities to adopt devolved resource management, the LGMB reassures senior management that:

> "The aim is not to remove control over managers but rather to change the nature of the control exercised by the administrative and political centre of the authority. In many authorities, it might be argued, control is exercised at too detailed a level at the expense of effective resource management and policy direction. Too often, detailed control has been a substitute for deciding what needs to be controlled.....Devolved management means that detailed control gives way to more effective overall control" (Stoker, 1989, pp33-34).

"Detailed control" tends to be exercised through direct supervision,

through the standardisation of work processes, and through formal operational rules and procedures characteristic of the traditional centralised bureaucracies associated with pre-1980s local government administration (Stewart, 1988; Lowndes, 1992). "More effective overall control" (associated with the "new" more decentralised public sector management model) involves more emphasis on managers themselves taking greater responsibility for controlling their own, and their colleagues', performance, within a framework of clear organisational policies and/or contractual objectives and service specifications. Control systems focus upon performance measurement, using performance targets (based on both resource management and service delivery criteria) to control managerial performance (Hales, 1993).

In practice, however, many organisations are reluctant to reduce their reliance on relatively detailed and centralised control systems, for reasons connected basically with senior management (and elected member) fears of losing power and status, and for reasons connected with the practical difficulties of maintaining control over decentralised management units (Hales, 1993; Mintzberg, 1983, 1989; Robbins, 1990). Thus, increased managerial autonomy over operational decision-making is continually under threat from increases in local authorities' internal procedural rules and regulations, from the possible centralisation of the purchasing role in market approaches to service delivery, and from increasingly tight and detailed specification of work processes as well as performance standards. It can be argued that these tendencies are likely to be exacerbated in local government by: public accountability requirements for controls over "both means and ends....to explain and justify actions taken" (Stewart and Ransom, 1988, p4); by the high political sensitivity of certain operational areas; by the uncertainty of the relationship between the process of providing and the actual

outcomes of services such as child care; by external threats such as central government expenditure cuts (Flynn, 1993).

Echoing these concerns, Stoker et al. (1988, p:64) and Hoggett and Bramley (1989) query the extent to which, apart from education, devolved resource management is likely to include the delegation of resource management authority as well as responsibility, below chief officer level, to middle line managers: "Given the problems and difficulties of breaking from traditional, hierarchical, detailed and centralised systems of control, there are good grounds for being cautious about whether the growth in decentralised resource management systems represents a significant shift towards a new style of management and organisation within local government" (Stoker et al, 1988, p64).

Four key elements can be identified within the devolution process which have the potential for either enhancing or constraining middle management autonomy, and which thus, arguably, will have an impact on the extent to which the benefits potentially available from devolved resource management will be realised (Audit Commission, 1989). Firstly, as noted earlier, there is the extent to which devolution involves the alignment of managerial decision-making authority with management responsibility - the convention that managers' responsibilities for resource management should be aligned with control over these resources. The public sector middle managers in Dopson and Stewart's study (1990) tended to feel that they were given "responsibility" rather than "power" under the new management system. Problematic areas, where this alignment tends to break down in terms of managers lacking control over resource management elements for which they are nevertheless held responsible, are likely to include staffing levels and costs, and charges made for specialist services such as legal, financial and personnel.

Secondly, financial control systems can operate to enhance managers' decision-making powers, through the use of systems focused around controlling budget totals, or to constrain these powers through systems focused around controlling budget details (Audit Commission, 1989). Key issues here include the extent to which detailed and complex rules dilute the manager's authority to vire between budget heads without seeking permission and to use savings achieved on one expenditure head to increase spending on another, and the extent to which managers' entire budgets can be cut mid-year, perhaps to offset overspending elsewhere (Arnold, 1987; Hoggett and Bramley, 1989). External controls, imposed by central government legislation (such as CCT regulations), also constrain managers' freedom to deploy resources - especially in the context of generating new business and becoming more "entrepreneurial" (see discussion below). The mechanisms required to regulate the new contractual relations between purchaser and provider managers can "easily become proceduralised and bureaucratised with variation orders for any change, and a plethora of work orders and invoices" (Walsh, 1992, p77).

It is important for senior management to achieve the right balance between the two extremes of, on the one hand, a framework of complicated rules and procedures which are "so rigid and minutely defined that the front line is purely an instrument for delivering what is still a highly centralised system" (Gaster, 1993), and, on the other hand, a situation where the absence of suitable financial control and performance review systems, and of clear policy and procedural guidance, can leave devolved budgetary managers floundering and unclear about the extent of their authority. This can result at worst, in "flexibility degenerating into crisis management, and informality degenerating into favouritism and rule by personality" (Lowndes, 1992, p58). Either way, the benefits of

greater control over devolved budgets for both middle managers and the organisation as a whole will be diluted, with managers, frustrated by unfulfilled expectations, losing faith in the system and/or simply "getting round the system (eg by deliberate miscoding) when it looks sensible to do so" (Blake et al, 1991, p77).

Thirdly, managers require easy access to help and support from specialist staff (such as finance and personnel), and to efficient information systems to maximise their control and management of their resources to the full. Changes may be required in the structure and functions of central finance departments, involving a clearer distinction between corporate roles and financial service provider roles (for service line manager budget-holders), and a new emphasis on functions concerned with providing appropriate information, support and advice for budget-holders in addition to traditional control and auditing functions (Jackson, 1988; Audit Commission, 1989). Specialist staff may be relocated to service departments, with or without transferring from the central to the service departmental staff establishment. Overall, a greater emphasis will be required on integrating financial with general management, focusing on the business needs of service delivery middle manager 'customers'.

As outlined above, information systems may be inadequate, and specialist staff may find it difficult to make the transition to their new roles of supporting the line managers' business operations. They may experience a degree of of role conflict in attempting to reconcile the two potentially conflicting aspects of their role - ensuring adherence of line managers to corporate standards, policies and procedures, whilst, at the same time, trying to be responsive to the business needs of their line manager "customers" (Rawlinson and Tanner, 1990).

Specialist personnel and finance staff who have been devolved to service departments may also suffer from reductions in the degree of professional support/development previously readily available when they worked together with colleagues in centralised departments; career and promotion opportunities may also be reduced (Scase and Goffee, 1989).

A 1987 survey examining service chief officer opinions of their financial colleagues' service, indicated generally that "Finance departments do not yet appreciate the urgent need to change and adapt systems to meet operational departments'/Direct Labour Organisations' needs for an efficient and commercially cost-effective support service" (Holtham, 1987). Similar problems can also occur with the changing roles of personnel services (Campbell, 1991; LGTB, 1988) and IT services (LGMB, 1993b). Changes are, of course, likely to have occurred since the date of this survey, in the context of the trends noted in chapter 3 towards more decentralisation of "central" service provision such as finance. For example, a recent study examining the changing roles of finance staff within Newcastle City Council reported significant increases in levels of satisfaction expressed by line manager "customers" with the attempts of newly devolved finance staff to become more responsive to their business needs (Blackman and Stephens, 1993).

Fourthly, managers require training, which is not always forthcoming, in the new financial, personnel and contract management skills and competences required if they are to exercise their new devolved responsibilities efficiently and effectively, and without undue strain (Watkins, Drury and Preddy, 1992).

Devolved management systems are also expected to produce more proactive and "entrepreneurial" middle managers - the second of Mintzberg's decisional roles, which is discussed below.

Entrepreneurial roles

Reflecting private sector developments, the entrepreneurial role - "perceiving the changed circumstances and formulating the organisation's response to them; developing a vision" - is seen as the cornerstone of successful transition to more effective local authority management systems (Thompson, 1992, p39). Similarly, the LGMB (1993a, p24) emphasises the importance of managers developing: "Change management skills - the ability to identify opportunities, initiate or respond to change, maintain momentum, and monitor progress in change efforts. Have a positive attitude towards change, and obtain the commitment of others to change efforts. A capacity to cope with ambiguity, uncertainty and change, and view problems as opportunities or challenges".

It is important to note the difference between Mintzberg's use of the term "entrepreneurial" which refers essentially to the management of change role of the manager, and the currently fashionable use of this term which refers to a particular type of change management role which should be adopted by managers. Thus, the local government literature uses "entrepreneurialism" to refer to a particular type of change management, which replaces traditional, essentially ad-hoc and reactive forms of managerial behaviour with a focus on private sector style innovation, risk taking and experimentation as key aspects of the change management role - for middle as well as senior managers. They are expected to become "entrepreneurial in the sense of constantly looking for opportunities to innovate and find new ways of working to improve the effectiveness of the organisation." Clarke and Stewart (1988, p31). Issac-Henry and Painter's survey of seventeen authorities provides several examples of a deliberate adoption of this approach. For example, Gloucestershire County Council attaches considerable importance to developing the entrepreneurial role of all managers, involving a "bias

for action" through the devolution of decision-making responsibilities to managers down the hierarchy, and involving "innovativeness: cultivating a climate where new ideas are actively encouraged and embraced" (1991, p74). In similar vein, Tower Hamlets' decentralised neighbourhood office structure described in chapter 3, created an environment with "opportunities for individuals to take initiatives and experiment with new ways of working and service delivery....Entrepreneurial and active officers have opportunities to create new agendas, schemes and projects - to become the sort of "champions" Peters and Waterman (1982) want to nurture in the private sector" (Lowndes and Stoker, 1992a, p145).

Reflecting the discussion earlier about the constraints on the applicability of private sector management models to the public sector, Harrow and Willcocks (1990) suggest that there are limits on the extent to which the less bureaucratic and more flexible organisational structures, necessary for the full exercise of managerial innovative and risk-taking powers, can be adopted by local authorities. The regulatory frameworks, necessary for ensuring public accountability and equity of treatment of clients, "cut across the opportunism and risk at the heart of entrepreneurial activity," and continue to limit the extent to which local authority managers can experiment, risk-take and innovate (Harrow and Willcocks, p296). These authors suggest that the adoption of more cautious "low risk 'small win' rather than "high risk 'big win' change strategies are more suited to public sector institutions "if the goals remain what they are commonly held to be, namely greater efficiency, better management and better service." (p301). Basically, the scope of local authority middle managers' innovative activities is likely to be restricted largely to incremental, as opposed to radical, innovations within a framework of clear corporate policies and more rigorous

control systems. The latter tend to be associated, as suggested above, with the devolved management necessary for "empowering" managers (to a limited extent, given the responsibility/power imbalance often found in devolved resource management systems) to become more innovative.

Equally significantly, entrepreneurial management strategies require adequate resourcing if they are to prove effective. Lowndes and Stoker (1992a, p145) describe the "market-place" approach adopted by Tower Hamlets: "where resources and policy instruments are given to the most successful entrepreneurs". However, certain departments, such as nurseries, had a "cinderella" status which inhibited the allocation of additional resources to their officers; moreover, officers differed in the extent to which they possessed the commitment and entrepreneurial skills necessary for generating new ideas, and gaining the resources and policy authorisations needed to implements them.

Most importantly, local authorities - unlike the private sector - are dependent on increasingly limited public funding and spending constraints (see chapter 3). They are subject to legislative constraints on external trading, which restrict the income they can generate by exploiting new market opportunities. In addition, the purchaser/provider split, with precisely defined service specifications, may inhibit provider managers' scope for introducing innovations; the agreement of the purchaser managers will be required. Purchaser managers, separated from the "coal-face" of service provision, may lack first-hand knowledge of customer needs/demands, thus reducing their awareness of the need for change (Cochrane 1994; Langan and Clarke, 1994).

Nevertheless, it can be argued that, within these constraints, the changes in middle management roles listed above - more open communication and information flows, increased liaison across the

organisation and with external agencies, the adoption of more "empowering" leadership styles with more emphasis on team building and flexible working, and increased devolution of decision-making to lower levels - represent a move towards a more entrepreneurial management of change role for middle managers. These developments are all represented in the comprehensive case study of change in the structure and management systems of East Sussex Social Services Department (Hadley and Young, 1990) and provide interesting examples of the tensions which can arise from the introduction of devolved and "entrepreneurial" roles for middle managers.

The first stage focused on the development of strong centrally driven policies to gain control of the organisation and the introduction of various key structural changes. Managers were required to compete for all management posts in the new structure (which meant the painful transition to "non-managerial" positions for those who failed to secure a new management post). A clear system of delegation and accountability was introduced for the managers of units, including, at a later stage, devolved budgets; operational instructions and procedures were to include prescriptions about the particular kinds of work, policies and programmes of services to be provided for each client group. Management control and information systems were established, involving performance measures to assess the performance of each work unit. The concentration on financial and other quantitative measurements was criticised for implicitly ignoring what many managers perceived as the more important qualitative "outcome" measures of their service provision. Whilst some managers felt "hemmed in" by the information demands and performance targets, others appreciated the chance to evaluate and justify their performance achievements. Lastly, there was: "less visible, but even more important, the creation of a managerial culture emphasising

commitment to the goals of the organisation and loyalty to the director." (p199). A residential sector strike which occurred in the early 1980s was seen by the director as providing "the ultimate test of the loyalty of his managers as well as an example of how conflict and crisis can present opportunities for accelerating change." (p203). (A feature of local government is that middle managers frequently belong to the same trade union as their staff, which can cause severe role conflicts.)

Structural changes also included new area-based new teams combining several different professional roles (some staff expressed a sense of professional isolation, as meetings of, for example, professional staff groups of heads of homes, were discontinued) and extensive programmes of training and related project work to establish the new culture. The strong central leadership by the director raised mixed feelings. Some managers felt inhibited by his style from expressing doubts or criticisms about senior management policies and disliked the atmosphere of "yesness" which tended to prevail in meetings; others felt: "the experience has been...positively liberating both in terms of one's personal approach to one's work and in terms of enabling a whole multitude of initiatives." (p203).

These developments clearly represent moves towards both closer central direction or control and increased local discretion. Once the central management policies and controls had been consolidated, the second phase of increasing devolution to the front line managers and staff extended the extent of local discretion, where "within the policy guidelines laid down by the authority, front-line teams could increasingly take over responsibility for the shaping of integrated and responsive services suited to their different localities." (p205) - many examples are provided in the study of innovative and more responsive methods of

service delivery arising from the increased devolution of authority. The previous emphasis on control through centralised systems was "replaced by an emphasis on trust". It could be argued, however, that the term "replaced" should read "complemented by", given the nature of the central policy, procedural, performance and operational control "guidelines" listed above. For example, restrictions within the devolved budgeting system meant that virement between services could only be made up to £7,000 before seeking authority from senior management (p127). The particular pressures on the role of middle managers arising from tensions between their roles and those of senior and junior managers are aptly illustrated by the following quotation from an area manager:

> "The departmental management team fear the organisation will get out of control. In reality, the opposite is the case for people tend to be conservative. After four or five years in a culture in which you are jumped on for getting out of line it is difficult to get people to take risks. Ken Young (the director) goes on about giving away power but this has meant it was OK as long as you did what he wanted. There was a stage where we had to turn that centrally driven culture around. Patch teams were sceptical about the 'opportunity' to plan. They said we had already decided. It is a slow business getting them to change." (p206).

This study, together with the views expressed above by other authors, suggests that the development of devolved resource management and more "entrepreneurial" management roles is changing middle managers' work role behaviour, but that a number of factors operate, particularly in the local government context, to limit the extent of these changes.

Constraints on resource allocator and entrepreneurial role changes

While middle managers will, under devolution, experience increased levels of responsibility and accountability (particularly for resource management), these increases may well not be accompanied by similar increases in the levels of their decision-making authority or control over resource deployment (Flynn, 1994). As Mintzberg points out, large diversified organisations such as local authorities, subject to strong

visible external political controls, tend to adopt only limited forms of decentralisation below divisional/senior departmental) management levels. As noted in chapter 3, while control systems may move towards an emphasis on performance measurement against financial and service delivery criteria (reinforced by new corporate cultures), such systems will also tend to be supplemented by additional operational rules and procedures, with more detailed financial control systems and more regulation of professional service delivery activities. The latter is taking place, increasingly, within the BS5750 framework, which can involve the creation of an unproductive quality assurance system which becomes "ever more introspective and static, rather than a dynamic agent of change within the organisation" (Clarke, 1994, p176)

Overall, devolved management, in conjunction with the purchaser/provider split, can intensify the various tensions or 'pulls' which exist between the various parts of the organisation competing to acquire greater degrees of power and influence. As Campbell (1991) and Mintzberg (1983, 1989) suggest (in the context of 'vertical' hierarchical tensions associated with devolved management), middle management desires for greater autonomy, potentially available from devolution, can conflict with senior management desires to increase levels of centralised control - especially over resource management and utilisation in a hostile environment of increasingly rigorous external (central government) funding and regulatory constraints. Specialist services' attempts to provide (and meet middle managers' desires for) personnel and finance service which are more responsive to line manager business needs can conflict with prescribed corporate standards and procedures designed to meet public sector probity and public accountability requirements. The purchaser/provider split appears to be generating a new set of 'horizontal' tensions between 'purchaser' managers' desires to maximise

their control over service specification and design (and to minimise costs), and providers' desires to maximise their control over the service delivery process (and to maximise the generation of surpluses). To reduce such tensions, additional control systems are likely to be required, given the "quasi-market" nature of many local authority markets and the absence of true market mechanisms for resolving these conflicts: "the use of market mechanism does not remove the need for control, but rather requires the development of system management concerned with the behaviour of the new market structures" (Stewart and Walsh, 1992, p30).

The scope and nature of these tensions or "pulls" are likely to vary across service areas. As noted earlier, local authorities are highly differentiated organisations, providing a wide range of services within highly diversified markets (Stewart, 1992). Local authority departments differ across a range of organisational dimensions identified by contingency theorists (Mintzberg; Hales, 1993). These include, in the local government context: the nature of the product/service and the work process; the nature of the customer base and the market (fully competitive to essentially non-competitive, "arm's length" service provision); the degree of political sensitivity of a particular service; the extent to which service objectives are unambiguous, measurable and susceptible to pre-determination of the desired outcome, and, hence, amenable to the discipline of contracts or service level agreements (Flynn, 1993, 1994; Walsh, 1992; Stewart and Walsh, 1992). In general: "The greater the uncertainty and the more complex the interactions (with customers/the public), the more difficult it is to develop the use of contracts in the management of the activity or in relations with the public. Where political salience is high and the activity cannot be pre-determined, organisational control will be tight, leading to

centralisation unless political control can itself be decentralised" (as in the Tower Hamlets example quoted earlier) (Stewart, 1992, p17-18). However, across all services, the high degree of operational visibility arising from public probity and accountability requirements, and the degree of political risk attached to failures, are likely to reinforce tendencies towards centralisation. For example, following an investigation into suspected "irregularities", and losses incurred on certain contracts undertaken by a district council's Direct Works Department, the council treasurer and policy committee decided to exercise more direct control and tighter monitoring of this department's activities, plus the "undevolution" of the department's finance section back to central finance. Thus, following a meeting of the policy committee, a statement, published in full in the local paper, was issued by this council, including several measures for achieving these increased levels of more centralised control - for example:

> "in respect of the building division...tenders for larger contracts only being permitted with the approval of the city treasurer and the deputy chief executive after a full financial appraisal....the department shall not enter into any new activity, or re-enter any activity now terminated without the approval of policy committee and a financial appraisal...the assistant director (finance) be transferred together with his finance section to the city treasurer and deputy chief executive's department...all tenders by WSD (the department) of over £5000....shall be checked by the city treasurer and deputy chief executive for financial prudence prior to submission..." (Napier, 1994).

In addition, market regulation of service within the context of continuing public expenditure restrictions, is likely to involve management styles which emphasise "price and volume control, rather than quality and service development" (Flynn, 1994, p223). Thus, rather than a move to the "commitment" strategies, away from from "control" strategies, associated with the "new" management systems and roles, emphasis is likely to be made on the latter, as illustrated in the following diagramatic summary of the two approaches as applied to the public sector/local government by Flynn (1994, pp222-223):

Commitment	Control
* consumer-based delivery; rights to service standards or control of manner of delivery; emphasis on individual preferences and joint consumer/provider control over service design and delivery; first-hand consumer power/influence	* purchaser-based delivery; strict rationing of services with few rights exercisable without detailed control by authority employees; purchasers determine volume, shape and standards of service provision; second-hand consumer power/influence
* service design/delivery based on relationship between consumers and providers rather than providers/purchasers - consumer led	* service design/delivery based on contractual relationships between purchasers/providers rather than providers/consumers - purchaser led;
* provider worker/manager empowerment to enable direct responsiveness to consumers; commitment and trust strategies with people helped to grow into their jobs	* detailed control of work processes through scientific management and contractual regulation with little provider worker/manager empowerment; people located in strictly defined parts of the labour process
* control through quality and service development; workers and users enhance the value of services together	* Control through price and volume; purchasers design services and instruct workers on methods
* growth of quality and innovation	* control of quality and innovation
* overall provider emphasis on providing high quality services subject to resources available; losses on some activities at some times is less important than service quality	* overall provider emphasis on making as much money as possible; service quality considered but management focus is on keeping costs down and revenues up.

Clearly, strategic choice exercised by individual local authorities can move them towards one or the other end of this continuum; moreover much will depend on the extent of the cooperation/collaboration achieved between purchaser/provider managers; as outlined earlier, a high degree of "collaborative" rather than "selfish" behaviour is required to ensure effective operation of market based service delivery systems which are genuinely flexible and responsive to consumer needs (Hulme). However, Flynn (1994, p224) considers that "only when the pressure to reduce or contain spending is eased will it be possible to operate markets in a way which emphasizes quality and service user control".

These tensions and limits on middle management autonomy raise a number of important issues in relation to the changing nature of middle managerial roles and work satisfaction levels (see discussion below). As the Audit Commission (1989) suggests, the absence of authority for managers to use, for example, the revenue generated by achieving savings in one area to offset overspending in another, or to use at least some of the surpluses or 'profits' for new projects, can reduce the impact of these incentives which encourage managers to improve resource utilisation and service delivery effectiveness. Such constraints can operate to frustrate managers' attempts to make more creative and innovative decisions about resource deployment and service delivery. Especially when combined with expenditure cutbacks, they can make managers sceptical about cultural rhetoric urging them to adopt more entrepreneurial and risk-taking management styles, which in reality they do not feel empowered to achieve (Preston, 1991). Practices such as ad hoc mid-year withdrawals by senior management from managers' budgets, and/or unexpected increases in staffing costs outside managers' control can inhibit managers' attempts to plan and monitor budget spend effectively. They can also increase the risk of managers exceeding the budgetary targets for which they are held accountable, for reasons seen to be largely outside their control, which can then encourage them in manipulating, and/or questioning the validity of performance appraisal systems (Moizer, 1991).

Managers can also become sceptical about the utility of performance measurement systems, because of the problems, mentioned earlier, of identifying appropriate performance measurements. Drawing upon the (1990) LACSAB survey, Spence (1990) reported that most senior managers considered that they had been able to develop appropriate objectives and targets even in service sectors such as social services where outputs

were not easily measurable. However, much depends upon what are agreed as "appropriate" measures; quantitative output criteria are obviously relatively straightforward to identify, but they may not reflect the final "outcome" of the service in terms of meeting overall client needs, as an East Sussex team manager indicated: "The minimum I have to achieve is very much financially based. My residential homes must have a certain level of occupancy.....But that says nothing about the quality of care" (Hadley and Young, 1990, p123). (Phase 2 of the devolution project aimed to make increased use of "outcome" and more "quality" based measures). A recent survey (Palmer,1993) demonstrated the heavy reliance by many authorities on value-for-money and other quantitative, rather than more qualitative and "outcome"-based, measures. Clearly, to be meaningful, performance measures should vary according to the nature of the service, as suggested above. Brignall (1993, p30) argues for recognition of the value of "managerial intuition and judgement" as well as more "formal 'rational' information system" approaches to performance measurement in difficult-to-measure areas of work such as social services.

Similarly, in the context of the functional purchaser/provider split, Flynn (1994) and Cochrane (1994) suggest that, increasingly, local authorities are becoming divided into two main groups. The core of purchaser managers enjoy relatively high levels of job permanence and status; as key implementers of and contributors to the authority's strategic planning process, they are responsible for drawing up service specifications in the context of these local strategies. The jobs of Provider managers - even those employed directly by the authority - will be less secure or permanent, and probably of lower status, given their more remote connections with the strategic planning process, and their dependence for work on the purchasing decisions made by purchasers. Moreover, increasingly detailed service specifications are likely to

limit the scope of their authority over service delivery processes. Such tensions are also unlikely to promote good relationships between the two functions. Much depends here on the nature of the systems developed by the authority to control these relationships, and also on the managers' willingness and/or abilities to develop appropriate behavioural skills - which moves this discussion on to the third and fourth of Mintzberg's decisional roles: the negotiator and disturbance-handler.

Negotiator and disturbance-handler roles

The acquisition of new devolved responsibilities, and "entrepreneurial" managerial roles, plus the changes listed above in interpersonal and information roles, requires managers to develop new decision-making and relationship development/management skills and competences - the decisional negotiator and disturbance-handler roles. As the LGMB (1993a, p23) suggests, managers with devolved management responsibilities in the new market systems need to develop not only business and commercial skills, but sound decision-making and problem solving skills: "The willingness and ability to make informed and timely decisions, both individually and as part of a team. To act decisively when necessary. To access and use information to inform decisions. To exhibit superior judgement in decisions". Essentially, under devolution, middle managers are expected to sort out problems themselves (the disturbance-handler role) rather than pass them up the hierarchy to more senior managers. Moreover, their new responsibilities for resource management also means that, while help and support should be available from specialist staff, middle managers are increasingly expected to take the initiative in early identification of potential problem areas, and take the responsibility for at least suggesting solutions, even if authorisation for implementation is required.

Managers also need to appreciate the increasing importance of, and adopt, the cooperative and collaborative behaviour required to develop and maintain effective relationships between purchaser and provider sections, with other agencies and community groups/consumers, with senior management, with specialist finance, personnel etc. staff, and with their own workforces. Managers need to develop a sensitivity, awareness and understanding of the different interests of different groups within their organisation and within external agencies. They need to acquire new negotiating, influencing, compromising skills, necessary to gain support and acceptance from all parties involved in service provision: "the ability to create win-win situations" (LGMB, 1993, p23).

The importance attached to these collaborative/negotiating competences is illustrated by the recent publication focused solely on "Influence and Influencing" as a day-to-day aspect of the managerial role (Clarke and Stewart, 1994). The authors identify different forms of "influencing", including "co-operation where the emphasis is one shared aims and resources; bargaining with the emphasis on negotiation; opposition, only to be used sparingly where an organisation opposes something another wishes to do; persuasion, where argument and assertion are important; and facilitation where resources are used to help another organisation secure its aims" (executive summary). Each of these influencing methods can be used by middle managers as appropriate in different contexts. Within the organisation these will include: contributing to strategy formulation; contributing to and implementing change management; team-building; negotiating performance/resource utilisation targets both with superiors and subordinates; joint-working in multi-disciplinary, cross-functional and interdepartmental groups and project teams. Contexts outside the organisation include working through

and/or with other organisations to provide services, and involving other agencies and community/consumer groups in service design, delivery and evaluation. Good purchaser/provider relationships, as indicated earlier, are of crucial importance for ensuring effective service planning and delivery in market forms of service provision. In order to avoid over reliance on purchaser determination of services to be purchased, and over-detailed purchaser prescriptions about the service process (which can reduce scope for provider flexibility and service development), the development of trust and extensive collaboration is required between the two parties - whether providers are located inside or outside the authority.

Similarly, Hulme identifies the same need for "collaborative" rather than "selfish" behaviour between the two functions (see discussion above), reflecting the LGMB's exhortation to create "win-win" situations. Hulme uses the "prisoner's dilemma" game to argue that in the market regulation of service delivery: "the best outcome stems from co-operation but only if the other party co-operates fully; if we do not know whether the other party will co-operate and perform well, it pays to adopt a self-interested course and let down the friend/colleague; of we both adopt a self-interested course, we both lose out" (1994, p54). In the purchaser/provider context, the "best outcome" refers to the efficient, effective, flexible and responsive service planning and delivery which will require the "collaborative" form of behaviour on the part of purchasers and providers. (It is, of course, possible for "collaborative" behaviour to take place in the context of collusion between both parties designed to maximise their own advantages at the expense of service quality, cost-effectiveness and/or responsiveness to the consumer/local community. Appropriate control systems are required to preclude such an eventuality).

The potentially competing "value for money" and "enabling/partnership" injunctions placed on suppliers may, of course, inhibit the development of such collaborative relationships (Langan and Clarke). Hulme and Flynn (1994) argue for the development of longer-term, broadly-based relational contracts between purchasers and providers, which are more likely to "lead to the concept of co-producers in networks of trust providing dependable quality and delivery of goods and services" (Oakland, 1989, p99). Clarke and Stewart (1994) suggests that effective deployment by managers of all five forms of the "influencing" behaviour depends on several key factors - acquisition by managers of the appropriate skills and competences; provision of training by the authority to help managers acquire these competences; the effective mobilisation by managers of resources such as information, knowledge, money etc.; the design of "appropriate" structures and processes within the authority, and between the authority and other agencies, to enable and facilitate the exercise of "influencing" forms of behaviour. The barriers which may operate to inhibit such behaviour styles - attitudinal, professional, inadequate information and communication systems - reflect those discussed above in the context of managers' informational and liaison roles.

The middle managerial role changes described here in all three of Mintzberg's role sets - interpersonal, informational and decisional - combine to suggest extensive changes in all aspects of middle management work behaviour. These changes are also likely to affect levels of work satisfaction, which is considered below in the next section.

Middle managers' work satisfaction levels - the impact of role changes

The term work satisfaction is used here, as in chapter 2, to refer to the levels of intrinsic rewards (such as self-respect and status,

independent thought and action, personal growth and development, opportunities for work friendships) and extrinsic rewards (security, hours, pay, and promotion prospects) obtained from work activities. Each of these reward categories have been shown in several studies to be important, in general, for many managers (Stewart, 1982; Scase and Goffee, 1989; Mansfield and Poole, 1991).

A recent LGMB (1994) survey provides information about levels of "work satisfaction" (the term was not defined in the survey) reported by senior officer/principal officer (SO/PO) grades which include most middle managers. Comparisons with a previous MORI survey (1989) are not possible because the responses here were not differentiated by officer grade. In terms of the job factors considered to be "most important" by these officer grades, "interesting work" was rated top (by 78%), followed by: "feeling you have accomplished something worthwhile" (70%); good pay (67%); security (58%); good pension (41%); long-term career prospects (33%). Overall, 63% of the SO/PO grade officers (roughly representative of middle managers) were "very/fairly satisfied" with their jobs (compared with the MORI general public sector norm (all staff grades) of 55%). In terms of the survey's job satisfaction factors which equate broadly with the intrinsic rewards listed above, the following percentages of the SO/PO grade officers reported that they were very/fairly satisfied with: the "interesting" nature of their work (86%); the feeling they had "accomplished something worth while" (73%). In relation to the extrinsic rewards obtainable from work, over 60% of the SO/PO grades were very/fairly satisfied with pay and pension levels, but this fell to only 24% with promotion opportunities, 40% with longer-term career prospects, and 35% with job security; 52% felt they had "too much work".

The extent to which these fairly high levels of intrinsic work satisfaction, and fairly low levels of satisfaction with job security and career/promotion opportunities have been affected by the managerial role changes outlined above is uncertain, given the scarcity of studies concerned specifically with changes in local authority middle managerial work satisfaction levels. In terms of changes in intrinsic work satisfaction levels, a recent large-scale survey (although not focused specifically on local government or middle managers) found that satisfaction levels amongst public sector managers had declined very slightly between 1980 and 1990 in relation to opportunities for personal growth and development, and scope for feelings of self-esteem; there was a very small increase in the level of satisfaction with opportunities for independent thought and action (Mansfield and Poole, 1991). Focusing specifically on middle managers (in both private and public sectors), Dopson and Stewart (1990a) summarise their views about the impact of role changes on their work satisfaction levels as follows: "the broader changes had created a more challenging environment in which to work. Most of the public sector managers....enjoyed their work more because they were more accountable; jobs were also viewed as more interesting, both because of the increased responsibility and because of the new management systems that had clarified objectives" (p37-8).

They did, however, find evidence to suggest a less positive attitude to organisational and management changes amongst the public sector managers (in comparison with their private sector counterparts), arising largely from the political constraints and the associated requirements for public accountability, unique to the public sector, which inhibited the degree of middle managerial freedom to innovate and exercise authority. "There was a feeling that managers were given the responsibility, but not the power, to meet specified targets" (Dopson and Stewart, 1990a,

p39). (Conversely, but equally demoralising for middle managers, decentralisation can involve inadequate specification of suitable financial control and performance review systems, and of clear policy and procedural guidance, which can leave devolved managers floundering and unclear about the extent of their authority - described as an "environment of chaos" by one third of Lowndes and Stoker's decentralised local authority staff.) Moreover, the advantages gained from public sector organisational changes were diluted to an extent by increased levels of work stress arising from increased workload, decreased resource levels, and demoralised workforces. Similarly, Lowndes and Stoker (1992a, p21), in examining the opinions of staff (middle managers were not separately identified) about the impact of political and organisational decentralisation on their work roles, concluded that "many positive changes have occurred in terms of a more creative, flexible and supportive working environment with numerous opportunities for rewarding, interesting and innovative work".

Staff were enthusiastic about the new opportunities for more autonomy and creativity in their work (including more responsiveness to customer needs/demands and more effective service provision), more contact with the public, and the more informal and less "bureaucratic" management styles. Yet they considered that the extent to which such rewards actually accrued to staff were limited by inadequate training provision, inadequate financial/management information systems, and feeling of stress (expressed by three-quarters of the staff) arising particularly from "the gap between the demands placed on them and the lack of resources and time to meet them.....poor management, specifically a lack of support and supervision in a context of constant change and the absence of any sense of strategic direction" (Lowndes adn Stoker, 1992a, p146). Similarly, Leach et al (1993, p16), in examining change

management practices in sixteen "well-managed" local authorities, reported that, in most cases, overall levels of job motivation remained high, but that: "In all cases, middle managers felt that they faced higher expectations, increasing pressure, longer hours and the need to develop a range of skills relatively quickly." within an environment of accelerating and continual change.

Such pressures can also coincide with the requirements placed on middle managers to become more accountable for their performance against more rigorous and more tightly defined performance standards, arising out of the increased levels of adoption of formalised performance review systems. Such systems can provide welcome and useful feedback on managers' performance (also including identification of their development/training needs), and can provide them with more challenging job roles, with more opportunities for recognition of good performance (Dopson and Stewart, 1990, 1990a; Hadley and Young; Spence; Spencer and Welchman, 1991). Yet, over half of the managerial grade officers in the LGMB (1994) survey considered that good performance was "not recognised" in their authorities. Moreover, resource constraints, increased workloads and the pressures of continual change can operate to dilute such benefits - along with the constraints on middle managerial decision-making autonomy and risk-taking identified above. Managers can be required not only to meet their specified performance targets, but also to demonstrate their personal commitment to the more intangible and less specific core values or culture of the local authority - "living the style, conveying appropriate informal signals throughout the organisation" (Issac-Henry and Painter, 1991, p73).

In terms of the extrinsic rewards such as pay, job security and career/promotion opportunities, the Mansfield and Poole survey (1991) identified clearly a significant increase in general public sector

managerial dissatisfaction with pay (which the authors attribute to comparisons made at the time with private sector managers pay levels before the onset of the early 1990s recession), and with security, which reflected here the "noticeable decline in many parts of the public sector during the 1980s" (p20). The highest level of dissatisfaction expressed in both 1980 and 1990 was in relation to promotion opportunities, with hardly any change between the two dates; this equates with the low level of satisfaction with promotion opportunities expressed by SO/PO grade officers in the LGMB survey quoted above (1994).

Various central government initiatives - particularly CCT legislation - and the trends described above towards flatter hierarchies and more flexible (numerical and functional) human resource management strategies would certainly appear to pose a threat to the job security, "stability" and "safety" traditionally enjoyed by local authority staff and managers (Stoker, 1989; Farnham, 1993). For example, the extensive reorganisation and "delayering" undertaken in one local authority - in response to financial constraints and the need to produce better quality and more flexible services - meant that "all 9,500 employees have had to apply for posts at or around their current level. So far, the top three levels have been appointed. The spotlight is now on the lower managerial tiers where job cuts will be heaviest.....NALGO, the white-collar public service workers' union.....expects 500 of its 3,000 members at the council to lose their jobs..." (Tighe, 1992, p14). As noted earlier, increasing numbers of staff, including middle managers, are faced with the prospect that the role of the local authority as a direct service provider and as a direct employer of staff is diminishing. In the context of the "enabling" and "competitive" council, staff are no longer employed directly by the local authority, whilst those remaining are

likely to be anxious about their own futures. Whilst most jobs to date which have disappeared are located within manual work categories (LGMB, 1994a), the forthcoming extension of CCT to hitherto largely untouched white-collar professional services is increasingly threatening the job security of non-manual staff, including middle managers - especially those managers employed within the Provider rather than the Purchaser functions (see discussion above).

As noted earlier, the Local Government Joint Watch Statistics (LGMB, 1994a) do not publish information about changes in staff numbers according to staff grades; moreover, middle managers as a staff group are not recognised or identified as such within the national grading structure. However, within the Senior Officer (SO) and Principal Officer (PO) grades, where many middle managers are probably located, information provided by Nulty (1994) suggests that there has been an increase between 1987 and 1994 in the full-time-equivalent staff numbers represented within these grades. Moreover the distribution of staff within the six main grade categories has changed, with a decline in the proportion of staff in the lower grades, and an increase in the proportions of staff in the SO and PO grades. This is possibly due to an increase in junior/middle managerial appointments required to "handle the contracting processes and to supervise contracts" within the CCT services (LGTB, 1992, p2), and to expansions in some white-collar service sectors such as finance (due to the Community Charge) and Social Services. It may be that the main threat to middle managerial jobs - through the forthcoming extension of CCT to professional services such as engineering, finance etc. - is yet to come, and it is likely to bear most heavily on those managers involved in Provider functions.

As discussed in chapter 2, there are likely to be significant

differences between individual managers' expressed levels of work satisfaction, in relation to differences in their particular organisational and job contingencies, and in their own personal circumstances/sets of values. In relation to private/public sector differences, Dopson and Stewart found that: "Overall...managers in the public sector appeared to be less enthusiastic than their counterparts in the private sector about both the possibility and the desirability of change" (1990a, p38). They suggest that the more cautious and less positive attitude to change found amongst their public sector middle managers may arise from the expectations with which they entered the public sector - expectations of security, and organisational and role stability, and orientations towards the "administrative", and "professional" role identities associated with the more "traditional" public sector service ethos described earlier. The organisational and role changes within the "new" private sector style management systems - to more proactive management and leadership styles - tend to challenge the traditional orientations and value sets "which may have been a major reason for individuals joining the public sector in the first place" (Dopson and Stewart, 1990a, p39). Individual preferences for work roles with particular characteristics tend to reflect those prescribed by the organisation that the individual works in; the two tend to reinforce each other (Nicholson and West, 1988; Ellis and Child, 1977, p45). For public sector managers, the changes towards more entrepreneurial and proactive, and less stable and structured roles (with less emphasis on professional expertise and more on the new "managerialism") may require more extensive and more difficult role re-orientation and re-definition than for their private sector colleagues.

Much, of course, depends on the way in which changes in management systems and role prescriptions are planned, introduced and managed - see

full discussion in chapter 2. Thus, Leach et al (1993, p16) found "a key difference (in motivation levels) between authorities where middle managers felt supported and valued by their authority and those where they did not. In the latter cases further pressures/demands could results in a process of demotivation". Dopson and Stewart also emphasise the importance of ensuring that the reasons for change are both fully explained and also seen as legitimate by staff. One of the factors contributing to the less positive attitudes towards change expressed by the public sector managers here related to feelings that change was due at least in part to unnecessary (party) political pressures, rather than to more compelling and legitimate reasons such as the competitive threats which might be posed to a private sector organisation. Interestingly, Walsh (1991) found that the changes necessary for introducing CCT - including even staff cuts - were achieved relatively smoothly in most authorities. CCT legislation - however unwelcome - was seen as basically unavoidable, and the need for changes in staffing levels, work practices etc. were seen by trade unions as necessary if local authority works departments were to retain work in the face of real competitive threats from private sector contractors. Training provision is also necessary to help managers to adopt new roles. As indicated throughout this chapter, the extensive changes in interpersonal, informational and decisional roles all require extensive training and support to help managers develop the necessary new competences. These competences include, most importantly, policy development, negotiation and networking skills, and political awareness (predominantly for purchaser managers); leadership/people management; business, service and operational management, and marketing skills (predominantly for provider managers) (LGMB, 1993a, p25).

Yet, a number of SO/PO responses to the LGMB (1994) survey suggests that

many authorities may be deficient in key change management areas. For example, about three-quarters reported that they received too little information about plans for the future, and too little information about the reasons behind major decisions and about decisions taken by councillors Local authorities were also seen as generally performing poorly at: gaining staff commitment to change, setting realistic timetables, explaining the reasons for change, and planning change; only 41% felt that they received sufficient training for their jobs.

In terms of likely future developments within local authorities, the SO/PO officer grades in the LGMB (1994) survey expressed rather pessimistic views about the probable effects on their work experiences, in regard especially to their job satisfaction levels, the amount of training they expected to receive, their career prospects, workloads, job security and general morale. No reasons were provided for these pessimistic responses, but, essentially, organisational and management role changes within local authorities are taking place largely within a context of an increasingly hostile external environment of continuing resource constraints, tighter central government service delivery prescriptions - including extensions in the services subject to CCT - and expanding public demands for better quality services. It can be argued that these trends are likely to intensify the factors identified earlier which already operate to offset some of the rewards of more interesting, challenging and stimulating work which can arise from the "new" management systems. Managers are likely to become increasingly accountable for results achieved within an organisational context of more rigorous controls over both work processes and outcomes, with reduced levels of job security and promotion opportunities, increased workloads, reduced resource levels, and increasingly pressurised and demoralised staff - all within a context of continuing and accelerating

change.

Conclusion

This chapter has outlined the extensive changes currently taking place within local authority middle managerial role prescriptions across all three of Mintzberg's managerial role sets - interpersonal, information and decisional - as a consequence of the changing local authority structures outlined in chapter 3. These changes equate with the moves identified in the local government literature from the traditional emphasis on professionalism/administration towards the new emphasis on "management". In the context of moves towards divisionalised forms of structure and the purchaser/provider role divisions, middle managers are likely to acquire devolved decision-making powers/responsibilities over new functional areas such as finance, personnel and other resources, and to become accountable for achieving more rigorously defined performance standards - relating to both resource utilisation and service delivery targets. They are expected to adopt more proactive leadership styles. with an emphasis on inspiring and motivating their staff to achieve higher performance levels, and on facilitating opportunities for staff training and development. They are also expected to become more entrepreneurial - looking actively for ways to improve resource utilisation and service provision efficiency and effectiveness, and to achieve greater degrees of responsiveness to customers/the local community, and (for provider managers) to purchaser managers' requirements.

Increasingly, both purchaser and provider managers will become involved more extensively in liaison and information processing/exchange activities. This is taking place both vertically - with subordinates and with senior management/elected members within the local authority - and

horizontally, in the context of purchaser/provider relationships and increased levels of joint-working/collaborative cross-functional project group and team working with staff and managers from other departments/sections within their authorities, and from other public/private/voluntary organisations. Whilst their work may become more interesting and challenging, it may also become more demanding. Managers are being required to acquire new skills and competences, and to achieve results, within the new performance culture, within a context of increased workloads, resource constraints and lower levels of job security - especially for provider managers.

As Mintzberg's contingency model of management suggests, the precise nature of the changes in role behaviour experienced by middle managers will be affected by the extent to which local authorities have actually introduced the new structural forms and new mangement systems/prescriptions identified in the literature. As noted above and in chapter 3, individual local authorities differ widely in terms of the extent and nature of their adoption of such new systems. These changes are also likely to operate differently for managers located within different service/functional departments. Moreover, even within local authorities, well-advanced in the adoption of "new" management systems, a number of constraints noted throughout this chapter are likely to limit the extent to which managers' behaviour changes in line with changes in formal role prescriptions. Such constraints are likely to operate at behavioural, technical, and structural levels, especially in relation to devolved management systems, internal markets, information and communication systems, and the nature of a local authority's change management strategy. Individual managers will also differ in terms of the extent to which they choose to actively embrace or avoid changing forms of management behaviour, and in terms of their preferences for

particular managerial styles. These preferences will, in turn, be affected by the amount of effort put into management training/development and change management systems by individual local authorities.

Whilst the literature suggests that a growing numbers of local authorities are adopting new forms of structure and management systems, the scarcity of empirical studies focusing specifically on middle managers' own reported experiences of the new management systems make it difficult to assess the extent of real behaviour changes occurring amongst this managerial group. The remainder of this thesis, focuses specifically on identifying the views of middle managers themselves about the impact on their role behaviour of the new management systems introduced by a local authority well-advanced in its adoption of the new systems. After an outline of the case-study methodology used for this research, provided in chapter 5, the remaining chapters identify the internal structural changes introduced by the case-study authority, and present an analysis of middle managers' views about the nature and extent of the consequent changes in their role behaviour and levels of work satisfaction.

CHAPTER 5

Methodology and research design

Although there is an increasing volume of literature about the development of "new" public sector management models - and some evidence to suggest that growing numbers of local authorities are adopting at least some aspects of this model - the literature tends to focus predominantly upon "official" representations of changing management structures and systems, provided by senior managers. Relatively little consideration has been given within this literature to assessing the impact of these formal changes in management systems and role prescriptions on the work behaviour and satisfaction levels of managers located lower down in the organisational hierarchy. In addition to focusing on the extent to which the "rhetoric" of the "new" management model, as represented in prescribed changes in management roles and systems, actually percolates down the hierarchy and produces "real" behaviour changes, the research is also concerned with the role of middle managers in implementing change. A number of (non-local government) studies - Scase and Goffee (1989), Smith (1990), Dopson and Stewart (1988, 1990, 1990a) - suggest that middle managers frequently play a key role in change implementation, and it can be argued that careful consideration of the impact of structural change on local government middle managers' work roles and work satisfaction levels is required in order to maximise their commitment, and minimise resistance, to the continuing and accelerating pace of change in local authorities.

Research design of the study

A case study approach was chosen for this research, because it has the potential to provide valuable insights into the complex socio-political processes which characterise behaviour in organisations, and which are

difficult to elucidate through the use of "at a distance" methods such as surveys (Crompton and Jones, 1988, p72; Bryman, 1989). For example, Knights' (1993, p8) case study about the management of IT represents an attempt to "go behind the official representations of the organisation to discover how those lower down the hierarchy represent reality from what may be seen as positions of repressed dissent or partial subjugation". The case study approach thus appeared to be appropriate for examining the complexities of the "inherently problematic process" of managerial behaviour, and for generating insights into the multiple meanings which managers can attach to their formally prescribed or "official" work roles (Hales, 1993, p15). The key problem with the use of a case study approach is the question of the extent to which case study findings are capable of generalisation beyond the confines of the particular case - what Pugh terms the "peculiar paradox" of presenting single studies as applying to all organisations (1988, p124). Attempts at resolving this problem include: studying more than one case; using teams of researchers, rather than just one researcher, to study a number of cases; to seek a case which is "typical" of a certain number of characteristics, so that other researchers can then examine comparable cases which belong to other clusters of characteristics.

Barset County Council (BCC) was selected for this study because it represents an organisation which is "critical"* - in terms of its

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* The term "critical" is used here in Goldthorpe and Lockwood's (1969, p31) sense of the term. Thus, Barset Council was selected on the basis that, given its extensive adoption of the "new" management systems, it "would be as favourable as possible" an organisation for examining the impact of such systems on managerial behaviour. Thus the organisation presented a "best chance of being able to study" these managerial behaviour changes in that if changes did not occur in this "critical" organisation, then they were unlikely to be occurring to a significant extent elsewhere.

possession of the cluster of characteristics associated with the "new" public sector management system described in the local government literature quoted earlier. The findings can thus be seen as illustrative of wider trends affecting middle managerial work roles and work satisfaction levels in other comparable local authorities, where further research can be undertaken by other researchers. The evidence suggesting that BCC provided a good example of a local authority who had adopted most of the "new" management elements came from a number of sources. As indicated in chapter 6, BCC had won national awards for its adoption of new communication, training, IT, and customer care systems and programmes; in addition, it had pioneered new approaches to management and service systems which the government had subsequently drawn upon when planning legislation. Key BCC senior managers had written articles about their "new" management practices in a variety of management and local government journals (not listed here to preserve confidentiality). Various aspects of BCC's management systems had been quoted in the local government literature as providing good examples of the "new" management model - see, for example, Brooke (1989), Leach et al (1993), Glynn (1991), Caulfield and Schutz (1989), Issac-Henry and Painter (1991). One text actually quoted Barset as "an authority nationally recognised as being in the van of innovation"; the authority was praised by the Audit Commission for making "the transition from a bureaucratic and administrative ethos to the new management-led culture".

Difficulties in conducting the Research

Three main difficulties were experienced in conducting the research. Firstly, national County Council elections were to be held in early May 1993, and so it was imperative that all the fieldwork was completed by this date, as it was forecast that the Conservative ruling group, which had controlled Barset since its inception in 1889, might lose control.

Clearly, a new political administration might have introduced changes which could alter, part-way through the research, the management systems and role prescriptions associated with the existing "new" management model.

Secondly, in terms of access to the organisation, some problems were experienced in gaining access, within the time constraint set up by the election date, to Social Services Department senior management, and, hence, to a list of middle mangers suitable for interviewing. The Department was extremely busy with preparations for its new responsibilities under the NHS and Community Care Act 1990, which became operational on April 1, 1993. In addition, so many requests were being made for help with research (in connection with the development of new service delivery methods) that senior managers were considering "rationing" the numbers (a problem increasingly facing organisational/management researchers: see Richards, 1993). A short initial interview was made available with a not very senior manager, who made some useful documentation available, and informal contacts were then made with some social work staff and middle managers known personally to the author. These managers agreed to participate in the research, and suggested other middle managers whom they thought might be willing to cooperate. Personal contacts are frequently used by researchers to gain access to organisations (Buchanan et al, 1988). No other difficulties were experienced in gaining access. Initial access to the organisation was achieved through contact with a senior member of the Personnel Department, known to staff at the local University, who then secured permission for the research to be undertaken, and arranged contacts with other senior managers in the relevant departments. These managers then arranged access to the middle managers in their departments.

Thirdly, some factual data - for example, changes in the numbers of middle manager posts and redundancies - was simply not available in the organisation. The Personnel Director explained that records were not kept in a form which made it possible to extract this data. Where this occurred, estimates were obtained from the Personnel Director about the probable trends towards increases or decreases in these numbers. Clearly such statements are less reliable than "hard", written, substantiated data, and this limitation is acknowledged clearly in the relevant parts of the text.

Methodologies

The plan was to use Mintzberg's model of organisation design parameters, configurations and management roles (see chapters 1 and 2 for explanation of the reasons for the choice of Mintzberg's model) as a diagnostic framework to: analyse the structural changes which had taken place in BCC between 1984/5 and April 1993 and assess the extent to which the Authority had "officially" adopted the key features of the "new" public sector management model; assess the nature and extent of changes in middle management roles, behaviour and work satisfaction levels. Before describing the methodologies used, it is necessary to explain why the dates of 1984/5 - April 1993 were selected. As Hinings and Greenwood (1988) suggest, it can be very difficult to affix specific dates to the "beginning" and "end" of organisational change programmes. Whilst specific features, such as the introduction of a performance related pay scheme, can be dated precisely, other change areas - such as the introduction and dissemination of new cultures or values - are less easy to pin down. In addition, in respect to both forms of change, the pace and stages of implementation, especially in large organisations such as BCC, can vary between departments. Thus during the period when

the interviews with the middle managers took place (January to early May, 1993), some changes were continuing to occur with regard particularly to the implementation of the Authority's purchaser/provider split within the Finance sections, which meant that most of these staff could not be categorised as "Purchaser" or "Provider" managers.

The early May date fixed itself, so to speak, because of the need to complete the research by election day (when the Conservative ruling group did in fact lose control for the first time in the Authority's 100 year history). The earlier date of (approximately) 1984/5 was fixed for two reasons. Firstly, a new leader (of the ruling Conservative Group) was elected in 1984, followed shortly afterwards by the appointment of a new Personnel Director and a new Chief Executive; as indicated in chapter 6, all of these individuals were key instigators of the extensive structural changes which subsequently took place, and it was essentially after the appointment of these managers that the significant moves to the "new" management model took place. Secondly, the middle managers clearly had to have been employed in the organisation for the period covered by this research in order to describe and analyses the changes which had taken place in their roles. To go further back than 1984/5 would have involved severe problems, within three of the four departments, in finding enough middle managers who had been employed in the authority at the beginning of the change period.

Moreover, as indicated by Dunkerly (1988), "oral" recollections of past events clearly become less reliable over time, particularly with regard to dates. It was accepted that whilst documentary sources usually provide clear indications of the dates when events took place, the recollections of the managers in terms of providing precise dates for the introduction of various changes might not be accurate. It was

considered that this problem was not particularly significant. It was made clear to the managers during the interviews that the purpose of the data collection was to examine the extent to which the "new" management systems had replaced the "traditional" management practices. The precise dates when changes took place - whether slightly earlier in the 1980s or slightly later - were not considered to be particularly important. The term "mid-1980s" was used in the interview schedule to cover this dating problem.

Methodologies used at each stage of the research

As recommended in the literature on methodology, a combination of quantitative and qualitative methods were used at each stage of the research (Bryman, 1988, 1989; Easterby-Smith, 1991; Crompton and Jones, 1988). Quantitative methods typically involve the use of highly formalised structured interviews, questionnaires, tests/measures (such as personality tests) and structured observation to collect data. "Structured" interviews are based on a carefully prepared set of questions, with each interviewee asked precisely the same questions; the researcher accepts what the interviewee says, tries not to provide any verbal or non-verbal reactions to interviewees' responses, and usually does not question the interviewee's answers. Similarly, "structured" observation is highly standardised and systematised, with preset categories of behaviour and processes, against which activities are classified and recorded. The researcher starts with a clearly defined theory or hypothesis about the nature of the phenomenon under investigation, and then collects data to confirm or not confirm the theory (Easterby-Smith).

Qualitative methods typically involve the use of in-depth and more unstructured interviews, more unstructured observation, and diary

methods to collect data. Completely "unstructured" interviews involve an approach where "the interviewee talks freely without intervention or interruption" (Easterby-Smith, p75). However, because of the difficulties of analysing or making sense out of data collected in this way, unstructured interviews more commonly involve a "topic guide" used to form a loose structure for the questions (or provide broad activity/behaviour categories for more unstructured forms of observation). The interviewer then is free to pursue particular lines of enquiry raised by the interviewees, whilst at the same time attempting not to inject his/her own opinions and feelings into the interview. Semi-structured interviews use a combination of both qualitative and qualitative techniques, with some standardised questions put to each interview, but allowing plenty of opportunity for the interviewer to explore answers more fully, and for interviewee to put forward their own views and opinions in ways not structured in advance by the researcher's own theoretical framework and assumptions.

The researcher uses the particular theoretical framework adopted to analyse the information obtained through content analysis - analysing the number and frequency of particular responses or occurrences selected on the basis of the hypotheses set, or through grounded theory. The use of this approach involves essentially analysing the interviewees' responses "to tease out themes, patterns and categories" (Easterby-Smith, p108) - to generate theories which are derived mainly from the concepts and categories used by the interviewees to interpret, organise and make sense of their physical or social world. It is, however, important to recognise that the interviewer always operates from a particular set of theoretical assumptions and values which will influence the questions asked, the way in which interviewees are asked to elaborate further on particular aspects of their responses (and hence

the nature of the information obtained), and the interpretations made of the information collected - including the researcher's identification of any theoretical concepts and categories considered to be represented within the interviewees' responses.

The selection of particular research methods is likely to be influenced by a number of factors including the personal inclinations of the researcher, and the aims and objectives of the particular research project. In general, qualitative approaches are considered to be more appropriate for investigating and understanding processes and the significance or meanings which people attach to situations and to their behaviour, and quantitative research to be more appropriate for the "elucidation of structural regularities" in social or organisational life (Bryman, 1988, p158). However, although many authors suggest that there may appear to be fundamental and incompatible differences between these two methodological approaches and their underpinning philosophies, they suggest that the differences in practice, in terms of the "actual research methods and techniques used by researchers" are by no means so clear-cut and distinct (Easterby-Smith, p26). Thus, Crompton and Jones, in an article about the value of the case-study approach (frequently associated with more qualitative methods) stress the point that organisational research does not involve making a mutually exclusive decision between qualitative and quantitative methodology:

> "In reality, it is very difficult to study organisations without using both sets of methods. In any event quantitative data always rests on qualitative distinctions. We are, therefore, sceptical of research which purports to represent organisational realities, but which uses market research techniques. Organisations cannot be studied at a distance. Conversely, 'organisational studies' which did not describe the structure of positions, rules and hierarchies, etc. would also be suspect, however sensitive and insightful the observers' account in other respects" (Crompton and Jones, 1988, p72).

Similarly, within a classic example of the quantitative approach - the well known Aston Studies - the author, whilst using quantitative

statistical survey techniques to test out specific hypotheses, also adopted a qualitative approach involving the use of detailed case study analysis at later stage in the research (Pugh, 1988, p127). The classic case-study by Blau and Scott also used a combination of methods from both perspectives: "The study of County Agency employed unstructured and systematic observation, interviewing, a self-administered questionnaire, and the analysis of records and documents" (1963, p254). Similarly, the case study approach adopted here uses a combination of both quantitative and qualitative methods in both stages of the research.

Stage 1

This stage of the research involved the analysis, from within Mintzberg's model of organisation design parameters and management roles, of the structural changes which had taken place in BCC between 1984/5 and April 1993 and assessment of the extent to which the Authority had "officially" adopted the key features of the "new" public sector management model. A checklist of a key features representing the "new" management approach was prepared (reproduced in exhibit 5.1). This provided criteria against which the changes in the Authority's management systems were assessed, using semi-structured interviews, non-participant observation, plus examination of various documentary records. (Non-participant observation refers to a situation where the observer plays no part in the activity being observed (Shipman, 1981).)

