The restructuring of public sector work: a critical realist account of workplace change in UK local government

Mark Gatenby
University of Southampton
m.gatenby@soton.ac.uk

Chris Rees
Royal Holloway, University of London
chris.rees@rhul.ac.uk

Abstract

The political leadership of the UK public sector has changed considerably over the last decade. Important trends include an increase in centralised targets, the external auditing of services, and an increasing emphasis on customer choice. At the same time, public service managers have tried to exert their influence through new work practices, change programmes and improvement initiatives. Recent changes have had a pervasive effect on the way employees understand and experience their work. The challenge for public service managers is both to support ongoing changes whilst also translating competing messages into a more coherent language. As Webb (1996: 268) states, this illustrates 'the historical tension between the functions of management as co-ordinators of production and management's role in motivating and disciplining labour'. However, senior managers' attempts to modernise and improve work can be met with cynicism and resistance by workers. The paper makes explicit some of the contradictions and tensions within the current public sector regime by reporting a multi-level analysis of a Welsh local government authority, based on an extensive ethnographic study (three months of participant observation plus forty in-depth interviews). The paper adopts a critical realist informed 'context-dependent approach' (Edwards et al., 1998: 452), and presents rich qualitative data to explore how employees are interpreting and responding to their changing work experience.

Introduction

The paper examines the nature of work within a Welsh local government authority, set against the context of significant change within the public sector more generally. It seeks to make a two-fold contribution: first to on-going policy debates around public service modernisation, and second to sociological debates concerning the 'relational' nature of social change, and in particular the application of critical realist arguments in organisation and management studies (cf. Mutch, Delbridge and Ventresca, 2006).

The UK public sector has undergone huge change in recent years. The long-held view of UK public services is of large paternalistic bureaucracies, where rules, regulations and procedures tend to be valued above service performance (Gould-Williams, 2003; Farnham and Horton, 1996). However, since the early 1980s successive Conservative and Labour governments have made sustained attempts to reform and modernise local service provision. In line with these developments, local government has undergone regular reorganisation, accelerated under New Labour's modernisation agenda since 1997. Downe and Martin (2006: 456) suggest that the last decade has seen an 'unprecedented attempt by central government to transform the politics and performance of English local government'.

The paper draws a distinction between three levels of analysis – the sector, the organisation and the workplace – and seeks to apply a critical realist analytical schema for interpreting the relationships amongst them. This follows recent calls from organisational scholars to re-examine the value of the structure-agency dualism, and in particular the relational interplay between the organisational and workplace levels (Reed, 1997, 2005; Edwards, 2005). Critical realism stresses the context-dependent, history-dependent and stratified nature of phenomena. We consider

these three aspects of a local government authority in south Wales, setting the nature of workplace change within a rich historical and organisational context.

The paper is structured as follows. First, a brief overview of the debates surrounding UK public sector modernisation is provided. This is followed by an outline of the theoretical and methodological approach of the paper. The findings are then be presented in two parts, the first focusing on the relationship between the *sectoral* level and the *organisational* level, the second on the relationship between the *organisational* level and the *workplace* level. The findings centre very heavily around the issue of performance management – that is, a particular set of practices, processes and IT systems implemented to measure performance: a new 'improvement planning toolkit', involving project management software, a new decision-making structure and a new regime of meetings was intended to radically change "how things get done". Here we draw a contrast between a professional workplace (adult social care department) and a non-professional workplace (the improvement planning department). Most research generally labelled 'New Public Management' (NPM) has focussed on professional workers in public services. We follow Kessler et al. (2006) in moving away from this to consider the very different rhythms of work and the way organisational changes are enacted, and resisted, differently across the two departments.

The paper shows how the local government modernisation agenda is being enacted at different levels. We demonstrate the power of the Audit Commission in restructuring the organisation level through changes in staffing and working practices, but we also highlight the limitations of these initiatives in terms of their differential implementation and impact across departments. We suggest how these findings might be interpreted through a critical realist analytical lens, whereby a broad agenda for public sector modernisation impinges on the activity of individual organisations, is reproduced by managers through restructuring and new employment practices, and is in turn enacted and resisted differentially at the workplace level.

Research Context

The New Labour government (1997-2010) introduced a plethora of policies, initiatives and advice to ensure that local authorities modernised. Local government reforms have sought a 'radical re-focussing of councils' traditional roles' (DETR, 1998: 8). Stoker (2004: 78) calls this approach 'a deliberate strategy of letting a thousand flowers bloom', as a consequence of Whitehall being unsure which policies would work most effectively. In terms of institutional pressures on local government, policy switched in the early 2000s from a focus on individual local authority service areas (e.g. planning or social services) to whole organisation assessment, hence there is an acute institutional pressure at the organisational level, although this can be enacted in a variety of different ways depending on departmental and professional structures.

In broad terms there are three periods of government policy development most relevant to this study. The first period might be categorised as the 'audit explosion' (Power, 1994; 1997). A series of government policies were outlined in a 1998 White

Paper which set a 'demanding agenda for change' designed to replace the 'old culture of paternalism and inwardness' (DETR, 1998: 5). The showpiece of this was Best Value, legislated in the Local Government Act 1999. This signalled the biggest reform of local services since compulsory competitive tendering (Boyne, 1999). Best Value placed on all local authorities the duty to 'make arrangements to secure continuous improvement in the way functions are exercised' (DETR, 1999: 3.1), and required authorities to review all of their service areas over a five-year period under the guiding philosophy of the "four C's": consult, compare, challenge and compete. They were also required to publish annual performance plans giving details of current performance assessment and setting out targets for improvement. Reviews and plans were then inspected by the Best Value Inspectorate based in the Audit Commission.

