



This work is protected by copyright and other intellectual property rights and duplication or sale of all or part is not permitted, except that material may be duplicated by you for research, private study, criticism/review or educational purposes. Electronic or print copies are for your own personal, non-commercial use and shall not be passed to any other individual. No quotation may be published without proper acknowledgement. For any other use, or to quote extensively from the work, permission must be obtained from the copyright holder/s.

**Public service reform, the labour process and changes in labour  
management in the voluntary sector**

**Michael Hemmings**

**Doctor of Philosophy in Human Resource Management and  
Industrial Relations**

**June 2013**

**Keele University**

## **Abstract**

This thesis analyses the New Labour government's extension of public service reform and modernisation to the voluntary sector. It explores the changes that have taken place in the labour process and management practices in the voluntary sector and it locates this within an analysis of wider public service reform. It argues that the reforms of the voluntary sector are part of wider neo-liberal market reforms intended to extend the capitalist labour process to the voluntary and public sectors.

The thesis is based on research in a diverse range of complex voluntary organisations, drawing from academic, industry and organisation documents, from interviews with voluntary organisation, trade union and industry and community representatives, and from an employee attitude questionnaire. Voluntary organisation managers were found to be under severe external pressures, through increased competition between organisations, and through contracting, auditing, monitoring and regulatory regimes. These managers responded by introducing Taylorist forms of performance management to meet external targets, to increase efficiency and to lower unit costs. They have been relatively compliant with reform compared to public sector managers. Performance management has a significant impact on employees, bringing reductions in autonomy, pay, job security and employment conditions and increases in workload and managerial control and discipline.

The character of the labour process in the voluntary sector is being transformed to become more like the labour process in capitalist enterprises. In contrast to the public

sector, trade union organisation and influence is weak and unable to mount effective resistance. The voluntary sector is a model for the delivery of public services through a diverse range of semi-autonomous local providers under a tight regime of government regulation. Public service trade unions will need a co-ordinated and comprehensive strategy to resist market reform and further cuts in public service and welfare provision.

## Contents

List of Acronyms .....	9
Chapter 1: Introduction.....	13
Chapter 2: The labour process and the historical development of the welfare state.....	27
Introduction .....	27
Liberal political economy, the state and the labour process.....	28
The state as employer .....	56
Conclusion .....	74
Chapter 3: The development of the voluntary sector .....	78
Introduction .....	78
The voluntary sector .....	80
Definitions .....	83
The historical development of the voluntary sector .....	88
Religion and voluntary failure .....	88
Laissez-faire and market failure .....	89
The welfare state and the marginalisation of the voluntary sector .....	95
The erosion of the welfare state and the pressure groups .....	96
Neo-liberalism and the contracting out of public service delivery.....	99
Modernisation under New Labour.....	104

The modernisation of labour management in the voluntary sector .....	114
Conclusion .....	121
Chapter 4: Modernisation and change: shifting the frontier of control.....	125
Introduction .....	125
Modernisation and New Labour .....	126
New Public Management.....	132
Service performance, audit and evaluation.....	136
Partnership and the reform of public services .....	138
Shifting the frontier of control and public service labour management .....	155
HRM and the modernisation of the voluntary sector.....	168
Conclusion .....	176
Chapter 5: The research strategy and process .....	179
Introduction .....	179
The research methodology and design.....	181
The case study approach.....	190
The vertical slice and case selection .....	200
The research methods .....	210
Interviews.....	210
Survey questionnaire .....	213
Observation and informal contacts .....	216

Documents .....	217
Reflections on the research .....	219
Conclusion .....	223
Chapter 6: Management responses to the extension of government and local government modernisation initiatives to voluntary sector organisations .....	225
Introduction .....	225
The research findings .....	226
‘Carrot and stick’ – audit and compliance .....	230
‘More for less’ – efficiency pressures .....	242
‘Tightening up’ – discipline and performance .....	254
‘We saw which way the wind was blowing’ – moving towards the market.....	263
Conclusion .....	276
Chapter 7: The impact of modernisation on voluntary sector organisation employees..	281
Introduction .....	281
‘It’s lost its heart’ – modernisation of the voluntary sector .....	283
‘More put on us’ – The impact of work intensification and reductions in pay for voluntary sector employees.....	297
Workload and work intensification.....	297
Pay and employment conditions .....	304
‘Now we have to play hardball’ – employee resistance and trade union organisation	309