The documents used included: the agendas of Committee meetings, the County annual reports, corporate and departmental plans and budgets since 1984/5; organisational charts for 1984/5 and 1992/3; the articles listed above, by the Finance Director, Personnel Director, Corporate Planners and the Chief Executive, and two articles reporting interviews with two senior corporate IT managers; three MA/MBA theses by BCC

managers (names withheld to protect the identity of the authority); all of the Making Connections publications and newsletters (a communication/development programme aimed specifically at middle managers delivered between 1992/3); various reports and documents relating to specific organisational/management system changes made during this period. These included: the policies and implementation guidelines for the Purchaser/Provider split, service-level agreements; a customer satisfaction survey; a staff attitudes survey; a communications survey; the guidelines for operating the staff development and performance review system; the financial management handbook; the County's general management handbook; members handbook for 1984/5 and 1992/3; a video, accompanied by a booklet, about the County's strategic planning system and the principles (as stated by the Council leader and the Chief Executive) behind the changes introduced since the mid-1980s.

The semi-structured interviews of one to two hours in length were held (mainly in December 1992 and January 1993) with: several staff from the Corporate Personnel, Corporate IT, Corporate Public Relations and Corporate Planning sections; the Personnel Directors in the Commercial Services, Social Services and Highways Departments (see below for explanation of the choice of these departments); two senior managers in each of the Highways, Commercial Services, and Corporate Finance sections; one less senior manager in Social Services, and three social workers/one middle manager known personally to the author, in view of the difficulties, explained above, of gaining access to Social Services senior management. Non-participant observation took place at two one-day Making Connections seminars, where middle manager groups presented the results of their learning set activities, and where Chief Officers explained the nature and rationale of the changes which had been, and were being introduced in the Authority's structure and

management systems.

The interviews with the Personnel Directors of Highways, Commercial Services and a senior manager in Finance included time set aside for the identification of the middle managers to be interviewed in the second, and main, stage of the research.

Stage 2

The second stage of the research involved identifying, from within the framework of Mintzberg's managerial roles, the nature and extent of the changes which had occurred between the mid 1980s and 1993 in middle managers' work roles and work satisfaction levels. As noted earlier, the case study approach, using interviews and observation techniques, has been frequently used to provide in-depth and detailed analyses of complex managerial processes (Stewart, 1967; Smith, 1990; Mintzberg, 1973; Dopson and Stewart, 1988, 1990, 1990a). The methods of participant and *non*-participant observation were not considered suitable for this study as the purpose was not to gather data simply about current managerial behaviour and work satisfaction levels, but to identify the way these had changed since the mid 1980s, and, clearly, observation would not yield information on this topic. The use of a standardised self-administered questionnaire/survey was also rejected because of the complex and wide-ranging nature of the changes in management processes which were expected to be reported by managers in the context of the extensive "official" changes made in management systems and role prescriptions by senior management. It was felt that attempts to produce a standardised measures (without opportunities for face-to-face clarification and discussion) of such changes, across four very different functional management contexts (in the four departments/sections) would result in key areas, seen by the managers as

significant, but not anticipated by the researcher, being excluded from the findings. Managers would also be forced to focus on issues which perhaps were of little importance or significance to them. Moreover there was no comparable local government study, at the time of this research, with which results could be compared. Conversely, it was felt that completely unstructured interviews would not be suitable because of the researcher's desire to explore specific issues raised in the local government literature, and particular policies and developments which had been introduced by the Authority.

To secure the advantages of both the standardised and unstructured approach to the data collection, it was decided to combine both quantitative and qualitative approaches by conducting in-depth semi-structured interviews with middle managers located within four departments. (Middle managers were defined as those managers who had first line managers/supervisors or senior professionals/professional section leaders reporting to them, and who reported in turn to more senior managers (Dopson and Stewart, 1990, 1990a). Certain standard, largely open-ended questions (ie not requiring specific precoded answers) about key management developments (derived from BCC formally prescribed changes in policies and role prescriptions, practice and from the local government literature) were to be put to the middle managers selected for interview, plus a self-administered questionnaire measure of work satisfaction. The latter was used partly to enable comparisons to be made with two recent large-scale surveys which used the same measure (Scase and Goffee, 1989; Mansfield and Poole, 1991), and partly because there was insufficient time for exploring this very potentially wide-ranging topic in a less structured manner. The key focus of the interviews was on the nature of the changes in managers' role behaviour, rather than on their work satisfaction levels. Within this standardised

framework of largely open-ended questions, the researcher intended to employ "conversational" techniques to "pick up" and explore the various issues raised by managers, and thus seen by them as significant, as fully as possible.

Bearing in mind the time constraints operating on the researcher, the decision was made to interview 48 managers, with 12 drawn from each of the two major direct service provision Departments - Social Services and Highways, and two indirect service provision departments - Commercial Services and Finance. The Departments were chosen on the basis that local authorities are highly differentiated organisations (Stewart, 1992), and it was expected that middle managers, within these four very different contexts, would, as suggested by Stewart (1991) and Mintzberg (1973), vary in terms of their managerial roles, and the impact of BCC's changes on their role behaviour. Two criteria were used to select the sample of managers: they had to have worked for BCC since the mid-1980s (preferably since at least 1984/5) in order to have experienced the changes in managerial systems and roles; their management roles had to equate with Dopson and Stewart's definition of middle managers - (The location of such positions within Barset's own grading system was on points G,H,I and J.) The methods for selecting the 12 managers from each department varied slightly; as Buchanan et al (1988) suggest, researchers have to work within the constraints of what is available.

In Social Services, as explained above, no list of suitable managers was available, and personal contacts were used to identify 12 middle managers who were willing to cooperate; it was not possible to achieve the spread which would have been ideal between the 5 geographical areas, and between the Purchaser and Provider functional roles. By good fortune, there was a reasonable spread between the professional

specialisms of mentally ill, elderly, mentally handicapped and families/children. The senior manager approached in corporate Finance produced a list of 13 eligible managers; little choice was available to the researcher about which managers to interview because only a very small number on the appropriate grades had been employed with the authority since the mid-1980s. A reasonable spread was achieved of Finance managers across the Authority, with 2 located at Corporate Headquarters, and the rest located, under devolution, in various Service Departments - including Social Services and Highways so that middle managers' views about the roles of devolved finance staff could be compared with definitions provided by the Finance managers themselves. The Purchaser/Provider split was still being completed within these devolved Finance sections at the time of this research and so most Finance managers had not yet been identified as either Purchasers or Providers.

Within the Commercial Services Department, a list of 15 managers was produced (excluding those who worked for a section who had just lost a contract); one turned out to be the wrong grade, and one refused to allow the interview to be tape-recorded (the only refusal in the entire project), which left 13 who met the length of employment criteria. The Highways manager produced a list of staff across all of the branches, with those managers marked who met the criteria of length of employment and appropriate grades. Information on the Purchaser/Provider status of these managers was not available on this chart (the new one had not yet been produced), and so although a good spread of functions across the branches was achieved, it was not possible to select managers on the basis of their Purchaser/Provider functions. In each department, a reasonable distribution between the four grades was achieved.

Initial contact with the managers, once their names had been obtained,

was made in every case by telephone, and there were no refusals. Complete confidentiality was guaranteed, and for this reason, the managers' positions are not identified on the organisational charts reproduced in chapter 6. Similarly, names and other data produced in the quotations have been omitted or changed (without distorting the meaning) where there was a risk that the manager might be identified. It had been originally intended to interview the managers at home, where it was felt that they would feel freer to express themselves and avoid work interruptions, and where data could be more easily collected about the relations between managers' work and family/social lives. It became clear, however, after several phone calls, that the managers wanted to be interviewed during their working day at work, and not at their homes. This practice was thus adopted for all of the interviews (except for one where the manager was on sick leave), and questions about managers' family/social/work relations were omitted from the interview schedule, which had become, in any case, rather too long. It subsequently transpired that there were advantages to be gained from interviewing managers in their work place. There were opportunities for some informal observation of, for example, wall-posters exhorting staff to adopt various customer care and quality management practices, and the attempts to make the various reception areas more welcoming with plants, prominent displays of the Departments' customer charters, complaints leaflets etc.

Several pilot interviews were held to test the viability of the interview schedule - one with a manager from each of the four Departments, and four with students and ex-students from local colleges who worked for the County. The two significant changes made in the interview schedule as a consequence of these pilots related to the elucidation of changes in the managers' disturbance handler and

negotiating roles. It appeared that the topics were simply too wide, capable of such diverse interpretations, and occurred in so many different contexts, that they could not be covered in a systematic or standardised way. The use of a standardised measure was considered but rejected on the grounds of adding to an already lengthy schedule. It was decided eventually that for the negotiating role - where all of the pilot interviewees spontaneously brought up the topic in the course of the interview - interviewees would be asked to comment on changes experienced in this role as and when it emerged at whatever point in the interview. Specific questions on the disturbance handler role were simply omitted; this role is brought out most clearly in the research studies, such as Mintzberg's own, which use observation methods.

Interview Schedule

As explained above, this schedule (see exhibit 5.2) included a combination of standardised questions, with plenty of open ended questions and "probing" reminders, and a "conversational" technique where managers' views and opinions were discussed between the interviewer and interviewee. At the outset of the interview (and previously on the telephone when setting up the interview) the purposes of the research were made plain to the interviewees, stressing that the purpose of the research was purely academic, that it not been commissioned by BCC, and emphasising that total confidentiality would be ensured when reporting their responses in the text. Tape recording was used to record the data; only one manager would not allow the interview to be recorded, and this interview was not used because the transcript based on notes made at the time was inadequate in terms of length and accuracy when compared with the others.

The schedule was divided into 8 main sections. Essentially the idea was

to present the interviewees with statements about BCC policies and management role prescriptions, and then ask about the extent to which managers were familiar with these, and about the impact these had had on the managers' role behaviour, with particular emphasis on comparisons with the mid-1980s situation. Section A included questions on a number of basic and simple issues about age, pay, sex, location and functions etc, including two questions about the probable impact, if any, of CCT and BCC's policies of "externalisation" of certain functions (privatisation). The questions on age, pay and marital status were put using cards with a list of ranges of possible answers - partly because these can be slightly sensitive questions, and partly because it helped to break the ice and establish quickly a friendly rapport with the inevitable jokes made about age and pay. Section B questions were designed to collect data on the managers' perceptions about the impact of the BCC management changes on their job security and career prospects, together with their reasons for joining BCC; the latter was considered to have a possible bearing on managers' perceptions about job security and career prospects, and about any changes they experienced in work satisfaction levels (see section g). Moreover, the reasons for joining BCC/entering local government constituted a fairly non-controversial topic which it was hoped would encourage the managers to get accustomed to responding fully to questions, before embarking on slightly more controversial areas (in the sense of possibly being critical of BCC's policies) concerned with impact of change on their particular work roles.

Section C questions were concerned with the resource allocator role, which was considered to be of particular significance because of its concern with devolution (one of the Chief Executive's three core values) and the allocation of increased decision-making powers to middle

managers in operational areas such as service delivery, finance and personnel management. The same questions - concerned basically with the decentralisation/centralisation debate raised in the literature about the nature of control systems - were asked several times in different ways to maximise the responses from managers here. Finance managers were asked some specific questions about the impact on their roles of being devolved to Service Departments, because of the concerns raised in the literature about possibly adverse consequences on these managers' professional and career development. Similarly, service managers were asked about the extent to which they considered there has been changes in the roles of devolved finance managers, who were expected by BCC to become more responsive to service mangers' business needs. In view of BCC's move to control systems based on performance outputs, managers were asked specifically about the impact of these on their work, and, in relation to BCC's strategic planning system, how these linked in to the new strategic planning in their departments, in terms of allowing these mangers some involvement in this. The "red-tape" question was asked because reductions in bureaucracy and red tape constituted one of the Chief Executive's three core values, as did the the shift in emphasis from "professionalism" to "management".

The entrepreneurial role (section D) questions similarly used the key phrases disseminated by the Chief Executive throughout the organisation as a basis for identifying changes in managers' practices here. Section E questions, focusing on Mintzberg's Interpersonal roles, again took as their starting point the Chief Executive's prescriptions about desirable role performance in relation to the leader role (which equated closely to the transformational leadership style outlined by Bass and Avolio (1990)). The question about how they saw their immediate line managers' leadership style was included because of the suggestions in the

literature that senior managers did not always practise what they preached about the more "empowering" leadership styles to be adopted by lower level managers.

Section F focused on Mintzberg's three informational roles. Because of the potentially vast amount of data which could have been sought here, it was decided to concentrate, as had the literature review, on fairly broad questions about the nature of horizontal and vertical communication and information flows and exchanges within BCC and between BCC and other organisations. Specific questions were asked about managers' involvement and contact with "customers" in the context of the Authority's policies about becoming more responsive to customer needs and views about the quality of service provision. In addition, the purchaser/provider split, with the associated notion of multiple customer identities, and the possible horizontal barriers which the literature suggests can arise from the introduction of internal markets, was given specific attention here. Specific mention was also made of BCC's Making Connections programme (with the question about managers' involvement in this), of BCC's expressed policy decision to improve communication systems within the County, and to achieve a more "open" organisation in the sense of more accessible and freer information flows. One specific question was put on the impact of IT on managers' information processing activities, because of the recent improvements made to such systems across the County, and the importance attached to them in the literature in terms of facilitating the development of devolved management systems.

Section G focused on the changing competences required by managers in the light of all the changes analysed earlier, and on changes they had experienced in their job satisfaction levels. As explained above, a

self-administered questionnaire was used to provide indications of current job satisfaction levels, because of the wide-ranging nature of this topic, and the limited time available to pursue it in a less directive manner. The short questionnaire followed the format used in two recent studies on changing levels of job satisfaction amongst managers - Scase and Goffee (1989) and Mansfield and Poole (1991) - so that comparisons could be made directly with the data of these two studies. As explained fully in chapter 2, although there are numerous studies of job satisfaction, there is an absence of agreed definitions of what constitutes "work satisfaction". Discussions such as Scase and Goffee, Mansfield and Poole, and Poole et al (1981) incorporate dimensions referring to both intrinsic and extrinsic rewards available from work (derived from Herzberg's analysis of job satisfaction factors), and use the expectancy theorists' approach (Vroom 1964) to investigate both the levels of importance that individuals attach to particular intrinsic and extrinsic rewards, and the extent to which their work provides opportunities for the realisation of these rewards.

In terms of intrinsic rewards, measures or indices are constructed in relation to the extent to which work offers opportunities for: (1) self-esteem and status; (2) the ability to work independently or autonomously, and through this: (3) the scope available for self-development and personal growth. These commonly-used reward categories are defined as follows (Hunt, 1979): independent thought and action refers to opportunities for managers to exercise their own personal judgement and discretion in decision-making and task performance; personal growth and development involves opportunities for managers to obtain self-fulfilment and satisfaction through the utilisation of their own skills and talents; self-respect and self-esteem are concerned with managers' feelings that they and their

work contributions are valued and recognised. In relation to extrinsic rewards, these studies focus upon individuals' perceptions of (1) security of employment; (2) remuneration; (3) promotion prospects; and (4) opportunities for work friendships. In relation to both intrinsic and extrinsic rewards, indices or measures are constructed upon which questionnaires are designed to measure managers' feelings of relative work satisfaction and dissatisfaction.

This approach was adopted here in the form of the short questionnaire included at the end of the interview schedule. Managers were asked to grade from 1 (low) to 7 (high): (1) the extent to which they considered that their jobs offered opportunities for obtaining the rewards listed, and; (2) the level of importance that they attached to each of these rewards. Subtracting the scores in the "importance" column from the scores in the "opportunities" column provides an indication of the managers' levels of job satisfaction in terms of how far they perceive the opportunities for obtaining each reward from their jobs to match the importance attributed to the rewards. The closer these scores are to zero, the closer the match between the "importance" and the "opportunity" which they perceive for enjoying that particular element of job satisfaction. After managers had completed the questionnaire, they were asked about the extent to which their jobs had become more or less satisfying as a result of the changes explored earlier in the interview, and asked to give reasons for their responses.

Section H looked at managers' responses to the phenomena of the Authority's accelerating and ongoing pace of change. The intention was to assess the extent of managers' satisfaction with BCC's change management process, using the key issues identified as influencing the nature of managers' responses to change drawn up by Dopson and Stewart (1990a): ie, changes imposed externally or internally, change management

methods, the particular stage of change where managers were located, (using Nicholson and West's schema (1988)), and the nature of the managers' reactions to the "change as a normal way of life" feature of organisational life.

Once the recording had been transcribed (about one third by a typist employed for the purpose, and about two-thirds by the researcher), the content analysis method (Bryman, 1988) was used to analyse the responses (apart from the few pre-coded questions such as those on pay, qualifications etc., and those questions asking for responses along "mostly negative" or "mostly positive" lines). The responses were analysed from within the various theoretical perspectives, derived from the literature (and used to design the interview schedule); these are restated at the beginning of each of the chapters which present the data analysis.

Problems with interviewing as a data collection method

It is important to consider some of the problems which can be experienced in the conduct of semi-structured interviews. Firstly, there is the problem of the so-called "Hawthorne effect" (Shipman, 1981), where the act of doing research - asking individuals about their work in this case - can alter their perceptions. Linked with this problem is the concept of interviewer bias - that by asking questions in a certain way, certain answers are more likely to be forthcoming than others. Thus the wording of questions was carefully designed to avoid "leading" the interviewee towards a particular response. There is also the problem of inadvertent bias introduced into the situation by the interviewer; numerous studies have shown that interviewee characteristics such as the race, sex, age, social class, physical appearance etc. of the interviewer can influence the responses made by

the interviewee. Interviewees can also consciously or unconsciously distort their answers, particularly on sensitive issues, towards responses which they feel are "acceptable", or, simply become less full and more cautious in their responses. The topic of managers' leadership style was the most sensitive or "personal" of the subjects addressed in this interview, in terms of the close and almost inextricable relationships between the managers' own personality and their leadership methods. Managers' responses were, as had been expected, less profuse here than with most of the other topics - especially on the question about their line managers' leadership styles. Statements made by some managers in response to the leadership questions, such as "you need to ask my staff about this, not me", suggested a degree of discomfort with the topic. In general, most of the managers appeared to respond extremely thoughtfully and fully to the questions; as Crompton and Jones (1988) indicated in their study, many managers appeared to enjoy the chance to reflect and expound on their work lives and experiences.

The case study of managers

The 48 middle managers interviewed for the study are listed by case-number in exhibit 5.3., including information about each manager's: age; sex; marital status; highest educational qualification; management qualifications; job title; department and section; functional roles as Purchaser/Provider/Twin-hatted (under the Authority's internal market system); salary; number of years with the Authority. Information about managers' precise work-grades is withheld to avoid any possible identification of the managers' identity by the Authority (as promised in the interviews). For the same reason, individual managers' positions are not shown on the departmental organisational charts represented in Chapter 6, although the levels where they were located are indicated

clearly on these charts (see exhibits 6.7 - 6.13).

The next four chapters analyse the data obtained from the research. Chapter 6 provides an analysis of the structural changes introduced by Barset County Council (BCC) since the mid-1980s, using Mintzberg's four organisational design parameters (described in chapter 1) as a framework - including the changes in Barset Council's management role prescriptions. These managerial role changes are analysed using Mintzberg's model of managerial role sets, as outlined in chapter 2. Chapters 7,8 and 9 focus on analysing the the data obtained from the interviews with the forty-eight middle managers about their experiences of changes in their managerial work behaviour - identifying the extent to which their behaviour changed in accordance with BCC's recently introduced formal managerial role prescriptions.

Chapter 7 analyses the managers' responses about the impact of these changes on their interpersonal and information work roles. Mintzberg's six interpersonal (leader, ceremonial and liaison) and informational (disseminator, monitor and spokesperson) managerial roles are used as a framework for summarising briefly the key features of change here outlined in the local government literature (see chapter 4). This is followed by a short outline of the changes in formal role prescriptions introduced by BCC, and then discussion at length of the responses of the managers about changes in their managerial behaviour in these areas. The same format is used in chapter 8 to identify the changes in the managers' behaviour within the four decisional roles - resource allocator, entrepreneur, disturbance-handler and negotiator. Chapter 9 then presents managers' experiences, deriving from these changes in their work behaviour, of changing levels of work satisfaction.

CHAPTER 6

Organisational restructuring in Barset County Council: changing role prescriptions

This chapter identifies the key changes in management structures and systems, introduced by the Authority's elected members and corporate management team since 1984/85, when "a new Conservative leadership embarked on a programme of organisational and managerial reform which has had ramifications throughout the County Council, and has set BCC in the vanguard of local change." (article, 1991; source withheld to protect the authority's identity). The chapter begins by identifying the key contingency characteristics of the Authority which appear to have precipitated the extensive changes made during this period. Mintzberg's model of organisation design parameters and management roles is then used to outline the changes in the Authority's internal structures and management systems during this period.

As outlined in chapter 3, contingency theory indicates that local authorities will adopt different forms of structure according to differences in their contingency or situational characteristics. However, contingency theory is based largely on comparisons between different organisational forms in *different circumstances* at a particular point in time, with relatively little attention paid to the process of organisational change in response to changes in circumstances (Hales, 1993). Hinings and Greenwood (1988) emphasise the need to examine the "interpenetration of organisational contexts and internal organisational arrangements and processes" in order to understand the processes of organisational change (or inertia) within local authorities. They identify two analytical categories of factors which have the capacity to pressurise an organisation towards change or

stability. These consist of: contextural factors (task/environment, fiscal, and institutional/ideational pressures relating to the extent to which central government and other sources act to legitimate and necessitate change); strategic choice factors (concerned with the existence of particular underpinning ideas and beliefs about organisation mission, vision, and design "archetypes", and the extent to which different groups within the organisation view themselves as representing different and/or conflicting sectional interests). A third category consists of enabling factors which can assist or impede the scale of changes. These involve the degree of concentration of power within the authority (dispersed, concentrated or intermediate), the extent of transformational rather than transactional leadership, and the leadership's capability (skills and knowledge) in the management of change arena, with a focus on changing values, behaviour and processes as well as roles and structure.

Hinings and Greenwood (1988; see chapter 3) use this analytical framework to identify the key factors which precipitated the authorities within their sample towards "reorientation" (the movement of an organisation away from the traditional heterogenous professional bureaucracy to an alternative corporate organisation form, involving changes, as outlined below, in each of Mintzberg's design parameters). Essentially, these factors consist of high levels of institutional pressures, a strong value commitment to change on the part of the organisational "elite", and at least one "enabling" factor - moves towards transformational leadership and/or the existence of significant expertise in corporate planning and change management (p140-141). Fiscal pressures were largely high/medium in strength; environment/task and organisational size factors appeared to be low in significance.

An analysis of the factors precipitating the extensive internal changes

in structures and management systems within Barset County Council (BCC) during the 1980s suggests a close similiarity with Hinings and Greenwood's model. Firstly, for Barset*, as for other authorities, the institutional/ideational and fiscal pressures for change during the 1980s were extremely high. These pressures, discussed fully in chapter 3, can be summarised under three main categories. These consisted of: pressures on authorities to improve the three "E's" of economy, efficiency and effectiveness, exacerbated by the central government constraints on local authority spending; the establishment of market conditions, through requiring local authorities to subject certain services to compulsory competitive tendering (CCT), and to introduce internal markets with a clear distinction between the providers and purchasers of services (the "enabling", "competitive" and "mixed economy" council); the creation of more "customer" orientated systems for planning and delivering services (Elcock, 1993). Emanating from a variety of ideational sources, such as the Government, Audit Commission, the Local Government Management Board, and popular management texts by Peters (1982) and others, these pressures precipitated moves within BCC towards a private sector style "business-like" approach to service planning and delivery, including an emphasis on more coherent strategic planning and performance review systems, and on greater responsiveness to the "customer". A video and booklet (Price Waterhouse/BCC, pp4-5) produced in the early 1990s outlined clearly the "vast range of pressures for change" experienced by the Authority during the 1980s, which resulted in the replacement of a "traditional" local government management model by a "strategic management" approach:

As noted earlier, Hinings and Greenwood concluded that pressures for change arising from environmental/task and size factors were relatively low; a brief description of BCC in relation to these factors, together with the 1992/3 mission and strategy statement is provided in exhibit 6.1.

"The world of local government in the 80's has seen enormous change. The election of a Conservative Government in the late 70's had radical implications for everyone, but perhaps more for local government than for any other business sector. The difficulties facing the economy during this period combined with the Government's new philosophy regarding its role in controlling local government finance resulted in an avalanche of legislation affecting the structure and function of local government.....This took place against a background of rising public expectations over the services to be delivered and the way in which they are delivered, producing more sophisticated and demanding customers. A vast range of pressures for change were experienced which had to be addressed by local authorities, including:

* pressures for development, versus environmental concerns and population change
* growing awareness of social issues, particularly child abuse
* continuing concern about eductional standards
* fears about the workforce's ability to respond to the changes of a changing economic environment
* the opportunities and threats (presented by unique local developments - information withheld to protect confidentiality)
* the increasing demand for local services to be seen to be provided in an economic and effective manner, and to be capable of competing on equal terms with the private sector.

It is widely accepted that the "traditional" ways of managing local authorities are no longer acceptable on their own...." BCC has recognised the shortcomings of its historical approach to service delivery, and has used the lessons of strategic management to tackle the challenge presented by a changing world."

This clearly expressed need for a move away from the "traditional" local government management systems to a "strategic management" approach draws attention to the presence within BCC of the second of Hining's key change factors precipitating "re-orientation" from one organisational form to another - the emergence during the 1980s of a political leadership and key senior managers who were strongly committed to change. A study analysing the "key conditions" of change at BCC during the 1980s (author identity withheld to protect confidentiality) focuses on the seminal importance of strong local political leadership, and charts the progress of some senior Conservative members' attempts, from the mid/late 1970s onwards, to introduce extensive changes in the Authority's structure and management systems. Following the 1974 local government reorganisation, several new (ruling group) Conservative members were elected, who held different ideas from the members of the

"old guard" about the management styles and structures which should operate in the County.

Basically, the pre-reorganisation members tended to operate within, and accept, the "traditional" local authority design archetype of an essentially federated structure. This federated structure consisted of the traditional heterogenous professional bureaucracy (described fully in chapter 3) where the influence of the service department professional chief officers was extremely strong, dominating service development policies. Although BCC's Policy and Resources Committee possessed the capacity for strong corporate control (all policy decisions made by service Committees have to receive approval from this central Committee), the policy decisions of departmental chief officers, supported by the more traditional members, tended to prevail, resulting in a lack of coherent overall corporate policy. The corporate planning structure introduced during the seventies had little impact on individual chief officer domination of service planning, and little or no overall corporate planning or control of service provision took place (see full discussion below under planning and control systems).

From the late 1970s, three key members, with stronger (Conservative) political orientations sought to gain political control and introduce "genuine" (member political policy-based) corporate control over service planning and delivery - in a national context of the public spending reductions of the mid-seventies, and the growing criticism of the unresponsiveness of professionally dominated local government service provision to public needs. Efforts by these members to achieve this change by setting up reviews and plans for restructuring of individual departments (beginning with Highways) met with resistance from both officers and (the more traditionally orientated) members. They achieved

only limited change, but they helped to create the conditions necessary for achieving subsequent and more wide-reaching county-wide changes. One of these members acting as key change agents (Hind) was elected as council Leader in 1984, following a previously unsuccessful attempt.

As the author of the study mentioned above emphasises, it is difficult to identify the factors which resulted in the eventual victory, through Hind's election, of the overtly change-orientated members within the Conservative ruling group. Significant factors influencing the outcome of the 1984 council Leader elections probably included the national developments noted above which enhanced the legitimacy of Hind's change programme - the election of the Conservative national government in 1979 with its programme of public sector reform - and dissatisfaction with the performance of the previous (traditional political establishment) council leader. Hind was an "outsider" (rather than a member of the Barset Conservative party establishment), and, in terms of the impact of his election on the direction of change within Barset, the author of this study considered that ".....there is a sense in which Hind's victory in 1984 replicated Mrs Thatcher's victory nationally in 1975. Each was an outsider bent on radical change, and each had the good fortune to face an establishment leader whose popularity was on the wane".

Hind subsequently embarked on an intensified and accelerated structural change programme, which embodied the three key "new" management principles outlined above - improvement in the 3 'E's, introduction of a "mixed" economy of service provision, and an emphasis on more responsiveness to local customer/community requirements. Indeed, BCC, in its annual reports during this period, drew attention to the fact that Barset had actually pioneered some of these new approaches, which were subsequently adopted by the Government as a basis for preparing

legislation. Hind focused on the need to replace the traditional professionally dominated federated structure described above with a more unitary or genuinely corporate structure. This involved a "cabinet" style structure of senior members to determine policy, with the Chief Executive acting as line manager to departmental chief officers, and the introduction of clear command structures to achieve stronger corporate control and strategic management of the council. Such initiatives included a redefinition and clarification of professional chief officers' role, equating broadly with a move in emphasis from Laffin and Young's professional advocate role (involving strong professional domination of policy) towards the role of the "enabler". This stresses chief officers' "capacity to implement policy change specified by the members, on behalf of the members.....The members look to them to grasp and carry out their politically-determined policies" (1990, p111). (Full details of all of these changes are outlined below).

Following the (1985) recommendations of a external consultancy report, Hind focused on the need for a new Chief Executive (the previous Executive retired), who "would become the Authority's chief strategic planner. He or she would lead the management team and be responsible for the overall planning and budgeting process, the development of manpower policies and reviews of the Authority's organisation and management." (article written by the new Chief Executive, 1990). As Hind himself put it, he sought a Chief Executive "with the clout to tell chief officers what to do", and who would play "a vital role" in taking change forward." (Hind, quoted in Price Waterhouse/BCC, 1991/2). The role of the new Chief Executive, Minck, equates with Hining's third key "re-orientiation" impetus - the need for the existence of "capability" for change management within the organisation.

Minck adopted from the outset what Hinings describes as a "transformational" leadership style (clear definitions and restatements of overall values underpinning elements of organisational form), focusing not just on changing structures but also on changing processes, beginning with a seminal paper delivered to the Policy and Resources Committee in September 1986 on the importance of "Changing the 'Culture'". He continued this process with the identification of three key underpinning principles - devolution; management not administration; closeness to the customer. These, with various amplifications and additions (particularly about the need for a permanent change orientation throughout the organisation) provided a coherent and restated set of values underpinning the changes up until, and including, the period of this research (December 1992-early 1993). The focus, of both the new leader (elected in October 1992) and the Chief Executive (Minck continued in post) was to continue with these policies, with particular emphases on: developing the role of members; improving monitoring and policy direction of direct services, "without backtracking from the principle of devolution; continuing to "reshape" the organisation towards a mixed economy of service provision; recognising the "value" of staff by minimising as much as possible the impact of change on their work (Making Connections, October 1992; Shaping up, 1993).

The changes made in BCC's structure and management system, in accordance with this management philosophy, are outlined below, within Mintzberg's models of organisational design and management roles which have been used throughout this study to analyse organisational change. Particular emphasis is made on the key features of changes which took place within the Highways, Social Services, Finance and Commercial Services

Departments.*

Within these Departments, middle managers were interviewed to examine the extent to which formally prescribed changes in their roles had actually been translated into behaviour and attitude changes (see chapters 7, 8 and 9). Mintzberg's organisational design parameters are reproduced diagrammatically below in the format adopted in chapter 3 to analyse internal changes in local authority structures (1983, p27):

Group	*Design Parameter*	*Related Concepts*
Design of positions	Job specialization	Basic division of labor
	Behavior formalization	Standardization of work content System of regulated flows
	Training and indoctrination	Standardization of skills
Design of superstructure	Unit grouping	Direct supervision Administrative division of labor Systems of formal authority, regulated flows, informal communication, and work constellations Organigram
	Unit size	System of informal communication Direct supervision Span of control
Design of lateral linkages	Planning and control systems	Standardization of outputs System of regulated flows
	Liaison devices	Mutual adjustment Systems of informal communication, work constellations, and ad hoc decision processes
Design of decision-making system	Vertical decentralization	Administrative division of labor Systems of formal authority, regulated flows, work constellations, and ad hoc decision processes
	Horizontal decentralization	Administrative division of labor Systems of informal communication, work constellations, and ad hoc decision processes

(Source: Mintzberg (1983), Structure in Fives: Designing Effective Organisations, New Jersey, Prentice Hall, p27.)

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* A brief outline of each Department's functions is provided in exhibit 6.2.

Design of positions, behaviour formalisation, and training and indoctrination systems*

As outlined in chapter 3, the design of individual job roles and tasks within local authorities traditionally relied on high job security, relatively inflexible employment contracts with detailed and activity-based job descriptions, and extensive centralised control (by central Personnel) over numbers, grades and duties of staff (Fowler, 1988). Nationally prescribed conditions of service and grading structures (including national pay bargaining), with a long hierarchy of numerous grades and narrow salary ranges reinforcing the tendencies towards a high degree of relatively inflexible role specialisation.

In most local authorities, behaviour formalisation systems (referring to the methods used for controlling work processes) focused on a high degree of detailed operational control, through rules, procedures and manuals for manual, clerical, and administrative staff. For professional staff, control systems focused around personal supervision plus standardisation of skills and knowledge, based on externally derived professional qualifications and expertise. Considerable emphasis tended to placed by professional staff on professional autonomy - on the use of their professional skills and expertise to determine policy (in the case of professional chief officers) and service delivery methods (professional staff), although, as Mintzberg (1989) and Walsh (1992) suggest, it is difficult to distinguish clearly with professional services between policy formulation and implementation; the two tend to

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* This term is used by Mintzberg (1989: p104) to describe the process of instilling coherently defined organisational values and beliefs into employees, " so that they become responsive to its ideological needs and can thereby be trusted to make its decisions and take its actions."

intermingle. Tensions tended to arise between the more "cosmopolitan" orientation (Gouldner, 1957: see chapter 4) of professional staff and managers towards national external professional service aims and values, and the more "local" orientations towards the particular service aims and values of the local authority members' policies; this conflict operated especially, but not exclusively, between lower level and higher level staff.

Professional staff and managers also traditionally exercised little control over resource deployment, which was controlled largely by central specialist departments. Relatively little attention was paid to standardisation through specification of service delivery outcomes or performance outputs (see below under planning and control systems). Training/indoctrination techniques focused largely around the external provision of professionally based training, rather than on management training and development. There was little formal attention paid to the development of coherent corporate mission/vision statements and "cultures" to channel the professional "public service ethos" (or cosmopolitan orientation) more specifically towards precisely defined (more local) corporate strategies and outcomes (which tended to be very vaguely defined, if at all - see below under planning and control systems).

Barset Council made *significant changes in each of these design* parameters - design of positions, behaviour formalisation, and training/indoctrination systems - during the 1980s and early 1990s, largely in response to the institutional pressures described above. For several reasons - local labour market difficulties (especially BCC's proximity to London with its more highly paid private sector jobs), the emphasis placed by new corporate values on managerial acountability and a "performance culture", and the need to achieve more numerical and

functional flexibility to improve efficiency - Barset was the first local authority to break away from nationally determined pay and grading systems, (article written by the Personnel Director). A locally determined pay and benefits system was introduced in 1990 for white-collar staff across all Departments (excluding teachers/lecturers and uniformed services), with a new grading system, involving fewer and broader overlapping grades which facilitated the development of more flexible job descriptions (see exhibit 6.3. for a comparison of the national and BCC's own grading structure in 1990, which continued to operate in 1993). Corporate guidelines over job descriptions clearly identified the requirement for these to focus on job objectives and "key performance indicators". Exhibit 6.4. provides an example of a typical "new-style" 1993 job description and performance appraisal form from one department, although the format used differed considerably across the authority (in the context of the devolution of Personnel functions to service departments). (No "old-style" job descriptions from the mid 1980s were available for comparison purposes.) There was also an emphasis on ensuring a more flexible use of staff resources: "in a rapidly changing environment, you may need your employees to be more flexible.....the job description is only a guide, and may vary in detail over time." (BCC Management Handbook, pp3/11-3/44).

The increased use of short-term contracts, especially for senior officers, and the increase in part-time staff numbers between the mid-1980s and 1993 also suggest enhanced numerical flexibility. Between March 1983 and March 1993, the number of part-time males increased by 41.5%, and part-time females by 1.5% (Personnel Report, 1994). Organisational restructuring and the moves towards the "mixed economy" of service provision (including the externalisation of some services such as computing) which was increasingly affecting white-collar as well

as manual staff, had involved the disappearance of some positions and the requirement for staff to apply for new posts. Whilst BCC have emphasised the need to minimise redundancies (numbers here were considered by senior managers to be increasing, although no precise figures were available), and to redeploy staff wherever possible, such trends suggest a reduction in traditional local government job security. A 1994 BCC Personnel Issues report commented on the increased levels of stress for staff at risk from job losses, and/or under pressure to maintain service provision levels often with "diminished resources and less support".

The new pay system included a performance related pay element which meant that staff progressed up the (longer) incremental scales only if they achieved the necessary performance standards. The Staff Development and Performance Review system, in operation for white-collar staff, involved the setting of annual individual performance targets (see Exhibit 6.4. for an example, although the precise format used differed from department to department). These link into the departmental business plan targets (see below under planning systems), against which performance is assessed for both pay purposes and for identification of training and development needs. (The interviews for each of these purposes are held separately *in conformity with recommended practices.)* In addition, the performance ethos and focus on outcomes, rather than the processes, of job tasks was strengthened by: the introduction of the Purchaser/Provider split described earlier which focused the attention of Purchaser managers around the need to identify clear service specifications or outcomes, and Provider managers to focus on achieving these; the introduction of devolved management (see discussion below under decision-making systems). This made departmental managers at senior, middle and junior levels accountable for achieving results

against performance criteria. They were accountable for the operational management of resources such as personnel, information and finance, which had previously been subject to strong "central control" (BCC/PriceWaterhouse, p8).

These changes in the nature of role specialisation and behaviour formalisation systems suggest, in line with local government literature prescriptions, a move towards increased levels of vertical authority and control for managers (greater authority to make operational decisions about resource deployment and service delivery), and decreased levels of horizontal specialisation as professional service managers took on responsibilities for new resource management functions. Although individual managers continued to function on a specialised professional-task management basis, they were increasingly involved in much more broadly defined interdisciplinary, multi-skilled, and functionally flexible group working. This cut across traditional hitherto rather inflexible professional and departmental boundaries, both within BCC and between BCC and other organisations (Management Handbook, p1/8-9). Behaviour formalisation systems had moved towards a focus on specification of resource utilisation and service delivery performance outputs.

Considerable emphasis was placed on ensuring that the management and content of professional activities were geared specifically towards "local" corporate strategic, rather than the more "cosmopolitan" professional community based definition of, goals and objectives. Mention was made in many of the BCC documents referred to in this chapter, of the need to dilute the traditional "professional monopoly in service delivery - the 'we know best' approach". This was seen as inhibiting the development of services which were genuinely responsive

to customer defined needs, and which were seen - in the context of the traditional "internecine warfare between service barons" - as inhibiting a corporate approach to strategic planning and management and limiting member control over policy making (see further discussion below under planning systems). Overall, the emphasis moved to combining "business-like thinking with the strong professional ethos which already existed at BCC." (BCC/Price Waterhouse, p8).

These changes in the nature of role specialisation and behaviour formalisation systems reflected the complementary changes which took place in training/indoctrination systems. During the late 1980s/early 1990s, a wide ranging and intensive programme of cultural change was instigated with the repeated dissemination throughout the organisation of core corporate values, based on the Chief Executive's tripartite foundation of closeness to the customer, management not administration, and devolution. These were supplemented by further principles involving the "Ready Fire Aim" approach to decision-making, a focus on strong transformational leadership styles at all organisation levels and the need to adopt an entrepreneurial and proactive attitude towards changing circumstances (see below under management roles for further analysis). Communications being issued at the time of this research focused on the need for further restructuring and change to consolidate the competitive and business-like "mixed economy" approach to service delivery" (Chief Executive briefing, January & February, 1993). There was recognition of the need to acknowledge and deal with the inevitable "pain" experienced by staff in adjusting to the extensive changes described in this chapter; in the wake of a staff survey held in 1990, specific emphases were placed on improving communication and management training/development systems (article written by two BCC corporate planning officers, 1991).

In 1992-1993, the "Making Connections" programme (which won a national communications award) was introduced for all middle managers, who were seen as key change agents in the Authority. It was aimed specifically towards ensuring that all middle managers, throughout the organisation, were aware of the nature of current and future changes, and of the reasons for the ongoing changes. Key features included regular newsletters and seminars, where managers chose and worked on special projects in learning sets, and where they were able to meet Chief Officers and the Chief Executive to inform them of their (the middle managers') views, and hear senior management expositions on BCC change rationales. In addition, management training and development initiatives, as well as service based training schemes, were introduced. These included competency based management development programmes, and the establishment of a Corporate Training Board to fund and plan a number of management development initatives, in liaison with service Departmental Personnel sections. The 1992/3 "learning themes" included a focus on managing change and uncertainty, managing finance, quality management and customer care, leadership, equal opportunities and Health and Safety.

The Deputy Chief Executive expressed concern about the difficulties of maintaining a "cross-cutting sense of (corporate) identity" in the situation where the forthcoming extension of CCT to professional services could lead to an increasingly fragmented County Council: "We are in law a single entity, and as long as we have these unifying responsibilities, there are going to be issues of cohesion and continuity across the Authority - of identity. We need to make the best use of resources, and not just see the Local authority as a series of services linked purely legally. Also, people in BCC like to work together - sharing corporate values, members' directions and objectives

and priorities are forces for combination AND fragmentation, but the balance at the moment is tipping towards fragmentation because of the eminent impact of CCT for white-collar services".

Overall, there was a shift in employment strategies, corresponding, after the arrival of the new Personnel Director in 1986, to the Human Resource Management model of personnel policies and practices which emerged during the 1980s in both the public and private sectors (Storey, 1992).

Social Services, Highways, Commercial Services Departments and Finance Sections

All of the changes described above were introduced across all of these Departments/sections. Particularly significant for middle managers operating within traditional professional task-based departments was the shift in emphasis, introduced by BCC during this period, from the "cosmopolitan" to the "local" aspects of professional practice, and from the professional to the management aspects of their roles as middle managers (see also discussion below under decentralisation). As outlined above (see also discussion below about Chief Officer roles under planning and control systems), professional commitment to "good practice" within BCC was expected to be expressed from within a firm framework of BCC's own (ultimately politically derived) explicit strategies about service delivery policies and priorities. There was a strong emphasis on this "local" orientation as opposed to the more "cosmopolitan" orientation - to standards of "good practice" derived from external professional associations, which is "outside the realm of political or partisan (ie specific local authority) commitments" (Laffin and Young, 1990, p111). There was also an emphasis on the need, described above, for middle managers to develop and maintain management,

as well as professional, competences and expertise. BCC developed a number of prescriptions about the nature of the role behaviour expected from managers at all levels and within all departments in the organisation, which are described fully at the end of this section after a brief outline of developments within each of the four departments where middle managers were interviewed.

Within Social Services these shifts in emphases were particularly apparent. A new Social Services Director, appointed in 1985, did not have a social work background (unlike his predecessors), and he was appointed with a specific brief to introduce a "business-like" culture. This, with the introduction of devolved management and the transformation under the Community Care Act of social workers into "care managers", resulted in a situation where, in the opinion of many departmental staff and managers: "management skills rather than professional social work standards, were to become the key attributes," (Social Services manager quoted in an MA Thesis). A new Director appointed in the early 1990s had extensive experience in social work (although the Deputy Chief Executive explained that it had not been policy to appoint a Director with a professional background). He continued the emphasis on the importance of management skills, but combined this with an emphasis also on the importance of professional skills and expertise, which had been felt in some quarters to have been undermined by his predecessor.

Within Highways, according to the opinion of the Deputy Chief Executive, there appeared to be less of an obvious shift in emphases between the orientations of the two Directors in post since the mid-1980s - partly because the Highways Department had been the first department to experience an extensive review and revision of its management structures

and systems in the early 1980s. Whilst the earlier Director had been extremely prominent in national professional civil engineering and surveying associations - "to his roots, he was a professional engineer" - he was seen as a person who was also keen to be involved with the Chief Executive's new managerialist approach. His successor, appointed on the previous Director's retirement in 1991, had taken advantage of his entry into the organisation to develop perhaps a more proactive approach to the changes under way - especially in relation to the market system and contracting ethos - essentially because these developments were actually being implemented at the time of his appointment. Finance managers, under devolution, experienced similar role changes, involving an emphasis on devolved Finance managers acquiring the new skills and competences - in addition to professional expertise - needed to work with, train and provide support for line managers with little or no financial expertise (interview with senior manager).

Commercial Services business units were focusing increasingly on the need to become more competitive, and develop a more entrepreneurial orientation within more open market conditions; developments here were evolutionary - "an exacerbation of ideas which have been around for some time" (Deputy Chief Executive). Existing alongside the practice of each business unit, operating independently to generate the required rates of return, was an emphasis from the early 1990s onwards, (continued by the new Director appointed in 1992) on the importance of inter-Unit cooperation and the development of a corporate Departmental identity under an "umbrella" concept. For example, while individual Business Unit managers (unlike the practice in other BCC Departments) negotiated their own charges for support services such as Personnel, they were expected to use the in-house providers of these services. One of the regular items on the Department's regular senior management meetings was

"mutuality" to emphasise the importance of "working together" (interview with senior manager).

Reflecting the pressures of operating within a commercial market environment, Pay and conditions of service differed between white-collar staff in some Commercial services business units and the rest of the Authority, and also between between manual and white-collar workers. For example, in one Business Unit, staff had been locally negotiated out of the County's "Pay Plus" scheme, with no incremental progression. Manual workers were not included in the performance related pay and Staff Development and Performance Review scheme; moreover, specific agreements about pay and conditions for manual workers were made separately, in consultation with the appropriate trade unions, for each business unit's manual staff. Moves towards harmonisation of blue-collar pay scales and conditions (such as hours of work) with their white-collar counterparts in some Business Units were also currently under discussion (interview with senior manager). In addition moves had been made to reduce the status differentials between manual workers and staff through, for example, job evaluation exercises, and, in one business unit, with office staff occasionally undertaking manual work activities.

Within these different Departmental contexts, all managers were expected to adopt new patterns of managerial behaviour, as outlined in the next section of this chapter.

Changes in middle management role prescriptions

These changes in the design of positions, behaviour formalisation and training/indoctrination systems had an extensive and wide-ranging impact on the role behaviour of middle managers, who were required to play a key part in implementing the "new" management model. Barset's definition of "middle" managers - located on points G, H, I and J of their locally

determined pay and grade scales (see exhibit 6.3.) - corresponds with the definition produced by Dopson and Stewart (1990): those managers with first-line managers/supervisors or senior professionals/professional section leaders reporting to them, and who report in turn to more senior managers. A brief outline of the role changes prescribed by BCC for its middle managers (numbering about 1200) is provided below, using Mintzberg's analytical framework of managerial work described in chapter 2.

Decisional roles

The local government literature suggests that there has been an increase in the devolution of decision making responsibilities to middle managers, particularly in such functional areas such as finance, personnel and customer care, (Issac-Henry and Painter 1991). Managers are expected to become more proactive and entrepreneurial, "in the sense of constantly looking for opportunities to innovate and find new ways of working to improve the effectiveness of the organisation." (Clarke and Stewart, 1988, p31).

Barset's introduction of devolved management was designed to maximise lower level managers' accountability for, and control over, the resources (people,property, money and information) necessary for providing effective and responsive service delivery, within a firm framework of performance monitoring and review systems. In terms of the move discussed in chapter 4 from "administration" to "management", managers had been released to "make their own decisions within their area of activity." (Making Connections, 1992; BCC/Price Waterhouse). In the context of acting as change agents (analogous with Kanter's (1984) concept of middle manager "empowerment"), middle mangers were expected, to use their devolved powers to become "outward-looking"; Future

orientated; Proactive; Opportunistic; Entrepreurial". (These "change-agent" terms are not defined precisely in this document. The middle managers' own understanding and interpretations of this terminology, together with the nature of their attempts to apply them within their role behaviour, were explored in the interviews held with these managers (see the discussion in chapter 8).)

Managers were urged to: "'stick their necks out, take risks, have vision' in order to carry the process of change forward with conviction. This cannot be simply at the Chief Executive level. This style must run right down through the organisation - managers throughout the organisation must be willing to stand up and be counted, to make progress, to take risks" (BCC/Price-Waterhouse, p22). This was in a context of enabling the provision of more flexible service provision, tailored more precisely towards meeting the needs and demands of more sophisticated consumers. The need for greater flexibility was encapsulated within the "Ready, Fire, Aim" philosophy which "encourages an active approach to decision-making and encourages staff to get the basics right first and fine-tune later." (Making Connections, 1992). The moves described earlier - from a vertical and hierarchical to a less hierarchical and more "horizontal" structural form, and the introduction of the Purchaser/Provider split - suggested that managers' disturbance handling and negotiating roles would take on increased significance, as would their informational role behaviour (see below).

Interpersonal roles

The local government literature suggests that middle managers are being encouraged to become leaders rather than managers with: "The ability to inspire and motivate staff, to innovate and develop services and to be their own agents for change, as well as to understand and marry the

needs and interests of service users with those of the organisation and its personnel" (Clarke and Stewart, 1990, p26). There is also increasing emphasis upon work teams: "creating conditions in which increased scope for the growth and development of the worker and workgroups can contribute directly to the goals of the organisation." (Hadley and Young, 1990, p154).

Within BCC, there was an emphasis on the importance of managers throughout the organisation adopting *a transformational style of* leadership - "a strong leadership, which gives an organisation a sense of style" - in pursuit of the corporate values outlined above. In terms of people management, reference was made to the need for all mangers to focus on "enabling" rather than "disabling" their staff, and to "give people room" to develop their abilities and energies to the full (BCC/Price Waterhouse, p22). Managers were expected to demonstrate commitment towards developing and training their staff. A key element of BCC policies was to "train and motivate managers to achieve the effective operation of their departmental appraisal scheme". This included: the setting of training priorities for managers' work-sections; considering the most appropriate way of "enabling the individual to learn"; focusing on the importance of managerial support, feedback sessions and appraisal interviews to maximise the value of training, and to ensure integration of learning into the individual's work behaviour (Management Handbook, 1992, pp3.13-3.15). The Handbook also emphasised the importance of managers "involving employees in work issues, a process which often generates greater employee satisfaction and can result in improved motivation and performance." (P3.16).

Managers' leadership style was seen as vital in ensuring commitment to change objectives throughout the organisation, for providing a clear

sense of direction under the pressures for change, and for ensuring effective performance of three key sets of activities - the "must do" activities (statutory responsibilities), the "need to do" activities (meeting consumer demands), and the "want to do " activities (pursuing member policies)(video). Staff were to be encouraged to develop questioning attitudes about themselves and their work, and change was to be achieved "with" staff, rather than imposing change "on" them. The Chief Executive also considered that this development of the leadership role gave "the opportunity to many of our managers to become leaders for the first time, and serves as a motivating factor throughout the organisation."

Informational roles

The local government literature suggests that middle managers are becoming more involved in information exchange and processing. This increased involvement stems from a number of developments, including: monitoring consumer satisfaction (Local Government Training Board, 1987; Buckland and Joshua, 1992); working with external organisations (Brooke, 1989); disseminating core corporate values and strategy to their staff; and providing more information for strategic monitoring and performance review purposes (Storey, 1992). The growing use of computerised management information systems, and a trend towards increased distribution of computers throughout local authorities, are also affecting managers' informational role performance ((Society of IT Managers, 1991; LGTB, 1990; LGMB, 1993b).

BCC's emphasis on the importance of developing "lateral linkages" on an intra- and inter-organisational basis (together with their devolved management system) focused attention on the increasing importance of their managers' informational roles - at the level of improving

workgroup performance, improving intra-organisational integration, and developing more effective liaison with external agencies and consumer/community groups. Thus, the Management Handbook stressed the need for managers to become extensively involved in communication activities with their staff: "you must ensure you get the information you need, and then pass on the relevant pieces to enable staff to fulfil their role....Communicating is a core part of the manager's job." (p6/1). At the integration level, managers were urged to share element of good practice, to "actively" seek opportunities to work with staff from other departments on joint ventures (one of the purposes of the Making Connections programme was to facilitate this process) and to liaise with other departments and external agencies who were likely to be affected by changes in work practices.

All of the changes referred to earlier, in both decisional and interpersonal roles, suggested that middle managers' involvement in, and responsibilities for, information exchange and processing activities would increase - between Purchaser and Provider managers (both within and outside BCC), between managers and external consumers/local community groups, and between managers and their service planning and delivery counterparts in other BCC sections/departments and external agencies (joint-working activities). In recognition of these developments, the BCC Management Handbook (9/1) emphasised the increasing importance attached to information. This was seen as "a key resource in all aspects of the Authority's services....Devolution of accountability has brought with it increased demands for information, and places greater responsibility on departments and managers to plan, develop and maintain information systems to meet their needs". Similarly, BCC's Corporate Communications (formerly Public Relations) Section, stressed its objective of enabling BCC to become a more "open"

organisation, and to break down intra- and inter-organisational boundaries. It emphasised that: "Communication has become the responsibility of all of us. We can't sit back and say it's down to the Public Relations unit, or anyone else. We have all got a part to play - it's the responsibility of everyone." (interview with senior manager).

What of the impact of such role changes on BCC managers' levels of work satisfaction? The literature suggests that organisational restructuring can bring about reductions in the numbers of middle management positions, and thus challenge the traditional "stability" and 'safety' of local authority employment (Stoker,1989; Fowler, 1988; Stewart, 1991). Some studies suggest decreasing levels of job satisfaction through reductions in job security, promotion and career opportunities. These concerns could be partially offset by increased levels of decision-making authority, and opportunities for managers to develop their managerial competences (Dopson and Stewart, 1990). A recent survey of sixteen "well-managed" local authorities (of which Barset was one) reported that in most cases job motivation remained high, but that: "In all cases, middle managers felt that they faced higher expectations, increasing pressure, longer hours and the need to develop a range of skills relatively quickly." (Leach et al, 1993, p16).

Some indications about the impact of these role changes on levels of managerial work satisfaction within BCC were provided in a MORI poll into staff attitudes, commissioned by the County in 1990. Responses indicated that over 50% of managers (at various levels) were "very" or "fairly" satisfied with their jobs. Key reasons given related mainly to having an enjoyable, rewarding or fulfilling job; the main sources of criticism related to shortages of resources, increased workloads, lack of training and career development/progression opportunities. Security did not appear to play a significant part as a source of either

satisfaction or dissatisfaction, although it was rated as "good" elsewhere in the survey by 61% of managers. No data was available from BCC about changes in the numbers of middle managers between the mid-1980s and 1993 - about 1200 in 1993. Senior Personnel managers estimated, on an impressionistic basis, that numbers overall had probably declined slightly (although there might have been an increase in Social Services arising from the service Commissioning role within the Purchaser/Provider split). Redundancies, as indicated earlier, had increased, but, again, no hard data was available; departmental restructuring had also involved the disappearance of some posts, and the requirement for some middle managers to re-apply for new ones.

The acquisition of new managerial responsibilities by middle managers - most of whom had begun their careers as "professionals" and who had, as described earlier, seen a shift in emphasis from their professional to their managerial capabilities - also required these managers to acquire new competences. This need was recognised through the increased provision of the management training and development programmes mentioned earlier. While no data was available on the numbers of middle managers with management qualifications, senior Personnel managers considered, impressionistically, that the numbers had increased; they emphasised that managers were encouraged to take up the increased opportunities made available for management training and development.

These extensive changes in the design of positions, behaviour formalisation, and training/indoctrination systems (for all BCC staff and managers) were accompanied by significant structural changes within each of the four departments between 1984/5 and 1992/3; these changes in the second of Mintzberg's four design parameters - unit/departmental structures - are described in the next section of this chapter.

Design of superstructure (unit/departmental structure)

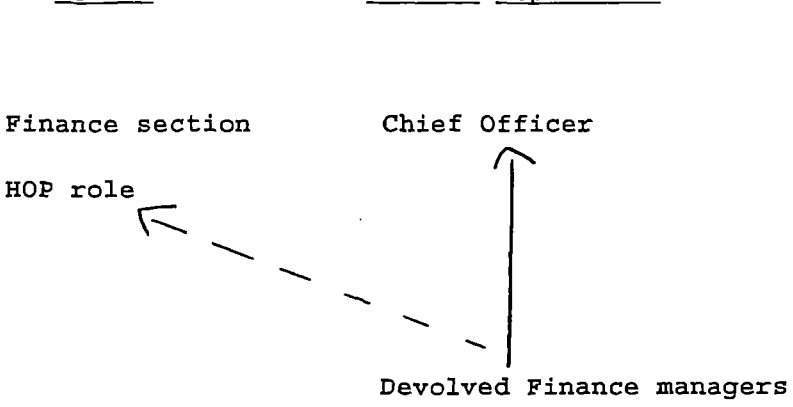
Using Mintzberg's model as a framework for analysis, the grouping of activities together into units/sections and departments within local authorities has traditionally been undertaken on the basis of the functions (tasks) and market (particular consumer basis) of professional activities. This resulted in a structure of: highly differentiated service or operational departments - Education, Social Services etc.; a techostructure and support structure of central service departments such as finance and personnel; the Chief Executive and a management team composed of departmental chief officers, plus, usually, a corporate support unit, at the strategic apex. Within the service departments, activities were grouped both according to function and/or on a geographical area basis. Changes reported from the 1974 reorganisation through to 1993 suggested extensive restructuring by many authorities, especially in the last three years. This included trends towards: a smaller number of larger departments or directorates; some decentralisation of central services functions to service departments; some decentralisation within service departments of service provision and decision-making power (Young and Mills, 1993). Almost all authorities had a designated management team at the strategic apex, whose size reflected the number of departments. Current preoccupations were focused on restructuring activities between the functions of service purchasers and providers, as required within the "mixed economy" model of service provision.