The Best Value regime provided the impetus for local authorities to change their management systems and processes. Such changes could be borrowed from private sector management techniques (Morris and Farrell, 2007). Boyne et al. (2002) argue that Best Value became a public sector form of total quality management (TQM): 'it clearly conforms to the principles and practices of TQM. It gives most emphasis to the principle of continuous improvement, followed by customer focus and team-working.' (p. 15) Furthermore, in terms of organisational structure, the drive was for less departmentalism and flatter layers of command (Morris and Farrell, 2007), replacing traditional bureaucratic structures with a performance culture of innovation and entrepreneurialism.

A second period during the early 2000s saw a reconfiguration of the modernisation agenda, and a replacement of the Best Value regime, which, according to Downe and Martin (2006), was in a state of crisis. Problems arose because the Audit Commission underestimated the number of Best Value reviews it would have to undertake and they could not manage the vast number of inspections required. An Audit Commission report in October 2001 proposed that, rather than seeking to inspect individual service areas, its inspectors should focus on making judgements about the organisation's overall performance. The Comprehensive Performance Assessment (CPA) involved categorising all English councils on a five-point scale from 'excellent' to 'poor'. 'Excellent' authorities were promised less regulation and new executive freedoms, but councils in the bottom quartile of the Audit Commission's performance league table were publically 'named and shamed' and forced to accept external intervention (Martin, 2002). Incumbent senior managers were eased out and interim teams installed to oversee the implementation of improvement plans (Broadbent, 2003; Turner and Whiteman, 2005).

A third period of local government modernisation which extends from 2005 to the present is marked by an increasing focus on local authority's community leadership and enabling role in orchestrating local strategies to address 'cross-cutting' issues such as crime and disorder, regeneration, health and well-being (Darlow et al., 2005). Councils are exhorted to form Local Strategic Partnerships (LSPs), Local Public Service Agreements (LPSAs) and, in Wales, Policy Agreements, which bring together local public service providers including the police, NHS primary care trusts and representatives from business.

According to Laffin, 'The sheer range of LGMA policies raises the question of whether they represent a coherent programme of reform' (2008: 111). Downe and Martin (2006) likewise suggest that local authority councillors and officers have been left to puzzle over 'the multiple, often competing demands that have been placed on them' (Downe and Martin, 2006: 471). The numerous, separate inspectorates – Audit Commission, Social Services Inspectorate, Office for Standards in Education – have compounded these coordination problems (Davis et al., 2004). Martin and Bovaird (2005) argue that many authorities rely upon strong external pressure exerted by government policies to motivate change. Public sector managers' autonomy is restricted by centrally dictated targets (Currie, 1999; Hoque et al., 2004). Hales (2002) argues there is little evidence that the traditional command and control role of management is being replaced by one of facilitation and coordination, or that the routine administration of work processes is being supplanted by non-routine leadership and entrepreneurial behaviour.

Local government in Wales was reorganised in 1996 from a two-tier system of county and borough councils to a single tier 'unitary' structure of twenty two councils. Old councils were merged and services were combined within new departments. Since the establishment of the devolved Welsh Assembly Government (WAG) in 1999, local government has been under regionalised governance, and this has allowed for alternative policy directions to the English system. As a consequence policy makers in Wales turned their backs on both Best Value and CPA. Shunning the principles of earned autonomy and the practice of publishing performance league tables underpinning policy in England, the Welsh opted instead for a regime that emphasised the independent democratic mandate which local authorities had, and relied heavily on processes of self-assessment and self-regulation.

In 2002 the Welsh Assembly introduced the Wales Programme for Improvement (WPI) as a first sign of policy divergence from Whitehall. This was seen as a wider attempt by the WAG to establish 'clear red water between Cardiff and London' (Downe and Martin, 2006). The WPI process includes: annual performance assessment of all services; an annual joint risk assessment agreed between the council and its regulators; corporate and budget plans; and an annual improvement plan providing an overview of the council's performance and focussing on priorities for improvement (WAO, 2007). The basic principles of the WPI carried many of the design principles of Best Value in terms of the 'four C's' and 'continuous action within each authority' (WPI Circular 28/2005: 10). In 2005 WAG released another report *Delivering the Connections* as a five year action plan. The report restated the aim and principles of the modernisation agenda, and stressed the continuing importance of service planning, standards, inspection and improvement.

Much of the debate about the consequences of public sector modernisation for employees has centred on professional employees (Exworthy and Halford, 1999; Martin et al., 2009), and the ability of professional staff to resist control has been well documented. Laffin (2008), for example, describes the resilience of departmentalism in central government. This exists in local government too, and is an expression of professional boundaries and funding structures. Attempts to 'join up' government often fail due to the strength of these boundaries (Marsh et al., 2001: 249). Cowell and Martin (2003) question the extent to which existing policies will be able to

achieve joined up government. They identify a trade-off between greater vertical integration between central ministries and local delivery agencies and less horizontal integration at the local level. The hypothesis is that the stronger the vertical, top-down central-local structures (e.g. inspection), the weaker the horizontal relationships. Clearly there are departmental differences between professions, such as planning, social work, education, which lead to departmental barriers and 'silos'. The relationship between new performance systems and processes will have differential outcomes within as well as between professional subcultures (Butterfield et al., 2005), and the question of how line managers roles are enacted within local government modernisation has not been widely researched (Schested, 2002).