Conclusion .....	329
Chapter 8: The reform of voluntary sector management under New Labour: conclusions and analysis .....	334
Introduction .....	334
The main conclusions of the research .....	339
A final analytical account of the research .....	348
Conclusion .....	366
Bibliography .....	371
Appendices .....	412
Appendix 1: Area profiles .....	413
Appendix 2: List of organisations .....	416
Appendix 3: The vertical slice organisation profiles .....	418
Appendix 4: Trade union profiles .....	430
Appendix 5: Other organisation and representative body profiles .....	439
Appendix 6: Sample interview questions for voluntary sector managers .....	444
Appendix 7: Sample interview questions for trade union officials .....	453
Appendix 8: Sample interview questions for other organisations .....	462
Appendix 9: List of interviews completed .....	471
Appendix 10: Sample survey form .....	476
Appendix 11 .....	500



Details on organisations that were approached but did not take part in the research project .....	500
Appendix 12 .....	503
Table 7: 1: Employee attitudes on modernisation.....	503
Table 7:2.....	504
Employee attitudes on work, workload and work intensity.....	504
Table 7: 3 Employee attitudes on performance management.....	505
Table 7: 4 Employee attitudes on pay and conditions.....	506
Table 7: 5 .....	507
Employee attitudes on representation and trade union organisation.....	507

## **List of Acronyms**

ACTS – Association of Clerical, Technical and Supervisory Staff

AIDS – Acquired Immune Deficiency Syndrome

BBC – British Broadcasting Corporation

BNP – Broad Non-profit

BV – Best Value

BVS – Broad Voluntary Sector

CAB – Citizens Advice Bureaux

CCT – Compulsory Competitive Tendering

CDHA – Chichester Diocesan Housing Association

CEO – Chief Executive Officer

COS – Charity Organisation Society

CPAG – Child Poverty Action Group

CSV – Community Service Volunteers

CVS – Council of Voluntary Service

DAT(s) – Drug Action Team(s)

ECC – Employee Consultative Committee

EU – European Union

FE – Further Education

HA – Housing Association

HAP – Housing Action Programme

HB – Housing Benefit

HC – Housing Corporation

HM – Her Majesty's

HR – Human Resources

HRM – Human Resource Management

ICNPO – International Classification of Non-profit Organisations

ICT – Information and Communication Technology

ILP – Independent Labour Party

IMF – International Monetary Fund

ISIC – International Statistical Industrial Classification

LAA(s) – Local Area Agreement(s)

LSP – Local Strategic Partnership

LSVT – Large Scale Voluntary Transfer

MBA – Master in Business Administration

MD – Managing Director

MP – Member of Parliament

NACE – Nomenclature Generale des Activities Economiques

NACRO – National Association for the Care and Rehabilitation of Offenders

NAO – National Audit Office

NAPO – National Association of Probation Officers

NCH – National Children's Home

NCSS – National Council for Social Services

NCVO – National Council for Voluntary Organisations

NFP – Not-for-profit

NGO – Non-Governmental Organisation

NHS – National Health Service

NJC – National Joint Council

NLGN – New Local Government Network

NPM – New Public Management

NR – Neighbourhood Renewal

NSPCC – National Society for Prevention of Cruelty to Children

NTA – National Treatment Agency

NTS – National Treatment Strategy

NTEE – National Taxonomy of Exempt Entries

NVS – Narrow Voluntary Sector

OECD – Organisation for Economic Development and Co-operation

OFSTED – Office for Standards in Education, Children’s Services and Skills

OPEC – Organisation of the Petroleum Exporting Countries

OTS – Office for the Third Sector

PFI – Private Finance Initiative

QAF – Quality Assessment Framework

RSI – Rough Sleepers Initiative

RSL – Registered Social Landlord

RSU – Rough Sleepers Unit

SDF – Social Democratic Federation

SDP – Social Democratic Party

SITC – Support in the Community

SP – Supporting People

SPSS – Statistical Package for the Social Sciences

TFP – The Families Project

TGWU – Transport and General Workers Union

TSO – Third Sector Organisation

TUC – Trade Union Congress

UK – United Kingdom

UN – United Nations

US – United States

VCO – Voluntary and Community Organisation

VFM – Value for Money

VSO – Voluntary Service Overseas

YPP – Young Person's Project

## **Chapter 1: Introduction**

This thesis is original in seeking to use a labour process framework to understand public service reform, the changing role of the voluntary sector and the impact of reform on management practices and employment relations in the voluntary and the broader public sector.