BCC's structure broadly followed the traditional model in 1984/85 (see exhibit 6.5.) with 7 service departments and 7 corporate service departments including the Chief Executive's department - 14 in all, organised around conventional service provision specialisms.

Considerable change took place in overall Departmental structure during the 85/84-92/3 period (see exhibit 6.6.. There was a move "away from a structure based on traditional professional and functional divisions with its associated hierarchies. This had impeded management control, communication and, most importantly, good customer service." (BCC/Price Waterhouse, p24). The number of Direct Services Departments increased from 7 to 9 (additions were Arts and Libraries and Economic Development). In early 1993, reorganisation of the Corporate Resource Departments was taking place on the basis of separating the Providers of corporate services (who could be in-house or external) from the (in-house) Purchasers (of corporate services functions). The Corporate Resources Group was divided into Corporate Resource Purchasers who would buy services from the professional Providers of services, some of whose activities were to become subject to CCT under the next phase. Each of these two functions had its own Director, with a subsequent reduction in the number of Chief Officers posts which headed up the existing corporate departments - apart from the post of Treasurer (renamed Finance Director). This post was located outside the purchaser /provider split to reduce the incumbent's involvement in routine financial and budgetary management, and to enhance the role of reviewing the County's overall financial health and performance, and setting professional practice standards through exercise of the Head of Profession role (see below).

The other key change for corporate service departments involved the devolution in the late 1980s of most Personnel, Finance, and IT staff to service Departments' establishments. Here, in a quasi-matrix form, the staff were vertically accountable through their own specialist line managers within this section to the Departmental Chief Officer. They were also horizontally accountable to their line manager "customers" at

all organisational levels for providing services which met their business needs. In addition, the support section managers were accountable on a "dotted line" basis to the Head of Profession (HOP) role (exercised by the Treasurer) at the Centre for achieving a practice standard which met corporate and statutory requirements. This role also served as a source of professional and career development help and support for devolved finance staff and managers:



Most service Departments were restructured to produce a similar division between the Purchaser and Provider Roles (see examples below). The Purchaser (or client) role responsibilities were to assess consumer need/demand, define service specifications, purchase these from a range of possible Providers (BCC, or independent sector), and monitor service delivery against policies and specifications. The Provider (or contractor) role held responsibility for providing the specified service for the Purchaser at an agreed price. Providers held different statuses and degrees of autonomy, which were being clarified at the time of this research. External providers were non-BCC public/voluntary/private organisations, including some previous BCC sections (eg: part of the IT department) which had been "floated off " or "externalised" (privatised) - to the private sector. Internal Business Units (IBU) operated with a properly managed trading account (all costs are set against income with no BCC subsidy; the income/expenditure is recorded as a surplus or

deficit); they could trade competitively outside BCC and/or operate in an area which was/ would become subject to CCT legislation. In-house Contractors operated like IBUs, but in work areas currently subject to CCT legislation. Internal Provider Units operated on a similar basis to the IBUs, but did not as yet conform to all the IBU trading account requirements, and were hence limited in terms of trading outside BCC. In order to become IBUs, they had to apply for formal accreditation from the BCC "Competition" Group of senior officers (BCC Competition Guidelines, 1993; Making Connections, Feb/May, 1993). Most Providers currently operated as IPUs, rather than IBUs.

During the period of establishing Purchaser/Provider contractual relations and accredited IBUs, BCC developed a number of policies designed to ensure smooth and effective operation of the system - to avoid unproductive competitive forms of behaviour between provider units, to ensure harmonious relations between Purchasers and Providers, and to restrict (within legislative requirements) Purchaser managers' scope for awarding contracts to external Providers, rather than to those located within BCC. These policies indicated that: "staff destined for future Purchaser and Provider roles will need to co-operate in many ways, particularly with cost information, interim support and work specification." (Making Connections, Feb, 93). In addition, policy was "to assume" that a "substantial" proportion of each IBU 's activities would be for internal BCC customers, and that each Department would develop its own operating policies, especially in regard to decisions about which activities should (subject to legislative constraints) be provided in-house, and which Provider Units should aim for IBU status. Given these constraints, only a few units' activities (the IHCs and IBUs and their corresponding Purchasers) could be equated with private sector commercial organisations in terms of operating under more or less free

market conditions. Even here, Government regulations, which restricted trading activities outside BCC (cross-boundary tendering regulations) and forbad "profit" generation, restricted operating freedom. Moreover, Purchaser managers were required to follow the County's policy to: "support staff in competing for work they currently do as part of the County Council, and therefore Purchasers have particular obligations towards IBUs." (Making Connections, May 1993).

Ultimately, the intention in 1993/4 was to extend the Purchaser and Provider split across the entire Authority, which would *"in the long run* mean fewer separate departments with a consequent effect on the senior management structure" (Policy and Resources Committee Agenda, 4/2/93). Over 100 years of traditional local government organisation, characterised by strong departmental "baronies", would have been overturned. Proposals were subsequently held in abeyance for reconsideration, following the change of political control in May 1993 and the bringing forward of the date for Barset's tranche of the Local Government Review.

An additional feature of the reorganisations during the 84/85-92/3 period included a focus on reducing the number of levels of management (see examples below) within each organisation to achieve a flatter structure: "A flat structure removes unnecessary tiers of managers, and places responsibility and accountability for work with those who actually do it. This increases job satisfaction, effectiveness and reduces management costs" (Making Connections, 1992, p2). The structural changes which took place within each of the four departments (where middle managers were subsequently interviewed) are outlined below.

Social Services Department

Social Services was organised in both 1984/5 and 1992/3 into

geographical Areas, and within these on the on basis of service specialisms - elderly, families and children etc., with some further geographical dispersal (see exhibits 6.7. and 6.8.). Exhibit 6.8. shows how each Area was reorganised into Purchaser and Provider functions in 1991/2; the two roles were combined in each of the Area Director positions, and separated immediately below. The Department had operated since the 1974 local government reorganisation with a degree of "mixed economy" of service provision, through the long established traditional use (although not on a formal contractual basis) of voluntary organisations such as the WRVS, Age Concern etc. to provide certain services. This use of external Providers was extended during the 1980s/90s (due partly to legislative requirements), and the progress towards the idea of a formalised Purchaser/Provider split was intensified after the arrival of a new Director in 1985, with the establishment initially of care assessors and care managers.

For the initial period of operating under the clearly formalised Purchaser/Provider split (completed by early 1993), the Provider units operated as Internal Provider Units (not IBUs), and departmental policies were being established about "core" activities which should remain in-house, and those which should be subject to competition. (The 1990 NHS and Community Care Act required Social Services Departments to spend a minimum of 85% of their transitional grant from DSS on care services purchased from the independent sector; no services were subject to CCT.) Except where there was existing use of external providers (eg - private residential homes, foster parents, voluntary organisations such as Age Concern), Purchasers were currently restricted in terms of a "free choice" between competing in-house and external Providers. Similarly, as in-house Provider Units (not IBUs) Providers were restricted in practice in the extent of their opportunities to trade

outside BCC. Their markets were restricted largely to a quasi-monopsony situation - reliance on one large institutional Purchaser or customer (i.e. the Social Services Department Purchaser) plus a few other public bodies such as District Councils etc.

Documentary records were not available for the mid-1980s structure in sufficient detail to identify changes in the number of layers in the hierarchy, or changes in the number of middle management positions between the mid-80s and 1993. Senior manager recollections of the mid-80s situation suggested little change in the number of layers; opinions differed about middle management numbers. Some senior managers considered that numbers had increased because of the new contractual functions required by the purchaser/provider reorganisation. Others considered that numbers had diminished, with the remaining middle managers taking on an increased range of responsibilities and duties, arising partly out of devolution (see discussion below under organisation decentralisation).

Highways Department

The Highways department was organised in the mid-1980s essentially on a professional specialism basis (see exhibit 6.9.) with some geographical dispersion into Area offices within the Design and Construction and Highways Management Branches. Exhibit 6.10. shows the Purchaser/Provider reorganisation which was completed in early 1993. The Purchaser/Provider split occurred on a Departmental-wide basis immediately under the Director, who combined the two roles, so that the various specialist service based branches were themselves either Purchaser branches or Provider Branches. The only exception to this was the Strategic Support Branch, including support services such as finance and personnel, where the split occurred at the the level of the Assistant Director of this

Branch. Movements towards a Purchaser/Provider split had occurred in a more gradual or evolutionary manner than within Social Services. For example, in the Transportation Branch, the Transport Policy Group and the Traffic Planning Group had traditionally involved a formally defined client role, as had some sections within the Highways Management Branch. As a senior manager explained, the nature of specialist engineering work lends itself quite naturally to the distinction between the client role and the provider role. The Waste Disposal Purchaser Role was established in 1992/3 as a consequence of the 1990 Environmental Protection Act requirements. In terms of these Purchasers' freedom in early 1993 to purchase services from Providers on the open market, this was considerable in the areas subject to CCT legislation such as waste management, and road/footpath maintenance and repair; CCT is shortly to be extended to include other engineering functions.

In relation to the Provider role, the Design and Construction Branch had operated on a trading account basis as an independent business unit since 1990 - its status, however, under the BCC provider designation listed above was technically an Internal Provider Unit, as it had not sought formal business unit accreditation in early 1993 at the time of this research. Similarly, within Technical Services, the Laboratory, Highways Management & Maintenance, and Survey teams had operated on a trading account basis since 1990 with formal status in early 1993 as an Internal Provider, not Business, Unit. The Transportation Consultancy Group had moved to operating as a Internal Provider Unit (not on a trading account basis) by 1993. These Provider units, subject to the cross-boundary tendering legislative constraints outlined earlier, operated within a market consisting of with large institutional customers such as the BCC Purchasers/clients, the Department of Transport, District Councils etc. In 1993, 90% of certain engineering

functions carried out by these Provider units was to become subject to CCT by the mid 1990s; this percentage was reduced to 65% in 1994. Within Technical Services, the Contract Services had operated since 1983 as an In-House Contractor under the 1980 CCT legislation, carrying out services for BCC Purchasers/clients, and other local authorities and public bodies.

Exhibits 6.9. and 6.10. show the key changes between 1987 and 1993 in the Highways Department's organisational structure, involving the regrouping of activities according to purchaser/provider functions. Senior managers explained that some reductions in the number of hierarchical layers had taken place between the early 1980s (organisational chart not available) and 1993, notably with regard to the removal of deputy management posts at senior and middle management levels. Documentary records about changes in middle management numbers were not kept, but a senior manager considered that numbers had remained steady or even increased because of the significant increase in the department's workload which had taken place in the latter 1980s - due partly to an increase in local road building and construction schemes.

Commercial Services Department

The Commercial Services Department was established in 1990, bringing together the units who supplied (mostly manual) services to the rest of the Authority, plus some external public and voluntary sector customers (within the bounds of the cross-boundary tendering regulations). In early 1993, it consisted of 9 business units, grouped together into a loose federation under the "umbrella" of the Department, within which the units shared common support facilities of personnel, information systems etc. (see exhibit 6.11. Four of these units had In-House Contractor status, subject to the 1988 CCT legislation which required

them, in 1993, to make a compulsory rate of return on capital employed of 5%. The remaining five operated essentially as Internal Business Units, rather than Internal Provider Units, although only one Unit - Printing - had formally gained IBU accreditation under under the BCC scheme at the time of the research. Each semi-autonomous unit, operated on a full trading account basis; there was no budget funding as each unit had to generate its own income (achieve a set rate of return or "break-even" point) from purchasers across the County and from other organisations. Some units had operated on this basis since local government reorganisation in 1974.

The Commercial Services business units' activities were almost indistinguishable from that of a private sector firm - apart from the cross-boundary tendering legislative constraints limiting the amount of external work they could undertake. They competed on the open market to provide services to a very large number of individual customers (Headteachers, Heads of Residential Homes, individual lease-car users etc.) both within and outside BCC, and to large institutional customers such as BCC, other local authorities and public bodies (who were all free for the most part to purchase these services from elsewhere if they wished). If they failed to attract customers, or win tenders - as in the case of a recent school meals contract - the sections involved would cease to exist, and staff would lose their jobs (or be redeployed elsewhere in the County when suitable vacancies occurred).

Finance Department

The impact of the Purchaser/Provider restructuring on the Corporate Finance function's structure is shown in exhibits 6.5, 6.6, 6.12, and 6.13. Exhibit 6.5. shows the Finance Department as one of several separate Central Services; Exhibit 6.6. shows how the department

functions were split into two sections - Purchaser and Provider - plus the retention of the post of the Treasurer for reasons described earlier. Also clear, from exhibits 6.12. and 6.13., is the devolution which had taken place by the late 1980s of most staff to service Department establishments (see also the finance sections in the diagrams of the Highways and Social Services Departments). Here, Finance staff and managers were accountable to, and on the establishment of, each Service Department Chief Officer, with a "dotted-line" relationship (see diagram above) to the Head of Professional role within the Treasurer's section to ensure financial probity, adherence to the Authority's corporate financial standards, and the provision of professional and career development support and guidance. (For the impact of devolution on the role and functions of finance staff, see below under decision-making systems.) The finance sections in each service Department were preparing to reorganise their activities into Purchaser and Provider functions within the Support Departments of each department (which also included Personnel, IT etc.), but this was not completed by the time of this research. Thus, most of the middle managers interviewed in Service Departmental finance sections were "twin-hatted", continuing to combine the roles of Purchaser and Provider of financial support services. The 1991 and 1992 Government White Papers required a certain proportion (under review) of Finance services to be subjected to CCT by 1997.

Changes in the numbers of hierarchical layers and middle managers were not possible to estimate because of the devolution, and consequent reorganisation of the centre, of much of the finance function to the service departments' establishments. Thus, Central Finance Purchaser section, at the time of the research, employed about 35 staff; the majority of Finance managers/staff members - about 400 - were devolved

out to Service Departments, with a further 200 employed by the various corporate Provider functions, such as Finance services, Legal, Property-related Services etc.

These changes in the design of departmental structures were accompanied by significant changes in the third of Mintzberg's design parameters - Planning and Control systems; changes in BCC's policies and practices here are analysed below.

Planning and control systems and lateral linkages

As described in Chapter 3, there were abortive attempts by many local authorities at corporate planning in the immediate post-1974 local government reorganisation, when the concept of strategy and performance review vanished under the sheer weight of detailed policy objectives and action plans for every conceivable activity (Haynes, 1980). Most local authorities relied essentially on the annual, incremental budgeting process for planning their service delivery (Elcock, 1988). This process tended to be dominated by senior (professional) managers (Chief Officers) competing for resources, in the interest of maximising resource allocation to their own departments, with strong tendencies towards adoption of the "professional Advocate role by these Chief Officers (see discussion earlier in this chapter). Programme planning of service provision - identification of client/community needs and categories, and design of programme to meet these needs - was carried out largely on a departmental basis, and tended, again, to be dominated by specific professional interests. Control systems were based on tight centralised control of inputs - finance, personnel etc - and of work processes, to a greater or lesser degree depending on the nature of the task and the strength of service managers and staff opposition to such intrusions on their professional autonomy (based on externally derived

professional standards). Little or no attention was paid to outputs or outcomes, so that, overall: "control is exercised at too detailed a level at the expense of effective resource management and policy direction." (Stoker, 1989, p33).

During the 1980s and into the 1990s these traditional practices began to change in a growing number of authorities in response to the pressures for change described above. As discussed fully in chapter 3, Local authorities focused more on the use of formal strategic planning systems designed to "concentrate resources and management attention on a few critical thrusts which cohesively integrate the entity's major goals" (Caulfield and Scultz, 1989, p8). Many authorities adopted core mission or value statements, and there was slightly more uneven progress towards the adoption of strategic planning systems (Young and Mills, 1993). Authorities also manifested a new commitment to quality service standards, and to increasing their responsiveness to customer/local community needs. Control systems were moving towards a focus on performance output or outcomes; the introduction of internal markets also focused attention on service outcomes, through the requirements for precise service specifications.

Changes made by BCC during the 1984/5-92/3 period in its planning and control systems correspond very closely to these new approaches. In common with most local authorities, BCC in the early 1980s lacked a coherent strategic planning system and relied on the annual, largely incremental budgeting process. This operated up until the mid-1980s, with the following problems reflecting those identified in the local government literature:

"* a lack of clear and focused objectives
* an absence of processes for establishing priorities and making choices
* a tendency for departments to act independently and

parochially and to 'fight their own corner'
* policies being driven by historical factors and budgetary constraints rather than customer demands
* lack of clarity in the roles of Councillors and Officers, and poor communications between Councillors and Staff
* an absence of information about what customers really want

....It (BCC) failed to plan to any extent. Rather, it indulged in annual incremental budgeting compounded by a pre-occupation with economy, and perhaps with efficiency, but not with effectiveness....." (BCC/Price Waterhouse, pp4-5).

As a consequence of these problems, Barset decided in 1986/7 to introduce a formal Medium Term Planning process, which was fully in place by 1990 across the organisation. This was designed to provide a mechanism for "making difficult choices, in a heavily contrained financial environment.....where the demands are almost infinite whilst the resources are very clearly finite....is the means of making spending decisions in a systematic, informed and efficient way." (BCC/Price Waterhouse, p14). Particular emphasis was made on avoiding the problems associated with the Bains style of corporate planning which emerged after the 1974 local government reorganisation, by a focus on organisational "capability" to ensure strategy implementation (article (1991) written by BCC senior corporate planning officers). Thus, there was an emphasis on "pragmatism" through focusing on critical policy, service and activity areas rather than attempting to cover everything which "overwhelms the decision-makers with information". There was specific recognition of the need to change processes, behaviour and attitudes at all levels in the organisation as well as structures (see above for cultural change, and below on devolved management).

Reflecting the prescriptions in the local government literature, the system involved drawing up a mission statement (see exhibit 1) and 3-year medium term strategic plans for all services. These were translated into annual operational business plans (thus integrating the strategic plan with the annual budget) for each department, with

performance targets and indicators (both financial and service delivery based) against which managers' performance was measured. From these, and also serving as a mechanism for enabling bottom-up input to be made into the planning process, were derived individual managers' own performance targets (see discussion on Staff Development and Performance Review system above). Value-for-money. and policy reviews were undertaken for all service areas on a regular basis. Increasingly sophisticated approaches to defining strategy were adopted, including: a projection of future key issues commissioned from the Henley Forecasting Centre; increased involvement by other agencies (the "enabling council") and consumer groups in the planning process; the use of several market research studies to identify consumer views about priorities for service development, and the quality of service provided. Citizen's Charters have also been introduced, together with formal complaints systems, for all major services; two of these won a government award in 1992. As the Chief executive explained, his "getting closer to the customer" values involved a movement away from "the professional knows best" approach to an emphasis on strengthening "the practices already employed by many staff: giving people more choice; treating them with respect as individuals; involving them; being sensitive to customer preferences and protecting consumer rights." (article, 1990).

The adoption of a "policy-led" approach to strategy formulation also emphasised the need for a move away from professional officer dominated policy making processes (associated with traditional local government practices, such as the "professional advocate" role of Chief Officers, and the "cosmopolitan orientation of professional staff - see earlier discussion). The new approach emphasised that strategy formulation was seen very clearly as the preserve of elected members, who, in an inevitably politically value-based decisional environment, were

ultimately responsible for determining strategy: "producing a policy led budget is more of a political than a technical matter.....There is no 'correct' answer to any policy issue - identifying priorities and deciding what is most important is ultimately a matter of opinion and values....Officers with their expertise can advise Members.....Policy cannot be the sole preserve of officers....." (article by BCC corporate planning officers). Chief Officers were also required to accept budget and manpower cutbacks - in direct contrast to the previous situation where: "the traditional symbols of success have been bigger budgets, more people and more services". It was made clear that, essentially: "professionals, advocating their service, need to place it in the context of the wide range of demands made on the County Council...." (BCC/Price Waterhouse). The priorities of the new Council Leader, elected in 1992, included the development of "closer relations" between the Chief Executive and members to identify ways of improving and enhancing for member support services, and the building of closer relationships with direct service departments.

The new formal channel for enabling lower level managers and staff to contribute towards strategy formulation was achieved through the individual staff performance review and target-setting system, which both derived from and contributed to Departmental business plans, and, through these, to overall policies. Managers were, through the dissemination of the new "entrepreneurial" organisation culture described above, positively encouraged to be proactive in developing new imaginative ideas for enhancing service effectiveness, within the framework of departmental policies (see discussion below under devolved management roles). The processes used for achieving behavioural change included extensive training programmes, and the introduction of more sophisticated and structured briefing and communication systems. These

included (for middle managers) the Making Connections newsletter and workshops described above under the behaviour formalisation and training/indoctrination systems sections of this chapter.

In general, control systems had moved towards an emphasis on performance outcomes and measurement: "Managing performance has not been one of BCC's strengths in the past and a great deal of effort is currently being committed to improve this situation." (BCC/Price Waterhouse, p16). Performance measures and indicators focused around: inputs (resources such as people and finance consumed to provide services); outputs (services produced from the resources); outcomes (measurement of the effectiveness of services provided to customers). Control systems also became more decentralised - but within the context of an increasing focus in the 1992/3 (Policy and Resources Committee, February 1993) on strengthening the role of the Centre in setting policy and monitoring service delivery, although "without diluting the principle of devolved management" (see discussion below under decision-making systems). Both performance-based and proceduralised control over decentralised resource management was enhanced by the installation of more sophisticated and "user-friendly" computerised financial management control systems. These were also designed to give control over budgetary monitoring processes to the user managers, whilst providing a standardised framework for monitoring their resource deployment. (Devolved IT and Finance staff were expected to develop mechanisms for liaising with service line managers to plan jointly the design of financial and other mangement information systems to ensure that these met the particular needs of each department.)

In terms of the lateral linkages or liaison mechanisms required to ensure coordination and integration of policy and operations across the Authority, the "departmentalism" and "professionalism" associated with

traditional local authority management systems had tended to inhibit integration across departmental and professional boundaries, both within the authority and between the authority and other agencies. The developments described above - the adoption of strategic planning, the introduction of the purchaser provider split, increased customer liaison, decentralisation of resource management (see below) - all required changes in the structural mechanisms designed to enable effective "horizontal" liaison at all levels of the organisation. Barset's new strategic planning process included increased provision for the coordination of strategy at the upper levels through seminars and workshops held for members and senior officers throughout the budgeting process, and through various policy review and performance review groups. As noted above, the performance appraisal system also provided vertical integration between senior management and operational levels in the Authority, channelling strategic objectives down, to be used in setting staff performance targets, and then channelling information about performance against these targets back up to senior levels. Increased emphasis, as noted above, was placed on the need for strengthening the role of the Centre in monitoring service delivery performance. Considerable emphasis was placed on the need to improve vertical top-down, and bottom-up communication systems. Formal systems of communication were introduced from the centre to departments, and Departments were encouraged to adopt the same practices, involving the more systemised use of briefings, meetings, newletters etc. (Management Handbook).

The use of lateral linkages or connections was also required between the managers at operational levels, both between and within departments, and between BCC and other agencies. Thus, departments were required to "create and environment" where managers would "look positively for

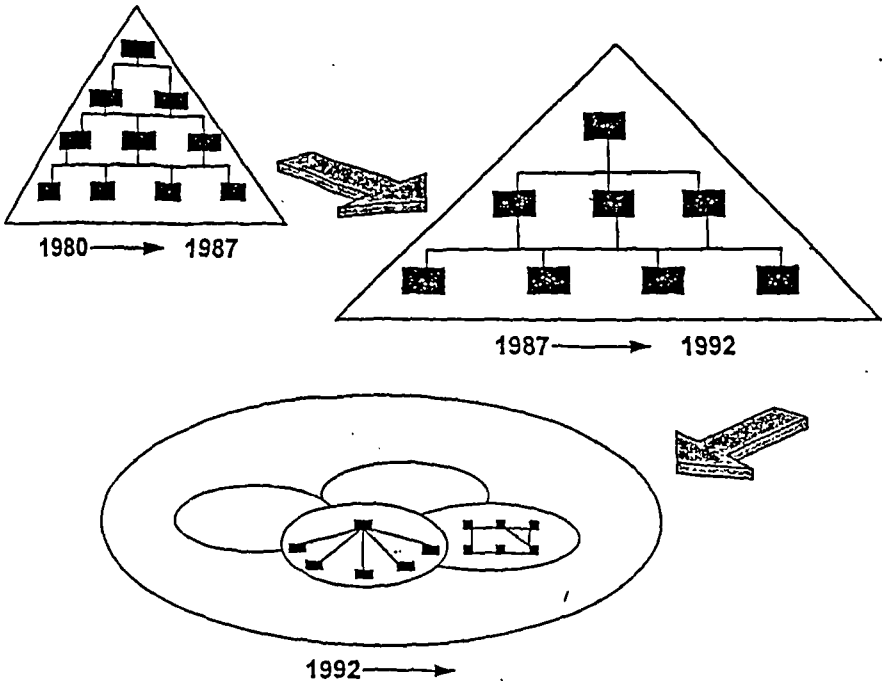
opportunities to work staff from other departments", on joint initiatives and to ensure the avoidance of duplication or conflict in the development of new ventures - especially within the context of the devolved management system (Management Handbook, pp1/8-1/9). Decentralised resource management also involved a matrix-type structure for decentralised specialist support staff who were accountable through their own line management structure within departmental support section to departmental chief officer. These staff were also required to liaise extensively with their senior/middle service manager "customers" and with central finance for guidance on professional issues (see the diagram presented within the departmental structure section of this chapter, and the organisational charts for Social Services and Highways (exhibits 6.7-6.10).

The new Purchaser/Provider split provided an integration mechanism through the requirement for the individuals occupying these roles to liaise on the drawing up of the initial service level agreements or contracts regulating service delivery, and on the day-to-day amendment of these once they were in operation. These arrangements operated both between support services such as Personnel and their departmental business manager "customers", within support services between the Purchaser and Provider roles in these support services sections (this split was still underway at the time of the research), and between professional service delivery Purchaser and Provider managers. While Purchaser managers were located within BCC, provider managers could be, and increasingly were, with the growing development of the "mixed economy", located outside BCC in other public, voluntary or private sector agencies.

The requirements (due partly to legislation and partly to

corporate/departmental policies) to involve individual consumer, community groups and pressure groups more extensively in service design, delivery and monitoring also extended liaison operations across organisational boundaries. The "Making Connections" programme described earlier, with its newsletters and seminars, represented a recognition by BCC of the need to ensure integration of key values and practices across the organisation, especially within the context of increasingly semi-autonomous business units operating within the devolved management system. The County has also adopted an Open Systems strategy, with a recent rapid growth on the use of UNIX and Personal Computer technology to allow easier exchange of information across Departments, and, in some cases, with other organisations as described below. In 1993 Barset had a population of some 6,500 networked devices, and the Authority won a national award in 1992 for its Open Systems achievements.

All of these initiatives combined to reduce the strong professional separatism and departmentalism (and "cosmopolitan" orientation focused on the national professional values and ethos) associated with traditional local authority structure and management systems. The diagram reproduced below, drawn up by a senior IT manager, clearly demonstrates the shift in emphasis during the 1980s from tall hierarchical structures with their strong vertical communication emphasis, to much flatter and wider hierarchies, to a "semi-cluster" or "network" form of organisation (Tiernan et al, 1994) in the 1990s. Here, the emphasis moved to less hierarchical and more horizontal forms of liaison between managers operating in cross-functional and cross-hierarchical teams, between different Provider Units, and between Providers and Purchasers:



Social Services Department

In 1992/3 Social Services, in addition to the 1992/3-1994/5 medium term plan, produced 7 main business plans - a Departmental business plan, a Headquarters business plan, and 5 Area business plans, which were further subdivided into plans for specific client groups. Because of the Purchaser/Provider split, the formal business plans concentrated on the Purchaser side, and Providers side also had to produce business plans for their activities. These plans had to be consistent with Purchaser plans, which specified the services purchased from the Provider. Resource Accountability Statements (RAS) allocated cash limits and service targets to individual cost centre managers, amounting to a statement of their accountabilities, derived from the business plan, which then indicated the key performance targets to be achieved by each manager. Service performance measures focused largely on quantitative outputs, eg: "To protect children currently at risk of abuse: Ratio of new registration to deregistration - 1 to 1.1" (92/93 Business Plan), with various more detailed, mainly quantitative service

objectives and activities at Area plan level. Areas were able to add their own performance objectives, within overall Departmental policy objectives. Outcomes (effectiveness) were measured by consumer surveys and recently introduced formal complaints systems.

Managers were required to operate within a regulatory framework of Service standards, policies and procedures (some required by legislation) drawn up by the Departmental Quality Assurance Section for each client group, and to adhere to Departmental (ultimately corporate) standards and procedures in relation to resource management. A recently introduced computerised Financial Management System (FMIS) enhanced budget monitoring and control by Finance sections/senior management, and also enabled individual cost centre managers to take responsibility themselves for controlling and monitoring their spend against budgetary targets. Service level agreements made between Purchasers and Providers specified in considerable detail the service levels, standards and operational activities required. The Department expressed a strong commitment to "Customer Care", emphasising that "services should be "provided for the public rather than providing services to the public." (Business Plan, 92/3, p4). Key elements of the Department's activities here included: a Social Services "Charter", providing information to service users; consultation with service users and community groups; improving reception areas and access points; coordinating a "rigorous and revised" complaints procedure; undertaking a number of consumer surveys; various new service initiatives to improve responsiveness to consumer demands.

In terms of lateral linkages, a number of the Area business plans refer to the growing volume of liaison required between Providers and Purchasers, between the Department and various community and

consumer/user groups, and to the need for a "partnership" approach to other public, private and voluntary sector organisations within the "mixed economy" of service provision. More formalised communication systems, including more formalised team briefings, had also been introduced within the Department. In addition, information flows were improved by the adoption of new client data bases, and an innovative project linking General Practitioners with Social Services. Progress towards the installation of an E-mail system across the Department was underway at the time of the research.

Highways Department

In 1992/3, Highways, in addition to the 1992/3-1994/5 medium term plan, produced a Departmental business plan, plus a business plan for each Branch. The performance indicators in the 1992/3 Departmental Business Plan consisted of output measures such as a number of traffic calming measures, and reductions in accident rates; outcomes were measured by responses to consumer surveys. Individual managers' resource accountability and service delivery targets derived from these plans. Managers were also required to operate within a regulatory framework of Service standards, policies and procedures drawn up by quality assurance groups; BS 5750 accreditation had been gained by Design and Construction (who were the first such local authority department to gain the award), and by the Contract Services. Managers were also required to adhere to Departmental (ultimately corporate) standards and procedures in relation to financial resource management. A recently introduced computerised Financial Management System (MIDAS) enhanced budget monitoring and control by Finance sections/senior management, and also enabled individual cost centre managers to control and monitor their spend against their budgetary targets. Service level agreements made between Purchasers and Providers specified in considerable detail the service

levels, standards and operational activities required.

The Department's approach to customer care included a Highways and Transportation Charter (with target times for responding to letters, guarantees for all staff to wear name-badges etc.). A Communications strategy, due to be implemented during 1992/3, involved: improved information provision for customers "to publicise and promote all aspects of the Department's activities"; consumer surveys; the publication of a series of leaflets; better signing for roadworks; more conspicuous and accessible reception areas; establishing more specific targets, and publishing them widely; various new service initiatives to improve responsiveness to consumer/community group demands. (Business Plan, 1992/3, pp 4,8; Director's report 1991/2). In relation to internal lateral linkages, specific initiatives had been introduced to dilute the traditional "separateness" of the Branches within the department by setting up project teams and task forces to work on cross-department training ideas and programmes. There was a focus on encouraging managers to "step out of" their specialised technical areas, and a growth in secondments to Centre project and review teams. The adoption of more systematic approaches to departmental integration included regular team briefings and meetings, Branch manager staff "surgeries" once a month. The DIrector lunched regularly with a cross-section of existing and new staff, and sent personal letters to all staff on significant changes. A computer network E-mail system was available for use by all staff, on matters ranging from "new Committee deadlines to Christmas Greetings", plus a network connecting the Department with the 14 District Councils, and the continuing development of new, more sophisticated data bases and software for professional service delivery.

Commercial Services Department

As explained above, these Units, (within the constraints of the legislation regulating public sector trading activities) operated essentially as any private sector commercial organisation. They had to operate within an open and competitive market situation to generate their own income from selling their products/services. Fully responsible for their own business activity on a trading account basis, they received no budget allocation, nor were the nature of their services (within the sphere of their core businesses) constrained by political value-based corporate decisions about particular service policies. Unlike the other departments, strategy formulation for this Department in 1992/3 was undertaken largely by each of the nine semi-autonomous Business Units, within a framework of objectives set by the Director. Thus, in the case of one Business Unit, for example, its business plan was" intended to inform the Commercial Services Director of the Business Unit's strategies and forecasts." (p1). The three objectives set by the Director required the Unit to: achieve "a trading recovery equivalent to a 2% surplus (essentially "profit" but this term was not used) of income over costs"; "vigorously pursue" efficient service provision to customers; "operate under the Commercial Services umbrella in a mutually supportive way promoting colleague Business Units whenever appropriate." (p1).

The Business Units' control systems focused around the performance output measures, which referred, as with any private sector organisation, basically to financial returns targets, and to mainly quantitative performance standards set for a variety of activities such as "Lead Times: Our aim shall be to deliver within 7 days of receipt of order or 24 hours in the case of urgency." (Business Unit Plan, p2). These standards were represented in all of the processes and procedures

governing service delivery activities, and in the performance appraisal and assessment of staff performance. Computerised management information systems were used by all Business Units to manage services and resources. A new Computerised financial management system (CODA) had recently been introduced which gave the Department complete independence from BCC systems (apart from VAT and Payroll) in running incomes, payments and the general accounts ledger; the Department had its own bank account.

Considerable emphasis was attached to customer care, with a Business Unit Quality Policy, and commitment to "total quality performance". Market forces dictated whether both BCC and external customers chose to use Commercial Services products, and "our job is to see that we get our share of the market through careful pricing and quality services." (Director, 1992, Departmental newsletter). BCC customers were no longer required to use Commercial Services) services/products, and the Business Units had adopted various marketing devices such as, depending on the nature of their business, catalogues, leaflets, sales representatives, a special "shop" for displaying goods and advertising service availablity etc. A marketing section was established within one Business Unit, which was available for use by all Units.

In terms of lateral linkages, specific mechanisms were used to develop and reinforce the idea, noted above, of "mutuality" between the largely autonomous Business Units, each with their own, different, core businesses. "Mutuality" was a standing item on the agenda of the regular Business Unit manager meetings. The common use by most Business Units of support services such as IT and Personnel (including training sessions) served as a coordinating mechanism; formal communication systems included the use of an "away-day" for Unit managers, plus

noticeboards, newsletters, and briefing meetings for staff within each unit. The new Director, appointed in 1992, had made a point of visiting each Unit and meeting staff.

Financial Sections

At Corporate level, the Finance Director produced the Council's medium term financial strategic plan for 1992/3-94/5, Annual plans were produced by each of the Corporate Purchaser and Provider sections. Finance sections, located within Service Departments (apart from the two corporate Purchaser/Provider units at the Centre) contributed towards each Service Department's "Support Services" section business plan. Thus, for example, within a Social Services Area business plan, the Finance section plan included the identification of particular service objectives, such as "to ensure the effective devolution of boarded out payments and parental contributions", with control systems focused on performance outputs such as, in relation to this objective, "complete in line with Headquarters timetable." In addition, the service level agreements, made with Service Department Purchasers, specified in considerable detail the service outputs, standards and operational activities required. Finance managers were required to operate within a regulatory framework of Departmental (ultimately corporate) financial procedures and standing orders. Computerised Financial Management Systems enhanced budget monitoring and control by Finance sections/senior management of both their own and their service line managers' spend against budgetary targets. One of the key reasons for devolving finance staff and managers out to Service Departments, was to provide "a better service to the (Departmental) managers by applying the principle of 'close to the customer' to our own service provision" (article, 1992, written by the Finance Director).

In terms of lateral linkages, Finance managers were required to liaise extensively with their service line manager "customers". They were also involved in extensive liaison at Service Departmental level, where finance staff could be dispersed to various geographical areas (as in Social Services), and, at the County Corporate level, through meetings organised by the Head of Profession at County Hall. Contact was also maintained here to: provide career/professional development guidance to devolved staff; support them by providing Departmental managers "with an assurance of the quality of their financial functions"; to ensure "that the finance function and and finance activities throughout the organisation are of an appropriate quality and standard." (Finance Director).

The last of Mintzberg's four design parameters relates to Decision-making systems, and changes in BCC practices are analysed below.

Decision-making systems (centralisation/decentralisation)

As outlined in Chapter 3, organisational decision-making systems can be distinguished according to the extent to which the authority to make operational decisions - about resource management and service provision - is delegated or devolved (1) vertically (from the strategic apex to middle line managers and operating/professional staff) and/or (2) horizontally from the strategic apex and middle line to specialist support and/or techostructure staff such as finance and personnel (Mintzberg, 1983). Thus, delegation or devolution "describes a condition where the authority to make specified (usually operational) decisions is passed down to units and people at lower levels in the organisation's hierarchy. Centralisation also implies that control information is passed to the top of an organisation, while delegation

implies that some passes to lower levels." (Child, 1984, p146). Traditionally, local authority management tended to adopt the "wrong" kind of "loose-tight" approach to decision-making authority (Campbell, 1991). Thus, there tended to be tight centralised control over the deployment of resources, where central departments such as finance and personnel "sought to ensure adherence to rules and procedure, enforcing a formal accountability through, in many instances, detailed control of establishments and budgets." (Stoker, 1989, p10). Fairly loose control was exercised, however, over the outputs or outcomes of resource utilisation and service delivery activities.

Growing numbers of authorities during the 1980s and 90s adopted more decentralisation or devolution of decision-making authority to middle and lower line managers and staff in terms of their control over resource management and service delivery (Issac-Henry and Painter, 1991; Buckland and Joshua, 1992). The introduction of devolved management systems focused on "looser control" over operational resource deployment and service delivery processes, with "tighter" control focused on performance outcomes, with managers held accountable for achieving results against financial and service delivery output targets.

Barset's operational decision-making systems in the mid-1980s corresponded broadly with the traditional model. Despite the geographical dispersal of some central departmental staff - in Finance, Personnel, and IT - to service departments, the authority to deploy resources (within allocated budget and manpower levels) remained largely with Central Departments who exercised detailed control over departmental resource management, with little or no formal authority devolved to Chief Officers or lower level managers. (The Deputy Chief Executive explained that, informally, when he arrived in 1986, authority was already in practice being exercised to an extent at departmental

level. He thought that this might be because departments were anticipating the decentralisation changes planned by the new Leader and Chief Executive, and partly because Departmental senior managers understood so well the rules and regulations governing resource management that they could in practice make decisions, knowing that the approval, formally required through the Committee system, would be forthcoming.) Nevertheless, overall, the emphasis was on maximising central operational control over resource management and work processes (economy and efficiency). There was a consequent lack of clear managerial accountability, and the associated dangers of "inflexibility, where the rules have become ends in themselves" (Chief Executive), rather than on control over outputs and outcomes (effectiveness), and clear mangerial accountability for results.

Thus, in explaining the need for change - notably the introduction of devolved management - the Chief Executive stated: "The authority is seeking to end the stranglehold of central departments and departmental head offices on local initiative and responsibility as this has frustrated staff and confused accountabilities. Devolution allows them greater discretion to run services, using their professional judgement and experience, so as to satisfy customer expectations. Front-line managers are being given more scope for action where there is no over-riding reason for greater central control." Devolution, along with "management, not administration" (involving reductions in operational and work process rules and regulations: "cutting the red tape to help staff achieve a purpose not just process forms"), formed two key planks of the Chief Executive's new management philosophy (the third was "closeness to the customer").

Devolved management was defined as follows: "In BCC, devolution is taken

to mean a management style which allows those managers nearest the point of delivery the maximum control of the functions which impinge on them and the service required to enable them to operate, within a specified organisational framework where accountabilities and limits of authority are clearly understood." (Making Connections, 1991/2). Thus in relation to budgetary devolution, spending power was allocated to each service department, and monitored centrally or corporately. Then, the devolution of "Responsibility for control over a given service budget rests with the Head (Chief Officer) of the Service Department.....Authority to spend is then cascaded down within the service department to local budget managers - ie, those front-line service providers who, from their understanding of local needs, are best placed to determine spending decisions. The loop is completed by holding managers accountable for their actions and performance." (BCC/Price Waterhouse, p15). At operational level, this process thus ensured that professional judgements about service delivery methods and spending decisions were made within a firm management control framework which specified the outputs to be achieved by service professionals in relation to resource utilisation and service delivery.

In line with Audit Commission recommendations for effective devolved resource management (1989), BCC attached considerable importance to providing managers with the specialist support services, training and management/financial information necessary for carrying out effectively their devolved responsibilities. As described above, new, more sophisticated and "user-friendly" financial management information systems - with local input and access - had been introduced across the Authority to enable managers to control and monitor their own budget spend (according to financial regulations) In addition, computerised data systems - such as client record systems for Social Services,

various data systems and computerised operating systems for Highways - were continuing to be developed. Considerable emphasis was placed on ensuring close collaboration between specialist IT staff and line managers in designing the computer information and operating systems, so that they met as closely as possible the business needs of line manager "customers". Similar relationships were also expected to operate between Personnel and Finance staff and managers and their line manager "customers".

Devolution of control over resource deployment (once budgets had been allocated) to Chief Officer level meant that staff establishments were no longer subject to detailed central control. However, with staff forming such a large proportion of Departmental budgets, central monitoring of staffing practices continued to take place (Medium-term Plan, 1992/3). When overall funding became tight, or when there was a need to redeploy redundant staff, central control was exercised over Departmental recruitment to new or existing posts and/or establishment totals (interview with senior manager). The levels at which changes in planned spend, by Departments, required Committee approval were also raised. Most of the Finance and other central departmental staff (Personnel and IT) were devolved to service department establishments (see earlier discussion under structure). Here, their roles involved a combination of providing help and support to meet the business needs of service line managers, as well as the control/monitoring role of ensuring that departmental practices met both corporate/ Departmental, and statutory, standards.

The pre-devolution "traditional detailed financial regulations" were initially replaced by an emphasis on "freeing up the rules, with procedures designed to give managers more control over their resource management. However, following unexpected overspend problems in 1990

and adverse comments on control systems by external auditors, a programme was devised to provide "the appropriate financial controls for a devolved environment." and clarify management responsibilities (Article written by Finance Director). These included a Financial Management Handbook, which set out the corporate standards, the key controls which had to be operated, and more detailed procedures relating to financial activity for each Departments, plus detailed guides for budget managers. Limits to delegated powers in the management of devolved budgets were outlined in relation to managers' authority over varying their budgets (making virements), making transfers within and between budget headings, and incurring expenditure on headings not included within managers' budgets. A similar Personnel Management Handbook was also introduced. As the Deputy Chief Executive explained, the "specified organisational framework" within which devolution took place, was only clearly specified after devolution had been introduced, rather than in place before, and was continuing to be refined at the time of this research.

The restructuring of the Central departments described earlier was intended to strengthen the role of the Centre in determining policy and monitoring performance - although the "principles" of devolved management were reaffirmed (Policy and Resources Committee, February, 1993). In addition, service Departments introduced various quality control and assurance systems (see discussion earlier under planning and control systems). These, plus the contract discipline required under the Purchaser/Provider split, provided a new regulatory framework within which the management of professional service delivery took place. In general, these initiatives in the 1990s tend to suggest the development within BCC of the paradoxical tendencies towards centralisation which can occur within decentralised organisations - especially in periods of

financial stringency (Hales, 1993; Hambleton, 1992).

Devolved management was introduced across all Departments, including Social Services, Highways, Commercial Services and Departmental Finance Sections. From only 50 budget-holders in the pre-devolution mid-1980s, the Authority had moved to a total of over 2,500 budget-holders in 1993.

Conclusions

In conclusion, it is evident that BCC made extensive changes in its internal structure and management systems between 1984/5 and 1992/3, within each of Mintzberg's four organisational design parameters - the design of positions, behaviour formalisation and training/indoctrination systems; departmental structures; planning and control systems, and lateral linkages; the design of decision-making systems. These changes reflected very closely the "new" local government management model outlined in Chapter 3. Indeed, as indicated in the methodology chapter of this thesis, numerous authors have quoted BCC as a good example of the "new" management practices which are being adopted, to varying degrees, by growing numbers of local authorities.

These structural and managerial changes were precipitated by a combination of external and internal organisational factors. These included central government policy initiatives and legislation and rising consumer expectations, and by the coming to power of a new "change-orientated" political ruling group in 1984, followed by the selection of a new Chief Executive, appointed specifically to replace BCC's "traditional" management approach by a strategic management system. The traditional emphasis on the maximisation of relatively centralised and hierarchical control over resource management and work

processes (focusing on economy and efficiency) moved towards an emphasis on control over outputs and (although to a lesser extent) outcomes (effectiveness). There was clear managerial accountability for achieving results measured against resource utilisation and service delivery targets - including adherence to more rigorously specified service quality criteria - within a clearly specified corporate culture of BCC core values and beliefs.

These control systems operated within a devolved management framework (intended to devolve operational decision-making authority to front-line managers), which operated within a new strategic planning system designed to maximise elected member (rather than professional officer) control over policy decisions. These policies then formed the basis of the annual business plans drawn up for each department, which included resource utilisation and service delivery targets to be met by all managers and staff. The traditional emphasis on vertical and hierarchical regulation of organisational activities moved towards an emphasis on horizontal market regulation *and coordination* - through the introduction of the internal market system with Purchaser/Provider split - and towards the "network" or "boundaryless" forms of organisation.

Such structural changes required new prescriptions for middle managerial roles, operating in two key areas. Firstly, there was an emphasis, within the strategic management approach, on ensuring that the management and content of professional service delivery activities was geared specifically towards the BCC elected member-based "local" policy objectives, rather than to the more "cosmopolitan" professional community-based definitions of professional service objectives and values. Secondly, there was an emphasis on the requirements for service managers to acquire and develop managerial, as well as professional, skills and competences.

Thus, particularly in the context of the devolved management system and the mixed economy model of service provision system, managers were required to take on responsibilities for new resource management functions. They were required to become accountable for achieving clearly specified performance targets, and to act as change agents - in the sense of developing more efficient and effective methods of identifying and responding to consumer and community needs and demands for services (Mintzberg's decisional managerial roles). They were expected to adopt inspiring and motivating styles of leadership, to encourage staff to assimilate and practise BCC's new core values and ways of working, and, in the context of BCC's new staff development and appraisal system, to encourage and enable staff to perform up to and beyond their capabilities (Mintzberg's interpersonal roles). Particularly within BCC's new market and network forms of organisation, they were required to become increasingly involved in inter-disciplinary, multi-skilled and functionally flexible work-groups. They had to become proficient in the negotiating and influencing styles of behaviour necessary for working effectively within the purchaser/provider split, and for liaising with personnel from other BCC departments, and external private, public and voluntary sector organisations. Greater demands were placed upon their information exchange and processing capabilities (Mintzberg's informational roles).

The key issue here - to be addressed in the next three chapters - is the extent to which BCC's organisational restructuring and new middle managerial role prescriptions: (1) were communicated to and understood by their middle managers, and; (2) resulted in the manifestation of actual behaviour change on the part of these managers. In common with

most other studies indicating moves within local authorities from traditional to "new" forms of structure and management systems, the evidence (both written and oral) presented in this chapter about BCC's adoption of the "new" management approaches was derived from senior management sources, rather than from the middle managers themselves. Formal management system/role prescriptions changes introduced by senior managers may or may not be manifested in the actual behaviour adopted by middle managerial incumbents. If little or no real behaviour change takes place, then, arguably, moves towards the new forms of organisational and managerial systems are largely cosmetic - middle managers play a key part in implementing organisational change programmes. It is therefore essential, when attempting to assess the impact of these changes within BCC, to consider the views of the middle managers themselves about the extent to which, and the way in which the formal BCC prescriptions have resulted in changes in their managerial role behaviour.

The next three chapters, therefore, assess the extent to which BCC's formally prescribed managerial changes have permeated and transformed managerial work at middle management levels in the organisational hierarchy. As outlined in chapter 5, semi-structured interviews were held with middle managers located in four BCC departments - two direct service provision departments (Social Services and Highways), and two support service departments (Finance and Commercial Services). The information obtained from these interviews is analysed from within Mintzberg's model of managerial roles (described fully in chapter 2). Chapter 7 concentrates on changes in the managers' informational and interpersonal roles; chapter 8 focuses on decisional behaviour, and chapter 9 examines the impact of BCC's restructuring programme on the managers' levels of job satisfaction. Each chapter begins with a brief

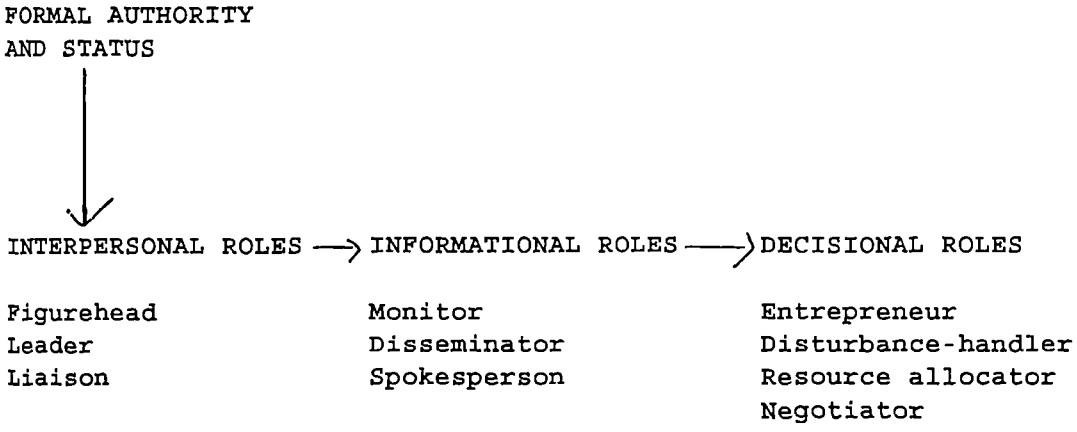
outline of the formal role prescription changes introduced by BCC, and then analyses the managers' accounts about the changes which have taken place in their work behaviour.

CHAPTER 7

Organisational restructuring in Barset: changing interpersonal and informational roles

The previous chapter identified the internal structural changes - including changes in formal middle management role prescriptions - which had been introduced within Barset County Council (BCC) since the mid-1980s, and concluded that the management systems in place by 1992/3 corresponded very closely with the "new" local government management model described in chapters 3 and 4. Chapters 7, 8 and 9 analyse the perceptions of middle managers within Barset about the extent to which their work behaviour changed in accordance with the Authority's formal prescriptions for change. They examine the extent to which "official" changes made by members and senior management have permeated managerial work behaviour at lower levels in the flatter organisational structure.

As used throughout this study, Mintzberg's model of managerial roles is adopted here to analyse the responses of the middle managers about changes in their work behaviour; this model is described fully in chapter 2, and reproduced diagramatically below (Mintzberg, 1989, p16):



As Mintzberg (1989) emphasises, these three sets of managerial behaviour combine to form an integrated whole. Thus, in order to make the

decisions determining their work-unit strategy, managers are involved in extensive interpersonal contacts both inside and outside their work units - the interpersonal roles - and in extensive information exchange and processing activities through the exercise of their informational roles. The interpersonal and informational components of managers' work are, themselves, inextricably linked; their interpersonal contacts - through ceremonial, leader and liaison activities - inevitably involve them in information exchange and processing work. The first section of this chapter focuses on the leader role, involving information monitoring and dissemination primarily inside managers' work-units (the departmental sections for which they are responsible). The discussion then moves on to ceremonial activities, carried out both inside and outside the managers' own sections. It then concludes with an analysis of managers' interpersonal contacts outside their immediate departmental unit (the liaison role) plus the information exchange and processing activities which are involved in this liaison work. The asterisks in the following diagram indicate the contexts within which managers carry out each of these interpersonal roles, and the link between these and the informational roles (discussed later in this chapter):

THE MANAGER'S:

	WORK-UNIT	ORGANISATION (other depts & sections)	EXTERNAL ENVIRONMENT (other organisations; customers; the public)
INTERPERSONAL ROLES			
Leader	*		
Ceremonial	*	*	*
Liaison		*	*

↑

INFORMATIONAL ROLES
Monitor
Disseminator
Spokesperson

Leader Role

Focusing first, then, on managers' interpersonal and informational behaviour within their work-units, Mintzberg argues that: "Because the manager is in charge of an organisational unit, the manager is responsible for the work of the people of that unit. His or her actions in this regard constitute the leader role. Some of those actions involve leadership directly - for example, the manager is normally responsible for hiring and training his or her own staff. In addition there is the indirect exercise of the leader role. Every manager must motivate and encourage his or her employees, somehow reconciling their individual needs with the goals of the organisation." (Mintzberg, 1989, p16). As discussed in chapter 8, the local government literature stresses the extent to which - through the introduction of devolved management and more formal performance appraisal systems - managers would be expected to acquire additional responsibilities for general personnel functions, such as recruitment and selection, performance monitoring etc. The emphasis in this chapter is upon the second aspect of Mintzberg's leader role - the indirect exercise through motivating and encouraging employees - although, of course, the two aspects are closely linked.

As outlined in chapters 2 and 4, management literature in the 1980s and 90s - related to both private and public sector management - places increasing emphasis on the importance of this aspect of the leader role. Fincham and Rhodes (1992, p197) suggest that the emphasis in the literature moved during this period away from "abstract conceptualizations" about the efficacy of various leadership approaches - such as "style", and "contingency" theories - towards "a resurgence of interest in what is termed transformational or charismatic leadership.". Several authors distinguish between "managers" and "leaders" (Zaleznik, 1977; Kotter, 1990), and between "transactional" and "transformational"

leadership (Bass and Avolio, 1990).

Broadly speaking, Zaleznik and Kotter's "managers" can be equated with Bass and Avolio's "transactional" leadership, and their "leaders" with Bass and Avolio's "transformational" leadership. Transactional leaders are seen as focusing on conformity to rules and procedures, on basic "reward/punishment" tactics for meeting staff needs, and on setting goals for them based on an assessment of the effort to be expected from them. The transformational leadership roles involve managers in inspiring their staff through the projection of their own personal commitment and enthusiasm, and in adopting involvement and "empowerment" strategies which encourage their staff to "both develop and perform at levels above what they may have felt was possible, or beyond their own personal expectations. They build up the followers' confidence and develop their abilities, enabling them to take on more difficult challenges." (Bass and Avolio, p234). These authors identify three key aspects of the transformational leadership style: the development of charismatic and inspirational leadership styles; individualised consideration (of each staff members' own abilities and orientations; the provision of intellectual stimulation and challeging work for their staff.

Reflecting the requirements of the transformation leadership model, the local government management literature focuses on the need for such a model to be adopted by local authority managers - at all organisational levels: "Good management will more and more be seen as unlocking barriers to performance by colleagues and subordinates, enhancing their contribution, and releasing their potential. Management involves simultaneously playing as a team member while pushing the team forward - not least in conveying a sense of direction, by successfully painting a

picture or vision of the future." (LGMB, 1993a).

In line with these developments, BCC senior management (as indicated in chapter 6) also placed great emphasis on the importance of a transformational style leadership, or the role of the "leader" as opposed to the "manager"; this formed one of the key planks of their cultural change programme. Documents clearly reflected the importance attached to enthusing staff by setting clear policy directions, and encouraging the adoption by them of the new "entrepreneurial, outward looking, future orientated, risk taking, high visibility" organisational values. In addition, managers were urged to be "enabling, not disabling" with their staff, to "give people room", to involve their workforces in in decisions about work issues, and to develop their skills and competencies through ensuring training and development opportunities. The latter was included amongst the objectives of the recently introduced Staff Development and Performance Review system. Given the importance attached to the adoption of a basically transformational style leadership, or the "leader" as opposed to the "manager" role by the County's senior management, the middle managers were asked if they saw a difference between the role of a manager, and the role of a leader, and, if so, to specify the differences:

Distinctions made between "manager" and "leader" roles

	Social Services	Highways	Finance	Commercial Services	Total
Difference identified	12	7	9	9	37
Not sure		3	3		6
No difference		2		3	5
	--	--	--	--	--
	12	12	12	12	48
					--

As the table demonstrates, the majority of the managers reported that the two roles were different; 19 of these managers were able to provide

a definition of both the leader and the manager roles; 16 defined the leader role, but were unable to define the manager role; 2 could define neither, although they considered that the roles were different. The manager/leader differences identified by the managers suggested a fairly close correspondence with the distinctions made in the literature between management/transactional and leader/transformational leadership styles. (It is important to take note of a methodological issue at this point. Bass and Avolio constructed a questionnaire of 142 items of leader behaviour to identify the distinction made between transformational and transactional leadership styles in their research. Because of resource constraints (essentially time), it was not possible to use such rigorous measurement techniques here. The content analysis of managers' responses on leadership styles (throughout this section of this chapter) was made on the basis of the presence in the managers' responses of key words and phrases used in the authors' own definitions of the different leadership styles (1990, pp250-251). Clearly, the form of data collection and analysis adopted here (content analysis) can only be used to <u>suggest</u> identification of, and moves from, one leadership style to another. Further more rigorous and systematic measurement, using indices such as those constructed for Bass and Avolio's own research, would be necessary to enable any firm conclusions to be drawn about movements between these leadership styles.)

The managers' responses equated "management" with the more reactive role of "just maintaining the status quo", with managers concentrating on largely administrative tasks. "Management" involved a reliance on the formal authority of the role, which was used to monitor closely the work of their staff and to "issue orders" in a rather autocratic fashion rather than attempting to work with them, or "let go" and allow their staff more freedom to manage themselves:

"I think the difference between a manager and a leader is - the manager manages the status quo. A leader creates the new status quo - it's about change, and directing people towards change, and encouraging them towards change" (Commercial Services Provider manager).