Theoretical Approach

The paper follows recent calls from organisational scholars to re-examine the value of the structure-agency dualism, and in particular the relational interplay between the organisational and workplace levels of analysis (Reed, 1997; Edwards, 2005, 2010). In the critical realist meta-theoretical framework, social structure is considered independent and distinct from agency but dependent on action for its re-production. This builds upon Emirbayer's (1997) 'manifesto for a relational sociology' which sees 'relations between terms or units as pre-eminently dynamic in nature, as unfolding, ongoing processes rather than as static ties among inert substances' (1997: 289). It is an approach sensitive to multiple levels of emergent reality, and the reproduction of social structures through the 'morphogenetic' process (Archer, 1995). In terms of workplace research, scholars from within the labour process tradition have likewise called for more use of 'theories reflecting the complex and interrelated layering of social experience' (Thompson, 1990: 112-13), and there is now a growing literature suggesting that critical realism can enhance the core focus of LPT by providing 'analyses of the powers and susceptibilities of social agents integrated with an appreciation of the antecedent contexts that inform activities' (Thompson and Vincent, 2010: 53). We seek to contribute to this emerging approach here, illuminating the 'connective tissue' between the agency of individual managers and workers at the workplace level and the structured context of organisation and sector-level constraints.

We see this kind of multi-level analysis as particularly important to understanding public sector organisations, where guidance and intervention by government and inspectors can have a significant effect at the organisational level, which in turn impacts upon the workplace level. Kessler et al. (2006) emphasise this approach as an important way to frame a study into public sector work, and the relative pressures for change or continuity at different levels - the sector, organisation and workplace. Edwards (2005: 275) has likewise argued that 'linking workplace experience to other levels of change is a key route forward'. Kessler et al. (2006) also suggest that there is a need for more detailed description of workplace activity. In this study we argue the value of detailed observation and description of work. Within a critical realist framework, detailed empirical description is the first stage in a 'retroductive' process of uncovering the underlying 'powers, tendencies and dispositions' of phenomena (Chalmers, 1999). As Reed (2005) suggests, 'realist-based research on organisations and management must begin with an in-depth and intensive historical and structural analysis of pre-existing institutional forms … the painstaking detail of each historical

case' (p. 1639). Mutch et al. (2006) point out that historical awareness is often missing in cross-sectional studies. Observations provide a more detailed, temporal account than cross-sectional interviews, entailing an increased sensitivity to the rhythm of the workplace and the structure of routines.

Using a similar approach to Kessler et al. (2006), we locate three key levels of analysis. First, there is the level of the *sector*. Here local governance structures, informed by central government policies and performance devices, provide an overarching functional apparatus. This level comprises structures regulating service provision, funding, governmental structures and performance systems. Second, the structures at the sector level will interact with the *organisation* level. Local authorities are increasingly being regarded as important levels of analysis as the strategic co-ordinating level of service provision. Although councils encompass diverse functional and professional groups they still belong to a coherent and centralised executive structure for delivering local services. Third, there is the *workplace* level, where forms of work are interpreted and enacted. The structures at the organisational level will enable and constrain activity on the frontline. This third level of analysis has been called the 'generous zone' where agency and structure interact most pervasively (Parker, 2000). Reed quotes Parker (2000: 120):

> 'This 'generous zone' … is where collectivization happens, as groups, corporate agents, networks, cultural traditions, institutions, hierarchies, games, alliances, stratification systems and struggles over the status quo are initiated, acquire their conditioning force, are maintained and transformed by agents. It is the zone of the relatively deep temporality of events and sequences where structures and agents interact, the zone of multiple tendencies and limited predictability, between randomness and inevitability'.

Method

A single site was selected for the main fieldwork, as this would provide the depth of analysis needed to explore how government policies coalesce with the local historical context to produce structural pressures upon the organisation. As Kessler et al. (2006) note, 'The local authority is a pivotal level of analysis … [as] it shifts from being influenced by sub-sector rules to making its own rules.' (p. 671). Data were collected between May and August 2006. The main form of data collection was ethnographic observations which provided context-dependent access to detailed work activities. Smith (2001) suggests that organisational ethnographies are particularly suited to themes such as management control, organisational change and informal relations. Observations are useful to uncover the tensions and contradictions in the experience of local authority service work. All routine workplace activities were observed, such as office tasks, meetings and 'away days', in addition to participation in departmental project work.

To provide a comparison of structural pressures from the organisational and sector levels and the development of patterns of activity at the workplace level, two different departments were selected for detailed observation. The first was the Corporate Centre for the authority, with responsibilities for service improvement initiatives, human resource management, performance measurement, IT, and

business support. Employees within this department generally lacked strong professional identities. The second was Integrated Adult Services, a newly combined department covering the social care and education of adults in the community. Employees in this area had a stronger professional identity as social workers or educators. The comparison of the two departments provided a useful comparison of the nature and impact of structural constraints on experiences in the workplace.