However, voluntary sector organisations are worthy of study in their own right. They are diverse and complex organisations and though relatively small in their contribution to public services they are increasing in size and the numbers they employ. They were a key part of the public service reform strategy and partnership agenda of the New Labour government from 1997 to 2010 and are likely to continue to play a changing but important role in welfare and public service provision into the future.

There can therefore be no complete picture of public service reform without consideration of the role voluntary sector organisations play. They have been historically embedded within the overall provision of public welfare playing different roles in different periods and were mainstreamed by New Labour playing a pivotal, complex and important role in public service policy and delivery.

Though widely supported and promoted there has been resistance to an expanded role for voluntary sector organisations. This came from those employed in the public sector and focused on the impact on public sector employment, the defence of public services

and representative democracy. There has been opposition from within trade unions and the wider labour movement at voluntary sector involvement in the provision of formerly publicly provided services. This can be seen as privatisation which threatens public sector jobs and which meets the interests, and more directly the self-interests, of business and business leaders, rather than service users (Davies 2006, *The Guardian* 28 April 2006).

The level of acceptance and antipathy to policy change has however varied across different regions, levels of government and policy fields (Kendall 2003 p. 72). There has also been criticism from inside the voluntary sector. This has come from managers and employees opposed to modernisation and there have also been 'differences in interpretation between enthusiasts concerning how, and at what pace, to proceed' with widening the involvement of the voluntary sector (Kendall 2003 p. 73). Again the levels of acceptance and antipathy to policy change have varied across organisations dependent upon the locality, type, role and size of the organisation (Kendall 2003 p. 73).

Despite the New Labour commitment to increase the involvement of the voluntary sector in delivering public services, and to embed them within new partnership arrangements and funding streams, both voluntary sector organisations and government noted under New Labour that their relationship was not as 'effective as it should be' (Bourn 2005 p. 1). In particular there was continued criticism at the lack of progress in ensuring 'full cost recovery', or that the actual costs to voluntary sector organisations of providing public services was paid, and there was slow and patchy progress on the introduction of compacts and other measures that might have enabled a more rapid expansion of voluntary sector involvement in practice. The lack of progress in implementing the

compact was seen in the need for a 'refreshed' compact in 2009 (Bourn 2005 p. 1, The Compact 2009 [online]).

Voluntary sector leaders argued that voluntary sector growth was part of a cross-sector debate and was 'far from privatisation' and aimed at improving quality, flexibility, innovation and skill to 'improve' services and bring benefits to service users (*The Guardian* 9 May 2006). The Conservative party prior to the election in 2010 attached themselves to particular ideals of voluntary service as a means to address a range of social problems and present themselves as a party that has 'a set of values which represent compassion' (Duncan Smith 2005). While encouraging the voluntary sector delivery of public services they however sought to distance themselves from New Labour's regulatory and big government approach, quoting Hayek in the need for an independent and voluntary sector claiming that 'it is most important that we preserve between the commercial and government sector a third, independent sector' (Cameron 2006). Their commitment to compassion and a viable independent sector is currently being tested but their approach was criticised by trade union and labour movement representatives as a 'return to a Victorian model of welfare', which will further undermine publicly funded welfare and public sector employment (*The Morning Star* 10 March 2006).

Despite their growth and broader significance to public services voluntary sector organisations have historically been under-researched. This lack of research may result from their size and complexity as well as the recognised problems of defining voluntary



sector organisations activities. These can cover international development, education, religion, and the arts, in addition to health, housing, social care and welfare services. As detailed in Chapter 3 the activities of voluntary sector organisations cut across standard industrial classifications. Existing definitions are not always useful and attempts to create new definitions are often fraught with difficulties. New definitions can be politically charged and may not reflect the role of the sector or how the voluntary sector overlaps and interacts with the public and private sectors.

Some definitions are however helpful in understanding the role the organisations play in debates over the role and construction of public services. Not-for-profit and Intermediate Organisations recognises the distinctiveness of the organisation's role between the state and the private sector. The voluntary sector refers to the existence of a voluntary management committee, rather than volunteer workers, and is useful in locating the sector as having some level of independence and autonomy between the state and the private sector. Voluntary organisations however though embedded in state provision remain private organisations no matter the social claims made for or by them. The narrow definition of the voluntary sector, as formal, independent, self governing organisations with paid employees and some element of voluntary input, if only at board level, is accepted here but it is recognised that this term is in many ways inadequate as definitions are complex and organisations vary in their structure, ethos, degree of independence and autonomy, the size of the paid workforce and levels of voluntary input (Kendall 2003).