"A manager - life as a manager in the old administrative days, when all they did was sit in a box in the corner of a room in a little office, and dealt with all the paper-work. A manager is someone who takes what is coming down the line - I will process that, manage this - and off we go and just do it, do the same things, and keep them going, while I think what they (BCC) are looking for is someone up there, to set an example, and set the direction, you know, to lead the troops over the top. A leader is very much more proactive. Setting direction, setting targets, motivating people, making sure that people actually enjoy their work, that they've got a future career path, have got somewhere to go." (Finance manager, Education Department).

In contrast to these definitions of the "manager" role, the responses of the 35 managers who provided definitions of the "leader" role, focused largely on the "charisma and inspirational", rather than the "individualised consideration" and "intellectual stimulation" (of their staff) aspects of the tripartite model of transformational leadership provided by Bass and Avolio. Managers tended to emphasise the leadership facets mentioned by these authors (and by Kotter) associated with personal charisma. These included, for example, "earning the respect" of their staff through "leading by example", setting a clear sense of direction (especially when engaged in change management), and "taking staff with you" by "inspiring", "enthusing" and "motivating" them, persuading and "coaxing" them rather than "pushing" them. The adoption of "participative " and "consultative" management styles were seen as important here. Many managers emphasised the importance of direct personal contact with their staff in this context, in the sense of being "visible" to them in their role-model capacity, and through "managing by walking about" and talking to staff:

"A manager ensures that a job is done, but a leader actually shows that as well - he shows by example, and being there. He pushes the boundaries a bit.....I used to find it embarrassing to be a leader, but I don't now - the actually showing by example and being different. Being in front, being watched. And I've thought up as lot of little things to do that

make that more obvious. You say to people, because of the new procedures: "We have to be much more respectful of the public we deal with.". So I do it with them, in front of them - that sort of thing. And I show myself making mistakes and apologising for them. That sort of thing, in front of them, in case conferences when I chair them." (Social Service Purchaser manager).

Leadership styles and behaviour actually adopted by managers

The managers were asked to identify any changes which had occurred since the mid-1980s in their leadership role behaviour. Overall, 31 managers reported that their leadership styles had changed in the direction suggested by the County's "transformational leader" prescriptions:

Incidence of changes in leadership styles

	Social Services	Highways	Finance	Commercial Services	Total
Shift towards County Leadership style					
Yes	8	9	7	7	31
No change	1	2	2	5	10
Not sure	2	1	2		5
No subordinates at time of interview	1		1		2
	12	12	12	12	48

When asked about these changes in their own leadership styles (in the context of BCC's prescriptions), managers focused more on the importance of "enabling" and "empowering" their staff, as well as on the importance of adopting strong inspirational, directive and charismatic leadership. The majority of managers emphasised the extent to which they focused on Bass and Avolio's "individualised consideration" and "intellectual stimulation" of their staff. They attempted to encourage each individual staff member to: identify the skills and knowledge areas where they required development/training; set more challenging tasks and targets for their staff, based on each individuals own particular abilities,

strengths and weaknesses; provide training and other development opportunities for them, according to their own specific needs. The Staff Development and Performance Review (SDPR) system was seen by many managers as a vehicle for encouraging them to undertake this in a more formalised and structured way than hitherto, encouraging managers to focus on the different needs of individual members of staff:

> "I see the SDPR as a means of developing individuals. Some of the team members have got far greater potential than others, of course. And one way of actually trying to develop that potential is by setting targets that are going to be a challenge to them, whereas in the past they would just have been expected to get on and do their daily work and achieve the annual programme. I set targets which try and develop the individual, so that they have to stretch themselves to achieve them " (Highways Provider manager).

> "There's more opportunity now to give people work other than their normal core of work - to help develop them as individuals and future managers. I feel I have the responsibility to try and develop the people I have working for me. I've involved a lot more people in developing this computer system, that wouldn't traditionally have been involved in the past. I think it will develop these individuals - their characters, their strengths." (Commercial Services Provider manager).

Many managers also emphasised the importance of stimulating and motivating staff by delegating the responsibility for decision-making and task achievement to them, within a framework of broad guidelines or targets, and leaving staff free to manage the "how" and the "day-to-day" aspects of their work, thus ensuring staff"ownership" of the work:

> "I like very much to give people clear guidelines of what I expect, and allow them to go away and achieve that within that, knowing they've got the support to report back if they feel it's not working. That way they can actually feel ownership of something. I think my skills are better placed at the strategic level. I've done the task bit myself; I've no wish to interfere. Like the information systems thing - it was my customer services manager who actually did the project. She defined it, what we wanted, went away and did it - and did a very good job....The whole point really is to progress people on and develop their skills." (Commercial Services Provider manager).

As well as trying to focus on individual development needs - (i.e. the unique needs of each individual staff member) on a one-to-one basis -

through the performance review and appraisal system, and through informal one-to-one contacts - many managers also reported various efforts to develop their work units as a team (i.e. to encourage individuals to work together towards common group/work-section goals). Responses here ranged from delegating particular decisions to their team, to involving them, through participative and consultative leadership styles in decisions which had to be made:

> "With certain elements of the job - like the client will write in with a comment about something, but I won't make a decision and tell staff, 'this is what we're doing from now on.' I would circulate the letter or memo or whatever, and ask for people's comments to get them thinking about what they're actually doing.....it can ease pressures on me, because if I've been asked how we would solve a problem, and I find out what their views are, it saves me having to sit back and think about it. And it actually gets them involved, keeps them involved, and then it's a two-way exchange of information. I can bat ideas off of them, and they can similarly throw ideas at me." (Highways Provider Manager).

> "I will make the decisions at the end of the day and I think people understand that, but I will do it through people. For instance we've got the budget.....and I've got this, this morning. It was agreed yesterday by the Committee - the business plan targets - what we've got to do. I am actually going to give my locality managers the budget sheets on Monday, and give them that and say: "What *I'd like the four of* you to do is go away and agree how you are going to apportion these targets between the four of you, and then come back to me." It saves me the work, and it's good experience for them." (Social Service Purchaser manager).

Particularly in the context of the many changes in culture and values which were continuing to take place in the County, and the development of various strategies by senior management to achieve more structured and more effective and open communication systems (see discussion below under informational roles), managers received, and were encouraged to discuss with their staff, and feed back up, increasing volumes of information about changes affecting both their own Departments, and the County as a whole. Many managers emphasised the importance of ensuring that staff were fully aware of, and understood the reasons for the structural and cultural changes underway in the County - such as the

customer care culture and the purchaser/provider split - and how these would affect ways of working for their staff. Methods adopted for achieving this by managers included: "management by walking about" and "setting an example" to staff by their own behaviour of what was expected in the "inspirational" and "charismatic" style described above; the use of wall-posters, which were clearly visible in some offices during the course of this research; more circulation to staff of written information, including newsletters; more structured and more regularly held team meetings to discuss policy developments and problems: :

> "I'm doing it (holding team meetings) more formally now. Every four weeks we have a team meeting, where I - I've really been pushing the customer service idea, and it's been difficult for some of them, and every four weeks we have a meeting where people can just moan -'we're getting fed up with the job', and moan about the customers. Remember, they're not allowed to be rude to the customers, no matter how idiotically they behave. When they come on, you know, 'I've cocked the machine up", we've got to be sort of polite and help them through it, and it does wear on them, and they've got to have a screaming point, so we have once a month or so, where they can come in and really...." (Finance manager, Highways Department).

> "There's so many changes going on, the impact on morale is quite high - the uncertainty, the fears about externalisation, Internal Business Units - people are quite worried so I see it as important to enhance the communication process....I've attended some of those Making connections seminars, and I've made quite an effort to feed the information back to my team and help people to see what's going on." (Social Services Provider manager).

With regard to team meetings and briefings, many managers across all departments reported departmental policy initiatives requiring regular team meetings and briefing sessions at every level to improve communication flows up and down the organisation. While this represented an extension or formalisation of practices which had already existed to some extent, it also represented a significant change in style for some managers:

> "Communication with staff is very important - it's a key part of management, making sure that people know what is going on. I was criticised for not having regular team meetings as frequently as others - my comments in the Performance Review, you know, were "not communicating with staff as frequently as

thought desirable", and I have them quite frequently now...." (Highways Provider manager).

What of those managers in the "no change" and "not sure" categories of responses about changes in their leadership styles (see table presented above)? Most of these managers reported either that they had always tended to adopt the "transformational" style of leadership with their staff, or that they adopted a "contingency" approach to leadership, changing their approaches depending on changes in staff needs and/or on changes in their operating environment. Two managers (in Finance and Social Services) explained that it simply wasn't their style: "I know I ought to be more leaderish, but I'm just not very proactive or entrepreneurial; I tend just to accept what I am given...".

Constraints on the adoption of "transformational" leadership styles

Many managers - across all the response categories - mentioned various contraints on the extent to which they pursued the "transformational" style. As discussed in chapter 8, there were limits on the extent to which managers felt able to innovate or risk-take - within the still relatively "risk-averse" culture of local government, where managers also felt far more accountable and visible, through the business plan and Performance Review system, for meeting their targets. This extended to limits on the extent to which some managers felt able or willing to "let go" in the sense of encouraging their subordinates to take risks or make mistakes, and delegating responsibility to them for task achievements: "they're MY targets that they're doing, and I need to keep a close watch on their progress". Moreover, as Bass and Avolio note, empowerment strategies require resources for training and development. Some managers identified problems here in terms of finding funds or time to enable staff to pursue development opportunities. Lack of time due to work pressures was also cited by some managers as a problem which

prevented them from devoting as much time as they felt they should to the inspirational and motivational activities and contact with staff required by the transformational leader style. A few, as noted above, felt that this leadership style was simply not one which they felt comfortable with.

In addition, managers raised the problem of differentials amongst their staff in terms of their abilities and/or willingness to be developed and "stretched". For example, a Commercial Services manager explained that some of his staff (particularly longer serving members) were less willing than others to accept the need for greater flexibility in their work practices: "some of them still haven't quite got round to the idea that if a customer rings up to order something, it has got to be done then and there - it can't wait till somebody else comes back from lunch".

A related point here was what some managers saw as a contradiction between the requirement for them to be directive and inspirational, whilst at the same time being required to adopt participative and consultative strategies - based on involving and enabling styles rather than "issuing orders" or using the "stick" approach towards ensuring that their staff attitudes and methods of working changed in accordance with the County's prescriptions. As one manager explained:

> "In some ways I've had to become more directive, more autocratic almost.....It's linked in with the Barset changes because at the end of the day when we looked at what actually needed to be done to get the team into some sort of healthy shape to actually be able to cope with the demands on the purchaser/provider split. Clearly, there were some people in the team who were less than enthusiastic about all of that. At the end of the day they had to be dragged kicking and screaming whether they liked it or not because we HAVE to to respond - there's no choice any more, and there's a limit to the time you can spend consulting and cajoling...." (Social Services Provider manager).

In attempting to resolve this contradiction between participative and

directional styles, some managers commented on the need to adopt different styles of leadership for different task situations, and with different sorts of people, reflecting the contingency model of leadership.

Ten managers (5 in Social Services) commented, sometimes negatively, on the rather "macho" nature of the leadership style advocated by BCC senior management, and the Chief Executive in particular. Social Services managers mentioned "Butlerism", a reference to the name of the previous Departmental Director who was perceived as using a strongly directive and "macho" style. This approach was felt, however, to be in retreat under the current Director who was seen as using a softer, more sensitive approach. These perceptions arose partly from the fact that the new Director, unlike his predecessor, came from social work background, and was thus as being more receptive to concerns raised about the impact of changes on professional practices and values (see discussion in chapter 6). His less autocratic approach was also seen as deriving from his own personal preferred method of exercising leadership.

Some managers also mentioned the problems, well documented in the literature, attendant upon combining performance related pay (PRP) and staff development needs identification within one system (although separate interviews had to be held for each purpose; the two systems were still perceived as being linked). These problems included the reluctance of some staff to "take risks" or be set challenging targets (in case they should fail), or to be honest about their development needs in case this should be seen as a "weakness" for pay award purposes. Some managers expressed appreciation of the way in which the PRP system reinforced the message of the new "performance culture" and clarified the objectives towards which they should be working. Others

regretted the way in which it focused on the notion of a "reward" for work well done (redolent of the more traditional "transactional" or "management" style of leadership outlined above) rather than on an intrinsic pride taken in work well done for its own sake. It was felt the latter could actually be undermined when staff felt that they deserved a higher grade pay award than the one they in fact received.

The inducements to improve performance offered by the PRP system were, in any case, seen by some managers as largely illusory in that "nearly everyone gets a 3 (normal incremental progression), a very few get a 2, and you have to prove you can walk on water to get a 1". One manager reported a story he had heard about the Chief Executive saying at a meeting that he (the Chief Executive) didn't feel he deserved a grade 1, and this manager considered that this reinforced the message that, in practice, the scale stopped at 2. Moreover, for managers with staff at the top of their grade, there was little scope for providing additional monetary rewards. Some managers considered that the PRP scheme, operating in this context, could damage staff morale - especially for high performers - by raising expectations about monetary rewards which were, in practice, rarely forthcoming. Other managers felt that the scheme, after a few years of operating, had ceased to have any impact in that most staff assumed that they would receive the satisfactory (3) grade (with no serious expectation of achieving higher grades), and that the scheme had had little or no effect on performance levels.

Finally, - mentioned in the literature, represented within BCC prescriptions, and highlighted by the managers' own responses - considerable importance is attached to the provision of "role-models" and "setting an example" within the transformational leadership style. Managers were therefore asked about the leadership style of their line

managers. Responses here tended, understandably, given the sensitivity of the topic, to be brief. (It is also important here, as discussed above, to bear in mind the methodological limitations of the interview and content analysis methods for locating responses firmly within Bass and Avolio's leadership style model). However, all but six (which were too short and/or vague) of the managers' responses could be tentatively located within Bass and Avolio tripartite leadership style model - the transformational and transactional models outlined above, plus the "laissez faire" model, indicating an absence of motivating/directing behaviour or meaningful contact between leader and follower. It is important to recognise that these responses were likely also to be affected by the managers' own personal leadership style preferences, and the extent to which they wanted to be empowered and encouraged to develop by their immediate superiors. An approach described rather negatively as "laissez-faire" by one manager could be seen more positively as "transformational by another.)

The responses suggested that just over half of the respondents' saw their line managers as operating a leadership style which tended towards the transformational model in that the respondents were actively encouraged to develop new ideas and methods of working. They were given a substantial amount of freedom in determining their methods of working, within the framework of performance targets and business plans, and with advice/guidance provided by their line managers when needed - sometimes within the context of a charismatic leadership style:

> "He's great to work for. He's very much people orientated, and really wants people to take - really be responsible for their sections, which is good, and he encourages you to do this...This place is always alive and buzzing - he never stands still for a minute. He's faster than his own shadow, and it kind of galvanises you into action. I suppose it makes me work longer hours, and at times I think perhaps I ought to give more priority to my family life...but at the end of the day, it's good fun. It's that type of atmosphere." Commerical Services Provider manager.

Of the remainder, a few respondents felt that their line managers were either too "laissez-faire", in that insufficient support and guidance was provided, and access was poor, or that line managers were too autocratic and/or controlling. These respondents' felt subjected to undesirably close levels of monitoring which inhibited their freedom to develop new ideas and ways of working, and made them feel that their levels of expertise and competence were undervalued, and/or that they were not trusted to produce results on their own:

> "I don't think I've ever worked with one (a boss) who is so controlling. I don't like to use the word autocratic, but it's bordering on that. And he's like that with everybody so it's not I'm singled out because he's worried about me - it's just his style. Checking and double checking on everything - its frustrating, and occasionally it's infuriating. I don't know how he's got the time for it - I really don't" (Social Services Provider manager).

Overall, the managers' responses about the leadership styles which they had adopted suggested that there was some progression, in accordance with the County's own prescriptions, towards the transformational leadership model, This appeared to be occurring particularly in the case of the first aspect - the development of charismatic and inspirational leadership styles. With regard to the second two aspects - the individualised consideration and the intellectual stimulation of staff, developments from the transactional to the transformational were perhaps slightly less marked. For example, the Staff Development and Performance Review system had undoubtedly focused managers' attention on the need to develop individual staff and encourage them to take on more challenging work, according to their particular requirements. This system together with the business plan targets and the general effects of the new "performance culture" also involved managers in more extensive and structured monitoring of their staff's performance, as well as rendering the managers themselves more accountable, and more subject to more formalised monitoring of their own performances. These developments,

together with the performance related pay system, and the changing but still relatively risk-averse culture, suggested that the managers' enabling and empowering activities here included at least some elements of the transactional model - with its emphasis on rewards for meeting agreed-upon objectives - as well as the transformational element of "stretching "staff to perform beyond that they thought were their capability limits, and encouraging them to develop more challenging work methods and targets.

As explained at the beginning of this chapter, the interpersonal role of the leader is focused largely on contacts and information exchanges within the manager's own work-unit. The second interpersonal role - the ceremonial - involves managers in contacts and information exchanges both inside and outside the work-unit, and the liaison role is focused on activities external to the work-unit. Changes in the BCC managers' ceremonial role performance are outlined below, followed by an analysis of changes in their liaison and informational roles; the asterisks in the diagram below show the contexts where managers perform these roles:

THE MANAGER'S:

	WORK-UNIT	ORGANISATION (other depts)	EXTERNAL ENVIRONMENT (other organisations; customers; the public)
INTERPERSONAL ROLES			
Leader	*		
Ceremonial	*	*	*
Liaison		*	*

INFORMATIONAL ROLES
Monitor
Disseminator
Spokesperson

Ceremonial (Figurehead) Role

The second of the three interpersonal roles - the ceremonial role - refers to formal duties of an inter-personal nature, which do not involve significant information-processing or decision-making activities. They are largely symbolic, reflecting the formal authority associated with the manager's particular position within the organisational hierarchy (Mintzberg, 1973). Within their work units, managers officiate at various ceremonies - such as celebrations to mark the occasion of a staff member's promotion, departure or marriage. Outside the work unit, managers are involved in various official events to open, for example, a new by-pass or youth club with which their work-units have been involved, or, perhaps, a formal lunch with politicians or other community representatives.

As explained in chapter 4, the local government literature provides very little analysis of this role or changes which have occurred in it under the "new" management systems. However, given the extent of the organisational "de-layering" and the reduction in the importance of rigid hierarchical role definitions associated with the new more flexible and open management systems, it was suggested that middle managers would be likely to become more extensively involved in this role - especially with regard to activities outside their work-units - than they had in the past. The increased levels of contact which managers were required to develop under the new "competitive" and "enabling" local authority service delivery services (see below on liaison and informational roles) would also suggest increased involvement by middle mangers here. However, most of the BCC managers reported no change in the extent to which their activities within this role had increased or decreased since the mid-80s:

CHANCES IN CEREMONIAL ROLE PERFORMANCE

	Numbers of managers responding in each category				
	Social Services	Highways	Finance	Commercial Services	Total
1. No change	9	9	11	7	36
2. Increased	3	2	1	2	8
3. Decreased		1		3	4
	12	12	12	12	48

All of the managers reported participation in small quasi-formal events with their staff (such as leaving/retirement ceremonies, the presentation of engagement presents and the like); this was seen as a normal part of the leader role, and no change was reported here. However, in connection with formal social or ceremonial duties outside their own sections, most managers reported that this role, both currently and in the past, constituted a very insignificant and infrequent aspect of their work. The relatively few examples provided here included: attendance at various official opening ceremonies for new buildings or for new services; occasional attendance at dinners/lunches with local suppliers, contractors, local groups and other public sector officials; putting in a "presence" at the beginning of various internal events such as a special training day etc.; involvement in Panel visits (by Social Services Committee councillors).

Most managers explained that, whilst they might occasionally deputise for their line manager, this role tended still to remain within the provenance of more senior staff. Finance managers explained that because finance was seen as essentially a support function, they rarely got involved in the formal occasions connected with service provision events of one sort or another, and a similar feeling was echoed by some Highways Provider managers. They felt that the Purchasers/clients who had commissioned the work and/or the persons involved in the actual construction were more likely to be involved in formal openings: "They

don't often think about the bloke who designed it...!". One Commercial Services manager reported that her manager actively discouraged attendance at local functions put on by suppliers in order to maintain an image of immaculate public probity, which he felt was essential for a public sector business unit to project.

For the managers in the "increased" response category, ceremonial activities formed a more significant part of their role, and had recently increased. The Commercial Services managers reported that they were encouraged - and that they felt it important in terms of promoting their department within the increasingly competitive environment - to attend various official functions such as the opening of new buildings/services where the Comercial Services business units had provided services. One Social Services manager felt that there was fairly careful selection of people who attended formal occasions, which often involved contact with members:

> "There's more of it. I suppose just the fact that my responsibilities have grown, and there's a sort of elitist thing about that. In some situations we like to have the person who is actually doing the job, so the person within the resource gets to meet a well-known bigwig, but there is still a sort of guardedness about our employers (councillors), and so Area Directors are very nervous about who meets Lady Treadwell, or who meets whoever else, and so we're almost vetted to see whether we would be socially acceptable. And I clearly am now. They used to be very nervous of me and I used to get to see nobody. It was quite clear that I wasn't trusted.....then I had to do it and they realised I didn't do anything too disastrous!" (Social Services Provider manager).

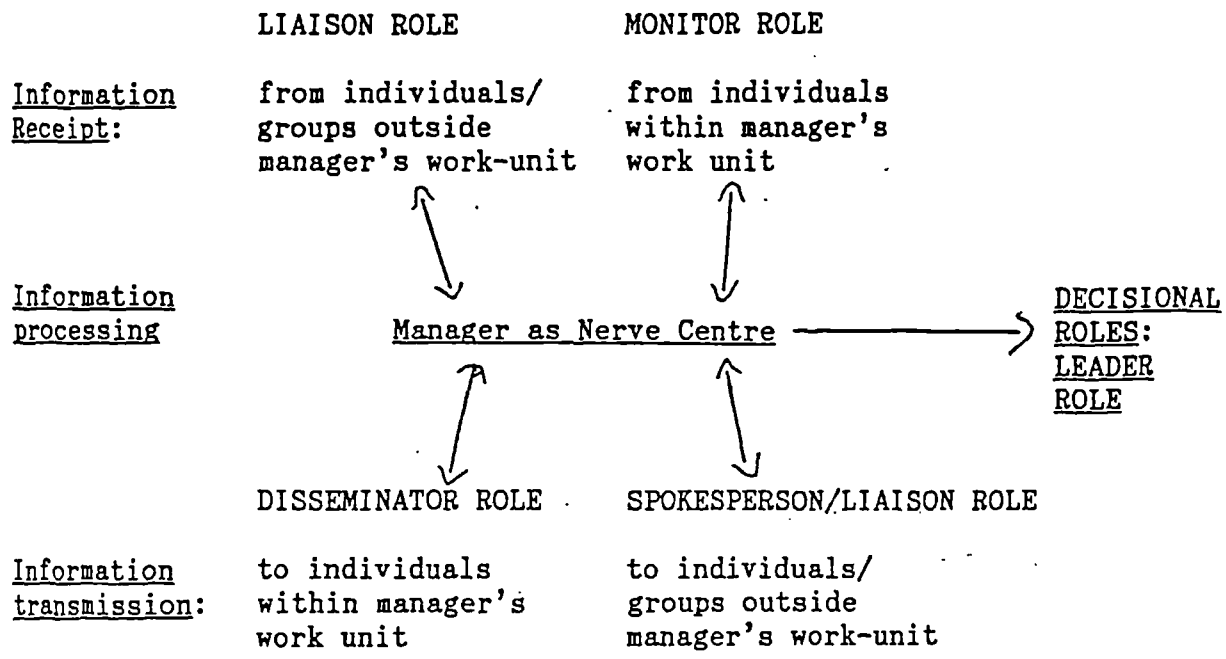
Overall, however, it appeared from the managers' responses that little change had taken place in their ceremonial role behaviour; apart from the internal exercise of this role at small ceremonies concerned with employee marriages, leaving functions etc., middle managerial involvement in external ceremonial occasions remained very limited, and was seen as the preserve, largely, of more senior managers. Contrary to indications in the local government literature that lower level managers

were involved in more contact with members, most managers reported little or no contact with members; this had not changed with the introduction of the "new" management systems.

It is, however, important to note that most managers reported a significant increase - outside the purely formal ceremonial role - in their contacts, involvement and information exchanges with a vast range of individuals, and groups both inside and outside BCC, in connection with the changes taking place under the "new" management system within the County. These developments are considered next, in the context of changes in managers' performance of their liaison and information roles.

Liaison and Informational Roles

Mintzberg links these roles together under the general concept of the manager operating as a "nerve centre" of the organisation. Managers are involved here in the acquisition of information from various sources both inside and outside the organisation (liaison and monitoring roles) and then processing, using and transmitting this information to others - who are again located both inside and outside the organisation (disseminator and spokesperson roles). The information is gathered and used largely in the exercise of the manager's decisional and leadership roles:



Basically the liaison role refers to the development by the manager of a reciprocal network of contacts (both inside and outside the organisation), from whom s/he obtains information (the monitor role), and to whom s/he transmits information - to contacts within the organisation (disseminator role) and outside the organisation (the spokesperson role). As the connecting line between the "manager as nerve centre" and the decisional/leadership roles suggest, these two functions are interrelated, in that changes in patterns of behaviour in either function will affect behaviour patterns in the other. Given the significant changes in the behaviour of managers within their decisional and leadership roles, it is to be expected that these changes would have an impact on managers' informational role behaviour. This section concentrates on management behaviour within the liaison and informational roles outside the managers' own work-unit; the monitor and

disseminator roles concerned with work activities within the work-unit were discussed in the preceding section under the leader role.

The analysis of an organisation's information and communication systems can take place across a number of different dimensions, each of which will influence the nature of the manager's informational role behaviour (Townley, 1989). For example, information can take written (on paper/through a computer network) or spoken forms, and information flows can take place on a one-way or two-way basis between sender and recipient. The distinction is also commonly made between formal systems of communication and information flows. Formally, a manager's job description prescribes the exchange of information on specific issues, to be made in a particular format, with designated individuals holding particular positions both inside and outside the organisation). Under informal systems, the manager makes his/her own decisions, outside the formal network, about who to contact about what, and about what format should be used for receiving, processing and transmitting such information. On a broader basis, discussions about these issues can usefully be subsumed within the conceptual model of relatively closed or open information systems - in terms of the volumes of information which managers process, and the ease with which information exchanges take place across the organisation, and with external organisations (Tapscott and Caston, 1993).

Relatively closed systems tend to focus primarily on prescribed vertical channels of communication and information flows. The emphasis is on information flows down from senior management to middle managers, rather than from bottom up, with limitations on horizontal flows within and between departments at middle and lower levels in the organisational hierarchy. It can be argued that "traditional" local government structures and management systems tended towards this "closed" end of

the information systems continuum. Traditional departmentalism - the division of local authorities into rigorously differentiated departments and sections based on professional specialisms - combined with relatively little devolution of authority and responsibilities to managers at the lower ends of the tall hierarchies operated to restrict both horizontal and vertical bottom-up information flows (Haynes, 1980). Both the volume of information circulated, and the scope of managers' access to it was limited. There were tendencies for information to be used as a weapon in individual and departmental struggles for power, and "to be treated by departments and even sections of departments as if it were their property." (LGTB, 1990, p14).

More open systems focus on the importance of free information exchanges both horizontally and vertically, throughout the organisation. Flatter hierarchies and devolved management systems involve managers in a wider range of responsibilities for the work of their "empowered" teams of staff, located within semi-autonomous and self-motivated business units working towards fulfilling the organisation's overall objectives. Here, managers and team members require full and open access "to the information and tools required for functioning and collaborating within the team in a broader context." (Tapscott and Caston, p12). In the context of devolved management systems, the availability of more sophisticated computerised information and communication systems, and the development of the "enabling", "fragmented" and "competitive" council, the local government literature stresses the need for managers to operate within "intelligence and information systems" which cross professional and hierarchical boundaries both inside and outside the organoisation. These developments involve more extensive co-working across work-unit, departmental and organisation boundaries with an increasing range of external private, public and voluntary sector

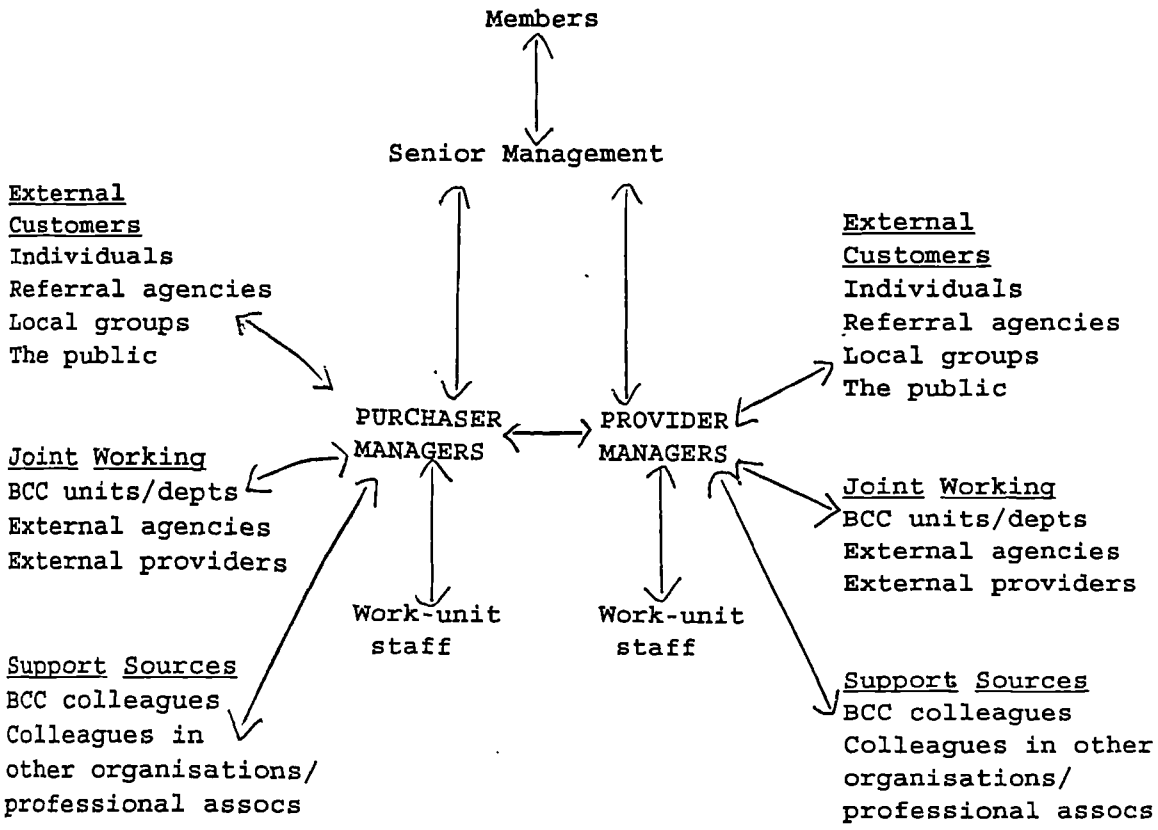
organisations (Clarke and Stewart, 1988; Sroker, 1989; LGTB, 1990; LGMB, 1993b). Managers are becoming more involved in inter-departmental, inter-organisational and inter-disciplinary project groups and work teams which operate across traditional functional roles; managerial information processing and liaison roles are becoming more significant.

As outlined in Chapter 6, BCC senior management had adopted a strategy of encouraging managers to develop and maintain both formal and informal links between sections and departments within BCC, and between BCC and other organisations. They had pursued a policy of facilitating such contacts and of achieving more open communication and information flows, both vertically and horizontally within the authority. In addition, the Authority had introduced sophisticated and more "user-friendly" computerised financial/management systems. These, together with the installation of an E-mail system in some Departments and the development of computerised networks with some external organisations, enhanced the scope of managers' communication and information processing activities. These developments, as discussed below, suggest some moves by the Authority towards the "post-bureaucratic" horizontal market and network, as opposed to the traditional vertical bureaucratic, forms of organisation identified by authors such as Kanter (1989), Peters (1992) and Thompson et al (1991).

Reflecting the trends outlined in the literature, and the policy developments within BCC, the managers' responses indicated that most of them were becoming more actively involved in developing and maintaining more contacts (outside their own work unit) with a wider range of individuals both inside and outside BCC. They were becoming more extensively involved in receiving, processing and transmitting a growing volume of information. Different managers focused on different changes -

including decreases as well as increases in involvement in some areas for some managers. However, 44 of the 48 managers considered that their involvement, overall, in liaison and information processing activities had increased since the mid 1980s. 39 managers considered that BCC had become, in general, a more "open" organisation in terms of overall increases in the volumes of information circulating, and in terms of more open and accessible communication systems.

The individuals and groups (outside their own work units) with whom the managers reported increased involvement in the exercise of their liaison and informational roles of monitor, disseminator, and spokesperson, can be grouped basically into the four categories, both within and outside BCC itself. These involve contacts: between purchasers/customers and contractors/providers of services; with other BCC staff, and with staff from external agencies, involving inter-disciplinary and across functional boundary project/team working and joint planning and provision of services; copwith individuals/groups concerned with mutual exchanges of managerial, professional and personal support and development for the managers; with senior management (and subordinates). The functions of these information exchanges can be analysed at three levels, using Tapscott and Caston's model: at work-unit level, to monitor and improve performance; at organisational level, to ensure integration and coordination between the increasingly semi-autonomous business units; at inter-enterprise level, to develop inter-agency co-operation in service planning and provision. At each of these levels, the complex horizontal and vertical information exchange systems within which each manager operated can be illustrated diagrammatically below:



Purchaser/customer and Provider liaison

Information exchange and processing with regard to customer/provider relationships operated at the level of ensuring improved team performance (in terms of meeting customer/purchaser needs), and also at the other two functional levels - ensuring integration between various sections of the organisation, and inter-organisational collaboration in the development of joint service planning and provision. Government legislation plus BCC's own policy decision had led to the introduction of a comprehensive internal market system within BCC - involving a Purchaser/Provider split, and the development of semi-autonomous business units operating increasingly on a trading account basis (see discussion in Chapter 6). This role split had created for Highways and Social Services managers, a new "horizontal" requirement, which did not exist before, for integrative liaison and information exchange between managers occupying the two roles - within the same departments for

Highways and Social Services managers. This took the form of reaching agreement on initial service level specifications, ongoing liaison on a day-to-day basis to deal with the details of implementation and amendments to the original specifications, and rigorous monitoring by the Purchaser of service provision against the service specifications. Several managers attributed the increase in their involvement in liaison activities partly to the introduction of the Purchaser/Provider split:

> "There's growth in it (liaison activity) inasmuchas we now have a client (Purchaser) side and the D & C (Design and Construction) side. Before, basically, we did everything - it was all Highways Engineering in days gone by, and someone was told to do a project and they designed it, and they went out and supervised it, and then they went out and did the next one. Now, we have the client role, and therefore we have to act as a client and therefore we have to liaise with the people who are actually doing the work (the Provider) - we want to make sure they're spending our money in the right way. In days gone by we <u>were</u> the people doing the work." (Highways Purchaser manager).

In addition, the Purchaser/Provider split provided a mechanism for integrating policy planning and resource allocation at departmental levels. Purchaser managers contributed towards departmental business plans and policies through feeding up suggestions for improvements and modifications to services on the basis of their contacts with external and internal Providers, end-users and various local interest/community groups (see further discussion in chapter 8 on decisional roles). The Purchaser held the budgets, and then decided how to allocate funds amongst various provider groups - *within or outside BCC, who were then* responsible for ensuring service delivery according to the specifications.

The following quotation from a social services manager illustrates the complexities of Provider managers' multiple customer identities witin this market system, and the complexities of the information exchanges required between them:

> "I think we tend to see that we've got three lots of customers.

> We've got the pure Purchaser of the service which is the Department, through the policy makers and the area commissioners (of services) and all those people, and even the politicians - we tend to block them altogether as one. Now obviously they are representing the interests of the end-user of the service - the clients. But obviously, these are a customer in their own right as well. Then we've got the third block which are the external agencies which is the District Councils. Now, I guess in terms of how the Councils are represented, it tends to be through the (Departmental) Purchasers, but, having said that, we work so closely with them (the Councils), that I tend to represent their view. I might say, well this is the viewpoint of Twelvetrees District Council at this point, as we need to bear it in mind. So, yes. In a way they all interlink. I think the staff have got the idea that we've got three lots of customers, but at the end of the day, it's the person with the disability and their carer who are the people who are hopefully going to benefit." (Social Service Provider manager).

As a consequence of the Purchaser/Provider split, and BCC's customer care policies (designed to improve the Authority's responsiveness to both individual and community needs and demands), 43 out of the 48 managers reported significantly increased levels of involvement with a wider range of customer groups, both inside and outside BCC, as shown on the diagram reproduced earlier. These included end-user individuals and groups, local community groups, local pressure groups, and internal and external purchasers/clients, responsible for ensuring the provision of services by Providers to their own end-users. The purposes of the information exchanges and processing centred around each of Walsh's (1989) four customer care dimensions - service quality, access, choice of service, and user-group/ community participation in policy decisions. For example, some social service managers were involved with the user and voluntary groups who participated in drawing up community care plans for their areas. The move towards improved service quality, access and choice involved Highways managers in increasingly extensive contacts with individual members of the public, local groups such as Chambers of Commerce, Parish councils etc., and with national and local interest groups focused around, for example, environmental and nature conservancy concerns. There was increased emphasis on gaining feedback from

consumers about the success of traffic schemes through questionnaires, public meetings, and liaison with local groups and councillors.

Underpinning these developments were significant changes in the nature of customer/provider relationships. The idea of providing services "for and with people, not simply to them" (Walsh, p60), underpinned the four key customer care dimensions. Managers were thus required to become more extensively involved in liaison with their various customer groups, who, under their new status, were more extensively involved on defining their problems/needs and the particular goods or services they required - rather than relying on the "expert" or "professional" judgement of the provider.

Purchaser and Provider managers made a number of comments about the impact of the internal market on their information processing roles. Some, mainly Purchaser managers, considered that the internal market had clarified information flows within the organisation:

> "The lines of communication are a lot clearer. the functions are a lot clearer, and, hopefully, they are more efficient because we have a client who is in charge saying: "That's what we want done". At the moment we're saying to D and C: "Go and do that." - before very long, it will be going to D & C: "Give us a price", and we'll say to Joe Bloggs, consultants: "Give us a price", and we'll get the best job and the cheapest job - not necessarily the same thing of course." (Highways Purchaser manager).

Many Highways and Social Services managers, however, especially on the Provider side, also identified problems with the internal market system, reflecting many of those identified by Walsh (1992 INLOGOV) as accompanying the introduction of internal markets. (Some managers did take pains to emphasise that "it's early days" in that the recently introduced systems were still being tested out and reviewed.) Whilst managers tended to emphasise that the Purchaser/Provider relationship was intended, in line with the general changes in customer relations described above, to operate as a partnership, they highlighted a number

of obstacles in the way of achieving productive and cooperative information exchanges between the two sides. Many Highways and Social Services managers commented adversely on the increased formalisation and "contract bureaucracy" which tended to characterise the relationships between Purchaser and Provider generated through the requirements for precisely specified contracts or service level agreements:

> "Things have changed over the last couple of years...The job hasn't changed. They (the Providers) really do still know what needs to be done but the ethos has changed in that they have taken one step back and said to us (Purchasers): "Tell us what to do now." So whereas we used to go and have a chat with Joe Bloggs and say, "Well we ought to draw up a traffic signal scheme for this junction or whatever, and he'd say, "Oh yes, I know what's to be done, yeah, I'll go and do that" - now, he's got to take one step back and say, "Well, you write down exactly what you want me to do and I'll do it.". So we've come back to bureaucracy, in a way, and red tape. It's actually injected quite a wedge of form-filling and red tape into the organisation. So whereas we were a nice close-knit organisation and probably fairly efficient, I would suggest that perhaps we're less efficient...." (Highways Provider manager);

> "We (Providers) agree to provide a service for the Commissioners (Purchasers), and then the Service Development manager will enable the thing to happen. They act as kind of go-betweens and negotiators and brokers - facilitators between me and the Commissioners. But most of the negotiations, we could do on a one-to-one basis with the Commissioners, and I question whether the Service Development bit gives any value added - in theory they drive and facilitate the negotiations with the Commissioner, they actually do the writing of them. But really, they're only writing on the basis of what they are told by us - I could almost reduce it to a clerical function, I think - it is very confused.....That is an example for me of over-bureacratisation, over-proceduralisation - I went to speak to a colleague the other day, and he was clutching this great big document - a 50 page document, which was a service level agreement - written in this awful legal jargon, you know: whereby and whereas at and whereat, the first named party etc, and he'd slung it in the bin and written a single sheet back to the Commissioner saying: "This is what we can do and it won't cost you anything more and this is how we'll do it - if you're happy with it, let me know", and he rang up and Said "fine", and that was it. Why are these people doing this - if they're saying let's cut the garbage, let's cut the fat in the structure, then why is this happening....." (Social Service Provider manager).

Reduced levels of contact with end-user customers/the public was seen as an adverse consequence of the split by some Provider managers, in that the responsibilities for obtaining, processing and acting directly on

feedback received from end-user customers to change service provision, rested technically with the Purchasers (in liaison with the Providers). "Theoretically, I have no contact with customers." explained one Highways manager, who went on to say that this depended on whether or not the client chose to pass this function back within the contract specification. Social services Provider managers tended to feel that they were best placed to carry out these functions, given that they provided the services. They commented adversely on the fact that, unlike previous practice when they were able to amend services to meet changing customer requirements, they now had to secure the agreement of the Purchaser: "We have to come up with the good ideas, but then we have to sell them, literally now, to the Purchasers." Clearly, as suggested in the quotation above, the role split placed complex negotiating and other communication skill requirements on managers, who were still in the early stages of working out a modus vivendi. Thus, for example, linked with the idea of "selling" was the importance beginning to be assumed with income generation in the internal market through the trading account status of the Provider Managers' work units. These managers were dependent on the Purchasers for their fund allocation; although, again, the intention of partnership was mentioned here, a number of managers stressed the threat posed to free communication/information flows and cooperation between work units, including inter-agency work:

> "I think it must be a function of the Purchaser/Provider thing, but I do virtually no liaison work at the moment. I think that's because if we're in-house providers, these roles and relationships with other agencies is something that has been somewhat highjacked by Service Development (Purchasing role), and arguably it's not my place to go and talk to, say, the education department. If the Commissioner thinks that tacking on some education to our in-house services might provide a better service, then it's for them to do it, and, turning it round the other way, if another agency comes and says we can do this if you can give us X amount of money - its all about deals - we have no money to to give because we only get what's allocated to us by the Purchaser. It's not quite so stark as this; we do some good inter-agency work at a practical level - education, health. Within the agencies, I've maintained my informal network, but again - maybe it's an undesirable consequence

> of the split - it actually forces people, no matter how they try and resist it, into some rather wary - you know, what are they after here. We often joke about it, you know: "I'm not going to charge you for this discussion - if you come and ask me for some advice, this is free."........I think we have resisted the worst excesses of it in this Area, but in other areas some of the Commissioners are being really macho and draconian, and saying: "We are going to put you out of business." For Christ's sake, we're all part of the same organisation, we've all got the same basic qualifications, and the same basic organisational motivation...." (Social Services Provider manager).

This quotation illustrates the tensions identified by authors such as Walsh (1992), Langan and Clarke (1994) and Hulme (1994) which can characterise relationships between Purchasers and Providers. The "collaborative" behaviour required can be threatened by by Purchaser managers' desires to maximise their control over service design and specification (and to minimise costs) and Provider managers' desires to maximise their control over the service delivery process (and to maximise income generation). This potential conflict appeared especially problematic with services such as social work where the complex nature of the task precludes a simple distinction between service specification and delivery (see further discussion in chapter 8).

In the context of their reliance for work on the Purchasers, many Provider managers emphasised the considerable efforts they made to develop contacts with any potential Purchasers - both inside BCC and in other public sector agencies - to generate new work and income possibilities. For example, Commercial Services managers, explained that they had had to develop new and more sophisticated methods for liaising with with their enormously increased number of customers - such as individual headteachers and heads of residential institutions - following devolution. This had changed from the pre-devolution period, when they simply had to maintain contact with a small number of departmental Purchasers, acting on behalf of all departmental users:

"Under the old culture, there was more opportunity to talk to people - for instance we involved the people in Education in the requisition centre in decisions on products they were going to buy. There isn't a centre now. You can't go and talk to 800 schools....What's happened in reality as I mentioned earlier - we're developing a bright glossy catalogue with a range of choice, and we're adopting a selling role rather than a coordinated purchasing role." (Commerical Services Provider manager).

Joint Working Activities and Sources of Support for Managers

Many managers within all four departments, operating either as Purchasers or Providers or simply as managers involved in joint work ventures with other groups across BCC and within various external agencies, reported increases in their collaborative working and project work and contacts with such groups - in terms of increasing amounts of time spent with a growing range of such contacts. Differences between internal and external service providers appeared to be diminishing as a consequence of BCC's internal market and CCT and other legislation. The use of service level agreements and specifications, and the subsequent monitoring of service provision standards operated across the boundaries between BCC sections and departments, and between BCC and other organisations. These developments reflecting closely the development of the "fragmented" and "enabling" local authority described in the local government literature - and the "boundaryless" organisational form (Peters, 1992; Francis, 1994). One social service manager emphasised the importance of her own part in breaking down inter-agency barriers and encouraging collaborative working between them:

"I liaise all the time. I think it's absolutely crucial. I spend a lot of time - I work incredibly hard and I see it as vital, as we're moving more into inter-agency work care. I think we're actually starting to look at the needs of the individual rather than the resource-led implications, which is sitting behind your carefully guarded agency walls and saying, "we'll do it this way inside here, and we'll criticise you over there for doing it your way and not doing it properly.". My definition of a middle manager is somebody who breaks the walls. You have to enable that, you have to get rid of this sort of defensive, protective mechanism, and that's what I do all the time. It's a prime

objective...I chair what's called a Joint Care Planning Team for children's services, and that's the three main agencies plus voluntary agencies. I sit on inter-agency Child Protection Committee; I started up an inter-agency joint funding mechanism for learning disabled adults...I've make sure that we get together to make decisions. There used to be an 8 month wait sometimes for decisions on joint funding about children, with the health service and education, to get everybody together....
(Social Services Purchaser manager).

Statutory requirements for more inter-agency co-operation - for example, required by the Children's Act for Social Services, by EEC legislation for some Highways functions, together with BCC's and the Government's customer care requirements - also encouraged inter-group working. But, as noted above, contacts were tending to become slightly more formalised. The following quotation was typical of many responses made by managers, illustrating the wide range and complexity of the networks of contacts and information exchanges within which they operated. Their involvement here, while varying according to the precise nature of the managers' functions and their personal preferences, tended overall to be increasing for the reasons just described:

"I have probably 4-5-6 meetings a week sitting round a table - telephone calls are legion - with Transportation, Traffic Systems, Planners (BCC sections), people from outside like Seeboard, Gas Board, BT, BR, Southern Water, National Rivers - landscape groups, conservation groups, Barset Trust for Nature Conservancy, pressure groups, planners, the Districts (Councils). There's more and more legislation, more and more involvement - it's become more sensitive recently with the planning side of things and the landscape side of things. People are more environmentally aware than they used to be. You've got the Green side of things now, people are more aware of their rights than they used to be - communication has increased public awareness and they know more about their rights - not everyone wants to know about what's going on, but there are more that do want to know, there's the Citizen's Charter.....Materials suppliers and contractors; I've always dealt with those; you get more involved with contractors and things when you're on the Construction side of things. We write the specification for these materials, and on site they deal with the guys who turn up with the stuff, so I'm less involved at the moment as I'm Design. I used to do the odd lecture on aspects of geotechnics and things like that; recently, I talked to a girls' school on highways; it's probably about the same here - I've always enjoyed doing that sort of thing...."
(Highways Provider manager).

Project and collaborative/group working can operate at each of the three

information exchange and communication levels outlined above - at the level of improving the manager's own work-group performance, at an organisational integration level and at an inter-enterprise level. Managers mentioned a number of collaborative/group-work projects, specifically geared towards organisational and/or departmental integration. Forty-two of the forty-eight managers had attended Making Connections. This was a BCC-wide management development and communication exercise aimed specifically at middle managers to ensure that they were kept fully informed about, contributed to, and understood the policies underpinning all the changes taking place in the County. Some managers mentioned a number of other County-wide training initiatives in which they had taken part, and which had resulted for some in on-going informal contacts with individuals across the county. For example, some women managers had maintained contact, and formed a mutual support forum, with other women who had attended a specialised women managers development programme.

Many managers also reported involvement in departmental working groups concerned with developing and integrating professional practice standards across their departments. These included a Quality Assurance group in Highways, a Mental Health Professional Development group in Social Services, and a Use of Capital Assets working group in Finance. Increases in involvement here tended to be attributed partly to meeting the managers' own career and professional development needs (see below), and partly to the larger number of such groups. A growth in these groups derived from the Council's policy of involving lower level managers more in decision-making, in response to the need, arising from devolution and the internal market, to integrate the operations of the semi-autonomous business units. At County-wide level, some managers from these three Departments were involved in various other working groups, not

necessarily directly related to their own work specialisms, including such diverse topic areas as emergency planning, census liaison, a "Green" team, the Council environmental committee, health and safety teams etc.

Commercial Services provider managers tended to report less involvement in BCC initiatives outside their Department, and, until the appontment of a new Director, in Departmental-wide initiatives. Managers here explained that, previously, the emphasis on individual unit managers working to improve the competitive position of their separate and quite diverse businesses, including the achievement of the rates of return required by the CCT legislation, had resulted a feeling of separateness from the Council as a whole. It had also resulted in a rather fragmented and non-integrated Department, with little inter-business unit working (reflecting the concerns expressed by some managers earlier about a possible similar impact of the Purchaser/Provider split in Highways and Social Services). Two commercial managers explained that they specifically avoided such involvement because of reluctance to spend time away from their core businesses. However, some Commercial Services managers reported that there had been recent increases in cross-Departmental initiatives - for example, a communication group, and management team "away-days" - since the arrival of a new Director who had made a specific policy decision to encourage more integration and a greater sense of corporate identify between the separate business units:

> "I suppose it's where the entrepreneurial spirit works against you in that you basically only want to talk with people you can do business with. That's how it works. You are more intent on pushing business along, rather than making friendly contacts with the rest of the Council. Each Business Unit has taken its own identity and you go off in your own direction. But there's a change in direction now. The last boss was very much for independent Business Units, but the new Director is very much for the closely-knit cooperative Department; we've come to learn to work more closely together again. You know, you may need to

> become more entrepreneurial but you're not Richard Branson. There's a common sense to actually doing things in a business-like but more friendly way." (Commercial Service Provider manager).

In addition to operating at a Departmental and County-wide integration level, these and other initiatives also related to helping managers to improve their work-group performance - and to providing ongoing professional development and personal support. Many managers reported increasing contacts with colleagues carrying out similar work - both inside and outside BCC. Social Services and Finance managers, who tended to be dispersed geographically across the County, met regularly with their counterparts across the county. One Social Services manager commented on how contact with her peers was encouraged by Senior management, "whereas previously, we weren't supposed to, because they felt it was a waste of time". Some Finance managers mentioned attendance at meetings at County Hall under the "dotted line" relationship between the devolved Finance managers and Centre Finance staff to facilitate professional updating and liaison between widely dispersed staff. In addition, reflecting the rapid and numerous changes taking place in professional practices nationally, (partly in response to legislative changes), most managers reported receiving extensive and growing, quantities of information about professional developments which was circulated throughout their departments.

Commercial Services managers focused more on contacts with their counterparts outside BCC involved in their specific work areas - for example professional organisations such as the Institutes of Marketing, Purchasing, Supply, and Printing, the newly formed Barset Professional Partnership, and consumer groups such as the London Utilities Council, and Energy Users Council. Highways managers commented on the extent to which other local authorities made contact with them, as Barset was well-known for developing new working practices in their professional

field.

Increases in involvement in all these initiatives tended to be attributed to three main developments. Firstly, more opportunities were being made available for managers to participate in such initiatives: "you're encouraged to get involved". Secondly, there was the need for new developments in work practices to be disseminated across the Authority and thus avoid duplication of effort - "to avoid re-inventing the wheel" as one manager put it. Thirdly, managers felt that they had to make more efforts "to be seen", and to inform themselves about developments in both the organisation and the outside world - for a mixture of reasons connected with personal career development reasons, and (particularly for Provider managers) the need to raise the public profile of their work-sections or Department:

> "The University of Barchester has just come to Prince Hill - I am on the local, the Barchester branch of the Institute of Marketing, and so they contacted me via that. And I said, "Hey, hang on - you're a customer. Come and talk with me.". When I'm on Making Connections, when I'm a SET advisor, when I'm on an ODAS course - I feel very much that, particularly the role I'm in now, but I think any role I've been in, that you are - when they see Barset County Supplies on your label, then you are Barset County Supplies to them, and the way you conduct yourself, and the way you input into it gives a flavour of what Barset County Supplies is about....I think networking is the new thing for the 90s, if you like, I think it's the way forward for communicating. I think that within BCC and outside , it needs to be a symbiotic relationship - a two-fold thing that as times get tougher in the economic environment, then the best thing is to actually group together and make the best of it and learn from each other." (Commercial Services Provider manager);

> "I've a number of points of contact within other local authorities where we share problems, and try and help each other through difficult times.....And then, just getting together with other people on an informal and formal basis, it keeps me in contact with things that are happening. But also I want to get beyond the point where I'm just managing my team, doing my job, earning money. I'm looking to future progression. Future progression is going to mean that I'm going to need to be involved in branch-wide activities rather than the team, and in learning. The first step on that ladder really, is to find out what happens elsewhere in the branch and get involved in it, which is why I asked to be involved." (Highways Provider manager).

Several managers explained how the proliferation of cross departmental and County work and project groups, together with the introduction of devolution, had broadened their network of informal contacts:

> "It's increased in the sense that because you have more contacts, you know more people. If I walk into the canteen at Greenfield now, I am just as likely to sit down and have lunch with someone from County Supplies or Finance, whereas before it would have been social worker type people. It's not necessarily on the grounds of doing it with some machiavellian motive in the sense of getting something out of them - it's just that I've met them, and so I know them, and I'll sit and have lunch with them because they're friendly." (Social Services Twinhatted Manager).

Finally, focusing again on the organisational integration functions of information exchanges and contacts, the reorganisation, of the cross-County functions such as Finance, Personnel and Information Systems, had also resulted in increased levels of formal and informal contacts between line manager "customers" and support service providers. The physical location, (under devolution) of these support staff within the line managers' offices enabled, and the new devolved financial and personnel responsibilities of the managers required, extensive contact and information processing and exchange between the two groups. Many managers commented favourably on the ease with which they could "pop down the corridor" to see someone or telephone a known person in these support sections who would be able to provide assistance. Finance managers emphasised the extent to which their devolved roles involved them in increasing levels of contact and information exhange with a wider range of individuals and groups. For example, within Education Finance, managers outlined the extensive nature of their contacts with personnel outside their divisional education offices, such as school Governors, headteachers, parents, and a special educational needs group - arising particularly from the local Financial Management of schools initiative.

In addition to their relatively informal and personal contacts here,

line managers also reported on the increasing extent to which they had become involved with support staff in various working parties set up to discuss and draw up information and/or financial systems. Here, under devolution and the new emphasis on the "customer" relationship, there was more scope for systems to be tailored specifically to the each department's needs.

The Authority had introduced more sophisticated computerised management information systems to accompany the introduction of devolved resource management. When asked about the impact of new technology on their information processing roles, most managers focused on the value of the more extensive and detailed information provided on these computerised systems which empowered them to make resource deployment decisions. They also commented on the in which these systems had enabled close monitoring of these decisions by specialist staff (such as Finance) and senior management (see full discussion of the impact of these systems in chapter 8). The Highways managers were the only departmental group at the time of this research who all had access to E-mail. This was seen in general as facilitating and enhancing communication and information exchanges across the department, and, for some managers, with external agencies such as district councils. However, some managers found it unreliable, in that "not everybody has got round to using it". In addition, Highways managers reported the continuing development of more sophisticated computer aided design and modelling software used to improve their service delivery.

More open informational roles and systems - developments and constraints

The managers' responses analysed above suggested that their liaison and information exchange and processing roles were moving in part towards

the role behaviour associated with the more open, as opposed to closed, information and collaborative working systems described at the beginning of this chapter. They were becoming increasingly involved in developing and maintaining contacts with an increasingly wide range of individuals with whom they engaged in various forms of task and project working and the associated activities of information exchanges and processing - across internal departmental and organisational divisions, and across professional and function role boundaries. In addition, the 39 managers' positive responses to the question about BCC becoming a more open system - in terms of increases in the volumes of information circulating, and in terms of more open and accessible vertical and horizontal communication systems - cited the disappearance of some of the practices associated with more traditional relatively closed communication systems.

Managers commented here on the considerable increase in the amount of information disseminated from Centre management team about: current and proposed future developments across the County related to policy and strategic issues; changes planned in general organisational structure and systems; central government initiatives impacting on local authority service delivery. All this was in addition to increased dissemination of information related specifically to managers' own work areas and professional spheres from their Departmental management teams (see discussion in chapter 8 about devolved decisional roles). References were made to feelings that the "grapevine" had become slightly less important in that "people tell you things now", that information access depended less on "who you know", and that there was less differentiation in terms of managers access to information based on hierarchical position. Many managers talked about a changing atmosphere where the "information is power" assumption was no longer so tenable, largely due

to the informational requirements of the many middle managers who held devolved decision-making responsibilities. BCC was also seen as having made a specific policy decision to improve communication flows, and to reduce hierarchical and departmental barriers:

> "Yes. I think it's getting better..... There's our own management team - we meet on a fortnightly basis. But sometimes I feel that there's always the possibility that things are filtered out before they get down to you. It's only as good as the person telling you, isn't it? Whereby, in Making Connections, they send round leaflets every and then, which is really good, and I pick up things which I haven't heard of before. They're doing the Shaping Up papers now, which is really useful. I think Making Connections was something which really brought all this to the forefront - people in my session were feeling that it could be better, and I think it has been - I think they've made a positive effort on trying to improve things. It's incredibly difficult with an organisation of the size we work with - really difficult. For me, Making Connections has been a real break-through. I've been at meetings with the Chief Executive talking to us all, and we've got a chance to meet Chief Officers. Our two Chief Officers both offered that we could go and see them, which I took up and went to see them individually which was really good - that's something I wouldn't have been able to do before. The Commercial Services Director is really good. He'll come down and come out to lunch occasionally and things like that. So it's nice to talk to him direct as well.....And I'm sure that if you were concerned about any particular Section, I think now they would make the time to talk to you, or at least to answer you if you wrote about something. Yes, it's definitely getting better." (Commercial Services Provider manager).