Data collection was flexible and opportunistic. A systematic field note diary was kept. Following Walcott (1990), the researcher looked for 'nothing in particular' at first, recording everything and anything. As patterns started to emerge, important actors in different settings came to the surface, and in-depth interviews were then conducted (e.g. with the chief executive, senior managers, councillors, supervisors, frontline staff). Observations provided rich insights into workplace activities, and invaluable contextualisation, as well as making it possible to ask more informed questions in interviews, which appeared to impact upon the level of detail provided by respondents. Ten weeks of participant observation were undertaken, plus a total of 37 semi-structured interviews, each lasting between 45 minutes and 1 hour 30 minutes. There was also extensive collection of secondary documentation, including important strategic and policy information.

The research was undertaken in Dyffryn Council, a small unitary authority in the south east valley region of Wales. The borough has a population of around 60,000. Eighty per cent of council employees live within the Dyffryn town or neighbouring areas and the council is the largest employer in the area. Approximately 92 per cent of the local population has lived within the south Wales valleys all of their lives. The ethnic minority community is around one per cent (ONS, 2001).

The south Wales valleys, and Dyffryn in particular, have suffered long-term deprivation and socio-economic problems, largely attributed to the role they played in the British industrial revolution through the heavy industries of coal mining and iron production. Economic and technological developments over the early 20th century led to a rapid decline in the demand for coal in the area. Almost half of the pits were closed during the 1930s, and during this time over half of the population of Dyffryn was unemployed. The years following World War II saw further decline and widespread closure of the heavy industries led to further deprivation in the area. Nationalisation of the coal industry in 1948 injected much needed investment but this was not enough to arrest long-term decline. The 1980s Thatcher governments favoured liberal privatisation in the heavy industries and almost all remaining coalfields in Wales were closed. Across the 1980s, employment in the coal industry was cut from 35,000 to less than 5,000, while 10,000 jobs were also lost in the iron and steel industries. In the 1990s the Conservative government had a policy of encouraging light industries to the region. Yet in spite of these initiatives, the valleys region remains economically weak and a large part of the area lacks economic activity to a level that qualifies for European Union Objective 1 funding.

The 2001 census suggested that the county of Dyffryn has experienced some of the highest rates of population loss in Wales during the 1990s, with a decline of 7.5 per cent. The loss is largely due to out-migration of younger people moving into larger cities nearby. Projections by the Office of National Statistics (2007) suggest that the

population will continue to decline into the 2010s. The region also has significantly higher than average rates for poor health, long-term illness, low educational attainment and teenage pregnancy.

The distinctive local historical setting of this case will have a strong impact on the structure of the local authority. The council provides essential services for the local community with a population still suffering from a long period of social deprivation. The relationship between council and community is instrumental to the success of local service provision.

Findings

The findings are presented in two parts. Firstly we introduce the setting of the organisation, particularly in relation to structures at the sector level. Here the role of the audit commission is critical to understanding both change and continuity, and the contradictions and tensions at the various levels of organisational activity. Secondly we examine the relationship between the organisation and workplace levels of activity, through an analysis of work patterns within two different departments.

Organisational setting and sector pressure

Dyffryn council has experienced considerable reorganisation over the past few decades. Before 1974, Dyffryn was a large County Borough Council (CBC) serving one of the largest areas in Wales. With the two-tier reform of the 1972 Local Government Act, the council was reorganised into a district council with a considerably reduced service function. Then under the Local Government (Wales) Act of 1994, the council was reinstated as a CBC under the unitary reorganisation of 1996. The council is currently one of the smaller authorities in Wales, with around 3,000 employees.

As part of the Welsh Programme for Improvement, the authority was inspected by the Wales Audit Office (WAO) in 2003. The first stage report provided a damning assessment of the authority's performance, and concluded that '[Dyffryn] displays many of the characteristics of a failing Council and ... there is a lack of strategic leadership at the most senior level.' The long list of concerns included: no clear strategic aims and priorities; lack of effective political and managerial leadership; lack of effective resource allocation; community plan and organisational communication treated as an 'add-on'; little provision for training and development; serious deficiencies in performance management and target setting; public perception of the Council as very poor; little effort to learn from good practice and a feeling that the Dyffryn community is 'unique' in need; and no effective corporate improvement plan and strategic direction for improvement.

The extent of the WAO concerns shows the perceived deep structural problems at the organisational level. The socio-demographic characteristics of the setting and historical narrative are considered by the WAO to impinge on the authority at the organisational and workplace levels. In particular, the historical setting appeared to provide structural constraints on the organisation in its capacity to improve, as the WAO noted how employees felt the local situation was 'unique'.

The WAO evaluation can be seen as part of a morphogenetic process, impacting at the organisational level when the incumbent chief executive (CE) effectively resigned by taking immediate holiday leave and then retirement. Interview data from employees who had worked closely with him suggested he was operating in an 'outmoded' form of leadership: 'He was a real gentleman but he couldn't make proper decisions. He tried to keep everyone happy.' (IP3)

An interim chief executive was appointed in February 2003 for a period of six months, to develop a programme of organisational turnaround. A re-inspection report in July 2003 provided a 'health check' for the period following the first inspection. The report concludes: 'the inspectors found evidence of forward movements and that the change process so far has been a positive experience for the authority.' Key improvements included: clear leadership - politically and managerially; a new vision and well-crafted improvement plan; and enthusiasm for change. However, issues that were not outlined in previous WAO investigations included evidence of blame across services, and a 'gulf' between the old Borough and County authorities, with staff behaving 'as if the two cultures never actually merged into a new authority'.