There has been increased academic attention paid to voluntary sector organisations since the 1990s, in response to their growth and growing significance and awareness of a lack of knowledge about the organisations. This originally documented and mapped the scope, structure, revenue base and background of the organisations and has been extended to take account of the changes since 1997 that have seen the organisations become ‘part of the mainstream of public and political interest’ (Kendall and Knapp 1996 p. viii., Kendall 2003 p. xii). These works however substantial continue to call for increased research into the impact of current changes in public policy on organisations, such as the impact of Best Value (BV) in Local Government and public sector modernisation on the ‘voluntary sector and the delivery of public services for which local government is responsible’ (Kendall 2003 p. 77). There has been greater study of US Non-Profit Organisations and their increasing reliance on the state and pressures for change in the organisations from the outside. But though there are similarities between US Non-Profits and UK voluntary sector organisations, in comparison to similar European organisations, their structures and organisation and the political environment they operate in differs substantially from the UK (Powell 1987 p. 190). International comparative work on the voluntary sector, though limited, continues to provide fresh insights into the role of the voluntary sector globally and locally and points to the potential for the development of stronger theoretical models for the role of the sector (Gideon and Bar 2010).

With the growth of the voluntary sector and changing relations between the sector and government there has been growing academic attention and interest in a number of areas. Current change can be placed in a historical context with a move from distinctive

and independent voluntary organisation providers to the co-governance of local services and 'back towards co-production, with the role of VCOs as service agents' (Osborne and McLaughlin 2004). There has been growing academic attention on the leadership and management of voluntary sector organisations, in a range of areas such as financial (Palmer and Randall 2002) and strategic management (Chew 2009) and marketing (Keaveney and Kauffman 2001). Studies and textbooks have also documented the particular problems of managing voluntary sector organisations, in terms of their relationship to the state, the traditions of and the adapting of private sector management practices to the sector (Batsleer *et al* 1992, Hudson 2005). This theme was taken up in industry reports that suggested that though voluntary sector organisations relationship with the Labour government was the most favourable the sector had experienced they also needed to be cautious to retain their accountability and distinctiveness and keep more than a service agent role in taking on new services (Blackmore *et al* 2005). Other research pointed to the problems of the lack of management expertise in voluntary sector organisations to deal with increasingly complex policy and employment issues (Jackson *et al* 2001), the changing relationships between government and voluntary sector leaders who are recruited into government service (Little 2004) and the developing career orientations of voluntary sector leaders (Harrow and Mole 2005).

There has however until recently been little research into modernisation and public service reform and the impact of change on employees and the employment relationship in the voluntary sector. There has been work that has documented the pressures to introduce HRM (Human Resource Management) and change in management practice to

voluntary sector organisations which points to particular cultural, financial, size, employee and trade union resistance in implementing HRM in voluntary sector organisations (Cunningham 1999 and 2008). It is pointed out that relatively little remains known about the use of HRM within the voluntary sector and while HRM practices may be broadly similar to the public sector there are important differences related to the value-led nature of the sector and variations in the relative size and financial positions of the organisations (Parry *et al* 2005). Research has pointed to a tendency to the use of harsh or 'harder' HRM. This has involved cutting back on terms and conditions of employment, introducing firmer discipline and decreasing job security as a response to market forces, and the contract culture, with some evidence in voluntary sector organisations of workplace discontent, trade union protest, tribunals over unfair dismissal and high rates of staff turnover. Voluntary sector organisations, it is argued, face a dilemma in being expected to 'provide cheaper, efficient and innovative welfare services to society, while at the same time maintaining the traditionally high levels of employee commitment' that have been argued as a principal reason for expanding their provision (Cunningham 2001).

There has been a need for further research that links changes in public policy with changes in management practices and employee relations and examines the experiences of those involved in managing or working for voluntary sector organisations. There has also been a need for further research into trade union responses not only to the changes taking place in these organisations and their impact on voluntary sector employees but also to how these changes affect the wider public sector. The rapid expansion of the

voluntary sector formed part of a wider modernisation process and political programme that can be seen to have direct implications in diluting the influence of organised labour over the provision of public welfare services. Public services are being reformed, primarily through changes in the policy and funding frameworks and their inter- and intra-organisational relations and there is a need to examine how public service reform has affected the shape and role of voluntary sector organisations and the pressures placed on individuals within voluntary organisations to meet specific public policy objectives.