Key improvements identified by managers involved more structured systems of departmental management and briefing meetings, including circulation of minutes, which provided a useful vehicle for passing information down, and feeding information back up the hierarchical chain. They also identified the dessimination of increased amounts of written information directly to managers, with contact names for further information, and attempts by more senior managers to become more accessible. 37 managers considered that, overall, change management procedures had improved, largely as a consequence of increased information provision - "you know what's going to happen, and you know why" - both in terms of more written information and more meetings with senior managers (see further discussion in chapter 9).

However, many of these managers also mentioned constraints on the extent to which the organisation's communication and information systems had become more open, and identified several barriers to information dissemination. (Managers emphasised that, in most cases, the operational information which they required to plan and manage their day-to-day work - for example financial information related to their devolved budget-holder roles - was fully available; see discussion in the next chapter on devolved management). The barriers mentioned by the managers fell essentially into three categories (each discussed briefly below). These were: logistical or technical problems connected with the design of information/communication systems; the limitations of managers' own information processing skills and knowledge; "political" barriers concerned with the reluctance of senior management to disseminate information concerned with departmental/organisational change and/or policy issues, and/or to consult or involve managers in such higher-level decision-making.

These different categories of information barriers overlapped in many cases. For example, the sheer quantity of information circulation was cited as a problem by many managers who experienced difficulties in sorting out the relevant from the less relevant, in deciding what to pass on to their work teams (see above under leadership role), what to keep and how to file it. Some commented on the danger of missing important information because of the way in which they were "swamped" and "bombarded" with information, some of which was too detailed or of only marginal relevance to them. At the same time they emphasised that, in general, it was "better to have too much than too little":

> "You get trivia about new arrangements for bicycle parking at Greenfield, cheek by jowl with stuff about reorganising the central departments - you get absolutely swamped, and there's the danger of missing something important simply because you

can't process it all. But, having said that, it's better to have too much than too little". (Highways Provider manager).

This "swamping" problem raised issues concerned with communications systems design, the information processing skills and competences of managers - and could also be linked to practices associated with the more "closed" information systems described above related to individuals and departmental involvement in organisational power struggles and "politicking"*. Thus, this manager went on to speculate about the extent to which the information "swamping" was an inadvertent characteristic of a poorly designed system, and the extent to which: "you wonder sometimes if it's deliberate - they slip something vital in on the assumption that you might miss it!". In the same vein, several managers said that if they wanted to make sure a message would be read: "you mark it as strictly confidential - and then you're sure everyone will read it!". Similarly, with regard to requests to comment on proposals for change, some managers criticised the inadequate length of time made available for them on some occasions to respond to such requests. They were unsure whether this represented a "ploy" to discourage full responses (see further discussion below), or whether it was due to poorly designed systems. Several managers acknowledged the logistical problems faced by an Authority which was so large, with offices located all over the County, in designing communication systems which were quick and efficient (see chapter 8 for a discussion of the effectiveness of more sophisticated computerised management information systems).

Within more "closed" systems, communication systems tend to operate more effectively from top to bottom than from bottom up, and managers'

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* Many managers commented, albeit in rather generalised terms, on the way in which "organisational politics" continued to constitute a barrier to open information dissemination/exchange; unfortunately, there was insufficient time during the interviews to probe for further information on this complex issue

comments highlighted this problem, particularly in connection with change management planning and implementation. Whilst appreciative of increased information provision, many managers, expressed concern about inadequate opportunities for consultation, and/or scepticism about the extent to which contributions passed up the hierarchy - whether verbally or in writing - were used and/or acted upon by senior management:

> "There's a fair degree of consultation on what is happening - my query would be that in theory there is consultation, but I don't believe people are actually influencing the decision-making process - it's cosmetic...There's a lot of apparent consultation, but in fact the Director and the Department decides what they want to do, and that's what happens - everyone understands that...."
> (Highways Provider manager).

Many managers felt that the County had made real efforts, with some success, to "open up" the organisation in the sense of adopting a formal well-disseminated policy about free information flows and open decision-making. Yet, they felt that there remained behind the rhetoric of the "open organisation, sensitive policy areas at senior levels where only partial information was released, where "hidden political agendas" were suspected, and where consultation was largely a "pretence" because decisions had, in reality, already been made. As noted earlier, the purchaser/provider split, and threats to jobs from competition were seen as increasing the potential for power struggles in some instances:

> "Information is power, and power - people are very scared, I think, people are very scared about their jobs. Information is power, so you hang on to the information rather than - in times gone past, it was in everybody's interest to tell everybody everything. But now it's not, because it's my job that could be on the line. I mean, I've got to feel needed, wanted. We're all the same - I mean, being in a business environment, you don't necessarily pass on information which you think people may use against you." (Commercial Services Provider manager);

> "The Purchaser/Provider split has somewhat buggered up the (communication) chains...some stuff goes through Service Development who feeds the Commissioner, and some stuff comes down the Service Provision chain, and again the value of good informal networks are important. Quite often, John will copy stuff to me which says "Purchaser/Commissioner". But in other

areas, given the almost conflictual relationship between the two. it's: "I'm not going to give them that because that will HELP them", and certainly I'm concerned that John's stuff hasn't come by a direct route to me - it's only because of my informal.....I think maybe it's become, the culture has become more closed because of the competitive spirit that has been generated and forced upon people, so people have become far more wary and suspicious. Without a doubt I've learned to become a bit more guarded and canny - there's sort of more sparring, and people bidding for power, and trying to get bigger slices of the cake. There's a lot of that going on and it's very unclear and very unsavoury and very wasteful."
(Social Services Provider manager).

In addition, some managers expressed doubt about the commitment to the new "open" culture of a number of senior managers located at key information flow points in their departments (such as Social Service Area Directors, for example), who could act as blockages to free information flows:

"Our boss - he went last month - but anyhow, he was on the Departmental Management Team and he would have the minutes which he was supposed to show us. But we never saw them. Because he worked on the basis that that was what he was there for, to tell me what he wanted me to know. He was of the old school, you know, "this is my job, and you just have your little bit.", and he would tell me about finance, my bits, but he wouldn't tell me anything else. It put us in an embarrassing position when the Director came down and said, "do you see the minutes of the DMT?", and we said "not always", and he turned to my boss and said, "These are the key people in your branch and they should see them", and he said, "Yes, of course I will.". But he didn't. The only time we saw them was when he wasn't there, and someone else went and he would be given the file of them, and then he and I used to read through them.....". (Finance manager, Highways Department).

Managers also resented the "mixed messages" given out by the Council, in the context of some of their cultural change initiatives. For example, some Social Services managers commented on contradictions in some ways between the customer care approach, and the resource constraints which limited their scope for meeting consumer demand for services. Some considered that that resource constraints and (party) political expediency limited, to little more than consultation at best and manipulation or "tokenism" at worst, the involvement of users and other interest groups at the levels of service planning and policy-making,

rather than the full-blown "citizen control" end of the potential continuum for consumer participation outlined by Walsh (1989). Social service managers in particular reported problems with the way in which user-group expectations could be unrealistically raised in terms of invitations to:

> "'come and tell us what you want', and then they do, and we have to say: 'well, I'm terribly sorry but there's a cash limit', and they sort of look like a child that's had its sweets taken away..."
> (Social Services Purchaser manager).

Other managers were sceptical about the County's human resource management style policies geared towards ensuring increased levels of organisational commitment to the County - what one manager called "the caring sharing employer crap". They were critical about the coincidence of such communications with notes about cuts in their expenses entitlements, and with the insensitive handling of possible redundancies (see Chapter 9).

Finally, managers were asked about the main reasons for the increases in their involvement in liaison and informational monitor, disseminator, and spokesperson roles. The single, most often quoted factor identified by the managers as contributing towards the development of the more "open" information culture was the introduction of devolution (see discussion under resource-allocator role in chapter 8). This involved managers in additional information processing requirements as a consequence of their additional responsibilities for new areas such as personnel and finance management (and, for finance managers, devolved to service departments, their broader, more facilitating and enabling roles):

> "It's devolution - you as a manager have so many more options and so many more choices, that you <u>have</u> to have more information, you <u>need</u> more information. There's the feeding up of modifications and suggestions for change.....There was this thing, you know, that information is power, which prevailed, which is not so much now. It can't survive; that type of regime

> can't survive because people need to have information to be able to function at all with devolution...." Finance manager, Social Services Department.

In addition, BCC's adoption of improved customer care, more risk-taking and entrepreneurial cultures (see discussion in chapter 8), coupled with the internal market and the impact of CCT, required managers to seek out increased volumes of information from a wider range of contacts, both inside and outside BCC - for use in identifying opportunities for more efficient and effective resource utilisation, and for providing services which were more responsive to customer needs. The pursuit of such identified opportunities involved managers in extensive discussion and negotiation with purchasers/providers, with superiors, and with support staff. Increased levels of accountability for performance - assessed against more formalised performance criteria as a consequence of the Staff Development and Performance Review system and Departmental business plans and targets - involved managers in monitoring more rigorously both their own and their subordinate's performance (see leader role discussed above). In addition, they were required to disseminate information upwards about their own work performance, and feed back up suggestions for changes to the next year's business planning and policy-making (see discussion of devolution in chapter 8). Reverting to Mintzberg's model of the manager as "nerve-centre", it is to important to emphasise that the functions of the liaison and informational roles are, essentially, to ensure effective performance of the interpersonal and decisional roles. Given the changes, taking place in BCC managers' behaviour within these two roles, it is to be expected that these changes would, in turn, act back upon, and change the nature of managers' informational role behaviour.

Underpinning all these developments were the requirements of central government legislation. CCT, and statutory requirements for more

involvement of external agencies and local groups in service planning, design and delivery, combined with the Conservative ruling group's own similar policy orientations to push the Council towards the "enabling", "fragmented" and "competitive" model - , requiring the development of more open information systems, and closer collaborative work between managers in different departments and agencies.

Conclusion

Overall, the managers' responses suggested that some significant progress had been made towards realising the Authority's stated aims of improving managerial access to information and enhancing communication/information flows, in the context of a move from a relatively closed and vertical hierarchical to a more open and networked horizontal form of organisation. Managers reported, in general, significant increases in their involvement in liaison and information processing/exchange activities at each of Tapscott and Caston's three functional levels. These three functions involve: improving work-group performance; improving integration, and reducing departmental, hierarchical and professional barriers to communication across an organisation composed increasingly at operational levels, of semi-independent business units; improving liaison and collaboration at inter-enterprise level.

Yet, many managers' comments suggested that some barriers to the achievement of a new "open" culture remained. These barriers included logistical or technical problems related to communication/information systems design, and some concerned with managers' development of appropriate information processing skills and competences (see further discussion in chapters 8 and 9). Other barriers identified by managers reflected the existence of "political" tensions within the Authority,

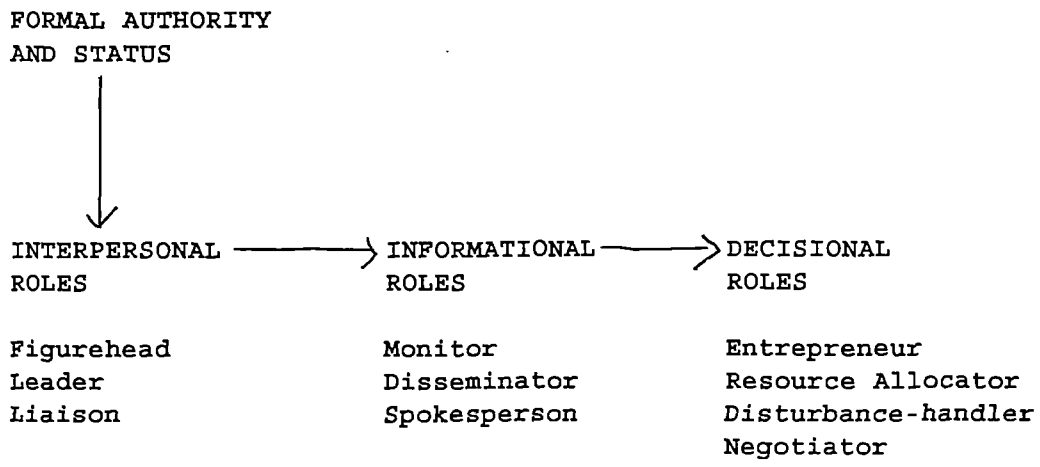
associated with pluralist organisation models, and related to Mintzberg's identification of the sets of tensions or pulls existing between various parts of the organisation as managers seek to gain or maintain decision-making power and authority (see discussion in the next chapter). These tensions operate both vertically between hierarchical levels, and horizontally - particularly in relation to the recently introduced internal markets. As noted above, there was insufficient time during the interviews to pursue this complex issue in detail, but, as several managers commented, information is, quite literally, "power" in this context. Thus, managers felt there was only limited information dissemination and/or exchanges on sensitive issues connected with resource allocation, policy decisions and organisational changes which could threaten some employees' job security or role status.

All of these tensions, compounded by the resource constraints and public accountability requirements of local government, can inhibit the openness of decision-making over sensitive policy and service delivery issues. Such tensions are analysed further below, in chapter 8, in the context of the managers' decisional roles, and tendencies within the Authority towards the centralisation and/or decentralisation of decision-making systems.

CHAPTER 8

Organisational restructuring in Barset: changing decision-making roles

The previous chapter analysed the changes experienced by Barset County Council middle managers in their interpersonal and information role behaviour. As Mintzberg (1989, p19) emphasises, interpersonal and information work activity "is not, of course, an end in itself; it is the basic input to decision-making", as illustrated in the following diagram:



The changes in managers' interpersonal and informational role performance discussed in the previous chapter both contribute to and derive from the changes occurring in their decisional work behaviour, which is the subject of this chapter. Mintzberg argues that, using the formal authority invested in their positions: "The manager plays the major role in his or her unit's decision-making system." (1989, p19). As entrepreneurs, managers act as voluntary initiators of change, and as disturbance-handlers, they involuntarily respond to pressures and events beyond their control - such as a supplier failing to deliver a product. As resource allocators, managers make decisions about the allocation of organisational resources - such as finance and personnel - towards

particular objectives. Each of these activities involves managers in extensive negotiations - the negotiator role. This chapter focuses first on changes in the BCC managers' resource allocator and entrepreneur behaviour, and then goes on to consider their disturbance handler and negotiator roles.

Resource Allocator and Entrepreneurial Roles

An increase in the extent of managers' control over resource allocation and deployment - through the introduction of devolved management systems - forms a key component of the new "managerialism" identified within public sector organisations, including local government, since the mid 1980s (Pollitt, 1990). Devolved management involves "ensuring that within the Authority each individual manager has responsibility for delivering a service or for achieving a stated result. This involves managers at the lowest practicable level within the organisation having: more authority over resources; greater scope for decisions; accountability for achieving agreed targets" (Stoker, 1989, p33).

As discussed in chapter 4, the term "to devolve" simply means to transfer or pass over, and it is important to note the difference between the devolution of decision-making responsibility to middle managers and the delegation or decentralisation of decision-making authority. The two may not necessarily be aligned within devolved management systems; devolution of responsibility for resource management may or may not involve the equivalent degree of devolution of authority to managers to make decisions about resource deployment. The devolution of authority involves at least a degree of organisational decentralisation, where "the authority to make specified decisions is passed down to units and people at lower levels in the organisation's hierarchy", in contrast to organisational centralisation where the

strategic apex at the top of the organisation retains authority over most decision-making (Child, 1984, p146).

From the examples of devolution provided in the local government literature (see chapter 4), it would appear that authorities have focused on trying to achieve a degree of vertical decentralisation, through the devolution of operational decision making powers down the hierarchy to middle and junior managers. Middle managers are empowered to make more operational decisions concerning the work of their line units, involving the deployment of financial, personnel and other resources against various performance criteria. They are accountable for meeting resource utilisation and service delivery targets, which are set within a framework of clear organisational policy objectives or strategies.

Under the contract management approach to service provision, involving the purchaser/provider role division, the decentralisation of resource management (within a budgetary framework) will take two forms. Client or purchaser managers have devolved powers to make decisions, in accordance with corporate policies, about using their budget allocations to specify and buy particular services from providers (located either within or outside the authority). Provider managers are responsible for providing services to the standards and costs set out in the service level agreement or contract agreed with the purchaser (Walsh, 1992).

The introduction of a decentralised management system requires changes within the organisation's financial and other management control systems. Thus, in the context of encouraging local authorities to adopt devolved resource management, the Local Government Management Board (LGMB) explains that: "In many authorities, it might be argued, control is exercised at too detailed a level at the expense of effective

resource management and policy direction. Too often, detailed control has been a substitute for deciding what needs to be controlled.....Devolved management means that detailed control gives way to more effective overall control" (Stoker, 1989, pp33-34).

Devolution (of decision-making authority) therefore requires changes in the control systems which tended to characterise the traditional centralised bureaucracies associated with pre 1980s local government administration - detailed personal supervision of subordinates' work activities, and the standardisation of work processes and/or (professional) skills and competences (Stewart 1988; Lowndes, 1992). "More effective overall control" systems (associated with the "new" more decentralised public sector management model) involve more emphasis on managers themselves taking greater responsibility for controlling their own, and their colleagues', performance within a framework of clear organisational policies and/or contractual objectives and service specifications. Control systems focus upon "ends" rather than "means" - on performance measurement, using performance targets and indicators (based on both financial and service delivery criteria) to control managerial performance (Hales, 1993).

However, many organisations can be reluctant to reduce their reliance on relatively detailed and centralised control systems. Senior management (and elected members) may fear loss of power and status, and they can encounter practical difficulties in attempting to maintain control over decentralised management units (Hales; Mintzberg, 1983, 1989; Robbins, 1990). For example, it can be difficult to design and implement financial control systems which can monitor effectively managers' spending decisions, or to identify performance criteria suitable for assessing and controlling managerial performance levels in some task

areas, where specific, measurable targets or criteria may be difficult, or impossible, to set. The mechanisms required to regulate the new contractual relations between purchaser and provider managers can also result in the generation of new forms of "contract bureaucracy", with "with variation orders for any change, and a plethora of work orders and invoices." (Walsh, 1992, p77).

These difficulties can be compounded within local authority organisations by their public acountability requirements, which tend to encourage the use of control systems which focus on "both means and ends" so that elected members are able to "explain and justify actions taken" by officers (Stewart and Ranson, 1988, p4). This is particularly likely to occur within highly politically sensitive service areas, and with services such as social work where there are uncertain relationships between the process of providing and the actual outcomes of services provision. Moreover, hostile organisational environments can result in moves towards (re)centralisation - especially for public sector organisations such as local authorities, where spending levels are controlled by central government spending limits. Legislation allows them to generate only very limited amounts of additional income through exploiting new market opportunities, and severely restricts the amount which can be raised each year from the local council tax.

Local authorities are therefore likely to be characterised by continuing tensions between relatively centralised and relatively decentralised forms of decision-making and control systems. Any increased levels of managerial autonomy over operational decision-making is continually under threat - from increases in local authorities' internal procedural rules and regulations, from increasingly tight and detailed specification of work processes as well as performance standards, and from the possible centralisation of the purchasing role in market

approaches to service delivery. Stoker et al (1988) and Hoggett and Bramley (1989) query the extent to which, devolution is likely to include the delegation of resource management authority as well as responsibility, below chief officer level, to middle line managers.

Failure to delegate decision-making authority, as well as responsibility, to managers under devolved management systems can reduce the achievement of improvements in organisational effectiveness which devolution is intended to produce. The overall aim of devolved management is to enable managers to improve the efficiency of their resource utilisation, and to achieve more flexible and creative service provision, which is more responsive to local community needs and demands - rather than wasting their time on essentially unproductive "bureaucratic rituals or protracted lobbying and negotiations with senior management" for resources and authorisation to act. (Hoggett and Bramley, 1989, p10). Particularly in the context of middle managers' entrepreneurial roles - where the manager "seeks to improve his or her unit, to adapt it to changing conditions." (Mintzberg, 1989, p19) - managers' scope for initiating such changes in service delivery and resource utilisation methods can be inhibited. This is particularly likely to occur if organisational control systems operate to constrain their autonomy over resource deployment and access to information, and to discourage innovative ways of working (Kanter, 1983).

Increased emphasis is placed upon this entrepreneurial role within the "new"local government model. This role requires middle managers to become "change agents for the future" (Stewart, 1988a), and to innovate and "take risks in 'stretching' the organisation in pursuit of strategic objectives." (Stoker,1989, p17). Within this context, reliance on traditional detailed control systems are likely to "thwart" rather than

support or encourage the development of managers' entrepreneurial skills and activities (Fulop, 1991, pp27-28). Moreover, managers can value opportunities for independent thought and action, and for developing skills and competences (Hunt, 1979; Scase and Goffee, 1989). The devolution of authority as well as responsibility is important for ensuring that such opportunities are maximised for managers operating within devolved management systems, and that the benefits potentially available to the organisation - from enhanced management motivation, job satisfaction, and organisational commitment - are realised.

Several key elements can be identified within the devolution process which have the potential for enhancing middle management autonomy, and for maximising the improvements to organisational effectiveness which can accrue from the introduction of devolved management. Firstly, as suggested above, it is important to achieve an alignment between managers' devolved resource management responsibilities, and their devolved authority to make operational decisions about resource deployment (Audit Commission, 1989).

In relation to financial and other management control systems governing the exercise and scope of devolved powers, it is important for senior management to achieve the right balance between two extremes - complicated rules and procedures which are "so rigid and minutely defined that the front line is purely an instrument for delivering what is still a highly centralised system" (Gaster, 1993), and a situation where the absence of suitable financial and performance control systems, and of clear policy and procedural guidance, can leave managers uncertain and unclear about the extent of their authority (Lowndes, 1992, p58). Either way, the benefits of greater control over resource deployment for both middle managers and the organisation as a whole will be diluted, with managers, frustrated by unfulfilled expectations,

losing faith in the system and/or indulging in dysfunctional "game-playing" activities to "get round" the rules (Blake et al, 1991).

Linked with the requirement for appropriate control systems, is the need for effective management information systems, designed to meet both corporate needs for information standardisation, consolidation and control, and the devolved managers' needs for information tailored specifically to their own particular departmental needs. This should be "easily accessible, flexible in scope and content, up-to-date, and easy to interpret." (Rawlinson and Tanner, 1990, p34). Clearly, computerised information systems, using the sophisticated hardware and software technology now available, have the potential to meet these needs. However, in the context of management control systems, new technology can be used to reinforce centralised corporate control as well as to "empower" middle managers. Fincham and Rhodes, after reviewing several studies on the topic, conclude that, rather than being used to maximise middle management autonomy, "new technology tends to be treated as a 'window of opportunity' to support the managerial instinct for centralised control." (1992, p319).

Managers within devolved management systems also need to acquire new competences to carry out their responsibilities for new functional areas such as finance, information, and personnel. Line managers require easy access to help and support from specialist support staff, and the provision of training to ensure that they gain the skills and knowledge necessary to maximise their scope for managing and controlling their resources. Changes will be required in the structure and functions of central support departments. This is likely to involve a clearer distinction between corporate roles and service provider roles (for devolved service line managers), and a new emphasis on functions

concerned with providing appropriate information, support and advice for line managers in addition to traditional control and auditing functions (Jackson, 1988; Audit Commission, 1989; Fowler, 1988). Support staff may also be relocated to service departments - with or without transference from the corporate support departmental to the service departmental staff establishment. Overall, a greater emphasis will be required on meeting the business needs of service delivery middle manager "customers". (see chapters 3 and 4 for full discussion of these issues).

As outlined in chapter 6, devolved management systems had been adopted by Barset County Council in a form which closely corresponded to the "new" management systems described in the local government literature. A document issued to all middle managers explained that: "In BCC, devolution is taken to mean a management style which allows those managers nearest the point of service delivery the maximum control of the functions which impinge on them and the services required to enable them to operate, within a specified organisation framework where accountabilities and limits of authority are clearly understood. The purpose of devolution is to improve efficiency and the effectiveness of service-delivery." (Making Connections, 1992).

Devolved management involved the allocation of authority over spending decisions to "front-line" budget-holder managers (acting as Purchasers or Providers within the Authority's still evolving internal market system). These managers were accountable, through the performance review system, for the management of the resources available to them to purchase or provide services specified within departmental business plan objectives - within a framework of corporate/departmental rules and procedures which ensured adherence to corporate standards and legislative requirements. The majority of central support staff - such

as personnel and finance - had been devolved out to service department establishments where they were expected to provide help and support for their line manager "customers" as well as to ensure adherence to corporate standards, and statutory requirements for probity and integrity.

In addition, managers had been urged to become "entrepreneurial" and "risk-taking" under a programme of corporate culture dissemination. This culture included a focus on: customer care; "Leading" rather than "Managing" (see chapter 7); continuous improvement - "asking naive yet fundamental questions about the things they do" (BCC/Price Waterhouse video); the "Ready, Fire, Aim" philosophy which "encourages staff to get the basics right first and fine tune later" (Making Connections Newsletter).

Middle managers' responses to devolution

The 48 middle managers were asked about the extent to which the objectives of the BCC's devolved management system had been met, in terms of enabling managers to exercise greater levels of control over their service delivery and resource management - and to adopt more "entrepreneurial" and "risk-taking" management styles - in comparison with the pre-devolutionary situation in the mid to late 80s. Their responses are analysed here within the key elements of the analytical framework outlined earlier. The increases reported by managers in their control over operational decision-making, including their assessment of the effectiveness of the support available to them from specialist staff and management information systems, are summarised first (illustrating tendencies towards organisational decentralisation). This is followed by an analysis of the constraints which restricted their levels of autonomy (illustrating tendencies towards organisational centralisation).

Trends towards decentralisation and increased managerial autonomy

The majority of the managers - 45 out of the 48 - reported that, overall, they had gained increased levels of control over various aspects of their operational management activities - over the financial, informational and personnel resources which they deployed to deliver services to their customers. The importance which managers attached to this increased autonomy over their operational management activities - especially over their deployment of financial resources - and service delivery was illustrated by their responses to the initial very general question put to them, about the overall impact of devolved management on their work:

IMPACT OF DEVOLUTION ON MANAGERIAL WORK

	Number of mentions made in each category				
Response categories:*	Social Services	Highways	Finance	Commercial Services	Totals
More control over management activities	12	12	9	6	39
Specific mention of budgetary control	12	5	1	1	19
Increased responsiveness to customer requirements	1		8	10	19
Other responses	4	1	4	1	10
(numbers of managers)*	(12)	(12)	(12)	(12)	(48)

* Some managers made responses which fell within more than one of the response categories, so the total number of responses for each department amounts to more than 12 (the number of managers interviewed in each department).

The responses of the managers within the first and second categories reflect the emphasis made in the local government literature about the increased levels of responsibility, accountability and decision-making authority which are expected to accrue to middle managers within

devolved management systems. The following quotations are typical of many such responses made here:

> "In a phrase, it's freedom to act. It gives a free rein to my responsibilities and ability to manage, it's about being able to make decisions and implement the decisions rather than necessarily - certain decisions anyway - having to go through a line of communication in order to get the final sanction. There's more financial control over budgets, so I can balance the books, so to speak, either by drawing in more resources if the money's available, or by how I use the budget, how I use the staff over which I've got more flexibility and control now than I had in the past" (Highways Provider manager);
>
> "It has meant greater responsibility and accountability for what you are doing. You have greater freedom within the parameters of good practice guidance, regulations and financial controls - you're not continually having to ask the person above you for something so there is a general cultural shift" (Social Services Purchaser manager).

The difference in emphases on particular aspects of devolution by managers from different departments appeared to derive, at least in part, from the different functional contexts within which they worked. This reflects Mintzberg's contingency approach to management role analysis, where location of managers within different functional/specialist areas are likely to affect their role perceptions and behaviour. Thus, the key impact of devolution on the Financial managers was related to their relocation within the direct service provision department establishments - such as Education and Social Services - and the consequent requirements for them to become more focused upon the particular business needs of their line manager "customers"; hence the focus here on responsiveness to customer needs (see further discussion below). The same emphasis on customer responsiveness requirements was made by the Commercial Services managers, although for different reasons. The devolution of resource management responsibilities to line managers in the direct service provision departments, meant that these line managers could buy many support services/products on the open market. In order to compete

effectively for custom from BCC and other public sector organisations, many Commercial Services managers had become far more aware of, and responsive to, their customers particular requirements and preferences for particular products/services, and to their competitors' product ranges and pricing policies:

> "As a business, it means we have lost the captive market. Up until 1988, schools and departments HAD to come to us, they had to spend their money here, and the service we provided then was appropriate to that status. It didn't matter if they waited 3 weeks for something, they had to come to us, all that sort of thing. It wasn't exactly laissez faire, but there wasn't a drive to - a real customer service. But we now have customers to deal with who make their own decisions on their own budgets. We're more customer driven in the fact that we have to understand what they want more. So life has got tougher, it's got more commercial. We have to work harder to ensure that people still come to us" (Commercial Services Provider manager).

Basically, failure to win business could result in the closure of Commercial Services managers' business units; in general, the Social Services, Finance and Highways managers were only just beginning to operate in such an open and competitive market environment. In addition, the transition to business unit status and the acquisition of devolved responsibilities for resource management had occurred earlier and had evolved over a longer period for most Commercial Services managers. As a consequence the extent of the increases which they experienced in their levels of control over resource management since the mid 1980s (when they already possessed a degree of devolutionary autonomy) tended to be less pronounced for most Commercial Services managers than for their counterparts in the other three departments, where devolution had been introduced more recently:

> "You see, we work differently here, we always have. The jobs I had before, we were responsible for budgets; we always had - not business units, but cost centres, which are the same difference. The rest of the Council's catching up with us"(Commercial Services Provider manager).

Focusing in more detail on the impact of devolution on the managers' control over resource deployment, 42 out of the 48 managers interviewed

were devolved budget holders, and all of these managers' responses indicated that they had gained increased levels of control over their resource management compared with the pre-devolutionary mid-80s. They had become more accountable, through the Authority's recently introduced Staff Development and Performance Appraisal system (SDPR) (described fully in chapters 6 and 7) for achieving both resource management and service delivery targets. Within the Authority's market system, which was still evolving at the time of this research, managers operated either as: (1) providers of services (to internal and, sometimes, external customers); (2) as purchasers of services (from internal and/or external providers); (3) as "twin-hatted" managers (the Finance managers devolved out to service departments had not yet adopted the purchaser/provider split).

Highways and Social Services Purchaser managers held the budgets for the purchase of services from the providers. They were responsible for producing business plans detailing within the framework of objectives set out in departmental plans and budget allocations, the costs, levels and quality of services required from providers. They were also responsible for monitoring spend and service delivery against these targets, and for amending service provision in the context of changing circumstances and requirements:

> "We are moving towards a more objective assessment of needs so that it may be possible, with a fair degree of objectivity, in the not too distant future to actually place the money where we really need to place it. The split of the cake will be determined by the needs primarily. At the moment, to be fair, it isn't totally needs, it's historical as well. But I think we are trying to move towards a total needs-based assessment.....Within that framework we set out an annual programme every year, but, inevitably, something happens which prevents us from doing the road resurfacing in one street, when there's a bit of a disaster somewhere else. Now that means that at the present time, I have the power to make these changes myself. I obviously tell someone I'm doing it, but once upon a time I would have had to check that I was able to do it from the financial point of view. As long as I retain my overall budget spending within the cash

limits, then I can changer things almost at will. So that's the biggest change, I think" (Highways Purchaser manager).

Social Services Purchaser managers also highlighted the moves in their department away from resource led to needs-based service provision mentioned in the last quotation. Two managers commented on the way in which the business plan framework, and their own devolved responsibilities for resource management and service planning within it, had provided them with more structured opportunities to contribute towards setting overall service priorities on the basis of their knowledge about local demands for a particular service:

> "We can give messages very clearly about where there is a projected overspend. Last year I mounted a really strong campaign because we were under-funded for (a certain service - confidential information). There was a projected overspend, and I was just letting the Area Director know each month where we were going. She was going upwards and now there is a county-wide review of how those fundings are decided. It's very different from feeling out of control a few years back. Knowing that there was a much greater need than you had a budget for, not knowing how to deal with it..." (Social Services Purchaser Manager).

Provider managers had acquired responsibility for planning, monitoring and controlling their budget expenditure to ensure provision of the service required by the purchasers (defined through contracts or service level agreements). They were also responsible for balancing costs against the income to be received from the purchaser to achieve financial targets of "breaking even" or generating a "surplus" (profit):

> "We have much more control. I think the creation of cost centre managers at lower levels is the starting point. That was never the case before - finance was controlled by senior management. I'm responsible for the budget of my team, which has a turnover of about half a million pounds. I have a trading account which means that each person costs so much money per hour which is a function of their salary - that's new - so I know that a person will provide income if he's provided to a client on a piecework or daywork or time basis; there's a surcharge on the cost rate which makes a profit....I have to make a profit within my turnover - I make money doing work for the Purchaser. The fee is fixed, it is a function of the cost of the scheme. If I say my fees are going to be £10,000 for a particular project, and I spend £9,000. then I've made a grand; if I spend £11,000, then I've lost a grand, and I have no way of clawing that back from him. The profit gets rolled into my cost centre, and at the end

of the year I have an outturn profit - or a loss, although I haven't had one yet....." (Highways Provider manager).

Increased levels of control over financial resources were complemented by more control over personnel resources, which was reported by 40 managers. (Of the remaining 8 managers, 2 had no subordinates at the time of the research, and the other 6 explained that they had always experienced a high degree of autonomy over managing their staff, and that devolution had meant little or no real change for them.) Managers were required to operate within the Authority's corporate policies, including those relating to staff salaries, terms and conditions of service. However, pay and conditions for manual staff employed in the Commercial Services Departments differed between the various business units, with some managers being involved in negotiations with the appropriate trade union about pay and conditions.

Many managers emphasised the part played by the Council's SDPR and performance related pay systems in involving them more extensively in the monitoring and control of their staff's performance, and in the identification of their training and development needs (see also chapter 7 under discussion of the leader role). Many also reported increased levels of control over other personnel management areas. These included staff recruitment and selection processes, more flexibility (both numerical and functional) over the way they were able to deploy their staff in response to changing service provision requirements and resource constraints, and more involvement in sickness and absenteeism issues, maternity leave, and disciplinary matters. Social Services managers had gained direct line management responsibility for clerical staff who had previously been under the control of Area Office Aministrative managers. Some managers stressed that they had experienced greater feelings of responsibility for their own staff management than previously:

> "Staff management has changed - like the performance review system - the whole sphere of staff management has changed. I think I feel much more responsible for the people here than I would have done 10 years ago because their targets are set by me, their money is coming out of my budget....There's a much greater feeling of them belonging to a particular setup." (Highways Purchaser manager).

Managers operating within devolved management systems, require various support facilities to enable them to carry out effectively their new functional responsibilities and to exercise their devolved decision-making powers to the full. They require training to help them develop the necessary new competences; they need easy access to support and advice from specialist staff, and to comprehensive management information systems. Most of the BCC middle managers reported that they had received some training on how to exercise their new devolved responsibilities. However, some were critical of the amount, the timing and the quality. All but two managers expressed a need for more training in a variety of competence areas in relation to changes in their decisional - and interpersonal and informational - managerial roles (see discussion in chapter 9). Particularly in relation to their new devolved responsibilities, 22 managers felt they needed more training in financial management and/or information technology skills and knowledge.

Most managers expressed positive views about the level of support provided by specialist finance, personnel and information systems staff, who had been devolved from central departments to the various service departments. Here, their operational activities were expected to be directed towards the business needs of their line manager "customers" (see below for discussion of some tensions here). Finanace managers were asked about the impact of devolution on their roles vis-a-vis their line manager budget-holder "customers". Ten of the 12 finance managers reported changes in their roles which reflected Audit

Commission recommendations (1989) about the need for moves away from the "ivory tower accountant" or "old-fashioned auditor-type" roles towards enabling and facilitating budget-holder managers to compile, monitor and control their own devolved budgets.(Two explained that they had always tried to operate in this fashion with service line managers). Many finance managers stressed their freedom under devolution to design financial systems to meet the particular needs of their service managers' businesses, using a variable range of practices within the overall corporate financial framework laid down by the centre. The following quotation, from a finance manager situated in a SSD area office, was typical of responses made here:

> "As cost centre managers take on their devolved responsibilities, it means that me and my staff are crunching figures less, and imposing our figures less, and we are becoming more like trainers and facilitators - we are doing less of our own professional responsibilities ourselves, and more helping other people to do it.....We see the cost centre managers as customers, we try to emphasise that we are the support role, and we attempt to assist and guide managers in their financial responsibilities " (Finance manager, Social Services Department).

The use of the term "customer" in this quotation was replicated in responses by other financial managers, some of whom reported regular monitoring - including the use of surveys - of the extent of line managers' satisfaction with their service provision. However, several finance managers - 8 in all - also acknowledged the limitations on their enabling and facilitating role. They explained that there were occasions when the controlling or monitoring elements of their roles inevitably took over in the interests of ensuring adherence to sound financial practices and corporate standards:

> "you still have to say NO! although you try and do it more nicely - you try and persuade them and talk it through." (Finance manager, Highways Department).

The "dotted line" relationship, operating through their Finance line managers to the Head Of Profession role at Central Finance, was designed

to offset the problems noted in the literature of ensuring professional development and career opportunities for devolved support service managers. (They could become isolated from mainstream professional and personal development opportunities.) This mechanism appeared to work well for most of these managers. Although some managers expressed concern about unclear and/or restricted career paths, and the dilution of their purely accounting roles, others felt that the broadening out of their role, and the chance to develop new skills and competences had enhanced rather than diminished their career prospects (see further discussion in chapter 9).

In contrast to the negative opinions expressed about finance managers by many of the line managers questioned in a Chartered Institute of Public Finance and Accountancy (CIPFA) survey (Holtham, 1987), 24 out of the 36 service manager "customers" agreed with the finance managers perceptions of themselves as becoming more accessible, facilitating and enabling. Terms such as *specialist advisor, partnership, and consultancy service* tended to be used by line managers to describe finance staff roles. Several managers emphasised the important role played by Finance staff in providing training in budgetary management skills; others stressed the value of easy access to finance staff located in the same area office, where "you can pop down and see them whenever you like." One Social services manager explained that the appointment of a new accountant from another authority had made her realise the extent to which the role of finance staff had changed in recent years:

> "We had a local government - a District appointment to our finance manager last year. A really nice guy, but he was very used to financing and controlling everything in his District Council - finance, the lot.....And he's had to learn that in our department he's (a) part of a team and (b) he's a support person - he actually supports the business, he doesn't run it. And that was difficult for him....." ((Social Services Purchaser manager).

The Commercial Services managers tended to stress the value of being able to move towards the more "commercial" and private sector style accounting conventions and approaches (i.e. focused more around income receipt) necessary for them to compete effectively on the open market, although they were critical of the time it had taken to achieve this. Only 5 service managers felt that the finance mangers and staff were no more receptive or responsive to their needs than before (the rest were unsure whether any change had occurred or not, and/or had little contact with Finance staff).

Most managers made similarly positive comments about the changes in the roles of devolved personnel and information systems staff, and the increased focus displayed by these specialist staff towards on meeting the business needs of operational line managers:

> "Information Systems - yes, they've moved towards providing us with what we ask for rather than telling us what we want. We've got a system called CMIS which is our Care Management Information System, and the care managers didn't use it because it wasn't relevant to them, and so they - they started to create user groups, and they've now modified and enhanced the system - its still not perfect but.....We really are now in the position to say, 'that's not good enough, go away and come back. This is the business we are in and this is what we need out of that system'"....(Social Services Purchaser manager).

Apart from Commercial Services managers, line managers in the other departments tended to be doubtful about the validity of the term "customer" to define their relationships with specialist staff, on the grounds, essentially, that "I'm not a customer in the sense that I have money to buy these services". As Walsh (1989) explains, the term customer is not appropriate for the situation described by these managers where they were required to use the service provided by the financial specialists, with little or no control over the cost and no choice of provider. Commercial Services managers, on the other hand, were fairly emphatic about their status as "customers" in that the

business unit managers negotiated each year - "haggled over", as one manager put it - the charges and the particular services they required from specialist staff. The possibility had actually been raised, although later discounted, that these managers would be free to purchase these services from outside BCC. Responses from some managers also touched on the conflicting role demands made on support staff, who, as noted above in the discussion on financial staff roles, had to try and reconcile the enabling/facilitating and the controlling aspects of their role:

> "It's a difficult situation really for the people in Finance. I mean, I have a tendency to feel that they try and influence the way things are done to too great an extent, but then of course the financial standing orders are fairly strict.....If I step out of line I'll be told that I can't do that, and it's not the people in finance saying I can't do it because they don't want me to, but because of the standing orders" (Highways Provider manager).

When asked to evaluate the effectiveness of the new computerised Financial Information Systems recently introduced across the County, the majority of the managers' responses were extremely positive. Numerous references were made to the benefits of the new systems. These were compared favourably with previous systems in terms of being easier to use and to understand, of providing "live" well-presented, accurate and trustworthy information (in line with the recommendations made in the devolution literature (Rawlinson and Tanner, 1993; Audit Commission, 1989)) which enabled the budget holders to have real control over their resource management. Several managers emphasised that they no longer needed to keep "ghost budgets" as they had in the past because of the unreliability of previous systems. Some managers had been involved in working parties, where Information Systems specialist staff worked in partnership with line managers to ensure that the new systems met the needs of the end users. The following quotation is typical of the responses made by many managers here:

"Before we had MIDAS (the new system) there was a regular flow of large bundles of computer output which nobody read, because you didn't have time to sit down and wade through an inch of paper when you were only interested in 2 figures. The net effect of the new system is that the information is all there and all available and you can use it and you can access it.....it's real hands-on stuff. I can go to my little machine in my office and plug straight into it and tell you what my state of trading is - just like that" (Highways Provider manager).

Overall it was clear that the recently improved computerised information systems had enhanced the scope of managers' control over their resource deployment and service delivery. (These systems had also made it possible for specialist staff such as finance to exercise more detailed and rigorous control over line managers' resource deployment - see discussion below.) However, some managers, mainly within Social Services, reported continuing difficulties in terms of access, flexibility, comprehensiblity and clarity of presentation; two managers were still using basically manual information systems for their service delivery operations. (Managers explained, however, that the systems were still being developed.) Some Social Services managers felt that the absence of adequate financial information severely impeded the effectiveness of their budget management:

"In terms of IT, we're still in the dark ages. Financial management information is out of date, it's unreliable, it's inaccurate, it's not always very easy to read, and the information is often highly aggregated as well which isn't always very useful...The financial systems are supposed to allow people to act in an independent way but this really barely exists" (Social Services Purchasing manager).

Several Finance managers highlighted that capacity of the improved information systems for enabling them to extract the required information more quickly, and to carry out more detailed monitoring, more easily, of their line managers' budgetary activities:

"IT has had a significant impact. I can get into all the line managers' accounts..... I could before, but it wasn't so easy. We have been able to increase the visible part of our budget monitoring - to supply more information, and more types of information more quickly, and more often; it's more ongoing and there's more of it. We're able to supply managers with

> additional detail and also supply members with additional detail....." (Finance manager, Social Services Department).

Managers provided many examples of the benefits which the Audit Commission (1989) suggests should derive from devolution - enhanced motivation, more efficient and effective resource utilisation, more accountablity for results (based purely on their own views and opinions - no objective measures were made available). Levels of accountability had increased; 46 managers reported that they had become more accountable and more "visible" in terms of being required to meet more precisely defined performance criteria (including resource utilisation and service delivery targets). This change was attributed to a combination of factors which included the new Staff Development and Performance Review system, Departmental business plans, clearer delineation under devolution of managerial responsibilities, and a general "cultural shift" towards more emphasis on results :

> "If something is going to land on you, it will land squarely on you now, whereas before you could dodge out from underneath it because the tiered method was such that nobody actually took ultimate decisions.....things are a lot tighter now" (Commercial Services Provider manager).

As noted earlier, some managers emphasised the primary importance of devolved budgeting, of actually knowing knowing what financial resources were available to them. This was contrasted with pre-devolution practices when their lack of budgetary responsibility - and even, in the case of some social services managers, a lack of awareness about the comparative costs of different types of service provision - made it impossible to manage financial resources or service delivery in any real sense. Many managers explained that their devolved powers (operating in conjunction with greater levels of accountability for results under the performance review system, and the pressures of operating in a more competitive environment) had enabled them essentially to make more efficient and effective in their resource utilisation. (Efficiency

refers to minimising resource levels needed to deliver output and/or maximising the output obtained from allocated resources; effectiveness refers to ensuring that resource deployment achieves the desired results or outcomes.) They were able to become more flexible and creative in delivering services geared more directly to precise customer needs. Overall, 39 managers reported increases in the extent to which they had become involved in "continuous improvement" activities, in the sense of continually questioning and examining work practices to introduce improvements in the efficiency and effectiveness of their resource utilisation:

> "There's been quite a shift in this respect. People are much more geared up to looking at what they're doing, amd why they're doing it, and how it can be improved. We're encouraged all the time to find better ways of doing things, and cheaper ways of doing things. I don't think that was around so much before; people just went in and - that's probably unfair, but I think that under devolution there is much more visibility now in being a manager - of providing a better service. There is certainly more competition to go higher and get more senior management jobs - you have to look, you know, as if you're in the business..." (Social Services Provider manager).

All of these managers were able to provide examples of the way in which their devolved powers had enabled them to deploy resources more effectively and creatively. For example, one Social Services manager explained that her increased control over her budget deployment had enabled her to make the decision to make use of an empty local authority house to provide supported care for some mentally handicapped clients rather than using the more costly and less effective (in terms of outcomes for the clients) alternative of a residential home:

> "I've just been able to do it, whereas, say, 4 or 5 years ago, I'd have had to go up through the great paraphenalia of the hierarchy to get that agreed. But it's my money, it's my budget - I can do what I like with it within reason.....Devolution means that I have the flexibility - within pretty strict criteria, there's not that much flexibility - but it does mean that we have some flexibility to use the money we've got more creatively. There's lots of small bits and pieces of projects - we're not so constrained now as we used to be when I first started by financial procedures and rules and regulations" (Social Services Purchaser manager).

As noted earlier, increases in the levels of managerial autonomy are also a prerequisite for enabling managers to become more "entrepreneurial" in the sense of being proactive in identifying opportunities for change, and acting as change agents. The Council's cultural change programme - encouraging managers to respond more rapidly to changes through adoption of the Ready, Fire, Aim approach to decision-making, and to become more entrepreneurial and customer orientated - had clearly been very effectively disseminated throughout the Authority. For example, 44 managers were familiar with the Ready, Fire, Aim approach and 40 were able to provide definitions equating broadly with those of the Authority. (21 managers expressed doubts about the efficacy of the latter approach on the grounds that it simply encouraged the Authority to continue existing undesirable change management practices - changes introduced too quickly, with insufficient attention paid to the implementation implications (see Chapter 9). Some also considered that the idea could result in an undesirable, and even dangerous, dilution of professional standards which, it was felt, required by their very nature, considerable attention to detail and the minimisation of risks.)

All of the managers were aware of BCC's requirement to adopt a more entrepreneurial style (defined by the Authority as involving "Outward looking; Future orientated; Proactive; Opportunistic" behaviour patterns). Most managers (46 in all) were able to provide definitions of the term. These focused primarily on the adoption of: (1) what managers termed a more "private sector business style", involving essentially the generation of additional income through actively seeking new business opportunities, and the development of more efficient management systems; (2) a more experimental and "risk-taking" approach to service delivery, in the context of more control devolved down the

hierarchy to enable middle managers to become more innovative:

> "It means freedom of action to come up with ideas of your own, to not have to be lead from the top. You can lead from the bottom and actually come up with good ideas and experiments, and try them out because you've actually got the money and the authority to do so" (Social Services Provider manager).

36 managers considered that, since the mid-1980s, they had adopted a more entrepreneurial and proactive approach to managing their work units. (The negative responses included 4 managers who simply felt that "it isn't my style". The remainder cited the constraints, not imposed on their private sector competitors, of central government legislation and associated BCC policies which restricted their scope to develop new business activities and generate additional income (particularly within Commercial Services and Highways). They also mentioned the requirements for political accountability to elected members which restricted their scope for "risk-taking" activities - see discussion below.) In conjunction with their adoption of BCC policies about increased responsiveness to customer needs, and a greater focus on customer orientation (43 managers reported greater involvement in "customer care approaches - see chapter 7), many examples were provided by managers of their more entrepreneurial response to service provision:

> "I'm very much an entrepreneur. I develop new ideas for the Authority - like the Catalogue (of products for sale to internal and external customers), and, more importantly, how it's funded. £95,000 of the cost of it is funded by the suppliers, and that's by developing a new supplier approach. It's not just purchasing the product, it's also getting technical support, selling support, and devloping those sorts of things, and a lot of that has been entrepreneurial" (Commercial Services Provider manager);

> "One of my colleagues has done a series of sitting in a High Street shop somewhere, and advertising it, and invited people to come in and ask questions about highways on his particular patch, and it's worked quite well. That's not entreprenuerial in terms of making money, but it's a fairly radical move compared with what we might have done in the past....He would seek approval from his line manager, but we are encouraged to have this sort of ideas, and go out and do it" (Highways Purchaser manager).

Overall, then, most managers reported greater levels of control over their resource management, aided in many cases by more effective information provision, effective assistance from devolved finance, information and personnel support staff, and at least some training and preparation for their new responsibilities. In addition, 38 managers reported an increase in their job satisfaction levels (see further discussion in chapter 9). This was attributed by many primarily to the introduction of devolved management; the comment, "It's more work on the same pay, but in actual fact I like it" epitomised the kinds of responses made here.

Tendencies towards centralisation and decreases in managerial autonomy

Most managers - 46 in all - reported that, in practice, they experienced a number of constraints which operated to restrict the scope of their control over resource management decisions - and hence their realisation of the benefits to be gained from devolution in terms of providing more cost-effective and flexible services to customers. 37 managers identified areas where they wanted to be allocated more authority over their resource management. These constraints reflected very closely the distinction made in the literature between the devolution of decision-making responsibility and authority (the extent of the devolution of the latter provides the key measure of the extent of decentralisation within an organisation):

> "There's a paradox - you've certainly got more responsibility, but you haven't got as much power - the appropriate level of power to go with that responsibility. They've always kept back more power than they've given you responsibility, so you have more things you are accountable for - that has increased under devolution - but for every 100% they've increased the devolution, they've only increased the power to actually exercise that by - 70%?" (Social Services Twin-hatted manager).

Firstly, in relation to devolved budgetary management, the Audit Commission (1989) identifies a number of potentially problematic issues

arising from non-alignment of financial control with management responsibilities, where detailed rules about the deployment of financial resources can restrict managers' scope for making more flexible and cost-effective use of their budgets. Many of these problems were raised by devolved budget-holder managers. Thus, for example, despite the raising of the spending level at which changes required approval by the Service Committee (of elected members), managers' control over decisions to switch expenditure (or make virements) between various budget heads was inhibited by requirements to obtain authorisations from senior management - mainly to ensure adherence to elected member policy decisions. The political environment was cited as a key reason for continued senior management monitoring of certain (politically) sensitive decisions; for example, in Highways:

> "All letters to elected members have to be signed by one of the top men - not by me. And they have to be finished differently - you know, 'yours sincerely' instead of 'yours faithfully', or something like that. It's the same with MPs. Because they like to keep control over sensitive issues" (Highways Provider manager).

Although acknowledging that political constraints were an inevitable factor in local government - "the price you pay for democracy" - some Social Service managers nevertheless reported the adoption of various manoeuvres, well-documented in the accountancy literature, to "get round" the regulations, such as recoding expenditure to avoid detection. They assumed that, in practice, senior management were concerned mainly with ensuring that budgetary spending simply remained within the set totals. However, managers also felt that scrutiny was becoming increasingly tight here, with reduced opportunities for middle managerial autonomy. This was considered to be due partly to the introduction of the more effective computerised budgetary management control systems, and due partly to clearer policy specifications through the recently introduced business plans. For example, within Social

Services, these were seen as becoming increasingly "like tablets of stone.", reducing middle management flexibility over resource deployment.

Flexibility was also inhibited by the lack of funds made available to purchasers to provide and develop services (deriving from funding constraints), and by prior commitment of most resources to fulling statutory obligations enshrined in the legislation and/or departmental business plans. Purchaser managers (all located within Social Services and Highways) did not yet have the freedom to choose freely between internal and external service providers - on the basis of the provider who provided the best value-for-money service. This was because of the Authority's own policy decisions about maintaining a degree of service provision in-house, and various rules governing their choice of provider. Ad-hoc "clawbacks", made by senior management from middle managers' budget totals to offset overspends elsewhere made it difficult for managers to draw up their business plans with any degree of certainty, and they were not allowed to "roll forward" under-spends in one year, to spend these funds in the next.

Provider managers also identified constraints on their autonomy to make resource deployment decisions, and to adopt more entrepreneurial forms of behaviour. Firstly, their opportunities to generate new business from internal customers within the Authority were limited by increasingly tight constraints (deriving largely from central government funding restrictions) on the funds made available by the Authority to purchaser managers to buy the providers' services. At the same time, they experienced tighter government regulations about cross-boundary tendering, plus the Authority's own restrictions on the amount of external work which they could pursue. These constraints placed what were perceived to be unfair and frustrating checks on provider managers'

attempts to generate new markets for their services, and to become, as urged by both the Government and BCC, more entrepreneurial and competitive:

> "There's no change (in relation to becoming more entrepreneurial). We still work for the same client, and we can't tender for outside work. I think it's window-dressing, personally - the idea that we are free to compete or be equivalent to someone on the outside (private sector). We are competing with our hands tied behind our backs - we can't compete with the outside and go out and tout for work" (Highways Provider manager).

In addition, many provider managers - particularly in Highways and Social Services - also felt that, in practice their control over resource deployment on a day-to-day basis was limited in practice by a number of other factors. They expressed concern about budgetary items over which they exercised little or no control to the point where "your budget's not yours". Mention was made here by various managers of various items such as: staff costs (salaries and conditions of service were centrally determined for the whole workforce, and these costs formed the major element in many managers' budgets)*; premises costs such as maintenance; set charges levied for support services such as personnel, finance and computing ("I would like to pay only for what I use" was a common response here); the exclusion of certain items such as training funds, and computing and other equipment from managers' devolved budgets. One Highways manager commented here: "I'm

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* Managers raised this as a problem in terms of reducing their control over their budgets, and restricting their ability to compete equally with other organisations. However, none, apart from some Commercial Services managers, actually wanted to take on the responsibility of negotiating separate terms and conditions for their workforces. A key area of concern for Social Services managers involved the "averaging" method used to estimate their staff costs. This meant (unlike Highways and Commercial Services Providers) that the true costs of their staff were not reflected in their budgetary allocations - especially if they had staff at the top of the scale, or who were awarded supplementary wage increases (for supervision work, for example).

responsible for spending tens of millions of pounds, but if I want a new pair of bloody boots, we almost have a Public Enquiry...". The lack of control over these and other items led some managers to comment adversely on the frustrating paradox of being held responsible for resource management elements over which they had no real control:

> "I don't want to sound power mad, but I actually think that if you are going to take responsibility for things, you've got to be accountable for them.....Like they've given us our budgets. Now, if you give me my budget, then I'm accountable for that budget, but I've got to have sole control over it. It's no good you saying to me: 'well, it's your budget but I'm going to take this bit off.' Or 'You don't have anything to do with the maintenance of the building; we'll do that but you'd better put £2,000 aside on your budget.' This sort of thing. To me, that's a nonsense" (Social Services Provider manager).

Detailed rules constrained many provider managers' autonomy over making decisions about resource deployment, such as: recruiting staff (within existing budgetary allocations); transferring spend from one budget head to another; disposal of any profit generated - "the rules mean basically it disappears into the black hole of the Centre". (One Commercial Service manager explained that he would have liked to use his "surplus" to introduce a dividend payment to his internal BCC customers along the lines of the traditional Co-operative Society "divi".) Some managers felt that the authorisation required, from their line mangers and/or specialist staff, to make various resource deployment decisions amounted basically to "rubber-stamping", which did not greatly constrain their autonomy in reality. Others resented what they saw as unwarranted and increasing interference with their managerial autonomy, arguing that they should be free to make resource management decisions as long as they met their service delivery and financial targets. For example, some Highways managers commented adversely on the requirement, recently imposed, to obtain line manager authorisation to employ temporary agency staff:

> "There is a recent constraint on that, on employing agency staff. My view again is, as a cost centre manager, if my cost

centre can stand the cost of bringing in that extra person to cover the peak in the workload, why shouldn't I do it? Why do I have to get approval from all and sundry?.....because of concerns about the increasing number of agency staff employed, there has been a controlling imposed on that in that I now have to get approval from my line manager" (Highways Provider manager).

Similarly, on making changes in staff deployment:

> "If we say, well, we'll take out these managers and turn them into practitioners, or take 3 people from there and put them there, it's not my decision. It's in negotiation with the General Manager (his line manager), and usually the final clearance would come form the area director. Then, as Providers, we also have to consult with our Purchasers. It's a bit anomalous really - you're told that you're autonomous, that you've got a responsibility as an accountable manager, but the reality is very different."
> (Social Services Provider manager).