Shortly after this report, a permanent CE was appointed from the private sector. Six months into his term the WAO published its final report on the corporate inspection of the council, which delivered a positive evaluation: 'it is our final judgement that the Council is developing a capacity to improve ... Based on the progress it has made and its prospects for continued improvement, we do not believe the Council is now a candidate for referral or intervention on corporate grounds.'

The final judgement of inspectors was based to a large extent on proposals contained in a strategy document, the Transformational Strategic Plan, authored by the new CE several weeks after his arrival. This thirty-page document set out a new management philosophy, organisational restructure and change agenda to respond to each of the Audit Commission's recommendations. Along with its proposed implementation, it provides a useful summary of the structural design at the organisational level. The organisational design and the rhetoric of the new CE appeared to be confronting the historical setting and wider perceptions of the community, describing the organisation as at a 'cross-roads' and having 'probably the last chance to transform'. The close link between the community and the organisation was demonstrated during an interview with the new CE:

> When I came to [Dyffryn] it was in the doldrums – as a council, but more importantly as a place – and it has been in the doldrums for decades. The public sector and local Government did, as far as those people are concerned out there, nothing to change that. ... So that has led people in this area to be pretty cynical to the public sector and about government. Three years ago you had all that, you had it in spades. So the council had received from the Welsh Audit Commission that we were failing our customers ... it just confirmed all those views ... This is the situation the council is now trying to turn around.

Organisational redesign: chief executive as change agent

Before the Audit Commission inspected the authority in 2003, it consisted of seven functional directorates. Each of these was headed by a Corporate Chief Officer (CCO) and broken down into further service areas with service managers. The new structure was designed around four 'customer facing' frontline services: Integrated Adult Services (IAS), Integrated Children Services (ICS), Customer Community Services and Customer Corporate Services. Notably, this involved splitting the old Social Services directorate into two separate departments – one focussing on children and the other on adults. In addition to the four frontline services, there were two reconfigured support services, which were named Corporate Centre and Financial and Risk Management. The management terminology changed so that each directorate is now headed by a corporate Director who sits on an 'executive board'. The incoming CE interviewed all senior managers in the organisation to assess their expertise and vision. After this process, most of the senior management team remained in post but there were some changes:

> I managed to get rid of one person, who was a CCO, out of the organisation and retain the others to appoint five as director. At the next level down one or two people left because they knew they were going to be found out. (CE)

In addition to the new directorate structure, senior management and corporate terminology, the main component of the organisational redesign was a bundle of work practices and systems which came to be described by staff as the CE's "private sector practices". Much was made of the CE's private sector career as a director, expatriate and expert in turning around failing companies. These new practices were designed to address the Audit Commission's findings and be applicable to all service areas across the authority. This was part of a broad attempt to bring the different departments and professional areas together under one coherent strategy and way of working. The Transformational Plan stated: 'with this last chance to succeed we need to work together as one organisation. We win and transform as a team or we lose and observe continued decline operating as fragmented groups'. The CE elaborated on this view:

> Obviously most people like to think they are good at what they do, so they thought the small department they worked in was good, but the whole organisation they felt was not good. But if the whole does somehow not connect to make a real impact on the people out there, the opportunity is being lost. (CE)

The long list of new work practices included: a new system of 'strategic' or 'executive' management meetings at the department, service and organisational levels; a new performance management approach, encompassing planning and performance monitoring tools; an organisation-wide 'Quarterly Business Review' process; a programme of employee involvement through idea workshops; and a set of new human resource practices, such as recruitment and selection methods, mentoring, induction, training, and performance appraisals. This bundle of practices was intended replace the competing messages at the sector level, and the contradictions and tensions between the organisation and workplace levels, with a coherent

message that could be understood and followed by everyone. However, the local historical context appeared to be close to the surface throughout each step of the redesign. The CE acknowledged that his plans and suggestions were often met with incredulity from staff and managers, who argued "Are you serious? This is [Dyffryn]".

Workplace activity: the example of performance management

To explore the relationship between the organisation and workplace we will focus on the new approach to performance management. The CE's views were again important here:

> When I looked at the place, there was no performance management system, no structured approach to connect people to the organisation, and we were not making the connections with the outside world, Welsh Assembly Government, or our customers. (CE)

The new approach was described by senior managers as an innovative way to "get things done" in the organisation and was intended to apply to all staff. It was also the first practice that the senior management team introduced following the change of leadership. It therefore serves as a useful illustrative example of wider events.

The performance management system was the centrepiece of the CE's "private sector practices". It took the form of an 'improvement planning toolkit' designed through Microsoft Excel software, and was to be supported through management supervision and meetings. The improvement planning department developed the system with the help of business support services. The process was overseen and endorsed by the auditors. Following the software design, the system was implemented throughout the management chain from the directors downwards. The system followed project planning principles of breaking down projects into tasks and milestones. The aim was for every employee, team and department to have a project plan they could work towards as part of their daily routine. Each task was to be updated with percentage completion at least every week, but preferably more frequently. The project plans would be reviewed at manager meetings and also at the organisation-wide Quarterly Business Reviews.