This research considers changing management practices, what drives voluntary sector managers to change their management practices and what new forms of managerial practices have developed. It looks at employee responses to change, perceptions of the role voluntary sector organisations play and employee views on their employment environment. It also considers how trade unions have responded to change, in terms of recognition, recruitment and strategy, the growing influence of voluntary sector organisations in public welfare service delivery and the issues this raises for unions.

The thesis is developed in chapter 2 through discussion of the labour process and the state as employer and how the historical development of the public sector produced a particular form of public sector welfare provision and employment relationship. The development of the public sector, its particular form of welfare provision and employment relationship complicates analysis of the labour process in capitalist society, and exploitation through the labour process to secure profit for owners of capital. The development of both the public and voluntary sectors followed the failure of private

provision, charity and philanthropy to cope with the consequences of capitalist industrialisation, such as poverty and hardship. Labour process theory relates the political economy of welfare reform to the capitalist state and development of the capitalist labour process. This highlights the significance of the public sector and the factors, such as shifting class relations, which resulted in the welfare state and the particular forms of employment regulation within it and the subsequent erosion of the welfare state with changing class, economic and social conditions. Public service reform also complicates trade union organising and activity and resistance to public service reform for while in capitalist enterprises the labour process is directed towards the creation of profit for owners public sector employees can identify with the achievement of state objectives.

The intermediate nature of the voluntary sector blurs the division between the public and private sectors and makes their role unclear. Chapter 3 develops the thesis by explaining how the voluntary sector, as with the public sector, developed historically particular forms of welfare provision and approaches to the management of labour. The welfare state and public sector employment developed in particular historical circumstances but the logic of capitalist development dictates a continued drive to the maximisation of profit and continued exploitation through the capitalist labour process. The growth of the welfare state challenged the capitalist labour process but the voluntary sector, although marginalized as a service provider in the post-war period, remained embedded in public service provision. It continued to play a complex and changing intermediary role in the provision of public welfare services in which there are recurring themes. The flexibility of

the voluntary sector can assist public service reform and the introduction of market based employment relationships.

Modernisation from the 1980s, as discussed in chapter 4, applied pressures for neo-liberal reform through changes in public service policy, the restructuring of central-local relations, the commissioning of services, the development of audit and partnership and promotion of the greater involvement of the voluntary sector in service delivery. New management models, such as NPM (New Public Management), have impacted on public service delivery and employment relations. This research examines the theoretical arguments for NPM, the pressures that are applied to public service managers and how they impact on management practices. This considers the wider impact of change on the voluntary and public sector and capitalist labour process.

The research design, process and methods, as outlined in chapter 5, were intended to address these theoretical questions through a detailed and thorough investigation using selected qualitative research methods and a multiple case study approach. The research found that modernisation intensified financial and regulatory pressures on voluntary sector managers while performance management was extended to meet centrally determined performance expectations. This has changed management practices, leading to the greater use of HRM and Taylorist management practices, and while there has been management resistance to change the research showed that the structure of the voluntary sector, and its financial dependency, combined with the growth in performance

targets and regulatory intervention, meant voluntary sector managers were forced to comply with external pressures for change, and these points are illustrated in chapter 6.

Modernisation and changing management practices also impacted on voluntary sector organisation employees, as illustrated in chapter 7. While voluntary sector organisations have grown and played a greater role in the provision of public services they have also been restructured to meet external monitoring and regulatory requirements. This has led to a loss of autonomy for many voluntary sector employees and also diminishing loyalty and commitment to the employer and a more instrumental approach to work. There are increasing pressures placed on employees through increased workloads and job insecurity. There has been employee resistance to modernisation but again the structural and financial weakness of voluntary sector organisations, government regulation and trade union struggles with workplace organisation in the voluntary sector means that there has been little successful resistance to modernisation. There were recognised problems developing trade unions in the voluntary sector and a lack of a coherent trade union strategy on public service reform, which included consideration of the voluntary sector. Workplace resistance is also constrained by the limited autonomy of the sector and the inability to negotiate directly with real decision makers in government and commissioning bodies. The problems of the sector, such as high labour turnover, small units of employment and dispersed membership means trade unions are reluctant to commit resources to organising in the sector or to persuading and influencing government to reduce the pressures on voluntary sector managers. In the period studied there was also a lack of focus on broader national political campaigns, which included the



voluntary sector, which emphasised the defence of public services and were built across public service providers and into the wider community.