Some Highways and Social Services managers, as a consequence of experiencing all these constraints on their decision-making autonomy over resource deployment, expressed doubts about the validity of applying the term "devolution" (in the sense of exercising control) to their newly acquired resource management responsibilities. They argued that these amounted to responsibility for budget administration and monitoring, but little else:

> "In theory, there is devolution down, but the reality is that devolution doesn't really exist at this level. It is really very cosmetic. There is very little equipment on my budget, my cost centre is effectively staff, and that is dictated....If I was, say, underspending on that budget, then in theory I have the ability to spend that money on additional staff or some bits and pieces. But the reality is that the group manager would want my underspend to balance someone else's overspend. Profits too - if my team was doing well and making an income, then that income wasn't mine to spend because that was wanted for the department generally. So it is very cosmetic. We are the muggins playing on the screens and plugging things in, but the reality is, because staff form such a high percentage of it, there is no real control, not real control" (Highways provider manager).

Commercial Services managers (who, as noted earlier, were all Providers, and who had moved most fully to quasi-independent business-unit status) appeared to experience fewer direct controls than managers in the other three departments on their operational and budgetary management

processes. For example, with regard to filling vacant posts within existing staff budgets - the emphasis was on "informing as a matter of courtesy" their line managers, rather than seeking authorisation, as the managers in the other three departments were required to do. They had more freedom to design and develop their own business plans, unfettered (under the "Umbrella design of the Department) by overall departmental business plans such as those existing in Social Services and Highways. (These included strategic and operational objectives set for politically sensitive services, where it is more difficult to measure and predict the outcomes of particular forms of service provision.) However, some constraints, emanating particularly from Central Government CCT legislation, such as cross-boundary tendering regulations, bore extremely heavily on these managers' opportunities to compete, as required by the CCT legislation, on the open market:

> "We were told to go out and get business from London and the rest of south-east England. So we did. And then along came cross-boundary tendering, and, of course, we were punished for having done precisely what we were told to do.....the very people who told us to be commercial told us, 'Not THAT Commercial!', and kicked us back down" (Finance manager, Commercial Services Department).

In addition, there were continuing tensions between these managers' requirements to adhere to corporate policies and standards - such as, complex contractual procedures designed to ensure probity, and staff conditions of service - and their need for flexibility in order to be able to compete effectively. For example, one manager had secured agreement from her staff to forego the annual increment award and annual cost-of-living rise to help in winning a contract. But "it was considered to be too difficult by Personnel, and that we really shouldn't do it." Such tensions, and the regulations on their competitive activities, caused some Commercial Services managers to echo the views of their Highways and Social Services counterparts expressed above in questioning the validity of the devolution concept when applied

to public sector management:

> "Devolution and delegation are two very different things in my book. Devolution is relinquishing and handing over the right to govern, to make the rules. What they really mean is delegation - it is a matter of handing down responsibility and delegation, but it is not devolution. The authority and the responsibility to make day-to-day decisions has been handed down but the right to make the rules hasn't. For example I ought to be able to say, 'OK, well, I will trade with the private sector.'. That is a rule I would dearly love to change. They haven't done that, and they never meant to. What they really meant is delegation" (Commercial Services Provider manager).

Finance managers, as noted earlier, reported that their own operational budgets (as opposed to those of their line manager customers) were concerned very largely with staff salaries. Here, their comments reflected those of the Highways and Social Services mangers outlined above - "the degree of freedom or flexibility is not great". Their concerns over controls on their devolved powers related far more to their roles vis-a-vis their line manager "customers". Finance managers devolved out to area offices - in Education or Social Services - cited resource shortages of time/and or personnel which limited the achievement of desired service level to service line managers. These Area-based Finance managers expressed concerns that their Departmental Finance Centres were beginning to reintroduce a degree of re-centralisation of financial functions and control systems, which was reducing the scope of their autonomy over their individual Area budgetary management :

> "Greenfield (where Departmental directorates are located) is like the phoenix out of the ashes - it has re-emphasised itself. What we are finding of late, probably the last 18 months to two years, is that there has been a bit of back-tracking, the Areas have begun to be more dictated to, to some degree, and of lesser importance. The budget preparation that we do, we get quite a detailed pack of guidance and rules and how to do it - literally, we must do this, we must provide that, we must do that, must do it then, and so forth....The budget for this year, for example. We have got certain budgets which are demand-led, or quite likely to overspend - statutory rights like school transport and free school meals. You are duty bound to keep going, so you go into overspend. The Education Department are fully aware of this, so they asked us

all in the six areas to save between us about £2 million, and that was going to go into a back-pocket, so to speak, and sit at Greenfield as an underspend, so we are all overspent in the Areas, we have got all the pressure of the overspends....Greenfield (the Centre), who has taken this money away from us, is sitting there with a pot which is £2-3 million just available with no expenditure against it so it is an underspend....We are told it doesn't matter when we are looking at Education as a whole, but then why have we got Area Budgets and Area Finance managers, Area Directors?" (Finance manager, Education Department).

Similarly, a Finance manager located at Central Finance, commented on the difficulties he experienced between reconciling strategic requirements with the pressures from Departments to go their own way, and explained why devolved budgetary management required a growth in written, formalised procedures:

"There were financial regulations but they were very limited in their scope - there wasn't a great deal of documentation because it wasn't necessary. Before, at the centre, you (finance staff) just knew what to do, there was no need to have it written down; everyone either knew or could consult with somebody down the corridor - how do I do this? But that no longer applies - hence the need to have much better documentation on what those processes are" (Finance manager, corporate services, County Hall).

Several Finance managers also commented on way in which the new, more sophisticated financial management systems had enabled them to scrutinise in more detail the resource deployment of their line manager "customers", and to ensure that rules about, for example, moving money between budget heads were followed:

"We make the (computerised financial) system so they (the managers) won't do it.....one of the managers said to me, 'you keep closing the loopholes', but it's only because I know about the loopholes that I can close them, and the door's never slammed and locked. They can do it the official way - like, they can apply to move money and it will go up the line of responsibility and back down again, and if it's agreed right at the very top, it's fine. What I'm stopping them doing is this quick shift across without telling anyone. They accept it as a challenge to see if they can beat me...." (Finance manager, Highways Department).

The same manager went on to give several examples of the way in which the more effective computerised information system had enabled him to monitor in more detail expenditure items such as overtime payment, lease

car charges: "it would have taken too long before, with 700 people in the department". He also emphasised the need for more intensive controls and procedures to accompany the devolution to managers of responsibility for, say, certifying invoices.

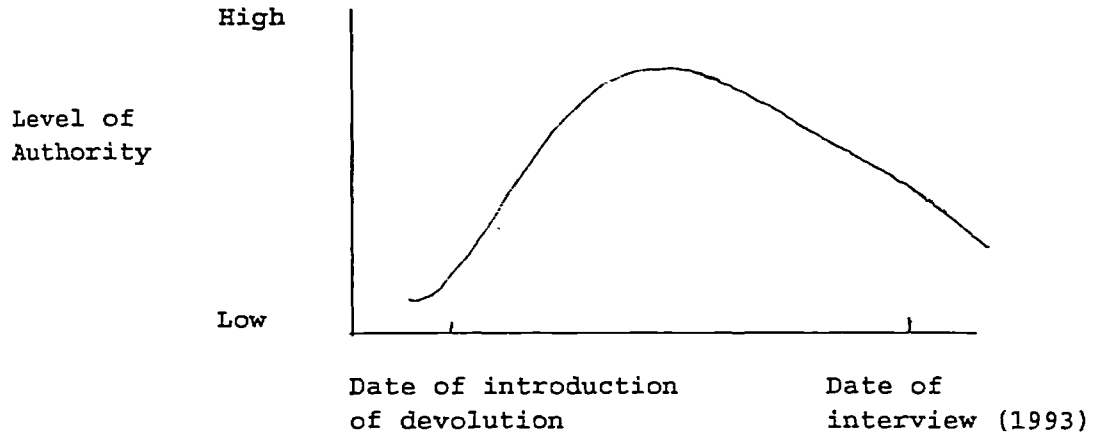
Highways and Social Services managers also tended to express the view that their professional service delivery had become subject to closer regulation, resulting in a reduction in their professional autonomy. They considered that the introduction of formal Quality Assurance systems (in some Highways branches) and formal procedural manuals and handbooks, including detailed specifications about service delivery methods (deriving partly from new legislation, as well as BCC policies), had limited the extent to which they were able to use their own professional judgement, and make changes in service delivery practices:

> "What devolution has done is generated a bookshelf of rules which didn't exist before.Those manuals (pointing to a shelf) - for years, we had nothing. I remember when I joined Barset, the divisional manual was that big (pointing to half-inch thick book). Then, back in the 80s, they produced a half-baked children's manual, which was that big (1 inch), and now we've got, we've got this (3 inches thick). That's an interesting - it links in directly with what I said about the counter-thrust. You've got nominal devolution, and yet you've got - a tighter at the centre, from the policy makes; nearly all this stuff has come from the centre....My overall view on this is that the organisational changes have been under the GUISE of devolution, but it's actually been around, yes, tighter organisational control" (Social Services Provider manager).

The introduction of control systems based on financial and service delivery outcomes or results (identified in the literature as a key feature of decentralisation) were seen as constituting an addition to, rather than a substitute for detailed procedural regulation of resource utilisation and service delivery management activities:

> "We've always had a hierarchical structure within the department, but overlayed on to that, or within that, has been the performance related pay and the target-setting process....I don't think much has changed in my judgement. We just got something overlayed on top of what already existed" (Highways Purchaser manager).

Overall, 34 managers considered that there had been an increase in the scope and amount of rules and procedures governing their operational management autonomy since devolution was first introduced. These continuing tensions between centralisation and decentralisation were illustrated graphically by a Highways managers to express the decline he had experienced in the scope of the authority devolved to him since the introduction of devolved management systems by the Authority:



Managers attributed the move towards centralisation to a number of reasons identified in the literature. These included the need for the Authority to control costs more tightly because of increasingly rigorous central government (and local member) determined spending limits; a feeling, particularly amongst Commercial Services and Finance managers, that devolution was expensive in terms of duplication of facilities such as financial service provision. (Several Commercial Services managers also commented on the increased costs incurred by inexperienced devolved managers with new authority to buy, for example, photocopiers from external sources, instead of using Commercial Services experiences to achieve the best deal.) Managers raised the continuing impact of constraints related specifically to public sector organisations, including restrictions on income generation and investment opportunities, the political sensitivity of certain service areas, and

the need for public accountability. They also mentioned a reluctance by senior managers to relinquish control:

> "I've got the feeling that it's started to reverse again - not because devolution hasn't worked, but because the Centre are now feeling threatened by the power of the Areas, and are trying to pull it back because they see themselves dissolving. In true devolution this would be the ultimate end, and they see this and they don't like it, and they are trying to reverse it - not for the benefit of the service but for their benefit. If I was sitting in the Centre, I might have a different view of course...." (Finance manager, Social Services Department);
>
> "It feels peculiar that they've given you all this authority, and then suddenly they will issue instructions about what you shall do in the event of child abuse with every t crossed and every i dotted twice, and yet I know why - it's because they're concerned about headlines in the Sun or whatever" (Social Services Provider manager).

Several managers suggested that, when devolution was introduced, senior management had paid insufficient attention to the need for clear delineation of authority for lower level managers. (Senior managers also considered that insufficient initial attention had been paid to specifying the framework within which devolved mangement systems were intended to operate; see chapter 6.) One social services manager emphasised the extent to which, initially, she had operated on a "trial and error" basis in terms of finding out gradually what she was and was not permitted to do in terms of exercise of her devolved decision-making powers. She felt that this omission had since been addressed, with the consequences, as described above, of increasingly tight controls over devolved managerial activities. A recent external auditor report had also raised the Authority's awareness about the nature of its' financial control systems:

> "They (Central Finance) opened the stable door, and everyone rushed out, and now they are saying, 'Christ, I've got no control', and they are trying to haul everything back in again, you know...They said, 'Away you go', and we started heading off in our own direction - so did Social Services and so did Education - and then last year, the the auditors came along and brought them up short, hence the review in this department. It was felt that control had been loosened to such an extent that the Treasurer could no longer exercise the control over his

> fiduciary duty....They didn't plan the devolution, they let it happen..." (Finance manager, location withheld to protect identity).

The recently introduced Purchaser/Provider split in Highways and Social Services, had caused some Provider managers to express concern about the potential of the new internal market system for replacing the pre-devolution vertical bureaucracy, which had constrained their decision-making powers, by a new horizontal "contract bureaucracy". The latter was reflected in the complex rules and regulations governing the relations between the purchaser and provider managers through service level agreements and contracts (see further discussion in chapter 7). New procedures had been required for arranging initial contracts to be drawn up between Purchasers and Providers, and for enabling subsequent changes to be made to these agreeements by both parties. Previously, "twin-hatted" managers (responsible for both functions) had been able to make all the decisions about service delivery methods and resource deployment on their own (in consultation with line management). For example, one Social Services manager explained that, in the context of attempting to develop new services at her elderly person's residential and community centre, she had to secure the agreement of her Purchasers, as well as the agreement of business manager support staff and her line manager.

Unproductive conflicts had developed between some Social Services purchaser and provider managers, arising from the aim of purchaser managers to minimise the cost of service provision and the aim of the provider managers to maximise their generation of "surplus" or profits. This had resulted (in the absence of a true market mechanism for resolving these conflicts) in problems for some managers in attempting to reconcile sectional interests with the common cause of achieving overall organisational goals. This could result in the "selfish" rather

than the "collaborative" or cooperative partnership behaviour (identified by Hulme, 1994) between Purchaser/Provider managers:

> "Some of my managers became like landladies, you know, arms folded - 'you've used an extra piece of toilet paper, that'll be another 25p'.....we created these diverse cultures which have been very unhelpful and very unhealthy, and I've had to find a lot of time to bring all this back and say: 'We all still work for BCC'."
> (Social Services provider manager).

As noted earlier, the Commercial Services managers had operated longer than the other managers within a market system, and thus had time to be accustomed to the procedures involved. The nature of their products/services such as printing services or the supply of business goods like paper, furniture etc., also appeared more suited to a Purchaser/Provider split. Thus the key potentially problematic issues identified by Walsh (1992) - such as service specifications, forms of contract, and packaging work for competition - could be more easily resolved. Complex services such as social work - where outcomes are less easily specified in advance, and where the division between service policies/objectives and service delivery operationals activities is less clear-cut - tend to be less susceptible to contractual forms of service delivery.

The managers' responses, overall, clearly reflected the tensions described in the literature between the conflicting tendencies towards centralisation and decentralisation which tend to characterise large divisionalised organisations such as Barset County Council. Before returning to this topic in the conclusion to this chapter, the changes which managers reported in the other two decisional roles (the negotiator and disturbance-handler) are discussed below; the introduction of devolved management systems involved significant changes in managers' behaviour within these two roles.

Negotiator and Disturbance-Handler Roles

The changes, outlined above, in the managers' entrepreneurial and resource allocator behaviour were accompanied by changes in their negotiator and disturbance-handler role performance. The acquisition of devolved responsibilities for resource management functions, together with the introduction of the Purchaser/Provider split for many service areas, tends to involve managers more extensively in taking responsibility also for the negotiating and disturbance-handling (essentially crisis management) forms of activities associated with these developments/ Managers operate here in conjunction with the increasingly wide range of individuals located within their work-groups, within other sections and departments across the organisation, and with the members of other private and voluntary sector organisations, with whom, to an increasing degree, they are working to plan and deliver services (see diagram reproduced in chapter 7).

In the context of these developments, the Local Government Management Board (LGMB) emphasises the need for managers to acquire the skills and competences associated with the negotiator and disturbance-handler roles. These competences include: "those of the honest broker and negotiator, requiring qualities of peacemaking and peacekeeping between conflicting interests, and a temperament which maximises agreement and mutual benefit.....a capacity to cope with ambiguity, uncertainty and change, and view problems as opportunities or challenges" (LGMB, 1993, pp15 and 24). Such competences were identified by the LGMB as one of the key competences required by managers operating within the new "enabling", "fragmented" and "competitive" local authority, reflecting local government moves towards network and "boundaryless" forms of organisation (Francis, 1994; Peters, 1992; Kanter, 1984).

The BCC managers' responses tended to reflect the growing importance of the these role as stressed in the local government literature; 39 reported increased levels of negotiating and activities, with different managers focusing on various different contexts - in relation to other role changes which had assumed particular significance for them. As a consequence of the introduction of the Purchaser/Provider split, and their devolved responsibilities for drawing up service specifications (Purchaser role), or delivering the service specified (Provider role), both Purchaser and Provider managers reported increased involvement in negotiating activities. These operated in connection with drawing up initial contracts or service level agreements, and in interpreting and amending these contracts when problems arose or circumstance changed - in agreement with the other party. Managers in the Social Services Department explained that their Purchaser/Provider negotiations also involved a third party in the form of the contracts manager:

> "We have joint meetings - I am going to be meeting with the Service Development Manager tomorrow because we're looking at another contract I want to establish with some voluntary counselling agencies. I would meet with him first and tell him what I want and then we'd have a three-way meeting with the contracts manager, the Provider, and me. I would say what I want, the Provider would say whether they could do it or not and what price they wanted, and then you'd negotiate around that. So it's sort of joint negotiating..."(Social Services Purchaser manager).

Some managers stressed, again, the way in which, under devolution, they had gained more responsibilities for negotiations:

> "We bid for finances through various systems to the Department of Transport (DOT), and they allocate us some money. We write contracts which have to be in accordance with their requirements.....What's changed is that I'm it with the DOT, if you like, with the County. I am the chief person responsible for running that agency agreement and everything that goes with it. In days gone by, that wouldn't have been the case - someone higher up would have been THE person. So most of the negotiations which go on with the DOT, between BCC and the DOT by and large come through me, and before, they would have been done at a higher levels and I would just have carried out..." (Highways Purchaser manager).

Finance, and other managers who were responsible for providing support

services across Area and Departmental boundaries, reported that devolution, in conjunction with the new "customer" status of service line managers, had required them, of necessity, to become more involved in negotiating activities - rather than "issuing orders" over the design and implementation of new financial/information systems, or the amending of existing ones. Clearly defined authority, based on the support managers' hierarchical position position in the technostructure component of Mintzberg's organisational model, had been reduced - through the devolution of responsibility to service line managers of responsibilities for finance, personnel and information. As a consequence, these managers were required to negotiate rather than simply impose new systems or amendments on service managers (although it is important to remember, as stated earlier that many line managers considered that a degree of re-centralisation of authority was emerging):

> "It (devolution) had an impact in terms of the difficulty of being able to implement corporate standards or corporate systems or facilities across the organisation...it was partly a question of authority. Control was something that was taken out of the vocabulary. The pre-devolution days were such where the old County Treasurer wielded very significant control over the organisation. He could quite easily determine how a service developed on the basis of what resources were available to it. So we're talking about a central power base which has shifted....So the emphasis moved away from control to democracy if you like. So, as a result of that, it becomes increasingly difficult if there is a corporate policy, or if you want to try and install something, you talking about a consultation process, a negotiation process rather than a directed process. An example of that was in developing systems.....we had a team of people working with 20 different departments, all with their different ideas, trying to give them as much flexibility and freedom within the corporate framework. There were certain facilities in this system which you could tailor to your own requirements, so to all intents and purposes it was their's - they owned it - to try and make it look as though it was something they had absolute control over, whereas, in fact, it was something that did still need some central direction" (Finance manager, Corporate Services, County Hall).

In addition to focusing on customer and supplier negotiations, Commercial services managers also mentioned the significance of their

interactions with the various support service personnel, with whom they negotiated services agreements and prices:

> "The budget is now more or less down to each individual unit, and you negotiate with personnel, marketing and all the other subsidiary services, whereas before, they would say, 'well, it's going to cost so much to keep the computer running', and that sort of thing. Now they come over to you, and you haggle about it more, and see whether you can afford it...." (Commercial Services Provider manager).

Overall, the development outlined above had resulted in an increase in situations where managers were required to adopt negotiating styles of behaviour. (These developments included, primarily: devolution; the Purchaser Provider split; the Council's customer care policy (requiring more extensive liaison, consultation and negotiation with a range of internal and external customers, including community groups); managers' increased involvement with inter-disciplinary work-groups which operated across sectional, departmental and organisational boundaries (see chapter 7).) In addition, managers' personnel responsibilities, increased since devolution, had involved them more directly than before in a variety of personnel management issues - such as staff performance monitoring and review, training and development, disciplinary and grievance incidences. Here, as one manager put it: "you need an understanding and a negotiation - a dialogue". The introduction of the Staff Development and Performance Review system, and the linking of individual performance measures with departmental business plan targets, also involved managers more extensively in negotiation activities. These took place with their line managers about their own targets, and with their own staff about their targets and development plans. Most managers' performance targets included some that were derived from the departmental business plans, and some that managers suggested themselves and put forward for negotiation with their line managers:

> "It (setting performance targets) started out with my line manager really saying what the targets should be, but in

discussion. There's been a shift in emphasis in recent years to the point where I've just received a memo from my line manager saying that my interview is on May 24, and will I prepare four targets for that date. So I'm setting my own targets in a way - there's more of a dialogue..." (Highways Provider manager).

In connection with target-setting for his own staff, this manager went on to say:

"....increasingly the interviews, because staff are more aware of what the system is doing, it's not a point of conflict - the idea is to come to a joint consensus opinion, and that requires negotiation, I think".

This manager, plus 9 others, listed negotiation/diplomatic/influencing skills as a competence where further training was required, in view of managers' increased activities in the "negotiating" aspects of their role behaviour.

Within these contexts - of new devolved responsibilities for resource management, for negotiating and amending service delivery contracts and agreements, and the more rigorous exercise of the leader role outlined earlier - the managers' responses indicated that crisis management and the resolution of unexpected problems or difficulties had also become a more significant part of their work. Increasingly, under devolution, managers saw <u>themselves</u>, as opposed to senior management, as having the responsibilities for sorting out problems which arose in relation to budgetary management, personnel management, and service delivery activities:

"In the old days, if something unexpected came up, you'd have said, 'Oh!', and phoned your senior up. You can't do that now - it's your problem. If a kid walked into the office from one of our children's homes and said he had been beaten up, I would have handled it by phoning central office - you, know, 'what should I do?' kind of thing. If it happened NOW, I would be expected to get on and deal with it and THEN phone central office - keep them informed, but deal with it then and there, immediately.....like with the flood disaster thing. In my particular role, I'd got lined up all these BT engineers, word processing companies and Christ knows what else willing to donate furniture and equipment - we had so many offers that we actually couldn't handle it all. Now that was rather a special situation, OK, but you put it into context - with any normal kind of situation, dealing with any emergency, I think that the

onus is on you, the expectation is that you get hold of it yourself - but God help you if you get it wrong!" (Social Services Twin-hatted manager).

Such responses to problems were encouraged by the Authority's service charters and customer care policies (requiring a prompt response to customer demands), plus the development of the "Ready, Fire, Aim", risk-taking, and proactive "entrepreneurial" culture described earlier in this chapter. Similarly, with personnel and finance problems, managers saw it as their responsibility - in conjunction with the help provided by specialist staff - to resolve difficulties. However, as indicated in the above quotation, several managers raised the issue of the problematic extent to which the "risk-taking" element of the cultural change had actually taken hold. They considered that there was still some adherence amongst some senior managers to the traditional ethos of not taking risks, in that the tolerance of "mistakes" remained low in many instances.

Speedy responses to problems were also required in the context of the increasing pace and volume of change (see further discussion in chapter 9) - both that introduced by senior management, and change arising from the managers' own "continuous improvement" activities described earlier:

> "It's constant change - it's one reorganisation after another - you know, we joke about it - when's the next reorganisation? You've no sooner got to grips with one, than the next one's on the way. You're constantly having to deal with the bits that go wrong - inevitably, things go wrong - and you have to deal with them, and try and keep your staff happy, and keep a reasonable standard of service going at the same time...." (Finance manager, Social Services Department).

Conclusion

Overall, the managers' responses suggested that extensive changes had taken place since the mid-1980s in their role behaviour across all four of Mintzberg's decisional roles - entrepreneurial, resource allocator, negotiator and disturbance handler. The key change factor here was the

introduction of the devolved management system. For the first time for many managers, they were given the responsibility for managing resource deployment, along with clear accountability for achieving resource management and service delivery performance targets, within the context of the new "performance culture". They also identified benefits arising from these changes which had accrued to the organisation and the customer/community in terms of more efficient and effective resource utilisation and more responsive service provision - and to themselves in terms of generally increased levels of work satisfaction (see chapter 9).

However, managers also identified limits on the extent to which changes in their role behaviour had occurred - particularly in the context of devolved management. It appeared that, for many managers, decision-making responsibility and accountability for resource deployment had clearly been devolved to them to a considerable extent. Yet, the scope of their decision-making authority was becoming increasingly inhibited by more precise and detailed regulations and procedures (concerned with resource utilisation and professional service standards) and/or requirements to gain approval from senior management for their resource management decisions. The introduction of the Purchaser/Provider split within Highways and Social Services was also seen by many managers as generating additional procedural rules and limits on their autonomy. This was experienced particularly by Provider managers. They tended to feel less empowered to contribute directly towards strategic planning decisions than their Purchaser counterparts, who perceived themselves to play a more direct part in the policy-making process - both in terms of customer/public contact and in terms of drawing up service delivery specifications.

In general, the managers' responses suggested that the Authority's practices corresponded with the tendencies noted earlier for large diversified organisations, subject to strong visible external political control, to adopt only limited forms of decentralisation below divisional (or in this case senior departmental) management levels - within Social Service, Highways and Finance. Commercial Services middle managers in charge of business units, operating on a quasi-autonomous full trading account basis appeared to experience the greatest degree of decisional autonomy. They represented an essentially divisional layer of management operating, unlike their Social Services and Highways manager counterparts, as an essentially divisional layer of management immediately under the Director of the loose "umbrella" of the Commercial Services Department (see discussion of departmental structures in chapter 6).

Control systems in the Authority had moved towards an emphasis on performance measurement against financial and service delivery criteria, reinforced by the coherent corporate culture introduced by the Chief Executive. Yet, such systems were also increasingly being supplemented by additional operational rules and procedures, with more detailed resource control systems and more regulation of professional service delivery activities. The introduction of the internal market was also seen by many managers as generating additional procedural rules and limits on individual managerial autonomy - the new contract culture identified by Walsh (1992). The nature of these tensions or "pulls" across the organisation appeared to vary across different departments and sections - for reasons connected with differences in a number of organisational dimensions identified by contingency theorists (Mintzberg; Hales, 1993)/. These include: the nature of the product/service and the work process, the nature of the customer base

and markets within which business units operated; the degree of political sensitivity of services; the extent to which service objectives are unambiguous, measurable and susceptible to predetermination of the desired outcome.

Finally, it is important to note that the changes reported by managers in their work behaviour across all three of Mintzberg's role sets - interpersonal, informational and decisional - had significant implications for their levels of work satisfaction and for their skills and competence requirements. The impact of the changes on managers' work satisfaction levels and on the skills and competence they required to operate effectively within their changed roles is analysed in the next chapter.

CHAPTER 9

Organisational restructuring in Barset: changes in job satisfaction

THe previous two chapters identified the changes in role behaviour experienced by Barset County Council middle managers, as a consequence of the changes in management systems introduced by the County since the mid-1980s. Managers reported significant changes in their managerial behaviour within each of Mintzberg's three role categories:

Decisional roles: Under the County's devolved management system, managers had gained responsibilities and accountabilities for new functional areas such as finance, personnel and customer care. They had adopted more proactive and entrepreneurial roles, in the context of increased oppportunities to innovate and to improve their efficiency and effectiveness of their resource utilisation and service delivery operations. They had also experienced tighter control over their performance, mainly through the introduction of a formal performance appraisal systems, which included performance related pay, and the development of a "performance culture";

Interpersonal roles: Many managers reported the adoption of transformational leadership styles, which included an emphasis on inspiring and motivating their staff to adopt changing work methods and attitudes, and to develop their skills and competences. The recently introduced Staff Development and Performance Review process encouraged managers to focus more on enabling staff to "stretch" themselves through undertaking more challenging work, and on ensuring that staff training and development needs were met. In addition, managers were placing greater emphasis on involving their staff in decision-making, and on ensuring that they were kept informed about developments taking place County-wide;

Informational roles: Partly as a consequence of their devolved responsibilities, managers reported increasing levels of involvement in liaison and information exchange activities within more "open" communications systems. This involvement took place within the three contexts of: improving their work performance; strengthening integration between sections and departments within the Authority; working more effectively with other organisations to plan and deliver services. Managers reported working more closely with customers and community groups to provide services which were more responsive to customer needs. They had also experienced an increase in their involvement with inter-disciplinary project working-groups, which operated across internal departmental and external organisational boundaries.

A number of studies have examined the impact of these changes on managers' levels of work satisfaction; after a brief review of these, this chapter focuses on identifying changes reported by the BCC managers in their work satisfaction levels.

Despite the numerous studies on work satisfaction, there are no agreed definitions of the concept, although, as discussed fully in chapter 5, many discussions draw on the work of Maslow or Hertzberg, combined with expectancy theorists' approaches (Vroom, 1964). Accordingly, studies of work satisfaction normally incorporate dimensions referring to both intrinsic and extrinsic rewards, both of which have been shown in be important, in general, for many managers (Stewart, 1982; Poole et al, 1981; Scase and Goffee, 1989; Mansfield and Poole, 1991). In terms of intrinsic work satisfaction levels, measures or indices are constructed in relation to the extent to which work offers opportunities for (1) self-esteem and status; (2) the ability to work independently, and, through this; (3) the scope available for self-development and personal

growth. These commonly-used reward categories (derived from Scase and Goffee, 1989; Hunt, 1979) can be defined as follows: independent thought and action refers to opportunities for managers to exercise their own personal judgement and discretion in decision-making and task performance; personal growth and development involves opportunities for managers to obtain self-fulfilment and satisfaction through the utilisation of their own skills and talents; self-respect and self-esteem refer to managers' feelings that they and their work contributions are valued and recognised.

In relation to extrinsic rewards, job satisfaction measures tend to focus on individuals' perceptions of (1) security of employment; (2) remuneration; (3) physical working conditions (4) opportunities to develop relations with colleagues at work; (5) promotion and career prospects. In relation to both extrinsic and intrinsic rewards, indices are constructed upon which questionnaires are designed to measure employees' feelings of relative satisfaction and dissatisfaction (see discussion in chapter 5). This is the approach which is used in this chapter for analysing changes in the work satisfaction levels of the Barset middle managers.

The recent empirical studies noted above in chapters 2 and 4 have identified various changes in the levels of work satisfaction experienced by managers, as a consequence of organisation restructuring and managerial role changes. Not all of these studies clearly separate out middle managers, nor do they all separate out private from public sector managers; none of them deal specifically with the work satisfaction levels of local authority middle managers. However, they provide a useful framework from which to approach the identification of changing work satisfaction levels amongst the case study managers, and

the main findings from these studies are summarised below, focusing first on extrinsic rewards.

The introduction of flatter organisation structures, with reduced numbers of hierarchical levels, which usually accompany devolution can also involve reductions in the numbers of middle management posts (Dopson and Stewart, 1988, 1990; Stewart, 1991; Scase and Goffee, 1989; Smith, 1990). The Local Authority Joint Watch Statistics do not provide a breakdown of white-collar jobs by grade, and any changes in the numbers of middle managers to date are difficult to estimate overall. A recent study by Nulty (1994) suggests that there has been an increase between 1987 and 1993 in the numbers of officers located within the national grades where many middle managers are likely to be located. middle managerial grades. It is, however, likely that the overall impact of the organisational changes described above, including the adoption of more flexible (numerical and functional) human resource management strategies, has been "to challenge the relative 'stability' and 'safety' of local authority employment." (Stoker,1989; Fowler, 1988). .

A number of studies provide evidence for increased levels of dissatisfaction with the decreasing security, promotion and career opportunities arising out of flatter organisational structures and reduced middle manager numbers (Lockwood et al, 1992; Goffee and Scase, 1986; Scase and Goffee, 1992, 1989), to the point in one study where some unfortunates "feel that they are 'fighting daily' for their lives." (Coulson-Thomas and Coe, 1991, p12). Scase and Goffee emphasise the threat posed by these changes to their managers' conception of a career as "a meaningful progression through a series of related jobs" (p79). Thus, those managers, who gained their sense of personal identity, and related ideas of success or failure, through such an orderly career progression, felt threatened by actual or possible reductions in

promotion and job security - especially those managers "anchored" (Schein, 1978) to their careers through desires for career stability and security or through "vertical" career growth by climbing the corporate ladder to more senior positions. In addition, increased dissatisfaction with pay levels were found by Scase and Goffee, and, amongst their public sector managers, by Mansfield and Poole. By contrast, Wheatley (1992), in the most recent of these studies, found considerable optimism amongst his middle managers about both their job security and their future career prospects, despite the prevalence of "de-layering" within their organisations: "most managers were remarkably sanguine about the future." (p4).

Many of the managers in one study (Dopson and Stewart, 1990) reported increased levels of intrinsic job satisfaction arising from the role changes, involving new freedoms to take on challenges, to reallocate resources according to job priorities, to innovate and risk-take, and to develop and extend their management expertise. Moreover, those managers, who had "survived" the reorganisations, had, as a consequence, gained confidence in their own abilities; some also felt that they were "more in control of their own destiny" (p14). Comparing the views of private and public (although not local government) sector managers, Dopson and Stewart (1990a,) found that "most of the public sector managers....enjoyed their work more because they were more accountable; jobs were also viewed as more interesting, both because of the increased responsibility and because of the new management systems that had clarified objectives." (p37-8). They did, however, find evidence to suggest, for a number of reasons, a less positive attitude to organisational and management changes amongst the public sector managers, arising largely from the political constraints and the associated requirements for public accountability, unique to the public

sector; these inhibited the degree of middle managerial freedom to innovate. Moreover the advantages gained from organisational changes were diluted to an extent by increased levels of work stress arising from increased workload, decreased resource levels, and demoralised workforces (public sector), and by pressures to achieve higher and more rigorously scrutinised performance levels (private sector).

These pressures can result in generally decreased levels of job satisfaction: "Many feel overburdened and under-appreciated. Even though they escaped the cutting axe, they have difficulty forgetting how their companies treated their peers. They are restless and dissatisfied." (Robbins, 1990, p487). Scase and Goffee found evidence to suggest the adoption by many of their managers of more calculative work orientations (involving little identification or attachment to the organisation itself (Williams et al, 1989)), with declining levels of commitment, decreased levels of intrinsic job satisfaction and fewer opportunities for exercising independent judgement and thought, and for personal growth development. These factors, combined with the reduction in promotion opportunities and planned career progression mentioned above, had resulted, for many male managers, in a reduction in the centrality of their work and career as a major source of life satisfaction: "unfulfilled career expectations, together with the increasing dissatisfaction and uncertainty associated with programs of organisational restructuring, have encouraged them to withdraw psychologically from work, and to seek greater personal rewards in their private lives....managers are no longer prepared to "sell" themselves to their employing corporations as the expense of their family relationships and personal lifestyles." (Goffee and Scase, 1992, p378-9).

Evidence for increased work pressures on middle managers also emerged from most of these studies. The managers remaining in an organisation after job restructuring and/or redundancies were frequently required to absorb additional work responsibilities, resulting in many organisations in "fewer managers doing more work" (Coulson-Thomas and Coe, p23), with inadequate resources, reduced staff numbers, and significant increases in the hours worked (Scase and Goffee). Dopson found that even those managers who welcomed the challenge of larger and more responsible jobs, in the context of the introduction of "empowering" devolved management systems, felt pressurised by increased workloads to the point where one manager said "it's fine if your hobby is the job." (Dopson and Stewart, 1988, p45).

Despite such findings there is little data on changing patterns of work satisfaction among middle managers in local government. A recent Local Government Management Board/MORI survey (1994) provides some information about current levels of work satisfaction, amongst local government Senior/Principal Officers (these grades include some middle management positions). However, comparisons with a previous survey (1989) are not possible because of different methodological techniques. As noted in chapter 4, the 1994 survey reported that, overall, 63% of these officers were "very/fairly" satisfied with their jobs, in relation to factors which equate broadly with the intrinsic rewards listed above. In relation to extrinsic rewards, scores were lower, especially in relation to job security and promotion opportunities. A recent survey of change practices in 16 local authorities reported that in most cases job motivation remained high, but that: "In all cases, middle managers felt that they faced higher expectations, increasing pressure, longer hours and the need to develop a range of skills relatively quickly." (Leach et al, 1993, p16).

Work satisfaction levels - middle managers' responses

During the interviews, the managers were asked to complete a short questionnaire to identify their relative levels of work satisfaction, using the scaling technique and the various intrinsic and extrinsic reward categories adopted in the studies quoted above by Scase and Goffee (1989), and Mansfield and Poole (1991). The definitions of these rewards provided at the beginning of this chapter were read out at the interview to clarify the meanings of these commonly used terms, and ensure consistency of the managers' comprehension. Managers were asked to grade from 1 (low) to 7 (high): first, the extent to which they considered that their jobs offered opportunities for obtaining the rewards listed; secondly, the level of importance they attached to these rewards. The mean scores are reproduced in columns one and two of the table reproduced below. The third column - obtained by subtracting the mean scores in column 2 from those in column 1 - gives an indication of managers' levels of work satisfaction in terms of how far they perceive opportunities for these rewards to match their desire for them. The closer these scores are to 0.0, the closer the match beteen the desired and perceived opportunities for obtaining that particular aspect of work satisfaction:

Sources and desirability of job rewards and levels of job satisfaction as perceived by all managers

	how much (mean scores: low = 1, 7 = high)	how desirable	indication of *work satisfaction* levels (difference between columns 1 & 2)
Opportunities for:			
Independent thought, action	5.5	6.2	- 0.7
Personal growth, development	4.9	5.3	- 0.4
Self-respect, esteem	5.4	6.0	- 0.6
Job security	3.4	5.3	- 1.9
Pay	4.8	4.9	- 0.1
Promotion	3.1	4.3	- 1.2
Close work friendships	4.2	3.7	+ 0.5

These results show clearly that the most significant source of job dissatisfaction for these managers was a lack of the desired level of job security, with opportunities for promotion ranked second. The managers' desires for the intrinsic rewards of independent thought and action, self-respect and esteem, and personal growth and development were not met by the opportunities in their jobs, but to a considerably smaller extent. Pay almost exactly matched expectations, whilst the opportunity for developing close work friendships exceeded significantly the importance which the managers attached to it.

Changes in middle managers' overall levels of work satisfaction

The managers were asked to indicate whether their overall levels of job satisfaction had increased, decreased, or remained the same, as a result of the changes introduced since the mid-1980s in their management roles and the authority's management systems. They were then asked to identify the main reasons for the changes, if any, in their work satisfaction levels. The basic results are as follows:

CHANGES IN MANAGERS' LEVELS OF JOB SATISFACTION

	numbers	(percentages)
Overall increase in job satisfaction	38	(79.2)
Overall decrease in job satisfaction	8	(16.7)
Remained the same	2	(4.1)
Totals	48	(100)

Reflecting the generally positive responses of Stewart's middle managers outlined above, the results suggest a general overall increase in the levels of work satisfaction experienced by the majority of these managers - over three-quarters - since the mid-80s. The reasons for these increases were explored in the interviews, following completion of the questionnaire, and the results are summarised below, followed by an analysis of the responses by those managers who reported overall decreases in their work satisfaction levels.

Managers experiencing an overall increase in satisfaction

Many managers attributed their increased work satisfaction primarily to the perceived increases in the intrinsic rewards of personal growth and development, and independent thought and action. These increases appeared to derive predominantly from the managers' experiences of greater degree of power, control and freedom over their management decisions, arising from the introduction of devolved management. The following quotation is typical of many such responses:

> "It's more satisfying - with the devolution, I've definitely taken on more responsibility in dealing with day-to-day matters. I don't have to refer things upwards as in the past, and I have the confidence that the management above me have confidence in me, and I do things automatically now that perhaps years ago I would have thought, well, I'd better check this with someone. I'm making decisions, and I feel I'm actually contributing to things. When you've got a brain as we have, you want to use it. You don't want to be told forever, well, you've got to do things this way. I think everyone feels that if they can use their potential, or get somewhere near their potential, they're working better, they're in a better frame of mind, and that means you're giving more to the organisation, and the organisation's benefitting" (Highways Provider manager).

Numerous examples were provided by most of these managers of their

increased work satisfaction arising from their greater decision making powers. These ranged from, for 2 managers, their recently acquired authority to sign their own letters (apart from those sent to elected members, which still required "vetting" at more senior levels) to increased control over service development and resource deployment, including personnel and financial management. Reflecting the responses made by Dopson and Stewart's middle managers quoted above, these increased decision making powers were the largest single source of increased work satisfaction reported by the BCC managers. Another important source included increased feelings of achievement and recognition deriving from a greater emphasis on results - on what one manager described as the new "performance culture":

> "In some ways, because it's longer working hours, the job is less satisfying, but there's more satisfaction at the end of it in the performance attitude. Achieving. You actually feel you can achieve something, rather than just doing something" (Commercial Services Provider manager);
>
> "Power has devolved downwards. You stand or fall by your own results, and therefore, if your results are good, then the corollary to that is, then, that you stand up there as being the person that's done it, you get the recognition, you have a higher profile because of it" (Highways Purchaser manager).

In addition, some managers commented on the satisfaction they derived from overcoming problems which had arisen from Barset's moves towards the "new" management systems. These problems included increased workloads, increased competition from deregulated markets, resource constraints, and the needs within the new culture to focus constantly on opportunities for achieving improvements in service delivery efficiency and effectiveness:

> "There are more opportunities for job satisfaction, simply because if you win through a difficult - I mean, there are more difficult situations now, so when you win through a difficult situation, then you feel quite good about it. You feel as if you are getting a positive result" (Commmercial Services Provider manager);
>
> "I complain about the fact that there's more to do and there's only the same time to do it in, but that's another challenge. And I

prefer a job where I'm being challenged rather than a job where I'm coping" (Highways Provider manager).

Some managers clearly derived considerable satisfaction from introducing more private sector style "business-like" improvements to their resource utilisation and service delivery, and from running a "tighter ship" (Finance manager). They appreciated the opportunity to overturn the traditional adverse image of local government as "having, if you like, dead-legs who will hide under all the bureaucracy and administration and not make any decisions." (Highways manager). There was a feeling amongst these managers that the restructuring had weeded out some of the "dead wood" amongst staff who were unable or unwilling to become more innovative and entrepreneurial. This meant that, almost by definition, those managers (i.e., the respondents) who had survived the changes constituted a "new breed" of local government managers, who were, in many cases, more concerned about, and more able to manage more efficiently and effectively, services which were more responsive to consumer demand. Many managers expressed considerable satisfaction with the many improvements they felt they had made to improve service provision, and with the higher level of commitment which they perceived as operating in the Authority towards meeting consumer needs. A Social Services Department manager explained:

> "There's been a huge change to actually looking at needs-led services rather than resource-led services - using family aids to actually do the things you feel the family needs, rather than what the family aid resource said they could offer to start off with. Before, your resource would be - you would know that your resource was there to provide a support and cleaning service. Now, we're saying what we need is somebody who will help that mother play with her kids.... Resources used to be cast in stone. It was this feeling of security, you know, that people were appointed to do a job. That they stayed. Now, they're appointed to provide a service and there's a great deal more emphasis on training and negotiation and clarity of purpose....you're actually talking to the person who needs the service, and you're talking to the service provider - you know, it's actual person-to-person negotiation. And it's great. My God, the changes we've brought about in some of those families' lives was just astonishing. So I'm great fan of that way of working. The value is so clear" (Social Services Purchaser manager).

Other factors contributing towards increases in overall feelings of job satisfaction included more opportunities to develop new managerial skills - such as financial management, people management, IT and other skills, together with increased awareness of both Departments' and the Council's overall policy direction.

The intrinsic rewards highlighted by managers, and where they had experienced overall increases in satisfaction levels, correspond generally to those identified by Stewart's study, and reflect the importance traditionally attached to intrinsic rewards by most managers in the studies mentioned above. Only 4 managers in the "overall increase in work satisfaction" category referred spontaneously to the promotion(s) received as a consequence of reorganisation, as a source of increased job satisfaction - although responses to earlier questions showed that reorganisation had led to promotion for about half of these managers, and appointments on the same grade level for the rest (with one exception of one lower grade appointment). There was no spontaneous mention of pay, security or work friendships as a source of increased satisfaction.

It is important to note that most of these managers, although experiencing overall increases in work satisfaction, also mentioned areas where work satisfaction had been reduced by some of the changes introduced since the mid-80s. The factor mentioned most here by the managers referred to the sheer pace and volume of change - including changes introduced by the Authority in its organisational structure and management systems, and legislative changes affecting service delivery methods. These changes were ongoing at the time of this research, and were expected to continue with some internal changes already at the planning stage, and with the Local Government Review of BCC due in the

next year or so. As stated in Chapter 8, 41 out of the 48 managers had indicated that, overall, they were generally positive about the impact of the changes on their particular jobs (devolution figured significantly again here). However, many managers, whilst taking care in many instances to emphasise that they were not "dinosaurs" and were not anti-change as such, expressed concern about the amount and the pacing of the changes which they were expected to work with:

> "The problem has been not the changes - I agree with every one of them individually - the major problems we have is the quantity of change which has taken place, one on top of the other. Very often without being able to digest them - your feet don't touch the ground. I mean, we had an occasion 18 months ago where we had 5 reviews taking place at the same time in this department and we were spending more time being interviewed by people than we were doing our work. I mean, that is all very well, but when it comes to all of those reviews being put into effect at the same time, it is a nightmare trying to make sense of it" (Finance manager, location withheld to protect identity).

In addition some managers expressed concern about the introduction of "change for change's sake" with insufficient attention paid to analysis of the real need for change in some instances. Others were critical of inadequate levels of consultation and planning, resulting in difficulties at the implementation stage. Some managers said that they actively enjoyed the continual change and found it stimulating, and that they preferred, some for reasons connected with their own personal predilections, a dynamic work environment. However, many appeared to adopt a strategy that could be described as one of resigned acceptance in the face of what they perceived to be an unstoppable and inevitable situation of permanent change, due to the changes described above in the national local government environment. Some managers also commented adversely on BCC's own policy of being seen as a "flagship" authority by a central government of the same political persuasion, which they saw as unnecessarily intensifying the pace and timing of the changes.

The second most significant source of dissatisfaction for the "overall

satisfied" managers referred to limits on the scope of the decision-making autonomy devolved to these managers under the devolved management system (see full analysis in chapter 8). Reflecting the contradictions noted in the literature of the increased levels of bureaucratisation which, paradoxically, frequently accompany the introduction of devolved management systems (Hales, 1993, Mintzberg 1989), some managers, especially in the Highways and Social Services departments resented the restrictions placed on the extent of their devolved decision-making authority. In relation to their control over the deployment of financial and personnel resources, they commented adversely on the development of increasingly rigorous management control systems to the point where many managers felt that devolution had not "matched up to the expectations" raised by the authority's stated policy intentions, and felt frustrated by these constraints. They also expressed concern about reductions in their autonomy over professional service development and delivery issues, arising from the introduction of formal quality assurance systems in some parts of the Highways department, and of manuals regulating service provision in Social Services. Also significant here was the degree of control, through service level agreements or contract, exercised by Purchaser professionals over Provider professionals (see discussion in previous chapter). Expressing her frustration with these constraints on her attempts to become a devolved "manager" rather than an "administrator" (one of the cultural changes stressed by the authority), one Social Services manager commented:

> "A Manager has 'the buck stops here' sort of thing, and that's not the case at all for me, almost to the point where I feel I'm deskilled on some levels as a manager. Almost as if I'm not trusted to make management decisions on my own and take the rap for it if it goes wrong. We weren't managers in the mid-80s, and things have shifted quite significantly since, but there's still a residue around of not being able to - I always feel like Gulliver, you know, sort of pinned down. I don't feel they've delivered what they promised in terms of managerial responsibility and

> accountability. I sit here sometimes and think how the hell can they expect us to become an Independent Business Unit if they are still making us feel so dependent on our line management and on the hierarchy - to answer to them for everything. They don't actually trust us - it's an insult to our intelligence.....Because of the concerns about scandals, and more and more public accountability, and more and more being answerable to the customer, the Citizen's Charter stuff and all the rest of it, I think more and more we have to be, we're almost unable to move, we're paralysed without someone more senior - I can't appoint staff without checking up, I can't introduce new fostering ideas because of the cost. It's all a bit of a sham really" (Social Services Department Provider manager).

This quotation also points to the constraints identified by many managers as continuing to distinguish public sector management from its private sector counterpart. These included: the requirement for public accountability (of both ends and means); the public visibility of both the process and the outcome of decision making, especially in sensitive areas like child care; the constraints of the central government legislative framework within which local authorities are required to operate; the nature of public sector funding, where, unlike the private sector, opportunities for investment and income generation are severely limited. A number of these managers generally accepted the inevitability of such constraints in public sector organisations; they understood and were receptive to the need for accountability - "it's the nature of the beast". They nevertheless felt frustrated by the restrictions thereby placed on their managerial and professional autonomy, and, hence, their levels of work satisfaction. These frustrations were exacerbated when the legislation was seen as placing essentially "unfair" restrictions on managers - for example, where the cross boundary tendering regulations prevent local authorities from competing on equal terms with their private sector competitors. Similarly, the impact of potentially beneficial new initiatives, such as the new "customer care" culture, was seen as limited in practice by resourcing constraints, and by both national government and BCC's restrictions on the extent to which income could be generated from

customers or purchasers outside the Authority.

Other sources of dissatisfaction mentioned by some of these "overall more satisfied" managers included many of those noted above in the literature. Some managers expressed dissatisfaction with the increased levels of routine administration, arising from their new responsibilities for budgets and personnel. Managers suffered from the the contradictory pressures of being required to operate in a more "risk-taking" and entreprenuerial fashion within a culture that was only gradually shifting towards acceptance of the mistakes which would inevitably arise from such risk-taking. At the same time, performance was becoming more "visible" through the new formal appraisal system, combined with the pressures of increasing workloads and working hours, reductions in career opportunities as a result of restructuring (see later discussion), and the need to develop and use new managerial competences.

While most managers had received training related to some of the changes they had experienced in their work roles, opinions differed about the efficacy of this training - the amount, the appropriateness and the quality. All but two managers reported that they needed to acquire further skills and competences. Using the Management Charter Initiative competence areas as a framework, these competences included: managing finance (15 mentions, particularly by Social Services and Highways managers); managing information/communication, including computing and negotiating/influencing skills (27 mentions); managing people (8 mentions); managing operations, especially public relations and marketing (11 mentions); personal effectiveness including time management, problem- solving etc. (4 mentions).

Only two managers (in the "overall more satisfied" response categories)

appeared to experience the tensions, which can be experienced by professional staff who derive their work satisfaction and role identity primarily from their professional excellence and expertise (and, in the public sector, perhaps, from a "public service" ethos) and who are then required, in part at least, to exchange this for satisfaction derived from a managerial role identity instead. (Lorsch and Mathias, 1987; Dopson and Stewart, 1990a; Stewart, 1986). These Highways managers regretted the reduction in their professional service activities, and derived only limited satisfaction from their increased managerial responsibilities, under the Authority's new "managerial" culture:

> "I came into local government because I wanted to do civil engineering and serve the public - not run a business. But then if you want to get on, you have to move over to management....(Highways Provider manager).

In contrast to these managers' experiences, most managers' responses suggested that any reduction in their professional role satisfaction was more than offset by "the management challenge", although some managers expressed a desire to remain in the operational management sphere where they managed their own professional specialist area. Some actually welcomed the opportunity to leave the professional service delivery role behind them, and felt that the role transition was *primarily a problem* for first line, rather than middle management. Discontent about the Authority's "management" emphasis arose primarily from the threats posed to individual professional autonomy by the closer regulation of professional services activities discussed earlier. Social Services managers appeared to be most affected by the Authority's shift in emphasis from "cosmopolitan" to "local" professional orientations. This was manifested largely through the reliance described in chapters 6 and 8, within the business planning process, on quantitative output indicators for assessing performance. Some Social Services managers felt that the more qualitiative aspects of their work were being be

undervalued and, hence, carried out less thoroughly than previously (such as the assessment of the psychological condition of, say, elderly clients, as opposed to their needs for concrete packages of services like meals-on-wheels etc.).

One Highways manager speculated about the differences between his professional services and those provided by Social Services (he had met Social Services managers during the course of the Making Connections programme). His analysis reflected Stewart's (1992) comments about the differences between local authority services in the nature of the clear/obscure relationships between inputs and outcomes, and the degree of clarity/ambiguity of service objectives. These differences, in turn, can contribute towards differences in management styles and control systems, and the degree and nature of member and/or professional control sought/gained over service provision decisions:

> "Our reason for being is to look after the structure and fabric of the roads. Now whether that's cleaning the gutters, or resurfacing, or road construction - that is our function in life. We have no freedom to say: 'we don't think that's the best way of doing it, we'll make the railways better'. But Social Services to some extent have - they may think 'that's not a necessary task, we'll try another task' and solve the problem in another way. We have a defined task - it's there, and we look after it" (Highways Purchaser manager).

All of the managers were asked separate questions about the impact of all the changes on their job security, their career plans and their working hours. Their responses are discussed briefly below after consideration of reasons given for declines in work satisfaction levels by the eight "decreased overall satisfaction" managers.

Managers experiencing an overall decrease in work satisfaction

Only 8 out of the 48 managers interviewed had experienced an overall decrease in work satisfaction. Three of these managers - all in the Social Services Department - had lost their jobs at the time of the most

recent restructuring; they had been given posts at a lower grade, one on a temporary contract. All three reported extremely strong feelings of reduced self-respect, esteem and status as a consequence, plus reductions in decision-making authority and autonomy, a narrowing, in 2 cases, in the scope of their jobs, and high levels of stress:

> "I got my redundancy notice in a fax. I got a fax that was signed by a clerk - by a secretary in there (the office). My name was put on it, you know - it was a DEAR NIGEL, a faxed letter saying that as a result of impending changes I was likely to be made redundant. All my colleagues in the area got the same thing. Then, the next time, we got a nice letter from the same person when we actually got it confirmed. It was a much more pleasant letter which said thank you for your continuing support and all that crap.....I think I suffered psychologically because of what happened to me. I became very burdened by it all and I actually went off sick in the November for 2 weeks, and that gave me the space to pull things together. I've always been quite a go-ahead, quite dynamic sort of person - not in a big way, but a positive person. But this year, I've found it very difficult to motivate myself" (Social Services Provider manager).

One manager attributed his increased feelings of dissatisfaction mainly to decreased job security, and also to the increasing lack of certainty about future developments in the Commercial Services Department, where many business units were particularly susceptible to market pressures.

Three of the 4 other managers - all located in the Highways Department - attributed their decrease in work satisfaction primarily to changes in their job content. The situation of one manager clearly reflected the tensions, which can be experienced by professional staff who derive their work satisfaction and role identity primarily from their professional excellence and expertise (see earlier discussion), and who are then required, in part at least, to exchange this for satisfaction derived from a managerial role identity instead. (Lorsch and Mathias, 1987; Dopson and Stewart, 1990a; Stewart, 1986). This Highways manager regretted the reduction in his professional service activities, and derived little satisfaction from his increased managerial responsibilities which he did not enjoy.

Two Highways managers resented the increased degree of job specialisation, brought about by a functional reorganisation of professional activities in the Highways department, as illustrated in the quotation below. This development had reduced the intrinsic job satisfaction they gained from their professional role, and was only partially offset by their appreciation of their increased managerial responsibilities. This tendency towards increased role specialisation was also mentioned as a source of dissatisfaction, particularly in terms of career progression, for some "overall more satisfied" managers in other departments:

> "The job's become more stressful, but not more satisfying over the last five years - it was more satisfying before when we were sorts of jacks-of-all-trades for more jobs than we were strictly skilled for, and there was training to make sure we could cope with it. Since the splitting up of the function into Design and Construction, it is not so satisfying" (Highways Provider manager).

One Highways manager felt that he had been too long in his job, and wanted a sideways move to provide new experiences and challenges; he was dissatisfied with the lack of provision within BCC to enable such lateral mobility.

Impact of the changes on working hours, job security and career prospects

Specific question about these topics were put to all managers elsewhere in the survey, and the results are briefly summarised here. Reflecting the increased work pressures recorded in the studies mentioned earlier, 38 of the 48 BCC managers felt that their working hours and general work pressures had increased. About half of these responses emphasised the substantial nature of these increases. When taken together with the associated pressures of the new "performance culture", reduced job security and sheer increase in the volume of work with restricted

resource availability, these factors clearly posed considerable strain for many of these managers. Such stress is illustrated by the comments made by a finance manager who had moved, as part of the devolutionary process, from County Hall to a devolved post in the Education Department:

> "When I was at County Hall, you would be busy in the budget period and you would be staying late, or taking work home or whatever, but by and large you could see where your big pressure points were going to come, there was more stability.....Now, the authority has streamlined and most of the changes end up with slightly fewer people and more work. You feel you are never quite doing enough; however long you stay, there are 10 other jobs.....The job's changed - you get the parents, the public, the headteachers - you just didn't come across this at County Hall, you're more in the front line now. Then you have also got to do the accounting type of job, spreadsheets to write, and you think what should you delegate, and what you should sort out, and it all tends to load up, so there is a tendency - you think, well I got in at 8 and I'll do about 9 hours so I will go home at 5, and then you stay till 5.30, then 6; then it is nearly 7 and it creeps round, and you think there is something wrong with you, you're not actually coping, you're not getting on, and then you can see that the other manager is still here as well, and there are two more downstairs....".

Some managers felt the extra hours were an inevitable consequence of increased work pressures; others emphasised that it was, to an extent, a matter of personal choice. Thus, some managers emphasised that they chose to work longer hours because of the personal pride and satisfaction they derived from doing a really good, as opposed to an adequate, job; others had adopted a policy of deliberately restricting the potentially endless hours they could work as a kind of self-protection measure. Some managers, both men and women, strongly resented the "macho work culture" which they felt pervaded the organisation (stemming from the Chief Executive's own well-known "workoholic" attitude). It was considered that this was used (unfairly) to assess the extent of managers' organisation commitment: "there's something wrong with you if you're not seen putting in the overtime". Eight managers reported "no change" in working hours, explaining that they had always worked longer hours than officially required; 1 manager

had actually decided to reduce his hours and work effort because of his overall reduced job satisfaction levels.