The performance toolkit was interpreted in different ways across the council. A procurement officer suggested that it was 'basically an action plan really'. One manager argued that it was about becoming 'more like Tesco' (SM 2), while another said it was about uncovering the 'warts and all stuff' (D 3) of performance. The service manager for improvement planning, who was responsible for managing the implementation of the approach, saw the new system as predominantly about planning and decision making. He said it could to help decide if an idea 'turns all the lights on.' (SM 4)

Observations revealed that the members of the improvement planning office were using the planning toolkit to varying degrees and in different ways. One important distinction was the extent to which deadlines and milestones were followed. This depended on whether the deadline was internally devised through the toolkit or externally stipulated from the sector pressures and timetables of the regional

government. The behaviour of a team member responsible for performance indicators demonstrates the difference. On several occasions when there were statutory deadlines to meet for the WAG the officer decided to work from home because he could "get twice as much done at home where it's quiet" (IP1). This was supported from the service manager who stated "it's not a problem for people to work from home in my department. The trust is there." (SM 4) However, a few weeks later when this officer had an internal deadline, written into the project planning toolkit, to complete the first draft of a report, he did not feel pressure to complete the deadline or work from home to get more done. Instead, he simply put back the deadline several weeks in his toolkit. The only other occasion the officer felt under pressure and requested to work from home was two days before going on holiday when he wanted to "tie up some lose ends". For this employee, the performance management system did not appear to significantly impact 'how things get done'. However, he did at least use the system on a regular basis to show the tasks he was working on.

In the same office there were stark differences in behaviour towards project planning and task completion. The team leader in Improvement Planning maintained her project plan regularly and often remarked how "stressed" she was and that she could not cope with the workload. One day she was busy and very agitated about a particular event she was organising. Meanwhile, another member of staff in the same office spent the afternoon printing off labels and sticking them onto lever-arch files. She printed out labels several times to make sure they were "perfectly straight and neat". Further observations revealed that this member of staff did not have any deadlines coming up. She said she preferred to create deadlines only every few months rather than regularly.

For larger pieces of work within the department, such as the annual improvement plan, the team had a departmental deadline. This was discussed during a team meeting and an improvement action plan was updated in real time using a laptop in the meeting. Several team members made suggestions about how long tasks would take to complete and when the deadline should be. However, the service manager was in control of the laptop and made his own deadlines, contrary to the team suggestions. At the end of the meeting, the team members went back into their own office and started to complain to each other about the decisions the manager had made:

> We have to be realistic about this. He did this last year, only gives people a week to do this. It takes longer. (IP 4)

The service manager's view was that the project planning toolkit was a good innovation to help people monitor their work. However, he admitted that "I often get work that isn't in my planner software" (SM 4).

The Integrated Adult Services (IAS) directorate differed in several ways from the improvement planning department. The directorate services were based in a separate building to the main Civic Centre where the CE and improvement planning service were based. Staff within IAS also had stronger occupational identities and external pressures. Many workers within the department are adult social workers

with social work degrees. They have a clear public service to provide in the adult community and are independently inspected through a Joint Review process by the Social Services Inspectorate in Wales (SSiW) and the Wales Audit Office. The IAS directorate also contained care home workers and community educators. Staff within these services spend a lot of their time outside of the office and therefore have very different work routines and patterns to those in the improvement planning department.

The social workers in Dyffryn make use of a popular software package to manage cases. They use this to log information about service users, and to provide assessment reports and visit details. After speaking to several social workers about how they plan their time, it became clear that their workload was determined by the flow of case enquiries or referrals. They made regular use of the social care software package for case management, and occasionally used email, but they did not make use of the improvement action planning software. The service care manager said he had been asked by his director to write an improvement action plan for his teams so they would have something for the next Quarterly Business Review. He referred to this as "paperwork" and noted how he was "up until 12:30am finishing one off last night". It was clear that the action plan was not a core part of the social care work routine and was being produced simply to fulfil the organisational-level requirements of the CE.

Other managers within the department were equally dismissive of the performance management process. The head of care homes said she never used it because "it is too restrictive", an adult education officer reflected that "it's not really relevant to my work", and a communication officer even suggested "that is something they do over at the Civic". Observations during departmental manager meetings revealed that managers only produced an action plan if they were encouraged to do so by the director of IAS. This was usually the case very close to the Quarterly Business Review when the senior managers and local councillors were given an opportunity to scrutinise each service area. Project Tasks and completion levels were updated onto the system 'just-in-time' before senior strategic meetings. The process was very much an 'add-on' to the demands already placed on the IAS service areas. No instances were found where it had been embedded in workplace routines.