Chapter 8 develops and concludes the thesis by explaining how New Labour were relatively successful in engineering a transition from 'old' voluntary organisations, as autonomous pressure groups and service providers supporting public sector welfare, to 'new' voluntary organisations, which are increasingly state funded, regulated and managerialised organisations. The relative weakness of voluntary sector managers and employees to resist external pressures for reform meant that they largely adopted NPM, HRM and Taylorism management practices to meet external regulatory pressures. The voluntary sector has then played an important role in changing the character of public service provision and changing management and employment practices across all sectors. This thesis uses a Marxist model to explain the development of neo-liberalism and the long term wider state strategy to reduce the cost of welfare and shift the frontier of control over public service employees to counter the broad resistance of welfare professionals and trade unions to public service reform.

There is a continuing ideological and practical struggle over the future of welfare and public services. The future role of the voluntary sector in public sector reform remains uncertain. This thesis has highlighted the change that took place in the voluntary sector with modernisation and the restructuring of funding, monitoring and regulation of the voluntary sector in the New Labour period. This has shown how modernisation pressures impacted on management practices and employment regulation. The voluntary sector

became increasingly dependent on the state and was coerced into adopting modernisation initiatives as part of a wider public service reform intended to extend the capitalist market and labour process.

The extension of modernisation has blurred the previous roles, ethos, characteristics and employment practices in the public, private and voluntary sectors. Voluntary sector organisations, managers and employees have lost some of their autonomy and are increasingly co-opted and coerced to be compliant with private sector employment practices. Voluntary sector organisations provided an alternative and a trusted competitor to the public sector. This provided a conduit which was helpful to the New Labour government in breaking down public sector employment practices and resistance to the market restructuring of public services. The modernisation of the voluntary sector has impacted on management practices and the experience of voluntary sector employees. While government support has benefited particular managers, and groups of workers with particular skills, there have also been negative consequences for many employees resulting from a loss of autonomy at work, work intensification, insecurity of employment and redundancy. Though there has been dissent and resistance to change within voluntary sector organisations employees have historically been poorly organised and unable to resist modernisation in comparison with employees in the public sector. The extension of modernisation pressures to voluntary sector organisations therefore has a wider impact. It provides increased competition in supply to produce pressures to reduce costs. It reduces the pressure and demand for public services and helps break down public sector management practices and resistance to further public sector reform

along market lines. This process has damaging implications not only for voluntary sector employees but public service workers generally and the service relationship between public service providers and users.

The financial crisis and election of the Conservative and Liberal Democrat coalition government in 2010, committed to a programme of deepening market reform and austerity in public finances, creates a period of further uncertainty for the voluntary sector and public welfare services but also the potential for a further change in the role of the voluntary sector in relation to public service reform and the labour process.

## **Chapter 2: The labour process and the historical development of the welfare state**

### **Introduction**

This chapter discusses the capitalist labour process, the development of the state under capitalism and the historical development of the welfare state. It is underpinned by two debates. The first is the continuing historical debate on the provision of welfare and the contradiction as to whether the collective good can ever be met through individual self-interest. The second is discussion of the capitalist labour process and the changing characteristics of the labour process and labour management in the public sector.

The first section gives a critical examination of liberal political economy, the capitalist state and the creation of surplus value through the capitalist labour process. This examines Marxist views on the class based nature of ownership and control and the capitalist state, alienation and exploitation within the capitalist labour process and class struggle and resistance. The section goes on to examine Marxist positions on the capitalist state and labour process in the 1970s and more recent debates on the capitalist labour process and its relevance to the public sector and public service delivery. The section argues that state labour produces surplus value and that changes in public service delivery are driven by a struggle for ownership and control of the labour process with the state as a focal point for class struggle. It is also argued that the Marxist analysis of the labour process and of the state is of direct and continuing relevance to the current

changes taking place in public sector management practices and that change in the labour process need to be continually re-examined.

The second section examines the historical factors behind the development of the state as an employer and the characteristics of public sector welfare provision, employment relations and the labour process. It considers how the failure of private charity and philanthropy to meet the needs of capitalist industrialisation, and the challenge of socialist welfare, led to state involvement in welfare and the development of the post-war welfare state with distinctive employment characteristics. It then examines the factors contributing to the erosion of support for the welfare state and the current pressures for reform and change in public sector employment practices and return of control of public sector services to the market. This chapter concludes by considering the pressures on the public sector to reform, modernise and outsource public services, struggle and resistance in response to changes in management practices and the role of the voluntary sector in relation to neo-liberal pressures for public service reform.