All of the managers felt that their job security had declined as a consequence of all the changes in the local government environment - "what job security?" was a common response here. Only 8 reported feeling "reasonably secure" in their jobs. This decline was particularly regretted by many managers within Finance sections and the Commercial Services departments, who specifically mentioned the high levels of job security associated with local government (at the time of their entry) as a reason for seeking employment in this sector):

> "I was made redundant twice in three years before I came here - I didn't ever want to experience that sort of thing again, and I thought I'd be safe in local government - but that's not the case any more, it's a thing of the past - you're not safe anywhere....."(Commercial Services Provider manager).

Other managers, across all departments, saw the (originally) high levels of job security they expected to experience in local government as a kind of compensation for the generally lower levels of pay which they considered were found within the public sector in comparison with private sector pay levels. Many managers' underlying anxieties and concern about their job security were exacerbated by the current high unemployment levels (with few jobs available elsewhere in either the public or private sector at the time of this research). The plans, noted above, for further organisational change, in part related to the forthcoming extension of CCT to white-collar services, were also raising managers' job security anxieties. The purchaser/provider split, as noted earlier, appeared to threaten the job security of Provider, more than Purchaser managers. This reflects the concerns expressed in some public sector literature that, increasingly public sector organisation employees were becoming divided into a core organisational "elite" - the Purchasers, whose job security is relatively secure, in contrast to the

more peripheral Providers whose jobs are at risk from private/voluntary sector competition and/or externalisation (Langan and Clarke, 1994). One Social Services manager, whose previous post had disappeared under a departmental restructuring, commented that he had made special attempts to gain a job on the Purchasing, as opposed to the Providing side, specifically because he perceived Purchasing jobs to carry a higher degree of job security. Overall, uncertainty about job security was the largest single source of job dissatisfaction for these managers, as shown on the table provided earlier, with dissatisfaction with promotion prospects ranked second.

The responses to a specific question about the impact of the changes on the managers' career prospects were very mixed. Thus, 15 (including 5 of the "overall less satisfied" managers) reported that the changes had resulted in a largely negative impact on their career propects, 14 a largely positive impact, 9 reported "a bit of both positive and negative", and 10 reported no impact at all. Positive comments referred mainly to how the changes had "opened up" opportunities for obtaining interesting new posts and for career development, partly by releasing, through early retirement, some senior posts for new appointments, and partly by providing more opportunities to develop and consolidate new managment skills, useful for future career progression:

> "With devolution, you've got a wider range of responsibilities, you gain more experience and more breadth of knowledge which makes you a better candidate when you apply for jobs. As services devolved, we've taken on new responsibilities such as the audit role, which we received quite recently, the welfare benefits role, which was previously at the centre - we didn't do that at all. We're soon to get fostering and boarding out payments..." (Finance manager, Social Services Department).

Some managers expressed the feeling, too, that appointment processes had become more "meritocratic", with more reliance on more "objective" criteria of competence and performance capability. This derived partly from the new "performance culture", which meant that opportunities

increased for competent and committed managers:

> "It's an improved situation for me. I think they are actually looking at the people who are put in post a little more rigorously, and, to be honest, if you are performing, it's acknowledged more - it's calibre that counts more." (Highways Purchaser manager).

Negative comments referred mostly to the decreased number of posts available at more senior levels and the greater numbers of competing managers on the next level down, due basically to the de-layering and flattening of structures. The increased job specialisation into various narrower professional areas (and by service department specialisms for some devolved financial managers) were also considered as adverse factors restricting some managers' future career progression. Some women managers felt that women managers suffered, in terms of career opportunities, from the authority's advocacy of a "macho" managerial style. This was seen as represented by BCC's strong "Maggie Thatcher" type leadership culture, by the few women managers present at senior levels, by the "workoholic" pressures (particularly onerous for women with families), and by the quasi-military terminology used for some of the cultural change motifs such as:

> "'Ready, Fire Aim' - it sounds like a very masculine thing, you know, like summing up at the end of a meeting: 'can we have some BULLET points' - these awful male expressions....." (Social Services Provider manager).

These mixed responses reflect the divergent views presented by the different managers represented in the literature noted above. They result from a complex and interacting number of factors clearly influencing individual responses such as the managers' positions in the career cycle mentioned above, their degree of success in obtaining posts they wanted under the reorganisations, and, for some managers, the sheer luck "of being in the right place at the right time."

Conclusion

Overall, then, the majority of the middle managers reported increased levels of intrinsic work satisfaction, relating primarily to the increased opportunities for independent thought and action, and personal growth and development arising primarily from the the devolved management systems, the new "performance culture" and the new emphasis on improving service design and delivery. Those managers reporting overall decreases in work satisfaction referred to decreased career and job security opportunities, and changes in departmental groupings of functions which narrowed the scope of their jobs, as the main reasons for their dissatisfaction. Apart from the two key exceptions of promotion prospects and job security, job satisfaction levels appeared fairly high. However, for many managers, increases in work satisfaction were offset by the considerable increases in both volume and pace of change, together with increased working hours and work pressures, and decreases in job security. Some managers, especially in the direct service provision departments, were also concerned about decreases in both their managerial and professional autonomy deriving from increased centralised regulation of their activities in both of these spheres.

Comparison with other studies (mentioned earlier) about the impact of similar organisational changes on middle management work satisfaction is difficult because of different methodologies and survey dates, and the absence of studies concerned specifically with local authority middle managers. However, the results from this survey correspond more closely to Dopson and Stewart's study (1990a; public sector managers specifically), showing a generally more positive view of the change impact on middle managers'job satisfaction, than to the more negative attitudes expressed by Scase and Goffee's (1989) "reluctant" managers (public and private sector mixed). A recent large-scale survey on the

subject (Mansfield and Poole, 1991; public sector managers identified separately), comparing 1990 work satisfaction levels with those identified from their earlier 1980 survey, reported relatively small changes in their public sector managers' work satisfaction levels. The exception here related to significant decreases in satisfaction with security (as would be expected) and with pay, reflecting comparisons being made at the time with private sector managerial counterparts. Apart from job security, the BCC managers reported generally higher levels of job satisfaction across the measurement categories than the managers in other studies.

Apart from the methodological considerations, a number of key factors undoubtedly contribute towards the different views about changes in work satisfaction levels expressed by the managers in these studies and in this survey. Individual managers' expressed levels of work satisfaction will tend to vary over time according to perceived changes in these managers' general organisational environment, in their specific departments and jobs, and in their personal circumstances (Mintzberg, 1973; Tyson and Jackson, 1992). This appeared to be reflected in the responses of the BCC managers, although the sample characteristics and small numbers preclude any firm conclusions. Thus, for example, individual managers' age, sex and position in the career cycle can influence their work satisfaction levels. Corresponding to the results of Scase and Goffee's study, the importance attached to promotion opportunities declined amongst the older managers in this study, who were at the end point in their career cycle. The 11 women managers were twice as dissatisfied with their promotion prospects as the male managers. All except 1 of the 11 women managers (located largely within younger age groups than their male counterparts) had strong career aspirations, and wanted to progress further up the organisational

hierarchy, and some, as noted earlier, felt that this was harder for women to achieve than men. However, the problems highlighted in a number of public sector management texts (Dopson and Stewart, 1990a; Laffin and Young) of persuading professionals committed to a professional role identity to assume that of a manager, did not appear to any significant extent amongst the BCC managers, possibly because this transition, in cultural terms, had been largely completed by the time of this survey. Moreover, as one BCC manager suggested, it may be that this role conflict is experienced mainly at first line management levels, and is largely resolved by the time managers progress further.

In addition, departmental differences could be identified in the levels of work satisfaction reported by the BCC managers, reflecting Mintzberg's contingency theory of management roles, where managers' particular functional specialism and departmental location can influence the nature of their role behaviour. For example, within the independent thought/action satisfaction category, whilst the Commercial Services and Social Services managers both attached the same high level to the <u>importance</u> for them of independent thought and action, there was a significant difference in the <u>opportunities</u> perceived as available by the managers in each department - these were significantly lower amongst the Social Services managers, resulting in lower work satisfaction levels for them than for their Commercial Services counterparts. These differences may reflect, at least in part, the different service characteristics of these departments. As John Stewart (1992) emphasises, local authorities are not single homogeneous entities in terms of their "products" or services; particularly at County level, local authorities are highly differentiated. He notes that within services "where political salience is high and the activity cannot be pre-determined, organisational control will be tight leading to

centralisation" (p18).

The nature of Social Services departments, within BCC as elsewhere, would appear to reflect this model. The services provided here can be very politically sensitive (child abuse, for example) and often involve uncertain performance outcomes which cannot easily be predetermined. For example, it is difficult to determine in advance the service package required by a particular family, or set clear criteria here for assessing performance effectiveness. This analysis supports the comments made by the Social Services managers mentioned above about the tendencies they perceived towards increased centralised managerial and professional regulation of their activities, which was limiting their opportunities for work satisfaction. In contrast the Commercial Services products were not politically sensitive, and the outcomes were predictable and capable of predetermination - sales targets, turnover, financial rates of returns etc. These required less senior management/member regulation of day-to-day operations, and, consequently more scope for independent thought and action by the managers - see also the discussion in Chapter 8 about devolution.

In relation to the managers' problems with the continuing pace of change and the impact that this will continue to have upon work satisfaction levels, the change management literature suggests that several key change management factors will have an impact on levels of managerial work motivation and satisfaction. A recent Local Government Management Board study (Leach et al, 1993, p16) "a key difference (in motivation levels) between authorities where middle managers felt supported and valued by their authority and those where they did not." This view is supported by Dopson and Stewart (1990), who similarly argues that middle managers' attitudes towards change are likely to depend on, amongst

other things, "what is done to try and help them to think positively and to adapt to change, including incentives, management training and communications about the rationale for the changes. 'The real issue is can the organisation provide the manager with a challenge, stimulus and reward'" (p 12).

As noted above, many BCC managers reported that their jobs had become generally more "challenging and stimulating", and, by the time of this survey, BCC had certainly introduced many of these recommended change management practices. For example, partly as a result of an employee survey, held in 1990, BCC had introduced a number of initiatives to ensure that more information about current and expected future changes was disseminated widely throughout the Council by means of reports and newsletters issued regularly by the corporate management team. These initiative included a comprehensive middle management development and information dissemination programme - the Making Connections initiative described earlier. Many managers also expressed the view (as indicated in chapter 7) that the Council had certainly tried, even if it had not always succeeded, to introduce better <u>information</u> provision about proposed changes (although progress towards more <u>consultation/involvement</u> opportunities was less evident). Mention was also made of the training provided to help them acquire new managerial competences (although opinions about the efficacy of this inevitably differed).

BCC's relatively careful attention to improving its change management processes certainly appeared to contribute to the increased work satisfaction levels reported by the majority of the managers. A more crucial contributory factor, however, appeared to be the increases in managerial autonomy, arising largely from the introduction of devolution, identified by many managers as the primary source of their

increased work satisfaction levels. Yet, these increased decision-making powers are beginning to be eroded by the counter-tendencies towards organisational recentralisation and reduced levels of managerial autonomy reported by the managers in the previous chapter. These tendencies - plus the doubts expressed by many managers about the efficacy of the Purchaser/Provider split, and their concern about the accelerating pace of change (including fears for their own job security and career prospects) - clearly pose a threat to the continuation of the managers' current relatively high job satisfaction levels. These problems raise a number of theoretical and practical issues related to the management of change in public sector organisations - which are addressed in the concluding chapter of this thesis.

CHAPTER 10

Conclusions

An increasing volume of public sector literature during the 1980s and 1990s identified the development of a "new" management model within local government, involving essentially a move from bureaucratic and professionally dominated "administration" to more flexible, customer orientated, private sector style "management" of service provision. However, the evidence suggesting that growing numbers of local authorities are adopting at least some features of the "new" management systems tends to be derived predominantly from "official" accounts of such changes, provided by senior managers. Relatively little empirical investigation has been undertaken into the extent to which these formal changes in management systems and role prescriptions have resulted in changes in work behaviour and job satisfaction experienced by managers. Formally adopted changes introduced by senior managers may or may not be manifested within the actual role behaviour adopted by middle managers. If little or no real behaviour change takes place at this level in the organisation, then, arguably, moves within local authorities towards the "new" management model are largely cosmetic. It is thus essential, when attempting to assess the impact of formally espoused changes within local authorities, to examine the extent to which, and the way in which, middle managers have adopted new forms of work behaviour in accordance with the "new" managerial role prescriptions.

The objectives of this research, therefore, have been to identify the extent to which the formal managerial role prescriptions included in the "new" management model were translated into behaviour change by middle managers. In addition to focusing on the extent to which the "rhetoric" of the "new" management model percolated down the organisational hierarchy to produce "real" behavioural change, the research has also

been concerned with the role of middle managers in implementing change. As a number of studies suggest (Scase and Goffee, 1989; Smith, 1990; Dopson and Stewart, 1988, 1990), middle managers play a key role in change implementation. It can be argued that consideration of the impact of structural change on middle managerial work roles and work satisfaction levels is required in order to maximise their commitment, and minimise their resistance, to the continuing and accelerating pace of change within local authorities.

After reviewing the increasing volume of literature identifying the nature and extent of the adoption by local authorities of the "new" management systems, a case study approach has been used for conducting the empirical research. A local authority (Barset County Council), which had adopted as a matter of policy most of the prescriptions and practices associated with the "new" management model, has been selected as a critical case for examination. Documentary evidence and interviews with senior managers have been used to analyse the authority's progression during the 1980s and early 1990s from the "traditional" to "new" forms of organisational structure and management systems, followed by interviews held with middle managers to identify the extent to which the Authority's formally adopted "new" managerial policies and role prescriptions had permeated and transformed their work behaviour. Semi-structured interviews have been held with 48 middle managers located in four departments - two direct service provision departments (Social Services and Highways), and two support service departments - Finance and Commercial services. Mintzberg's models (1973, 1983, 1989) of organisational design and managerial roles have been used throughout the research as a framework to provide theoretical coherence for analysing the general trends within local government towards the adoption of the new management systems, and for analysing the data

obtained from the case study authority.

Key results of the case study research

The extensive restructuring which took place within Barset County Council (BCC) between the mid-1980s and early 1990s, corresponded closely with the key features of the "new" management model identified in the local government literature. The traditional emphasis on vertical and hierarchical regulation of organisational activities moved towards an emphasis on "horizontal" market-based forms of regulation and coordination - involving the introduction of internal markets (the Purchaser/Provider split) - and towards the network or "boundaryless" forms of organisation, involving managers in extensive liaison activities with service suppliers and consumers/referers in other public, voluntary and private sector organisations within the "mixed economy" of service planning and provision. The traditional reliance on the standardisation of professional skills and knowledge together with relatively centralised resource management control systems (focusing on the achievement of economy and efficiency) moved towards an emphasis on control over outputs and outcomes (effectiveness).

These control systems were designed to enable the decentralisation of operational decision-making authority to lower level managers within a devolved management system. Managers at all levels were made accountable for meeting clearly defined resource utilisation and service delivery targets, operating within a strategic planning framework (including business plans for each department), designed to maximise elected member (rather than professional officer) control over policy decisions. A clearly specified corporate culture of core BCC values, beliefs and principles included, predominantly: a strong sense of leadership, direction and purpose throughout the authority; the introduction of

devolved management systems (the devolution of operational decision-making authority to lower level managers); the development of a customer care approach, involving increased levels of responsiveness to consumer and community demands and needs for services.

These changes required new middle management role prescriptions, within each of Mintzberg's three managerial role sets - interpersonal, informational and decisional. Managers were expected to adopt transformational and motivating styles of leadership, which facilitated staff assimilation and adoption of BCC's new core values and ways of working. In the context of BCC's new staff development and appraisal system, they were expected to empower their staff to perform up to and beyond their capabilities, involve their staff more in their work-unit operational decision making activities, and ensure their participation, in Barset's more "open" organisation-wide communication and consultation systems. They were required to become proficient in the negotiating and influencing styles of behaviour and information exchange activities necessary for exercising their new functional responsibilities within the devolved management system, and for working effectively within the Purchaser/Provider market system. This required more extensive liaison and information exchanges with personnel from other BCC departments, and from external organisations, and more involvement in inter-disciplinary, and functionally flexible forms of team working with staff from many different professional orientations. In the context of BCC's moves towards more decentralised decision-making systems, control over operational decision-making was devolved to managers at lower levels in the organisation, within a firm framework of accountability for achieving performance targets. Managers were expected to act as entrepreneurial change agents - in the sense of developing more efficient and effective methods of identifying, and responding to,

consumer and community needs and demands.

Interviews with managers indicated that the majority of them had made significant changes in their work behaviour within each of the three role categories - in accordance with BCC's new managerial role prescriptions. They were aware of, and able to define most of the key features of the new corporate culture and management system, and they provided concrete evidence to suggest that they had put into practice - to varying extents - many of the behavioural prescriptions outlined above. However, within each role category, they also identified a number of constraints operating to limit the extent of these behavioural changes - suggesting, in turn, limits on the extent of Barset's transition from the "traditional" to the "new" management model. They appeared to experience a degree of role tension and ambiguity, with some factors driving and enabling them towards adopting the new role behaviour, and other factors inhibiting this progression.

Thus, within the leader role, many managers' responses suggested that they were attempting to adopting more charismatic and inspirational leadership styles - corresponding to Bass and Avolio's transformational leadership model (1990). This included an emphasis on enthusing staff by setting clear policy directions, and encouraging them to develop positive attitudes towards change, and to change their working practices in accordance with the new BCC core values and management systems. Within the recently introduced staff development and performance appraisal system, managers were focusing more on enabling staff to identify their own individual training and development needs. Managers were encouraging them to "stretch" themselves by taking on more challenging work, and on empowering them to take responsibility for planning and carrying out their own work within a structured framework of clear performance targets. Managers were also placing greater

emphasis on participative and/or consultative leadership styles, involving their staff in work unit decision-making, and on developing more structured processes for ensuring that they were kept informed about, and had the opportunity to discuss and provide feedback on, developments and changes relating to their own work-unit, and to wider departmental and organisational issues.

Yet, certain factors inhibited the full adoption of this leadership style. More charismatic, inspirational and participative leadership styles were seen by some managers as simply alien to their own abilities and preferred ways of working. Some managers appeared to experience tensions between requirements to adopt more participative and enabling management styles and, because of pressures to drive change forward quickly, the need to adopt more directive - and even autocratic - styles to ensure speedy implementation of change, especially with staff members who were more resistant to the new culture. Some managers experienced tensions between the way in which they were held more tightly accountable for achieving results, under the new "performance culture", and the expectations that they should adopt more "empowering and enabling" management styles. They felt there was an unacceptable degree of risk in delegating operational control to their staff over achieving results for which they (the managers) were held accountable. Similarly, the tighter performance monitoring experienced by their staff, through the formal performance appraisal system, resulted in reluctance on the part of some staff to adopt more challenging or "stretching" work targets. Perceived links between "success" or "failure" in meeting performance targets and the performance related pay system exacerbated such reluctance. Moreover, the idea of "payment by results" also encouraged more calculative attitudes to work amongst staff, especially as the opportunities for gaining the higher performance pay grades were

perceived as very limited.

Within their liaison and informational roles, most managers reported increased levels of involvement in liaison and information processing and exchange activities. These increases arose largely from their new functional responsibilities under the new devolved management system, and the recenty introduced Purchaser/Provider split. BCC's moves towards a more "open" and flexible organisation, also involved increased information and communication flows both vertically and horizontally throughout the Authority. Operating within a complex network of internal (BCC) and external organisational contacts, the managers' involvement here took place within the key contexts of: improving their work-unit performance levels; working more effectively with, and improving integration between sections and departments within BCC, and between BCC and other public, private and voluntary sector organisations. Within the market system of service planning and delivery, extensive liaison and collaboration was required between Purchaser managers and Provider managers (both within and outside BCC) to plan services and set up initial service agreements or contracts, and to manage and monitor service provision - corresponding with Snow's (1992) Lead Operator and Caretaker managerial roles. Within the framework of BCC's customer care philosophy, managers reported working more closely with individual/local community consumers to plan, provide and monitor services which were more responsive to local needs. As a consequence of these developments, most managers reported an increase in their involvement with inter-disciplinary project working-groups, which operated across internal departmental and external organisational boundaries.

Managers also identified various key factors inhibiting the achievement of effective integrative and collaborative forms of behaviour, and

"open" communication and information flows. They experienced tensions within the Purchaser/Provider structure between the conflicting demands placed on them for "collaborative" forms of behaviour (required to ensure effective partnerships between the two sides), and "selfish" forms of behaviour (Hulme, 1994), arising from Purchaser managers' objectives to minimise the cost of service packages and Provider managers' objectives to maximise income from service provision. These tensions were particularly evident in the absence, for the most part, of true market mechanisms for resolving such conflicts. Other barriers inhibiting free and open cooperation, communication and information flows throughout the organisation, both vertically and horizontally, included: the limitations of managers' own negotiating, communication and information processing skills; logistical or technical problems concerned with, for example, the new "contract bureaucracy" involved in the Purchaser/Provider split, and the design of information/communication systems; organisational "political" barriers concerned with the "information is power" concept. The latter operated particularly in connection with Purchaser/Provider relationships; an additional "political" problem concerned the reluctance of senior management to communicate as openly as many managers wished on some organisational change and/or policy issues, and to consult and/or involve lower level managers in such higher-level decision-making. Reductions in the professional/departmental separatism associated with traditional local government management systems, were being replaced by new "horizontal" tensions arising between Purchaser and Provider functions.

Under the County's devolved management system, managers reported significant changes in their decisional role behaviour. They had gained responsibility for, and more operational decision-making control over,

new functional areas such as finance and personnel, within a firm framework of accountability for achieving results against resource utilisation and service delivery targets. These were derived from departmental business plans, and set for each manager within the recently introduced appraisal and performance related pay system and the new "performance culture". Many managers had attempted to adopt more entrepreneurial change-agent roles, in the sense of actively seeking opportunities to innovate and improve the efficiency and effectiveness of their resource utilisation and service delivery operations. As a consequence of these new decision-making responsibilities, plus their adoption of the new Purchaser or Provider roles, the negotiating and disturbance-handler roles also appeared to assume more significance for many managers.

A key problem identified here by the managers reflected the crucial distinction highlighted in the literature between the devolution of operational responsibility as opposed to authority to lower level managers (Mintzberg; Hales, 1993; Audit Commission, 1989). Many managers identified limits on their decision-making autonomy over their newly acquired resource management and service delivery responsibilities. The moves towards more decentralised forms of control exercised through the performance measurement system (focusing on outputs and outcomes) were accompanied by the introduction of increasingly rigorous operational controls over work processes - over both resource deployment, and, through more formalised quality assurance mechanisms, over professional service delivery activities, thus posing a threat to professional autonomy levels. New performance controls over outputs were seen as constituting essentially an additional overlay over existing and intensified forms of control over work processes, exacerbated by the new "contract bureaucracy" which had

been developed to regulate Purchaser/Provider relationships. Overall, these developments suggested a strengthening of "control", rather than "commitment", strategies on the part of the Authority. Many managers considered that these contraints on their managerial autonomy restricted the benefits associated with devolution. They felt limited in their scope for adopting more entreprenurial ways of working, for achieving more efficient and effective resource utilisation, and for becoming more responsive to consumer needs and demands.

The increased overall levels of job satisfaction reported by most managers - (within the intrinsic rewards categories of independent thought and action, opportunities for self-developments, self-esteem and status - were attributed by managers largely to their new devolved management powers. However, the increasing level of contraints on their managerial and professional autonomy were beginning to dilute their relatively high job satisfaction levels. These were also threatened by the continuing and accelerating pace of change in the Authority, and by reductions in the levels of job security and promotion/career progression traditionally associated with the public sector.

These findings raise a number of important theoretical and operational issues concerning changing management roles within local government. These issues are analysed below, together with the *implications* raised for effective change mangement within public sector organisations. Before doing so, however, it is important to emphasise that the findings must be treated with caution, in the context of the limitations of undertaking a small case-study analysis.

The key problem with a case study approach is the extent to which the case study findings are capable of generalisation beyond the confines of a particular case. Although, as outlined in Chapter 5, Barset County

Council represented a "critical" case, where the results can be seen as illustrative of wider trends affecting middle managerial role changes in other comparable authorities, further research within other authorities with similar external and internal characteristics is clearly required to assess the extent to which the results generated here would be replicated elsewhere.

Moreover, resource constraints - particularly time - inevitably limited the amount of data which could be generated - notably through limits on the number of middle managers (forty-eight) who could be interviewed about their role-change experiences. The broad nature of the topic (the impact of organisational restructuring on managerial behaviour) also meant that some issues could not be explored in as much detail as would have been preferable. Some topics - particularly the leadership role, and the nature of the "political" forces operating within the Authority - required more extensive, structured and systematic treatment than was possible in the semi-structured interview format used.

In addition, the relatively small number of managers who were interviewed made it impracticable to use statistical methods for analysing the responses to the questions with predetermined range of responses (including the self-administered questionnaire on job satisfaction levels). This meant that it was not possible to attribute with any degree of certainty differences in the responses between the managers to particular factors such as age, gender, departmental location etc. Any such differences which could exist require further research - especially in terms of identifying the specific factors which may affect their responses (see discussion below).

Key Research Issues

This section considers the utility of Mintzberg's contingency theory of

organisational structure and managerial roles for carrying out the research undertaken in this thesis, and then goes on to consider some of the issues raised for future research.

As outlined in Chapter 1, Mintzberg's theory was used throughout the thesis to provide an *ordering* framework for: (a) organising the extremely wide range of theoretical and empirical material available about organisational restructuring and the impact of restructuring on managerial roles; (b) selecting and analysing the empirical data obtained from the case-study local authority. In general, this framework worked well in both these areas; it proved, as Mintzberg intended, suitable for identifying and analysing the key changes from "traditional" to "new" management systems and roles within local government, and for analysing the empirical data. In particular, given that the main purpose of this thesis was to examine the extent to which the "ideal type" "new" managerial roles prescribed by the "critical" case-study authority were actually being implemented by the middle managers (acting as key change agents), Mintzberg's managerial role-set worked very well for assessing the extent to which these behaviour changes had occurred in accordance with the authority's expectations. Moreover, the differences in responses between individual managers about their behavioural manifestations of the "new" roles appeared to reflect many of the contingency differences predicted by Mintzberg in managerial role behaviour - notably, differences between public and private sector environments (and, hence, structural features and role prescriptions), between functions and departments, and between individual managers' own work-role preferences and expectations.

In relation to the latter point, the main limitation of Mintzberg's contingency theory of managerial roles concerned his focus on developing

predictive connections between these variables and managerial role behaviour, rather than on exploring the notion of underlying *causal* mechanisms or processes (see chapter 1). Thus, given its stated aim of producing an ordering, descriptive analysis of middle managerial role changes within the Authority, this thesis could only *suggest* the existence of possible causal connections between these factors and the various different behavioural changes reported by individual managers. Further research could usefully investigate such possible causal relations, through a systematic analysis of the managers' own *constructs* about the purpose and content of their managerial roles within local authorities - about the meaning they attached to these roles, and about *why* they *chose* to adopt, or not, particular forms of managerial behaviour. Such research would generate additional insights into the extent of the managers' resistance and/or receptiveness to the "new" managerialism, particularly in relation to the part played here by informal power relations and "organisational politics".

One interesting issue raised for further such research during this study concerned the way in which the managers' locations within the four different departmental/functional specialisms appeared to affect the nature of their role behaviour changes. Thus, for example, the managers' adoption of the two most crucial components of the new managerialism - devolution, operating in conjunction with the new market system - clearly varied between the four departments in relation to: the managers' different interpretations and understandings of these role prescriptions; the different ways in which their behaviour changed as a consequence; the different constraints and opportunities which operated to enhance and/or to inhibit the benefits (in terms of greater efficiency and effectiveness) which were potentially available from devolution and market systems. In general, for example, the application

of devolution and market systems appeared to be more problematic within Social Services than with Commercial Services managers, for reasons attributable, at least in part, to the very different nature of the goods/service provision and work tasks and processes in these two departments.

Social services provided personal, high-risk, highly politically sensitive services - such as child-abuse work - to vulnerable end-users, based on their needs and/or their statutorily/locally politically determined entitlements. The line between particular work activities and particular performance outcomes was not clearly demonstrable, and it was more difficult to specify precisely in advance the desired outcomes of complex work processess. As a consequence, service level agreements between Purchasers and Providers (operating within a largely simulated market) were more difficult to specify, and more likely to require ongoing amendments. In contrast, Commercial Services provided low-risk, non-politically-sensitive goods/services to a much wider range of non-vulnerable customers located essentially within an almost full, private sector-style market system, which was subject only to some central government restrictions on cross-boundary tendering, and to the local authority constraints on the amount of "surplus" that could be generated from internal customers. Performance outputs were unambiguous and fairly easily predetermined - turnover, sales targets etc - in the context of the provision of more impersonal, easily standardised goods and/or tangible services.

The case study research clearly supported the construct of local authorities as highly differentiated organisations, providing a wide range of services within highly diversified markets. Local authority departments differ across a range of dimensions identified by contingency theorists such as Mintzberg, including; the nature of the

product/service, and the different work processes associated with these different outputs; the different expectations, orientations and skill/knowledge bases of managers and staff; the nature of the customer base and the market; the degree of political sensitivity and/or risk of a particular service; the extent to which service objectives are un/ambiguous, non/measurable, and non/susceptible to predetermination of the desired outcome - and, hence, amenable, or not, to the disciplines of contracts or service level agreements. These differences are important because they raise issues (which could usefully be pursued in further research) about the optimum degree of differentiation (in terms of centralised/decentralised management and control systems, use of market systems etc.) which could most profitably be adopted by local authorities for ensuring maximum efficiency and effectiveness of service delivery within different departments.

Thus, for example, with regard to devolved resource management, further systematic research could explore the extent to which (within different departments, and within different Authorities) the potential benefits of more efficient and effective resource utilisation are being realised, or not, and why - especially in relation to the departmental differences in the degrees of devolution of *authority* as opposed to *responsibility* reported by the case-study managers. Similarly, with reference to the purchaser/provider split, further empirical research could explore the different forms which this system takes within different departments, and identify the factors associated with more or less effective implementation of such market systems within different service areas. Particularly within simulated market conditions, what steps could be taken by senior management - through the adoption, for example, of particular forms of service level agreements or contracts and particular types of internal pricing mechanisms - to reduce the tendencies towards

the "selfish" behaviour manifested by some of the case study purchaser/provider managers, and promote the development of more productive "collaborative" relations between the two functions?

For ensuring maximum effectiveness, the research results suggested that different systems and procedures are required for different services, with their different client or customer groups, their different work processes and service objectives, their different degree of true or quasi-market status, and their different degrees of political sensitivey or risk. As this case study demonstrates, middle managers, who occupy key roles in the implementation of these devolved management and market systems, can provide a valuable source of information about the advantages and disadvantages of the possible alternative approaches to service design adn delivery within different local authority departments.

The same problem with achieving the optimum degree of differentiation, whilst at the same time ensuring the approriate levels of coordination within an organsation is, of course, experienced by private sector enterprises as well. However, this point raises another significant issue about the extent to which the different constraints and opportunities operating within each department (to improve effectiveness under devolution and the market system) could be attributed to: (a) largely "technical" or "practical" problems experienced within all organisations; or (b) wider "value-based" differences between public and private sector organisations - related to the unique public accountability requirements and the ambiguous (and subject to continuous debate) roles of public sector organisations (Gray and Jenkins, 1993). The results of this research suggest that some of the barriers to the realisation of the full potential benefits of these "new" management

systems were clearly "technical" - albeit to different degrees, and in different ways within each service department. These barriers included problems with the design and implementation of information, training, communication and change management systems, the practical difficulties (within devolved and market systems) of maintaining control over more decentralised organisations, and senior management (and elected member) fears of losing power and status within such decentralised organisations.

Yet, it was also apparent from this research that some of these problems were exacerbated by, and derived at least in part from, the "unique" characteristics of local government. Essentially, the ultimate outcome or "effectiveness" of an authority is impossible to define objectively. The overall effectiveness of individual local authorities can only be assessed in terms of politically based value outcomes and processes, rather than in terms of the achievement of the predominantly economic goals (ultimately, profitablity) which measure the success of the private sector organisation. The external political control systems of local government (legitimated by direct, local elections), together with local authorities' statutory obligations to provide specific services and ensure equity of provision to those entitled to services, requires a critical degree of central ccordination through senior management to elected members, These local politicians are directly accountable to the public for both the policies they adopt and the actions taken by staff to implement these policies; the effectiveness of local authority management systems has to be assessed, at least in part, in terms of the extent to which they enable these public accountability requirements to be met - and to be clearly seen to be met by the public.

The debate continues about the extent to which various components of the "new managerialism" enhances or inhibits the achievement of these

multiple and complex local government objectives. Further empirical research is clearly required into the outcomes of the attempts made by different local authorities to adopt - in different ways, and with different aims - various aspects of these "new" management systems. Given the absence of any clear measures of the effectiveness of such systems within local authorities, with their multiple and diverse values, tasks and objectives, middle managers constitute a useful source of information about the operational efficacy of these systems.

Much of the impact of the "new" systems within individual local authorities will, of course, depend on the ways in which the transition from the "old" to the "new" is planned and managed. This case-study research raises a number of implications for effective change management within public sector organisations, which are discussed briefly below.

Effective change management

Middle managers usually play a key role in change implementation. It can therefore be argued that effective planning and management of change is essential in order to maximise the commitment of these managers to the proposed changes, to ensure effective implementation, and to minimise structural and/or behavioural barriers which can inhibit the adoption of new work patterns, and hence reduce the expectedly level of benefits - at both individual and organisational performance level - to be realised from change. As outlined earlier, the extensive changes reported by the case-study managers in their work behaviour, and their obvious familiarity with the new corporate values and beliefs associated with the Authority's "new" management approach, tend to suggest that Barset's change management programmes had been fairly successful - in achieving their stated ends of changing managerial behaviour and attitudes throughout the Authority to those associated with the "new" management

model. Moreover, most managers expressed fairly positive views about the nature of most of the changes (although with significant reservations in some cases about the purchaser/provider split) - in terms of improving, overall, their work satisfaction levels, and in terms of ensuring more efficent, effective and responsive service provision to individual and community consumers. Most managers, however, still identified a number of areas where change management systems had been inadequate, and/or where the potential benefits - at both the organisational and the individual manager levels - had been only partially, or not at all, realised. Barset's change management policies and practices (which have been noted and praised in a number of Local Government Management Board and other publications), and the managers' experiences of them, suggest a number of "good practices" which could usefully be followed by public sector organisations when designing and introducing change.

Firstly, individual managers simply differ in their own personal preferences and predilictions for, and feelings that they operate more effectively within, relatively stable or dynamic wor roles and environments - in the extent to which, essentially, they enjoy or dislike change. Whilst the practices discussed below can help to alleviate negative attitudes towards change, some individuals will nevertheless continue to have a preference for stable and more structured work roles and work conditions. It is essential, when recruiting new staff, to use selection systems which will ensure the appointment of managers with the appropriate degree of orientation to, preferences for, and competences in, working within relatively fluid, flexible and changing work roles and environments.

Managers' reluctance to embrace changing working practices is also

likely to be influenced by the degree to which they already possess or need to acquire the new competences necessary for discharging their new responsibilities. Clearly, an Authority can achieve much here, by ensuring that adequate definitions of, and training in, the newly required skills, knowledge and attitudes are identified and provided - in advance of managers' taking up their changed roles, and provided on an ongoing basis thereafter in response to individuals' particular needs. Training to develop skills such as time management, delegation, information processing etc. may well prove of immense value in helping managers cope with the problems, which frequently appear to accompany public sector change, of "doing more with less", which can lead to undesirable work pressures and stress, and longer working hours.

Managers are also more likely to be committed to change, and adopt changing work behaviour roles if they perceive that enhanced intrinsic and/or extrinsic rewards are likely to be derived from changed working practices. The likely impact of changes on the rewards valued by managers should be assessed when planning change. It is desirable to ensure that changes can enhance, at least to an extent, opportunities for the intrinsic rewards which appear to be of considerable value to many managers - such as opportunities for self-development, self-esteem and status, and, arguably of particular importance, independent thought and action. It may be more difficult to maintain extrinsic reward opportunities - especially those concerned with job security and promotion opportunities. Authorities need here to focus on changing a culture emphasising traditional hierarchical promotion structures to one where lateral opportunities for movement are emphasised - involving perhaps opportunities for enhanced intrinsic rewards of, say, chances to acquire and develop new skills and roles. More advice and assistance on career planning can also help here. If redundancies become inevitable,

then systems which focus on sensitive handling of such issues, with an end to uncertainties as soon as possible, plus provision of counselling, and help with finding alternative employment etc., can soften the experience for staff made redundant. They can also serve to reassure others, that, should the worse happen, support is assured to ease the transition to alternative employment. Job insecurities are likely to be increasingly experienced by Provider rather than Purchaser managers. Provider managers may feel, unless measures are taken to prevent this, increasingly less significant and of lower status than their Purchaser manager counterparts - who may be seen as more secure, and more heavily involved in high-status corporate activities such as strategy formulation and planning.

Public sector managers' willingness and/or ability to adopt in full any proposed changes in their work systems and behaviour is also likely to be influenced by other interrelated factors. These are likely to include, in particular, the extent to which: (1) the changes are perceived as arising from "real" needs for change (i.e. changes which will improve service delivery effectiveness and responsiveness to customer needs) as opposed to externally imposed "Political" or doctrinaire requirements, seen as having little or no relevance to improved organisational performance); (2) the aims and objectives of, and the reasons for, changes are clearly communicated at an early stage; (3) appropriate procedures and processes are used to involve managers adequately in change planning and design at an early stage, especially to avoid unnecessary problems at the implementation stage; (4) the way in which changes are "paced" in order to avoid overload or over-lapping of too many changes simultaneously or in fast succession.

In relation to points (1), (2), and (3), clearly much here depends on the strong and coherent leadership from the top - on clearly

disseminated consistent and well-argued communications, outlining useful and positive rationales for the planned changes, followed by procedures for ensuring that managers and staff throughout the authority are involved as much as possible. This should involve real (as opposed to token; the latter is usually quickly detected and can be worse than no systems at all) participation and/or consulation over the changes - not just at the outset, but on an ongoing basis. Continual monitoring and reinforcement - particularly of cultural and value based changes - is essential to avoid "drift" back into the "old" ways of doing things. Role-model examples provided by senior management can be important here; exhortations to adopt stringent "value-for-money" practices will be resented and evaded if senior mangement are perceived to be spending money on inessentials such as, say, new executive suites.

Little can be done by senior management or members about central government legislative prescriptions or requirements for particular changes. However, the way in which these are communicated, planned for and implemented, with emphasis placed on the benefits, as well as acknowledgement of any commonly perceived drawbacks (together with positive proposals for overcoming them) can help to overcome resistance to what may be perceived as "unnecessary" changes. Plenty of opportunity for participation on operational matters from managers and staff located lower down the organisation is also useful, as noted above, to help in developing a sense of change "ownership". Clearly, too, members and senior managers should be aware of the need to avoid "unnecessary", "change for change's sake", especially in the context of point (4). Even managers who are predisposed to "dynamic" role structures and environments need time to consolidate and reflect on recent and current developments. The pace and volume of central government prescribed change is unlikely to slacken; neither are local member requirements for

more effective resource utilisation in times of continuing resource constraints, nor the ever-increasing demands from the public for more effective and responsive services. Effective change management will continue to be of high priority for all local authorities.

Future trends for middle managers in Local Government

What, then, is the future likely to hold for local government managers? The short answer, essentially, is likely to be a continuation of the current, ever increasing move towards the "new" management systems and roles within the majority of local authorities (most of whom will continue to exist in their present form following the very limited proposals for reorganisation (in England) made by the Local Government Review Commission in late 1994). Given the election of Tony Blair to the Labour Party leadership in October 1994 and his launch of the "new" (i.e. non-socialist) Labour Party, the hopes of some public sector managers (and members) for the election in 2-3 years time of a Labour Central Government, which would undo some of the legislative and managerial prescriptions of their Conservative predecessors, are unlikely to be realised. A new Labour Government would probably maintain many of the new managerial initiatives and values introduced during the 1980s and 90s. Thus, managers will continue to be subjected to increasingly tight resource constraints, continuing demands from both central and local government politicians and the public for more and higher service standards, and the continuation (including extensions currently in the pipeline for many white-collar services) of mixed economy forms of service provision.

Within this relatively hostile environment, local authorities are likely to pursue either a business approach (involving a dominant business culture or ethic, similar to that found within divisionalised private

sector companies)), or a governmental approach (involving an emphasis on community leadership and empowerment, and governance) (Leach et al, 1994). Either way, local authorities may well tend towards the adoption of increasingly centralised control systems, in attempts to counter the potentially fragmenting impact of these approaches. They may adopt more rigorous and extensive use of performance measurements and work process controls and specifications - especially within the context of the extensions of market forms of service delivery, the need for contracts and/or service level agreements to regulate service delivery, and the strategic planning systems required to coordinate such fragmented service delivery systems. Such control will be facilitated by the growing use of more sophisticated computerised management information systems, which are as yet, are only in their infancy in many authorities. Utilisation of such systems may lead increasingly to a fuller realisation of the enabling and fragemented "network" or "boundaryless" forms of organisation associated with the development of the "enabling" and local authority, as more private, voluntary and other public sector agencies become responsible for actual service delivery. Increasingly, local authority workforces are likely to become subdivided into a relatively secure and priviledged group group of core staff and managers involved in strategic planning and purchasing of services, and a less secure group involved in service provision - at risk from job losses should contracts not be secured from the "enabling" authority.

Clearly, managers will need to continue to enhance their development of the appropriate management skills and competences required to operate effectively in this environment - especially in the areas of policy analysis and development, networking, inspection/regulatory, negotiation, and political awareness skills (for Purchaser Managers), and leadership, business management, marketing, and operational

management skills (for Provider managers). Provider managers, in particular, will have to develop new career and self-advancement orientations - more akin to those of self-employed business-people - to replace traditional vertical and hierarchical career structures.

Yet they may well operate within a more sympathetic public climate - in the sense of a growing public acknowledgement of the value and importance of welfare state and other public service provision, and a decline in the aagressive individualism and self-responsibility idelogies of the 1980s. Market regulation and provision of service provision - especially for manual services - is unlikely to disappear. But there may be more emphasis on the development of more non-competitive, as opposed to market, forms of service provision, where trust and collaboration can be firmly established between purchaser and provider functions. This may help to minimise the present growing gap between policy-making and execution of service delivery, strengthen local public accountability, and render more rewarding the work of the local authority manager.

EXHIBITS

EXHIBIT: CHAPTER 2

Exhibit 2.1.

Title:

Sheffield Metropolitan District Council: managerial competences relevant to middle and first-line managerial tasks.

Source:

Local Government Training Board (1988), Going for Better Management, Luton, Local Government Training Board, p47).

Sheffield Metropolitan District Council: managerial competences relevant to middle and first-line managerial tasks

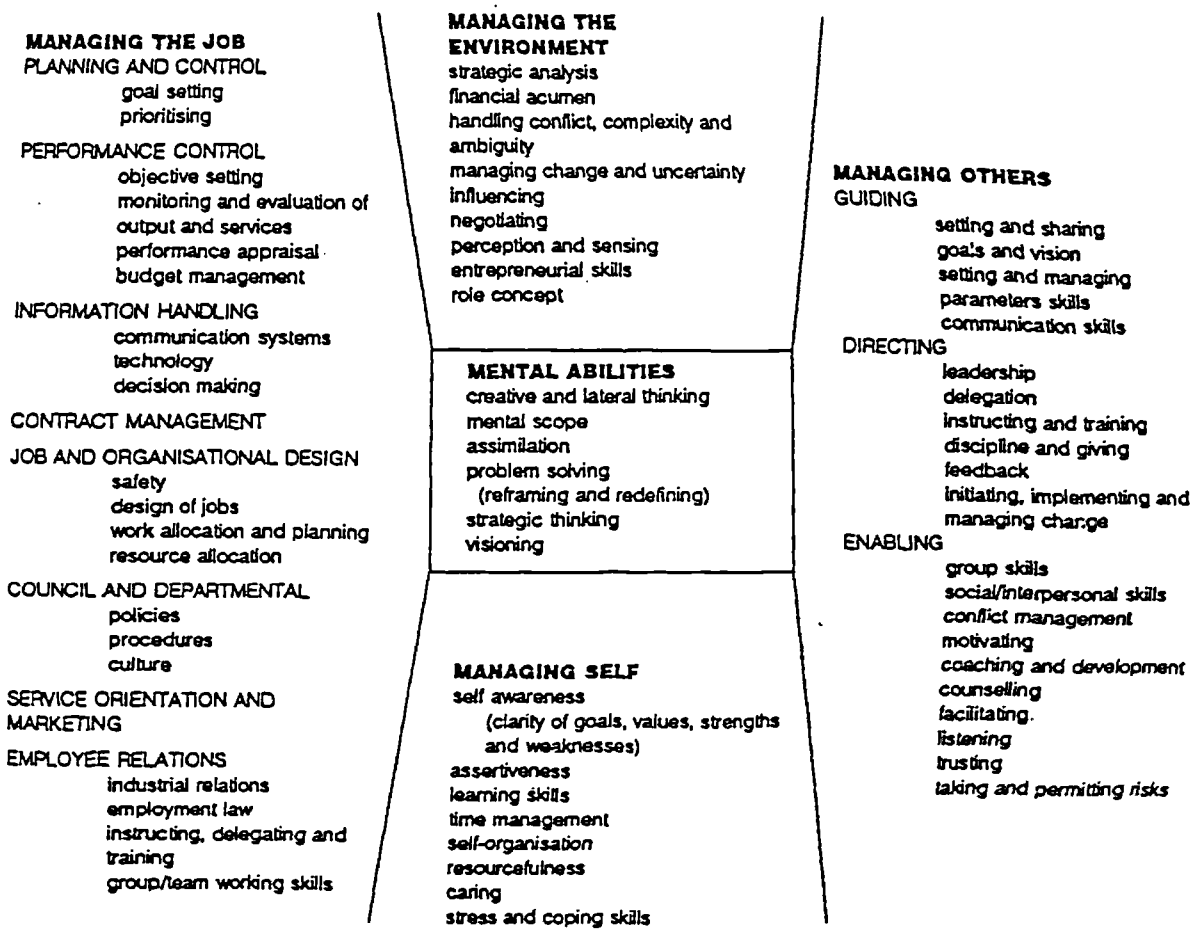


EXHIBIT: CHAPTER 3

Exhibit 3.1.

Title:

Management Approaches - Past and Present

Source:

London Borough of Bromley (1986), The Council's Management Style, pp 4-5.

MANAGEMENT APPROACHES – PAST AND PRESENT

	Past (Say 1960–1975)	Present (Say 1976–1990)
Era	Rising expectations.	Limited resources.
Strategies	Allowable growth	Real cuts.
	Big is best	Small is best
	Economies of scale	Economy through managers who have recognised responsibility for activities, budgets etc.
Structures	Fragmented.	Central corporate direction.
	Service/Committee based.	Delegated management.
Key Systems	Allocation of resources.	Strategic planning to adapt and take advantage of demographic shifts.
	Detailed bureaucratic and universal controls, particularly of inputs.	Concentration on control of outputs in broad terms.
	Financial control in "real terms" (i.e. inflation costs accepted).	Cash planning (i.e. if inflation exceeds expectations, activities are cut.)
Key skills	Professional.	Managerial.
	Administrative	Political (small p)
Style	Bureaucratic	Experimental
	Safe (i.e. documentary cover for action, "Yes Minister" levels of protection).	Innovative: participativ (i.e. selective in the use resources and therefore involving risk taking).
Staff	Heavy at the centre	Lean at the centre (or should be)
	Limited use of technology. Limited freedom to managers to manage.	Intensive use of technology. Maximum freed to manage.

CHAPTER 5: EXHIBITS 5.1. - 5.3.

Exhibit 5.1.

Title:

Schedule for assessing the adoption of the "new" management model by Barset County Council, used for interviews with senior managers and for examining documentary sources in stage 1 of the research

Schedule for assessing the adoption of the "new" management model by Barset County Council, used for interviews with senior managers/and for examining documentary sources in stage 1 of the research

1. Change precipitators: (Hinings and Greenwood)

* Pressures on BCC from government and other sources to change
  - financial, ideological - 3 'e's
  - purchaser provider/internal markets/cct
  - customer orientation

* key value changes from leader and senior managers during 1980s - missions, strategies etc

* organisational capability - the CE and senior managers, leadership style, implementation strategy etc.

* Functions of four research depts - Social Services, Highways, Commercial Services, Finance

2. Organisation Design Parameters - changes (Mintzberg)

(configurations: loose federation of warring Depts to corporate form?)

Design of superstructure

- changes in Committee and overall departmental structure since 1984/5 - charts

- Purchaser Provider split at Corporate headquarters and in Depts

- changes in structure of 4 depts - Social Services, Highways, Commercial Services and Finance - charts for 1984/5 and 92/3

- Changes in numbers of hierarchical levels

- Changes in numbers of middle managers

Design of positions, behaviour formalisation, indoctrination (culture)

- job descriptions - changes since 1984/5 - detailed activities to objectives and performance targets? Numerical and functional flexibility?

- cosmopolitan versus local orientation of professionals, inter-disciplinary working/breaking of professional boundaries. Emphasis on managerialism as well as professionalism for middle manager roles?

- PRP schemes and Performance Appraisal and Staff Development scheme

- part-time staff - changes. Temporary contracts - changes Redundances?

- formalisation by detailed operational rules/professional external expertise/performance outputs? Changes?

- cultural changes - training (Making Connections), new values from CE? Professionalism and managerialism? Managers with management qualifications

- examples in the Research depts?

Planning and Control systems

- New strategic planning system - medium term and annual plans and performance targets for four depts

- changes in member/chief officer relations

- control systems - changes in operational rules/procedures, professional (external) skills and knowledge, performance outcomes, -
control through inputs, outputs and outcomes. Purchaser/provider split and service level agreements/contracts.

- lateral linkages - within BCC, and between BCC and other agencies - strategic planning, purchaser provider split, cross organisation working groups etc. With external agencies? With customers/ the community? Role of IT - new computerised management information systems? Role of technostructure and support structure depts, in light of devolution? Head of Profession role for Finance? Communication systems?

Decentralisation/Centralisation of Decision-Making

- extent of horizontal (from technostructure to middle line) decentralisation, especially finance

- vertical - devolution - rationale and method. From centre to departmental COs to Areas to middle managers (see video book).

- controls on and limits of devolved powers

Middle Management Formal Role Prescriptions (Mintzberg)

- BCC definition and grades of middle managers

Decisional roles

- devolution, authority, control frameworks. CE values about entrepreneurialism, Ready Fire Aim etc. (Kanter and empowerment, middle managers as change agents). impact of purchaser/provider split. Extent of fluidity and flexibility of roles here - see job descriptions above.

Interpersonal Roles

- ceremonial, leadership. Impact of Staff Development and Performance Review systems, CE statements on leadership, empowering workforce etc. Transactional - Transformation leadership?
Liaison role - do under Information Roles

Informational Roles (plus liaison)

- See lateral linkages above, focus on work-group performance,

organisational integration, inter-organisational integration (Tapscott and Caston). Links with customers (purchaser/provider split, BCC close to the customer values). Who are customers - individuals, purchaser, community; external or internal. Making Connections. Impact of IT

Work satisfaction

- BCC staff survey, 1990. Changes in middle management numbers, redundancies, re-application for jobs? Training provision?

Exhibit 5.2

Title:

Schedule for interviews with middle managers in Barset County Council

Schedule for interviews with middle managers

Section A

1. Name/identification number Date of interview

2. Age 3. sex

3. Marital status

4. Highest educational qualification -

O levels/CSE A levels OND HND 1st degree
MA/MSC PhD Other Professional qualifications

5. Management qualifications - CMS DMS MBA other

6. Job title 7. Grade (g-j) 8. Department & Section

9. Function - Purchaser Provider Twin-Hatted

10 Is your section/unit's area of work subject to CCT within the next two years?

11. Do you expect to be subject to "Externalisation" in the next 2 years?

12. Salary - list shown on card 13. Other benefits apart from pension

14. Number of subordinates directly accountable to you

15. How many years have you worked for BCC

Section B

16. Have you always worked for BCC - Yes/No

17. Yes - Why/what made you decide to work for BCC
Was there any particular reason for choosing local government/the public sector rather than the private sector?

18. No - ask for previous position, and firm

why did you move to Local Government (previous post private)

or if other public sector, why did you move to BCC

19. How long have you been in your present post

20. Why/how did you move into it/get it

21. How many posts have you held during your employment with BCC

22. Where do you see yourself moving next/ your career progressing?

Probe for reasons and extent of satisfaction with prospects

23. There have been a lot of changes at BCC recently with regard to management and service delivery systems - what sort of impact do you think these have had/are having on your career/promotion prospects/opportunities?

24. For Finance - you are now based in the service departments rather than in your central professional department - what sort of impact is this having on your career/promotion routes?

25. Local government has a tradition of secure employment - how do you feel about your job security with BCC?

26. (Depending on response), How important is job security to you? How would you feel about having to leave BCC?

Section C

(Decisional Roles - resource allocator first)

27. I'm going to ask you now about the impact on your job as a manager of some of the specific changes that have taken place over recent years at BCC. One of the most important is the move to devolution - The CE has talked a lot about the importance of devolved management. What does devolution mean to you? How do you feel devolution has affected your work?

    Give CE definition: In Making Connections, the CE described devolution as "giving those managers nearest the point of delivery the maximum control of the functions which impinge on them and the service required to enable them to operate within a specified organisational framework where accountabilities and limits of authority are clearly understood."
    Then - operational, financial, personnel devolution:

28. What impact has devolved management had on the extent of the control you have over managing the services you provide for your customers -- Ask for examples and then probe as necessary. Changes in control since mid-80s?

29. How does this work - what sort of controls/limits are there on it from your departmental superiors/departmental manuals/from the centre?

30. How does the extent of your autonomy over service provision compare with the pre-devolution days of the mid 1980s? Examples?

31. Are there any areas where you would like more freedom or autonomy?

32. The performance appraisal system, and the performance targets - what sort of impact have these had on your work?

33. What sort of input do you have into setting strategy and targets for your service area - what sort of influence over these?

34. Looking at financial management, what impact has the introduction of devolved budgeting had on the extent of your control over managing

your budget? Probe:
Do you have your own budget, are you a cost centre?
How does this work - ask for examples of now compared with mid-80s.
What sort of controls/limits are there on it from your departmental superiors/manuals/from the centre? Probe as necessary:
On virement and transfer
How much can be underspent/rolled forward for next year?

35. How does the extent of this autonomy over your budgetary management compare with the pre-devolution days of the mid 1980s?

36. Are there any areas of financial management where you would like more freedom or autonomy?

37. What sort of input do you have into the budget setting process for your service area? - influence over the budget size?

38. Managing your staff - to what extent do you have now. as opposed to the pre-devolution mid 80s more or less control over your personnel management or has it remained much the same? Examples?

39. Overall, do you feel you have less or more control over your work now compared with the mid-1980s, or much the same? What do you think about the balance between the extent of your control over your work and controls exercised by senior management/departmental rules and regulations etc.?

40. The video "strategic management" suggests that devolution can be an exciting and new challenge for managers in terms of the new powers and responsibilities it gives them" - what are your feelings about devolution? Would you say you have generally positive or negative views about it? - probe for reasons/examples.

<u>For service managers</u> -

41. To what extent has devolution involved you in taking on responsibilities for new areas like finance and personnel and information systems

42. How would you describe your relationship with the specialist staff now working in your department? To what extent would you say that they have moved towards being more responsive to you business needs? To what extent do you feel like their "customer"? Probe on Finance, IT Personnel

<u>For Finance staff now devolved to service departments</u>

43. What sort of changes have taken place in your role now as a result of being based in the client department rather than at the centre?

44. How would you describe your relationship with the service line managers? To what extent would you describe them as customers? ?

45. What do you see as the advantages and disadvantages of devolution for you?

46. If not mentioned, ask - How are professional development/career and promotion paths are affected by devolution? How does your "dotted line" relationship with the "Head of Profession" at the centre work?

To all managers -

47. BCC senior management stress that one of the reasons for introducing devolution was to get rid of a lot of unnecessary rules and regulations - red tape - that has traditionally characterised decision making in local government - to what extent do you think this has happened, or not? Examples?

    Other changes in BCC include

48. a shift in emphasis from "professionalism" to "managerialism". Can you explain what this statement means to you? Can you give me some examples of application in your work ?

Section D

(Entrepreneurial role)

49. The adoption of the "ready, fire, aim" approach to decision making. Can you explain what this statement means to you? Can you give me any examples of application in your work ?

50. Associated with the development of devolution is the idea of managers becoming more "entrepreneurial". What does this term mean to you? Has it had any impact on the way you work?

51. For example, the CE in the video says explicitly that there is a need for managers to become more "proactive, opportunistic, future orientated, to take risks, to innovate" etc - To what extent would you say that your management activities reflect this kind of focus, or not? Can you give me some examples of situations where you felt you acted in a particularly "entrepreneurial" way?

52. The entrepreneurial aspect of the manager's job also involves looking out for opportunities to improve your section's work - to make it more effective and efficient - the idea of "continuous improvement". To what extent would you say that your management activities reflect this kind of focus or not? Has this changed since the mid 80s or remained much the same?

Section E

    Interpersonal Roles - Leader role

53. BCC seem to be placing a great deal of emphasis on the idea of the manager as a "leader" rather than simply as a "manager". What do you understand by the term "leader" as opposed to "manager"?

54. (Depending on the response) Have these ideas had any impact on the way you work? Changes since the mid 80s?

55. BCC stress various aspects of the leader role such as "visibility"- being very clearly accountable for results, "standing up to be counted, sticking your neck out". Have these ideas had any impact on the way you work? Changes since the mid 80s? What about being clearly accountable for your work - has this changed at all since the mid 80s, or remained much the same?