A more important concern within IAS at the time of the study was an imminent Joint Review of social services. This was a large inspection process of all social services and is carried out in Wales every five years or so. This review process entailed a lot of work in addition to routine service provision and was seen as a labour-intensive and high-priority event. The management team within the department were meeting to prepare for this process. This involved producing reports and various documents to provide evidence of service provision. One officer closely involved in this documentation process suggested that there was a lot of work to do to meet the inspection deadline. She felt there was little value in duplicating this work through the internal improvement plan. Furthermore, she noted as part of the Joint Review process that she had to produce some work that the Improvement Planning department should be doing but were too slow in completing. The Improving Planning demands action plan did not feed into or align with the work demands within IAS, which made this particular officer even more cynical about the action

planning process. Generally, the feeling was that the professional service areas within IAS did not need the additional administrative burden of project planning. Social workers, carers or educators were often out in the community delivering their services, and when they were back in the office they already had a specialist software package to manage their work. The social care manager summed this up: 'Strategic meetings and planning are a real drain on people's time in this department'.

Conclusion

The paper has attempted to demonstrate the merits of a multi-level approach to understanding attempts to modernise local government services. The three levels of sector, organisation and workplace were offered as a means to assess the interdependent relationship between structure and agency, and to uncover the contradictions and tensions inherent in the redesign and reproduction of public sector work.

The relationship between the sector and organisation in this case demonstrates the structural pressures which exist at the government level. The influence of the Welsh Audit Office was central to activating morphogenetic change at the organisational level. The CE's 'transformative' redesign of the organisation closely followed the WAO recommendations for modernisation. This level also shows the relevance of the local setting in providing ideological and social resistance to the CE's new approach. It is clear that the CE is an important actor at the organisational level. However, his power and influence is qualified by the influence and clear guidance of the Audit Office and interim CE. In some ways, the organisational transformation had already taken place before the new CE arrived. The guidelines of the Audit Commission were adjusted and moulded around a package of "private sector practices" but these were tightly coupled to inspector recommendations.

The divergence in work routines, rhythms and activities at the workplace level is illustrative of the effectiveness of agential groups to resist structural pressures at the organisational level. The project management approach to performance management did not break established routines of working, and employees tended to rely on work methods they had developed through habit, experience or professional standards. Observations revealed how the pace of the workplace is often dictated by functional tasks of specific job roles, but also how there is room for distinct agential projects in the way individuals plan their work and deal with stress, noise and deadlines in the workplace. Office routines became more flexible when workers felt under pressure, and were suspended on days that deadlines or important meetings had to be met. However, the new project planning approach did not become an important factor in how employees negotiated their work patterns. Instead, it came to be seen as a weak form of control that could easily be manipulated.

The difference in activity between the Improvement Planning office and Integrated Adult services was interesting in a number of ways. The improvement planning team was located in the Civic Centre close to the CE. The department was responsible for designing and implementing the project planning approach, along with other organisation-wide initiatives. Although officers made use of the new approach by

updating tasks and milestones, they still managed to use the system in very different ways, mostly diverging from the intentions of senior managers.

The IAS department managed to avoid the pressures of the performance management approach to an even greater extent. There was little attempt to embed the approach into established work routines. Officers only became aware of this when the director of IAS asked individual service managers to produce a plan to meet the scrutiny of the Quarterly Business Reviews. The physical setting of IAS was one aspect of this, reflected in the comment "that is something they do over at the Civic". However, the professional nature of social service work was another important factor. The specific work patterns and demands of social workers meant that they often worked outside of the office. They also used a software package designed specifically for social care case management. These factors meant there was deemed to be little need to use the project management approach. Furthermore, the specific inspection process for social services provided another strong regulatory pressure on the department. This process required a large amount of "paperwork". IAS managers were therefore cynical about, and resistant to, corporate attempts to produce more internal administration.

The broad differences between Improvement Planning and IAS demonstrate how strategic interventions at the organisational level are very difficult to implement across local government service areas. There are varying timetables of activity, external pressures, and patterns of working. This raises policy-related questions about the approach to inspection and audit which produces the overall assessment of local authorities. It also provides clear evidence of the efficacy of a multi-level approach to understanding the realities of public sector change: the theoretical resources provided by critical realism, conceiving of social agents as purposeful if constrained actors, can be fruitfully combined with an account of negotiation and resistance at the workplace level to provide a richer understanding of the dynamics of workplace restructuring.

References

Archer, M. (1995) *Realist Social Theory: The Morphogenetic Approach*, Cambridge University Press, Cambridge.

Boyne, G. (1999) Introduction: Processes, performance and best value in local government, *Local Government Studies*, Vol. 25, Iss. 2, pp. 1-15.

Boyne, G., Gould-Williams, J., Law, J., Walker, R. (2002) Best Value-Total Quality Management for Local Government?, *Public Money and Management*, Vol. 22, pp. 9-16, 2002

Broadbent, J. (2003) Comprehensive performance assessment: the crock of gold at the end of the performance rainbow?, *Public Money and Management*, 23(1), pp.5–11.

Butterfield, R., Edwards, C., Woodall, J. (2005) The New Public Management and Managerial Roles: The Case of the Police Sergeant, *British Journal of Management*, Vol. 16, No. 4, pp. 329-341.

Chalmers, A. 1999. *What is this thing called science?* Open University Press

Currie, G.(1999)., "The Influence of Middle Managers in the Business Planning Process: A Case Study in the UK NHS", *British Journal of Management*, Vol.10 (2).

Darlow, A., Percy Smith, J. & Wells, P. (2005) *Process Evaluation of Plan Rationalisation Formative Evaluation of Community Strategies*: Report of the December 2004 Survey of Local Authorities, London: ODPM.