### **Liberal political economy, the state and the labour process**

There is a long political history of debate on the role of the state in relation to civil society. Machiavelli pointed to the need for strong political control to be exercised by rulers over civil society to ensure the rulers own survival for 'he who abandons what is done for what ought to be done, will rather learn to bring about his own ruin than his preservation' (Machiavelli 1950 p. 56). The role of the state and control over civil society were also debated by Hobbes and Locke in the seventeenth century. According to

MacPherson liberal political economy has its roots in the political theory of possessive individualism that emerged following the English Civil War and 'the political practices and theory of the English Seventeenth Century' (Macpherson 1962 p.1). Hobbes held to a conformist doctrine of absolute rule based on his experience of the English civil war and rejection of the anarchy that he perceived accompanied it. Hobbes argued that while social development rested on rational and free individuals and their engagement in competitive behaviour it was essential for individuals to submit to the absolute power of the monarch to preserve themselves from the breakdown of social stability and order. This was held to the extent that abuses of power by an absolute monarch were felt to be acceptable to maintain peace and sustain the development of political community and civil society (Hobbes 2002). Hobbes views on human nature, the state and obedience to an absolute monarch were challenged by Locke who argued that though people could be selfish they were also reasonable and tolerant and capable as free and equal individuals of developing state rule through democratic means, rather than through surrender of power to an absolute monarch (Locke 1988).

MacPherson argues that the difficulties of modern liberal democracy lie in possessive individualism where political society is a calculated device for the protection of property and for the maintenance of an orderly relation of exchange and appropriation of wealth by individual proprietors (MacPherson 1962 p. 3). MacPherson has been criticised for conflating the views of Hobbes and Locke. It is pointed out that though Locke defended the right of individuals to own and accumulate property this possessive right was qualified by the 'sufficiency criterion', or the idea that the right of ownership is qualified

by responsibilities to others. Locke, for example, supported charity and a role for the state in moderating inequality while ultimately arguing that the state has no right to interfere in the accumulation of property or wealth (Locke 1988). MacPherson however argues that the theory of possessive individualism, expounded by Hobbes and Locke, rests in the belief that social progress is based on exchange between individuals, as proprietors of their own person, with the state, however constructed, providing defence, law and order and the minimal conditions and legal frameworks to allow individuals to engage in commerce to meet their individual needs (McPherson 1962 p. 3). Debates on the concept of 'possessive individualism' as an instrument of historical analysis and ethical judgement continue (Balibar 2002 p. 299). However, the relevance of Hobbes and Locke can be seen beyond their parochial concerns as they articulated important ideas about the source of legitimate authority and how state power is employed to regulate individual freedoms and relations between those who own and control resources and those who do not (Baumgold 2005 p. 291).

The transition to capitalism produced a period of exceptional change and support for individualism, 'an economic revolution, coincident with the gradual emergence of the idea of political democracy, and with the spread of Nonconformity in religion' (Webb and Webb 1922 p. 12). Feudal structures and 'the bond of the aristocracy and the gentry with those below them' based on informal ties between the family, commerce, the parish and religion, charity and philanthropy broke down in this period (Wolfenden 1978 p. 16). Liberal political economists emphasised the role of the individual encouraging an abdication from feudal obligations to create a new class of industrialists seen as the

source of new economic wealth. It was argued that it was not the state, or the concerns of monarchy or aristocracy for the people, or the charity of religion but individual self-interest that drove improvements in wealth and welfare, 'it is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner, but from their regard of their own interest' (Smith 1962 p. 13). Smith emphasised the role of individualism as the driver of productivity and the production of wealth believing that the source of wealth lay in the division of labour, that produced increases in productive capacity, and exchange, or 'the propensity to truck, barter or exchange one thing for another' which allowed capital accumulation, employment growth and opulence 'which extends itself to the lowest ranks of the people' (Smith 1962 pp. 12 and 10). Smith's arguments were supported by Benthamite Utilitarianism that was critical of a political society that rested on conservative obedience to custom and rules (Bentham 1948).

Bentham combined faith in economic laissez-faire with a call for a strong legal framework and political institutions capable of providing central control, inspection and obedience to a supreme power that would be obeyed (Bentham 1948 p. 87). Bentham supported the principles of laissez-faire and competition between individuals with an 'obsession in favour of "farming" or "putting out to contract, at the lowest price yielded by competitive tender, every function in which the plan was conceivable, whether the execution of public works, the conduct of a prison, the setting to work of the unemployed, or even the maintenance of orphan children' (Webb and Webb 1922 p. 426). His justification for a strong, but limited state, that restricted, rewarded and punished individuals rested on the belief that public institutions should act not by tradition but should secure moral



improvement by adherence to the Utilitarian principle of the 'greatest good of the greatest number' (Bentham 1948 p. 3).