56. Then there are the BCC ideas of enthusing and motivating your staff, setting a clear sense of direction and being very positive about your

department's goals. Have these ideas had any impact on the way you work? Changes since the mid 80s? Examples?

57. BCC also seems to be emphasising the need for managers to "give people room", to concentrate more on enabling and helping staff realise their potential. Have these ideas had any impact on the way you work? Changes since the mid 80s? Examples?

58. What impact, if any, has the introduction of the Staff Development and Performance Review system had on the way you manage you staff? Changes since the mid-80s?

59. Has the way you manage your staff changed since the mid 80s or remained much the same? Probe on training and development activities.

60. How would you describe your own boss's leadership style with you?

(Ceremonial role)

61. Another aspect of the leadership role mentioned in the textbooks refers to the role of the manager as a kind of figurehead - where there is no decision making involved, but where the occasion demands your presence as a kind of BCC or departmental symbol or figurehead - like attending the official opening of a youth club, or presenting an award for long service. Are you involved at all in any of these kinds of activities? Any changes in extent of your involvement in this sort of activity since the mid 80s?

(Liaison role)

62. Looking at your involvement with people and organisations outside BCC, would you say you are involved in contact with other people to exchange information or who are useful contacts to have? Examples? Changes in the extent of your involvement with these activities since the mid-1980s? Why?

Section F

(informational roles - all three))

63. I'm going to look now at the manager's role in collecting and disseminating information - the idea of the manager as a kind of nerve centre or clearing house for information gathering and distribution

Looking first at communication with customers or clients outside BCC, - BCC is placing increased emphasis on the importance of closer contact with customers and the public generally. What sort of contact do you have with customers and the public generally? Examples? Any changes in the extent of your involvement here since the mid-80s?

(For managers with internal BCC customers, ask the same questions on INTERNAL customers)

64. What impact has the Purchaser/Provider split had on your work here? Examples?

65. Are you involved at all with Organisations or agencies outside BCC providing services/resources/help for you or with you?

66. Has your involvement here changed at all since the mid 80s? Has it increased or decreased or stayed much the same? Has the way in which you do it/the importance attached to it changed or remained the same?

    For managers who are customers receiving services from internal BCC contractors/service providers ask the same question.

67. What impact has the Purchaser/Provider split had on your work here? Examples?
68. Can you tell me about your involvement in inter-departmental/ inter-agency/interdisciplinary work and project groups? Changes since the mid 1980s? More or less involvement or remained much the same?

69. Turning now to communication within BCC, the employee survey of 1990, identified the need for improved information flows and communication systems within the authority, up and down, sideways, one-way and two-way: What involvement do you have in these communication systems? Changes since the mid 80s?

70. Communication horizontally or laterally, with managers and staff in other sections of your department or other BCC departments - What is the extent of your communication and information exchange with these other sections and departments? How does it take place - what are the mechanisms used - ask for examples. Changes since mid-80s?

71. Did you attend the Making Connections programme for middle managers

72. Looking at accessibility for you to information from elsewhere in the County - since the mid-80s, has this become easier or more difficult or stayed much the same?

73. Communication down from the Centre to you and from you back up again - Have there been any changes here since the mid 80s in the amount of information going up and down

74. The information you pass on to your staff - has the amount of this changed at all since the mid-80s?

75. What impact has the introduction of computerised management information systems had on your information processing activities ? - probe about impact on the volume of information, its usefulness, user-friendly nature of systems

76. Overall, would you say that the extent of your involvement generally in information processing and exchange activities has changed since the mid 80s - has it increased or decreased or remained much the same?

77. Generally speaking, overall, in terms of information flows, to what extent would you say that BCC has become a more open organisation, or stayed much the same or got more closed?

<u>Section G - competences and satisfaction</u>

78. As a consequence of all these changes in your management role, what changes would you identify in the management competences you need to carry out your work effectively?

79. Overall, looking back to the mid-80s, would you say you were

generally positive or generally negative about these changes and the way in which your own job has changed?

Probe for reasons and for specific examples including:

Effect on length of the working week?

Show Porter Schedule, explain first two statements, and ask managers to complete it (see last page of exhibit)

80. Has your job become, overall, more or less satisfying as a result of all the changes? Probe for reasons.

Section H - Change

81. What do you consider to be the reasons for the introduction of all these changes since the mid-1980s? Probe - were the changes an unavoidable response to external pressures such as government legislation or were they the result of choice by top management/councillors?

82. Also ask whether more or less direct contact with Councillors?

83. People's attitudes to organisational change can be affected by the way the changes are introduced - the amount of consultation, the time and effort given to planning and carrying out the changes etc - What are your views about the way in which BCC went about introducing all these changes?

84. There are various stages within the organisational change process - preparing for changes, trying them out, adjusting to them and then settling down with them/consolidating your position, so to speak - what stage would you say best describes your own position at the moment?

85. To what extent would you say that change is becoming a "normal way of life" at BCC? If a positive response, ask - have you and your staff's attitudes towards change altered as a result of this "change as a way of life" culture?

86. To what extent has your own job security been affected by the changes? - promotion and career prospects and importance - although should have emerged under earlier questions

Any other points the respondents wish to make

Listed below are a number of possible characteristics regarding your job, Please answer all sections and circle the number of each scale that represents your opinion about each of the following:

	low						high
	1	2	3	4	5	6	7

1. The opportunity for personal growth and development in my job position

   a. How much is there? 1 2 3 4 5 6 7

   b. How important is this to me? 1 2 3 4 5 6 7

2. The opportunity for independent thought and action in my job position

   a. How much is there? 1 2 3 4 5 6 7

   b. How important is this to me? 1 2 3 4 5 6 7

3. The feeling of security in my job position

   a. How much is there? 1 2 3 4 5 6 7

   b. How important is this to me? 1 2 3 4 5 6 7

4. The amount of pay for my job

   a. How satisfactory is it 1 2 3 4 5 6 7

   b. How important is this to me? 1 2 3 4 5 6 7

5. The opportunity to develop close friendships in my job

   a. How much is there? 1 2 3 4 5 6 7

   b. How important is this to me? 1 2 3 4 5 6 7

6. The opportunity for promotion in my job

   a. How much is there? 1 2 3 4 5 6 7

   b. How important is this to me? 1 2 3 4 5 6 7

7. The feeling of self-respect/esteem derived from my job position

   a. How much is there? 1 2 3 4 5 6 7

   b. How important is this to me? 1 2 3 4 5 6 7

Question 2 - Age

26 - 30

31 - 35

36 - 40

41 - 45

46 - 50

51 - 55

55 - 60

over 60

Question 3 - Marital status

Married

remarried

living together

single

divorced separated

widower/widow

Question 12 - Salary

£10.001 - 15,000

£15,001 - 20,000

£20,001 - 25,000

£25,001 - 30,000

£30,001 - 35.000

£35,001 plus

Exhibit 5.3.

Title:

Characteristics of the 48 middle managers interviewed for the research

Notes:

This exhibit outlines the characteristics of the 48 middle managers interviewed for the research within (1) Social Services (2) Highways (3) Finance (4) Commercial Services.

Expansion of the abbreviated headings is as follows:

Highest Educ.Qual - The highest level of educational qualifications obtained by the managers

Management Qual. - Management qualifications obtained by the managers

EXCLUSION:

This exhibit is ommitted from this copy of the thesis to prevent any possible identification of the managers who were interviewed.

CHAPTER 6: EXHIBITS 6.1. - 6.13.

Exhibit 6.1.

Title:

Barset County Council (1992/30): functions, mission, and strategy.

Barset County Council 1992/3 - Functions, mission and strategy

BCC is one of the three largest English County Councils, serving a mixed urban and rural area of 3730 square kilometers, with a population of around 1.5 million in 1992/3.

The Conservatives have controlled Barset since its inception following the 1888 Local Government Act, (although it became "hung" with no party in overall control for the first time after the 1993 May elections, by which time this research was completed). The Authority had, in 1992/3, 99 elected members, a workforce of about 34,800 full time equivalents (including locally controlled Education), and a gross annual budget of £1,212 million.

Barset is responsible for ensuring that the following services are provided (either by BCC's own workforce or through other public, voluntary and private sector agencies); responsibility for some of these services is is shared with the 14 District Councils in Barset:

BCC Responsibilities	Shared with the Districts
Education	Leisure and Sports
Social Services	Amenities
Fire Service	Gypsy Sites
Police and Traffic Wardens	Elections
Highways and Transport Planning	Emergency Planning
Waste Disposal and Recycling	Street Lighting
Strategic Planning	Footpaths and Bridleways
Trading Standards	Coastal Protection
Public Analysts	Parks and Open Spaces
Animal Diseases Inspectorate	Museums and Art Galleries
Libraries	Economic Development

Barset Mission/Vision Statement:

...THE BEST...

* No 1 Priority - Public Services
* Maximise Barset's Interests
* Businesslike, Leading Edge
* Competitive, Added Value
* European and International

BARSET COUNTY COUNCIL

...THE PLACE TO BE...

Strategic Priorities 1992/3 - 94/5

* Improving the Range and Quality of People Services
* Creating the Conditions for Economic Success
* Improving the Physical Environment
* Better Public Protection
* Sound Budgets
* Switching Resources from Overheads to Service Delivery

Sources - Members' Handbook, 1993; BCC/Price Waterhouse, "Facing the Challenge: Making Strategic Management Work"; Making Connections, 1992; Medium-term Plan, 1992/3-1994/5.

EXHIBIT 6.2.

Title:

Social Services, Highways, Commercial Services Departments and Finance Sections (1992/3): size, budget and functions

Social Services, Highways, Commercial Service Departments and Finance Sections, 1992/3: size, budget and functions

Social Services Department

Size: approximately 4,494 full-time equivalents

Budget: £151.597 million (revenue)

Functions: the Department is responsible for ensuring the provision of variety of home-based, community and residential services for: children and families; elderly people; people with learning and physical disabilities; people with mental health problems.

Highways and Transportation Department (excluding Direct Services)

Size: approximately 873 full-time equivalents

Budget £85.3 million (revenue))

Functions: the Department is responsible for ensuring the provision of services which include: planning for future transport needs; design, construction and maintenance of roads and footways; traffic management and road safety; public transport support; waste management and regulation.

Commercial Services Department

Size: approximately 2,716 full-time equivalents (the number fluctuates considerably)

Budget: the Department has no budget; it generates its own income from product/service sales

Functions: the services provided by the Department's nine business units include: the supply of gas, oil, electricity, office equipment, furniture; lease cars; printing; school meals; cleaning; vehicle maintenance.

Finance Sections

Size: approximately 235 staff in the Corporate Finance sections, and about 400 staff devolved to Service Departments

Budget: 4.417 million (revenue)

Functions: the Corporate Finance sections provide a range of corporate services including: corporate financial advice; management and review of corporate financial processes; ensuring corporate financial control through setting standards for financial activity, and monitoring compliance; supporting the Departmental financial services. Departmental Finance sections have similar responsibilities for Departmental finance, and they also assist budget-holder line managers.

Sources: Barset Facts, 1992; Budget, 1992/3; Financial Management Handbook, 1992

EXHIBIT 6.3.

Title

Barset's Local Pay and Grading Scales, 1990 (still operating in 1992/3).

Notes

This shows Barset's own local grading structure which operated until March 1990, and the new grading structure (with the overlapping grades to ensure greater functional flexibility) which operated from April 1990 up to the time of this research.

The National Joint Council Scales (approximate equivalents) are shown on the left-hand side of the page.

The Proposed New Structure from April 1990

NATIONAL SCALE EQUIVALENTS

The cost-of-living increase will be added to the salaries shown here from April 1990 — three months earlier than usual.

Note how there is more pay 'headroom' in eac salary band. Match the colours to compare your present with your proposed salary band.

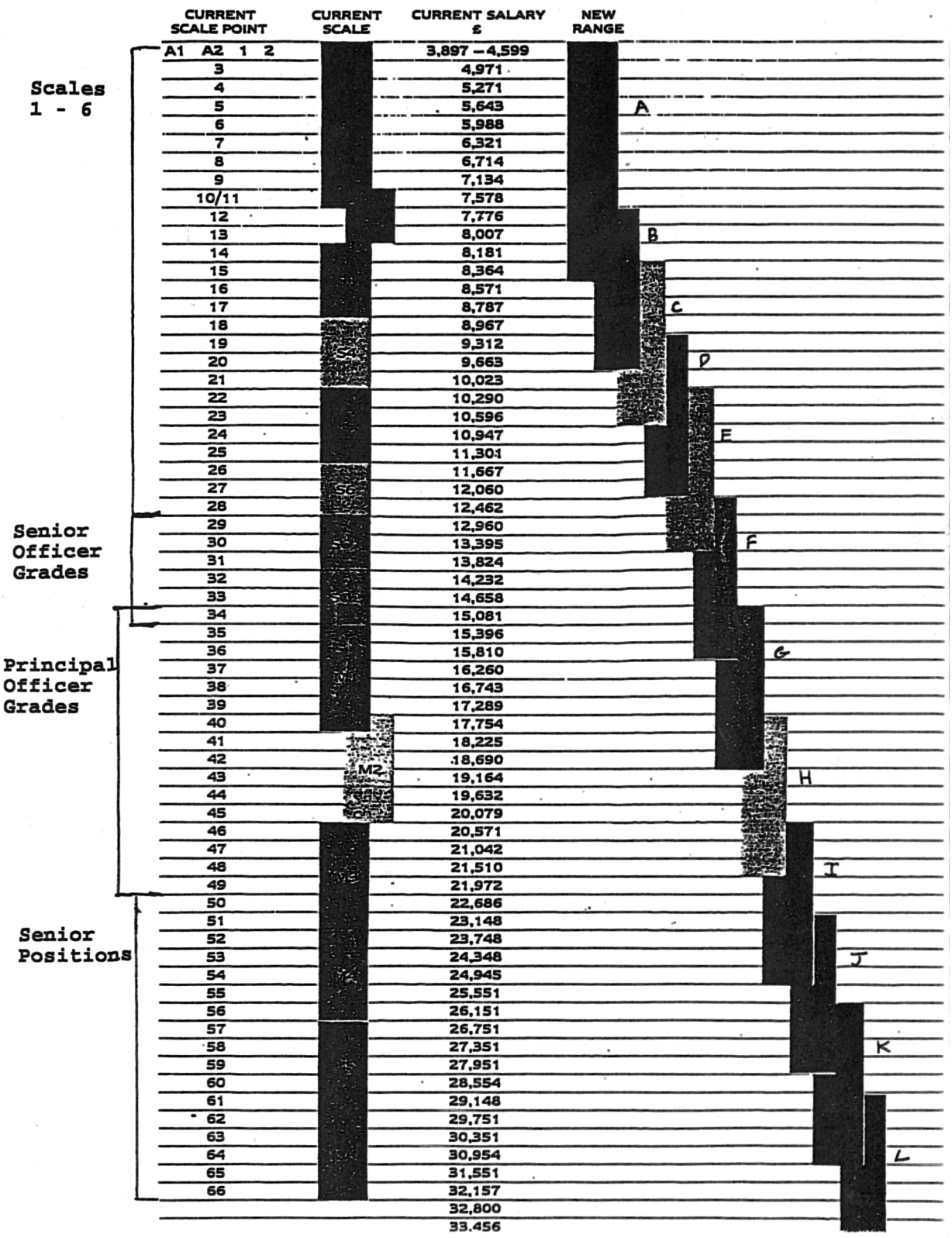


EXHIBIT 6.4.

Title:

Example (from the Highways Department) of a "new-style" job description and performance appraisal format used under the County's Staff Development and Performance Review system

COUNTY COUNCIL

HIGHWAYS AND TRANSPORTATION DEPARTMENT

JOB DESCRIPTION

Job Title	Project Manager (Design) Project Manager (Major Maintenance)
Branch	Design and Construction
Job Purpose	To direct the design process of new highway and/or major maintenance schemes throughout the County within agreed programmes, resources and financial targets to enable the construction of safe, economical, viable and environmentally acceptable highways.
Responsible to	The postholder is responsible to the Highway Design Manager and P.A.C.S. (Design & Construction) for the discharge of his/her duties.
Accountabilities	1) Plan, direct and monitor the work of the Team and other groups to meet the client's design brief and programme. 2) Agree fees with clients, ensure all activities are accounted for and that the income is fully realised to achieve profitability of the project team. 3) Ensure the requirements of the Departmental Quality Assurance Scheme are fully implemented to provide confidence to the client that products and services meet appropriate standards and performance. 4) Provide an innovative and effective approach to all aspects of the work to ensure the most cost effective and environmentally sensitive solutions. 5) Promote effective liaison with the public, clients and other parties to achieve positive support in realising the objectives of the Authority. 6) Ensure the expertise of the postholder is made available for positive contribution to the overall management of the Branch and Department.

Salary and Conditions

Salary Career Band 4, Grade H.
Essential User Car Allowance/Lease Car.
Subject to all Conditions of Service as contained in the Kent County Council Scheme of Conditions of Service for Pay Plus, Administrative, Professional, Technical and Clerical Staff.

Qualifications

Degree in Civil Engineering or equivalent.
MICE or equivalent.
8 years minimum experience since achieving Chartered status.

Individual Appraisal

HIGHWAYS &
TRANSPORTATION

YEAR 19 /19

Date of Interview.....

Name.....

Confidential

Post.....

Branch.....

NOTES:

THIS APPRAISAL SHOULD COVER:–

1) AN EVALUATION OF THE WHOLE JOB
2) A DISCUSSION OF INDIVIDUAL CAREER PLANS
3) A PERSONAL DEVELOPMENT PLAN
4) COMMENTS ABOUT THE APPRAISAL

- Where necessary additional sheets should be attached to the Original
- Completed forms to be retained by line managers with a copy to appraisee.
- Personal Development Plans should be completed and forwarded to the Personnel Group.

PRINCIPAL ACCOUNTABILITIES (from job description)	ESTABLISHED TARGETS

SIGNED:

MANAGER..... DATE .....

APPRAISEE ..... DATE .....

GRAND PARENT ..... DATE .....

(where applicable)

PERFORMANCE	
MID-TERM ASSESSMENT	FINAL ASSESSMENT
	FINAL EVALUATION LEVEL
SIGNED: MANAGER ..... DATE ..... APPRAISEE ..... DATE ..... GRANDPARENT ..... DATE ..... (where applicable)	SIGNED: MANAGER ..... DATE ..... APPRAISEE ..... DATE ..... GRANDPARENT ..... DATE ..... (where applicable)

Comments

MANAGER

Signed Date

APPRAISEE

Signed Date

GRANDPARENT

Signed Date

Copy to: (a) Personnel Group
(b) Appraiser
(c) Appraisee

HIGHWAYS AND TRANSPORTATION DEPARTMENT
STAFF TRAINING AND DEVELOPMENT

CONFIDENTIAL

Personal Development Plan

Full Name		Recommended Method of meeting need						FOR USE BY TRAINING SECTION	
Post Title		Coaching on-the-job	Reference Material	Visits	Short Courses	Qualifications	Other	This section to be filled in when recommended training completed	
Branch									
No.	Training need identified	A	B	C	D	E	F	Training Provided	Date Completed
1									
2									
3									
4									
5									

Signed by Appraiser: ..... Date: .....

Signed by Appraisee: ..... Date: .....

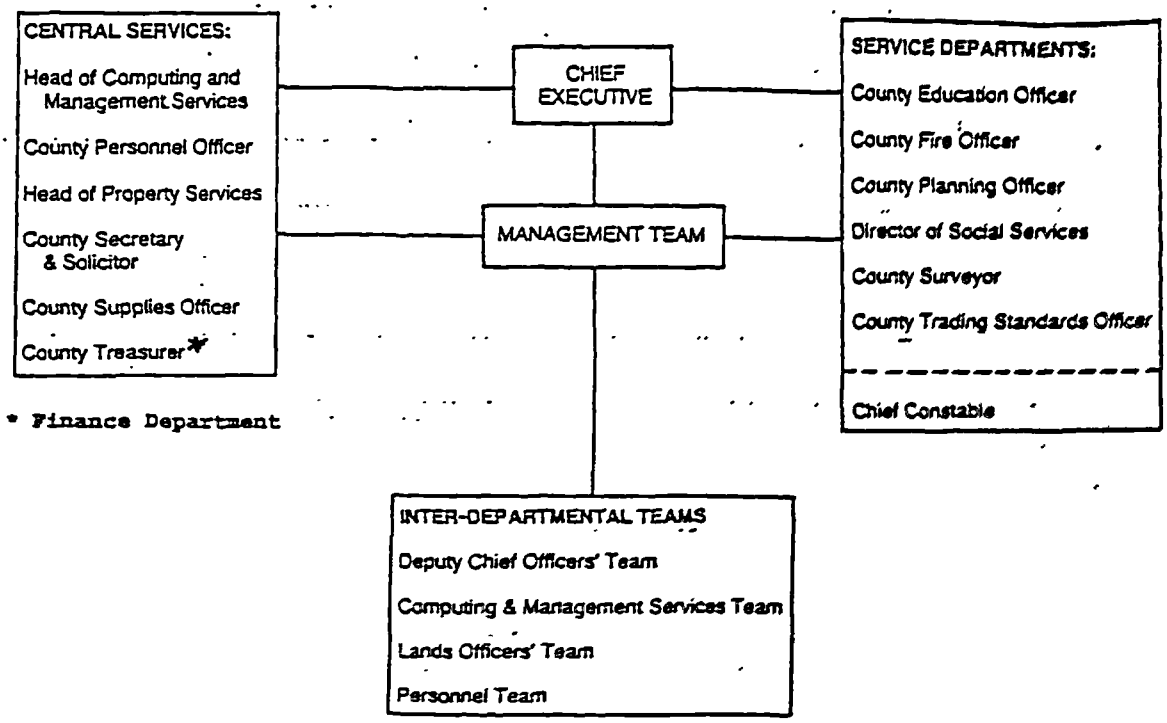
Signed by Grandparent ..... Date: .....
(where applicable)

EXHIBIT 6.5.

Title:

Barset County Council Departmental structure, 1984/5

Departmental Structure, 1984/5



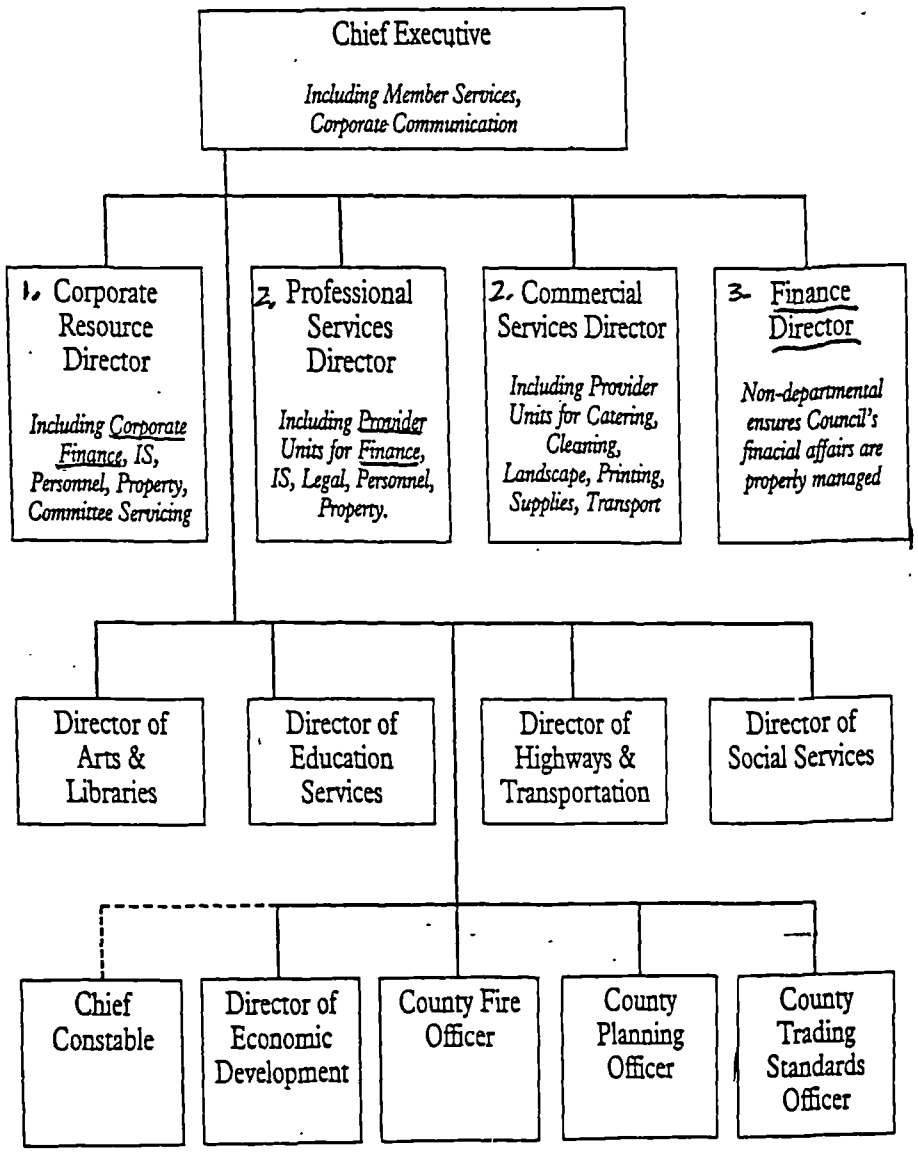
* Finance Department

EXHIBIT 6.6.

Title:

Barset County Council Departmental structure, 1993

Barset County Council Departmental Structure (1993)



Notes:

1 denotes the corporate Purchaser functions

2 denotes the corporate Provider functions (including the Commercial Services Department

3 denotes the Finance Director's corporate function, which is neither a Purchaser nor a Provider function

EXHIBIT 6.6.

Title:

Social Services Department organisational chart (simplified), 1983/4

Social Services Department (1983/4) Organisation Chart (Simplified)

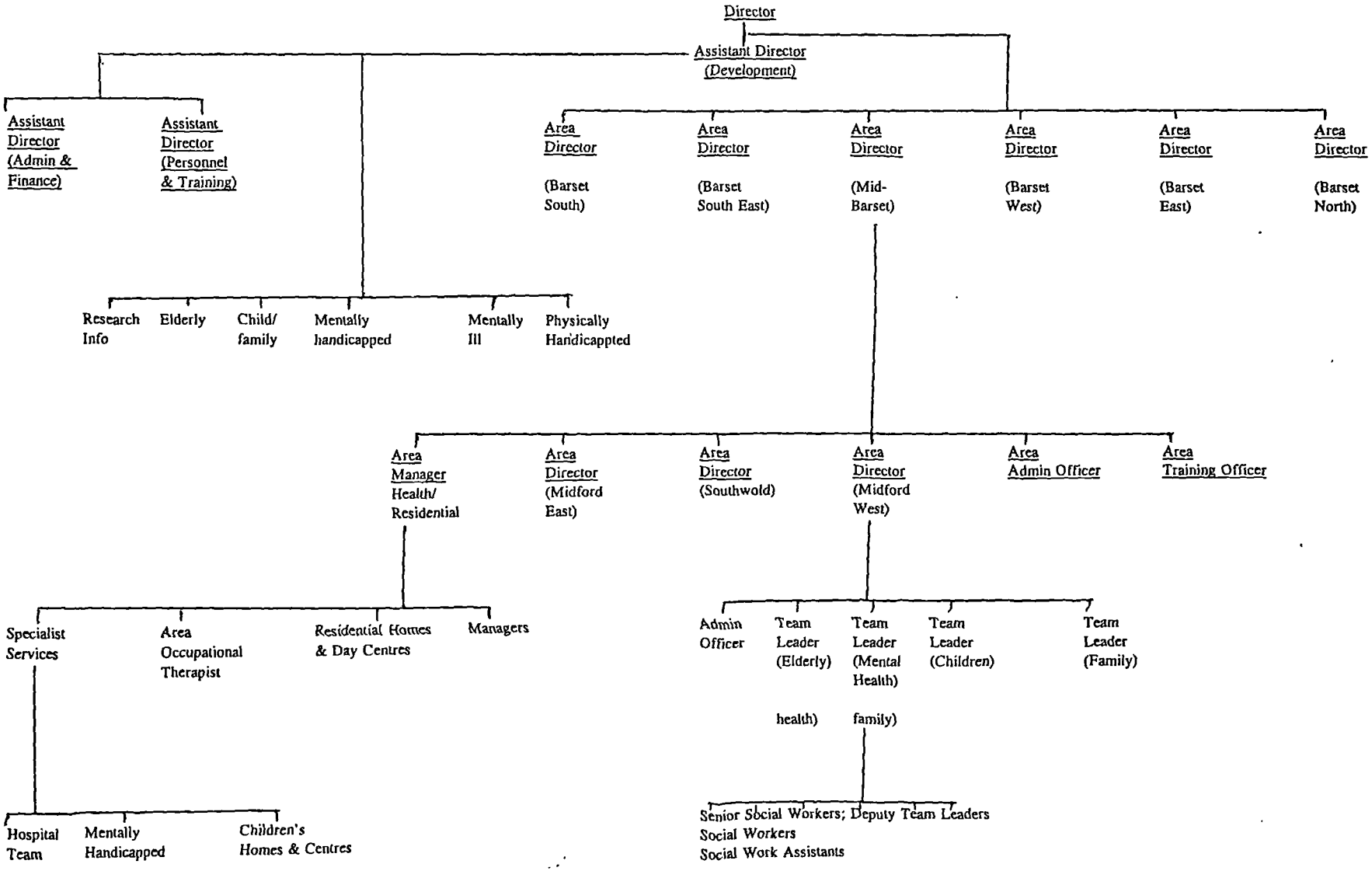


EXHIBIT 6.8.

Title:
Social Services Department organisational chart (simplified), 1992/3

Notes

The symbol @ denotes middle managerial grades/locations

The dotted line running vertically down the page denotes the Purchaser/Provider split (operating under each of the 5 Area Directors).

The dotted line running from the Assistant Directors of Finance, Personnel etc. (top left-hand side of the chart) denotes the "dotted line" relationship operating between these Social Service Departmental specialist staff and the "Head of Profession" role located within the Central Corporate Specialist Departments.

The dotted line running from the asterisked AREA Finance, Personnel etc. officers (middle right-hand side of the chart) denotes the "dotted line" relationship operating between these specialist staff and the Departmental Assistant Directors of these specialist functions - and then ultimately to the Central Corporate Specialist Departments as described above.

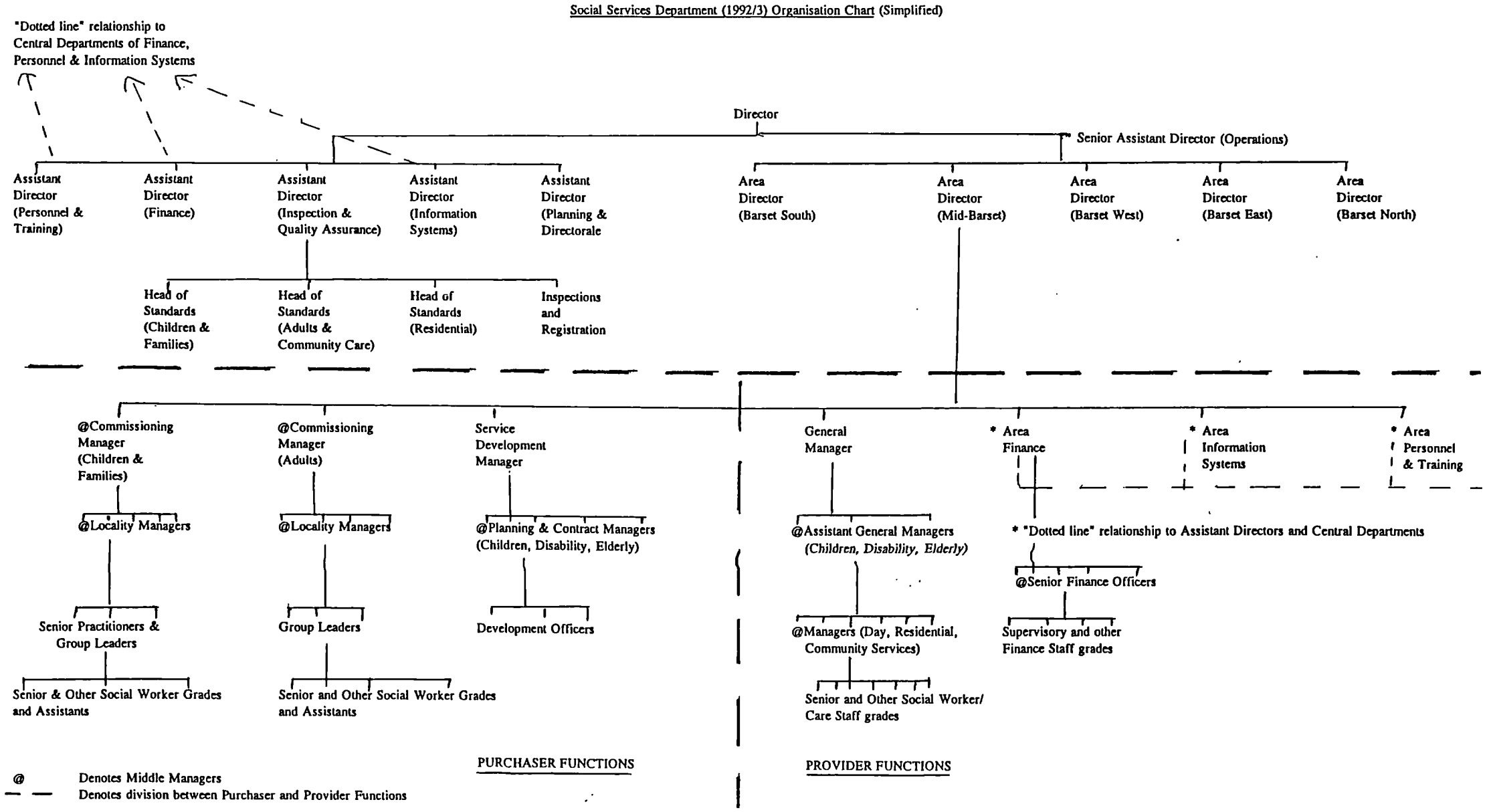

Social Services Department (1992/3) Organisation Chart (Simplified)
"Dotted line" relationship to Central Departments of Finance, Personnel & Information Systems
Director
Senior Assistant Director (Operations)
Assistant Director (Personnel & Training)
Assistant Director (Finance)
Assistant Director (Inspection & Quality Assurance)
Assistant Director (Information Systems)
Assistant Director (Planning & Directorale
Area Director (Barset South)
Area Director (Mid-Barset)
Area Director (Barset West)
Area Director (Barset East)
Area Director (Barset North)
Head of Standards (Children & Families)
Head of Standards (Adults & Community Care)
Head of Standards (Residential)
Inspections and Registration
@Commissioning Manager (Children & Families)
@Commissioning Manager (Adults)
Service Development Manager
General Manager
* Area Finance
* Area Information Systems
* Area Personnel & Training
@Locality Managers
@Locality Managers
@Planning & Contract Managers (Children, Disability, Elderly)
@Assistant General Managers (Children, Disability, Elderly)
* "Dotted line" relationship to Assistant Directors and Central Departments
@Senior Finance Officers
Senior Practitioners & Group Leaders
Group Leaders
Development Officers
@Managers (Day, Residential, Community Services)
Supervisory and other Finance Staff grades
Senior & Other Social Worker Grades and Assistants
Senior and Other Social Worker Grades and Assistants
Senior and Other Social Worker/ Care Staff grades
PURCHASER FUNCTIONS
PROVIDER FUNCTIONS
@ Denotes Middle Managers
— — Denotes division between Purchaser and Provider Functions

EXHIBIT 6.9.

Title:

Highways and Transportation Department organisational chart (simplified), 1987.

Highways and Transportation Department (1987) Organisation Chart (Simplified)

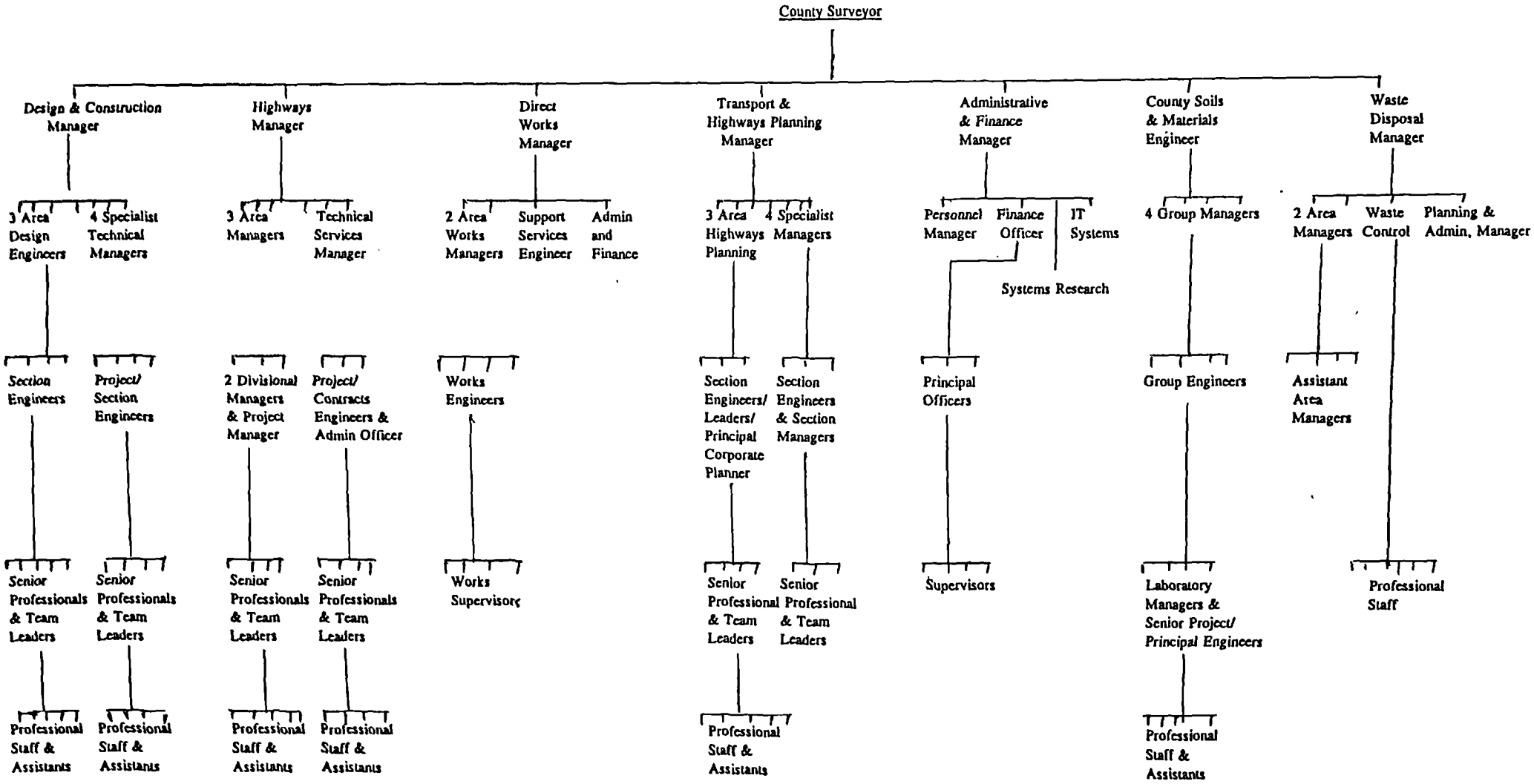


EXHIBIT 6.10.

Title:

Highways and Transportation Department organisational chart (simplified), 1993.

Notes

The symbol @ denotes middle managerial grades/locations

The dotted line running vertically down the page denotes the Purchaser/Provider split (operating under the Director, except for the Assistant Director Strategic Support, where the division occurs immediately under this position).

The dotted line running from the asterisked specialist Finance, Personnel etc. staff (middle of the chart) denotes the "dotted line" relationship operating between these Departmental specialist staff and the "Head of Profession" role located within the Central Corporate Specialist Departments.

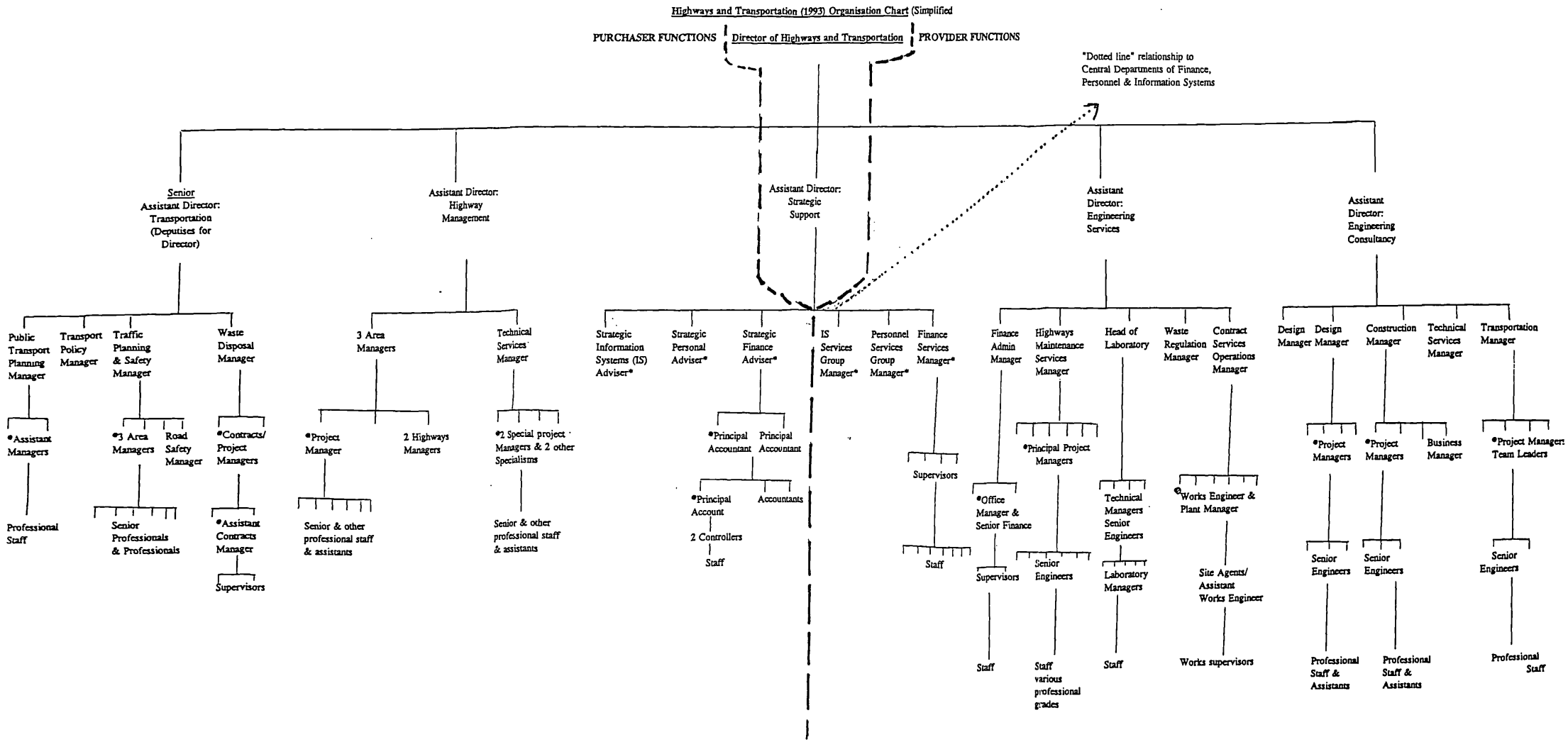

Highways and Transportation (1993) Organisation Chart (Simplified
PURCHASER FUNCTIONS
Director of Highways and Transportation
PROVIDER FUNCTIONS
"Dotted line" relationship to Central Departments of Finance, Personnel & Information Systems
Senior Assistant Director: Transportation (Deputises for Director)
Assistant Director: Highway Management
Assistant Director: Strategic Support
Assistant Director: Engineering Services
Assistant Director: Engineering Consultancy
Public Transport Planning Manager
Transport Policy Manager
Traffic Planning & Safety Manager
Waste Disposal Manager
3 Area Managers
Technical Services Manager
Strategic Information Systems (IS) Adviser*
Strategic Personal Adviser*
Strategic Finance Adviser*
IS Services Group Manager*
Personnel Services Group Manager*
Finance Services Manager*
Finance Admin Manager
Highways Maintenance Services Manager
Head of Laboratory
Waste Regulation Manager
Contract Services Operations Manager
Design Manager
Design Manager
Construction Manager
Technical Services Manager
Transportation Manager
*Assistant Managers
*3 Area Managers
Road Safety Manager
*Contracts/ Project Managers
*Project Manager
2 Highways Managers
*2 Special project Managers & 2 other Specialisms
*Principal Accountant
Principal Accountant
Supervisors
*Principal Project Managers
*Project Managers
*Project Managers
Business Manager
*Project Manager: Team Leaders
Professional Staff
Senior Professionals & Professionals
*Assistant Contracts Manager
Senior & other professional staff & assistants
Senior & other professional staff & assistants
*Principal Account
Accountants
2 Controllers
Staff
Staff
*Office Manager & Senior Finance
Technical Managers Senior Engineers
*Works Engineer & Plant Manager
Senior Engineers
Senior Engineers
Senior Engineers
Supervisors
Supervisors
Laboratory Managers
Site Agents/ Assistant Works Engineer
Professional Staff & Assistants
Professional Staff & Assistants
Professional Staff
Staff
Staff various professional grades
Staff
Works supervisors
Denotes division between Purchaser & Provider Functions
Denotes location of Middle Managers
Denotes dotted line relationsip to central Head of Profession Roles at County Hall

EXHIBIT 6.11.

Title:

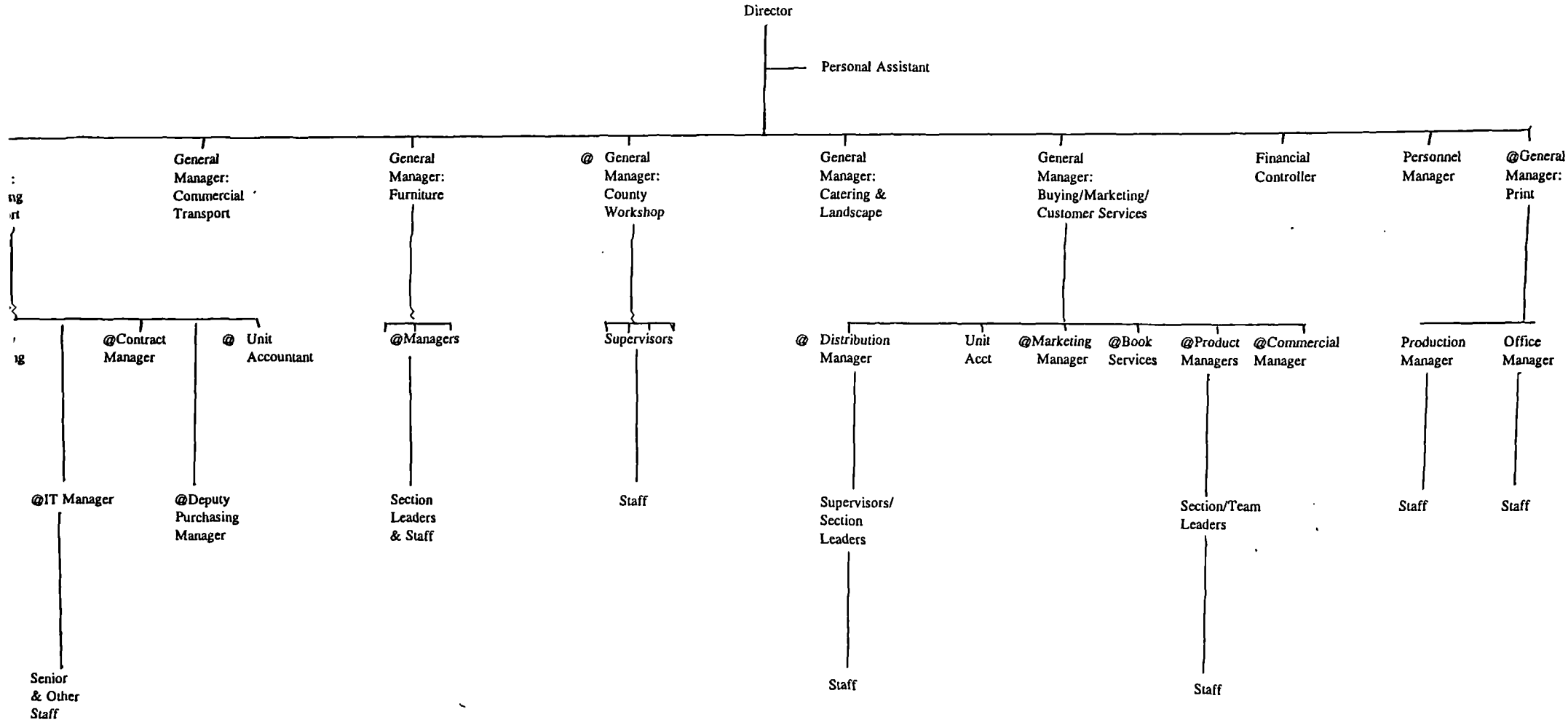
Commercial Services Department organisational chart (simplified), 1992/3

Notes

This Department did not exist in the mid 1980s. There is no Purchaser/Provider division within the Department; all business units were Providers at the time of the research.

The symbol @ denotes middle managerial grades/locations

Commercial Services Department (1992) Organisation Chart (Simplified)



s middle manager positions

EXHIBIT 6.12.

Title:

Treasurer's Department organisational chart (simplified), 1984

Treasurer's Department (1984) Organisation Chart (Simplified)

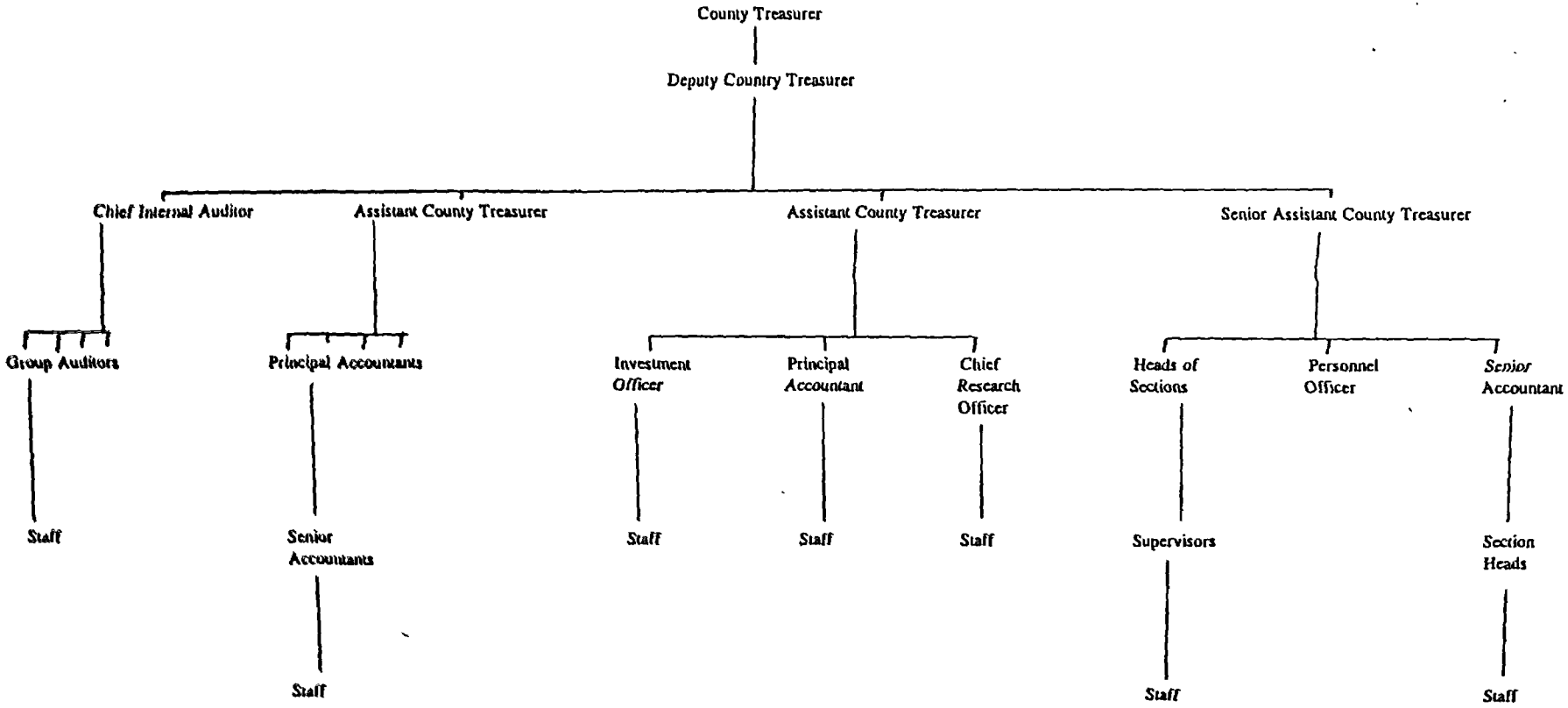


EXHIBIT 6.13.

Title:

Central Finance organisational chart (simplified), 1993

Notes

The symbol @ denotes middle managerial grades/locations

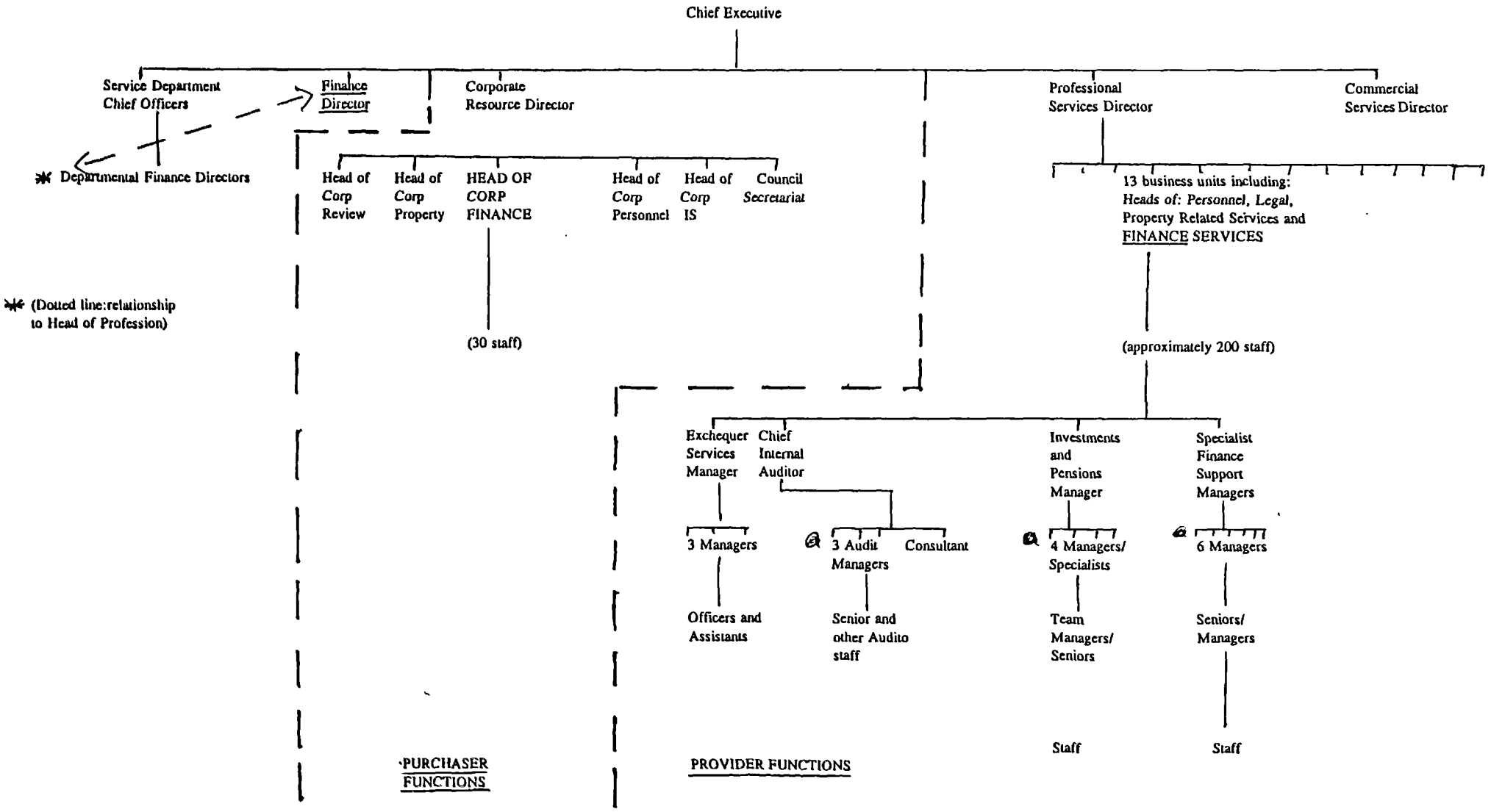
The two dotted lines running down the page denote the Purchaser/Provider split, which operated under the Chief Executive, except for:

(1) the Finance Director (formerly the Treasurer) who was located outside the Purchaser/Provider division, to enable him to concentrate on the "Head of Profession Role", and on reviewing the overall "financial health" and performance of the Council;

(2) The Service Departmental Chief Officers (Social Services, Highways etc.) who were "twin-hatted", with the Purchaser/Provider division operating under them within their departments - see exhibits 6.8. and 6.10.

The dotted line (on the top left-hand side of the chart) running between the asterisked specialist Finance staff located within the service Departments and the Finance Director denotes the "dotted line" relationship operating between these Departmental specialist staff and the "Head of Profession" role of the Finance Director (see exhibits 6.8. and 6.10. for the location of this relationship within the service Departments).

Finance Structure (1993) (Simplified)



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