Davis, H., Downe, J. & Martin, S.J. (2004) The Changing Role of Audit Commission Inspection of Local Government? York: Joseph Rowntree Foundation.

Department of the Environment, Transport and the Regions (1998) Modern Local Government: in touch with the people, Cm 4014, London: The Stationery Office.

Department of the Environment, Transport and the Regions (1999) Local Government Act 1999, London: The Stationery Office.

Downe, J. and Martin, S. (2006) Joined up policy in practice? The coherence and impacts of the local government modernisation agenda, Local Government Studies, 32(4), pp. 465-488.

Edwards, P., Rees, C., Collinson, M. (1998) The determinants of employee responses to total quality management: six case studies', *Organization Studies*, 19:3, 449-475, 1998.

Edwards, P. (2005) The challenging future of industrial relations, *Industrial Relations Journal*, 36, 4, pp. 264-282.

Edwards, P. (2010) Developing Labour Process Analysis: Themes from Industrial Sociology and Future Directions, in Thompson, P. And Smith, C. (eds.) *Working Life: Renewing Labour Process Analysis*, Basingstoke: Palgrave Macmillan.

Emirbayer, M. (1997) Manifesto for a relational sociology, American Journal of Sociology, 103, pp. 281-317.

Exworthy, M. and Halford, S. (eds) (1999) Professionals and the new managerialism in the public sector, Buckingham, Open University Press.

Farnham, D. & Horton, S. (1996) *Managing people in public services*, London: Macmillan.

Gould-Williams, J. (2003) The importance of HR practices and workplace trust in achieving superior performance: A study of public-sector organizations, *International Journal of Human Resource Management*, Vol. 14, No. 1, pp. 28-54.

Hales, C. (2002) 'Bureaucracy-lite' and continuities in Managerial Work, *British Journal of Management*, Vol. 13, pp. 51-66.

Hoque, K.; Davis, S.; Humphreys, M.(2004)., "Freedom to do what you are told: senior management team autonomy in an acute NHS Trust", *Public Administration*, Vol.82 (2), pp.355-375.

Kessler, I., Bach, S., Heron, P. (2006) Understanding assistant roles in social care, *Work, Employment and Society*, Vol. 20, No. 4, pp. 667-685.

Laffin, M. (2008) Local government modernisation in England: a critical review of the LGMA evaluation studies, *Local Government Studies*, Vol. 34, No. 1, pp. 109-125.

Marsh, D., Richards, D., Smith, M. (2001) Changing Patterns of Governance in the United Kingdom: Reinventing Whitehall? Basingstoke: Palgrave.

Martin, S. (2002) The modernisation of UK local government: markets, managers, monitors and mixed fortunes, *Public Management Review*, 4, 3, pp.291–307.

Martin, G., Currie, G.; Finn, R.(2009)., "Reconfiguring or reproducing intra-professional boundaries? Specialist expertise, generalist knowledge and the 'modernization' of the medical workforce", *Social Science and Medicine*, Vol.68(7), pp.1191-1198.

Martin, S. & Bovaird, A. (2005) Meta-evaluation of the Local Government Modernisation Agenda: progress report on service improvement in Local Government, London: ODPM.

Morris, J. & Farrell, C. (2007) The 'post-bureaucratic' public sector organization. New organizational forms and HRM in ten UK public sector organizations, *International Journal of Human Resource Management*, Vol. 18, No. 9, pp. 1575-1588.

Mutch, A., Delbridge, R., and Ventresca, V. (2006) Situating organisational action: the relational sociology of organizations, *Organization,* 13.

Office of National Statistics (2001) www.statistics.gov.uk/ [accessed July 2007]

Office of National Statistics (2007) www.statistics.gov.uk/ [accessed July 2007]

Power, M. (1994) *The Audit Explosion*, Demos: London.

Power, M. (1997) *Audit Society: Rituals of Verification*, Oxford University Press, Oxford.

Reed, M. (1997) In Praise of Duality and Dualism: Rethinking Agency and Structure in Organizational Analysis, *Organization Studies*, Vol. 18, No. 1, 21-42

Reed, M. 2005. Reflections on the realist turn in organization and management studies. *Journal of Management Studies*, 42 (8): 1621-1644

Smith, V. (2001) Ethnographies of Work and the Work of Ethnographies, in P. Atkinson (ed) *Handbook of Ethnography*, pp. 220-233

Stoker, G. (2004) *Transforming Local Government: from Thatcher to New Labour*, Basingstoke: Palgrave.

Thompson, P. (1990) Crawling from the Wreckage: the Labour Process and the Politics of Production, in Knights, D. and Willmott, H. (eds.) *Labour Process Theory*, London: Macmillan.

Thompson, P. and Vincent, S. (2010) Labour Process Theory and Critical Realism, in Thompson, P. and Smith, C. (eds.) *Working Life: Renewing Labour Process Analysis*, Basingstoke: Palgrave Macmillan.

Turner, D. & Whiteman, P. (2005) Learning from the experience of recovery: the turnaround of poorly performing local authorities, *Local Government Studies*, Vol. 31, No. 5, pp. 627-654.

Walcott, H. 1990. *Writing up qualitative research*. Newbury Park, CA: Sage.

Webb, J. (1996) Vocabularies of motive and the "new" management'. *Work, Employment and Society*, 10 pp. 251-272.