The freedom of competition and contract, encouraged by Smith and Bentham, though liberating industrial energies produced negative consequences for social cohesion and development resulting in squalid conditions, rising prices and falling profits and a torrent of public nuisances. Insecurity, crime, poverty and destitution spread with capitalist industrialisation and 'the deplorable result of free "and unregulated private enterprise" . . . was apparent in every growing town' (Webb and Webb 1922 p. 402). Early socialists, such as Rousseau, criticised liberal political economy as it promised freedom but placed individuals 'at the mercy of masters who have no reason to love you' and resulted not in individual freedom but collective enslavement, where 'man is born free, and everywhere he is in chains' (Rousseau 1994, pp. 5 and 45).

J. S. Mill, aware of the negative conditions produced with capitalist industrialisation, defended liberal political economy for its competitive stimulus to productive growth and wealth accumulation. He criticised early socialists for ignoring the natural indolence of mankind. He argued that 'wherever competition is not, monopoly is; and that monopoly, in all its forms, is the taxation of the industrious for the support of indolence' (Mill 1970 p. 141). Mill believed that it was not state action but competitive pressures between individuals that motivated labour and productivity and that, despite its ills, capitalism was the foundation of freedom and productivity. Mill objected to government intervention to tackle the social problems associated with capitalist development for 'if the roads, the

railways, the banks, the insurance offices, the great joint-stock companies, the universities, and the public charities, were all of them branches of the government; if in addition, the municipal corporations and the local boards, with all that now devolves on them, become departments of the central administration; if the employees of all these different enterprises were appointed and paid by the government, and looked to the government for every rise in life, not all the freedom of the press and popular constitution of the legislature would make this or any other country free otherwise than in name' (Mill in Gray and Smith (eds) 1991 p. 124).

Mill however struggled to equate the freedoms of liberal political economy with Utilitarian principles for meeting need for while economic freedom brought wealth it did not bring the levelling or the equality it promised and aggressive individualism deflected from the Utilitarian ideal of civil society, moral improvement and the 'general cultivation of nobleness of character' (Mill 1895 p. 117). Mill reflected on the loss of humanity, social affection and descent into barbarism which appeared to be the consequence of capitalist industrialisation questioning whether the 'vicissitudes of fortune . . . are principally the effect of gross imprudence, or ill-regulated desires, or of bad or imperfect social institutions' (Mill 1895 p. 28). Despite his repeated attempts, he was unable to find a rational means of resolving his dilemma and was faced with the 'impossibility of deriving from aggregative maximising premises a stringent distributive principle' (Gray and Smith (eds) 1991 p. 18). While Mill was concerned at the human misery brought by the aggressive pursuit of money he could not support the stretching of government 'beyond due bounds' and his attempts to reconcile the contradictions of the Utilitarian principle,

that required state intervention to secure the happiness of the majority, with the harm principle, that required the restriction of the state to preserve individual liberty, failed (Mill 1970 p. 145). Mill however explicitly waived his objections to state intervention 'in the case of permissive or advisory action designed to help individuals and voluntary associations to pursue their own interests more effectively' (Winch in Mill 1970 p. 43). Mill thought state activity must be restricted in the defence of freedom but he explicitly supported state support for voluntary activity in the meeting of need, as this was motivated by individual action, and supported the role that self-help and voluntary organisations could play in alleviating and minimising the harmful effects of capitalist growth (Winch in Mill 1970 p. 43).

Marx's critique of liberal political economy and the state under capitalism was deeper than Rousseau's, involving detailed theoretical and historical analysis. Marx not only stated that he believed individuals were enslaved but explained how they were enslaved and exploited through the capitalist labour process. He also detailed how the capitalist state operated to protect the power of the ruling class to exploit, oppress and enslave. Marx resolved Mill's theoretical dilemmas by overturning liberal political economy and the relation between the state and civil society. Marx was scathing of Smith and Bentham's depiction of liberal political economy as the 'very Eden of the innate rights of man' where 'each looks to himself only, and no-one troubles himself about the rest, and just because they do so, do they all, in accordance with the pre-established harmony of things, or under the auspices of an all-shrewd providence, work together to their mutual advantage, for the common weal and in the interest of all' (Marx 1959 p. 176). He

ridiculed Smith's claim that the source of wealth lay in exchange and distribution, or an invisible hand' that 'allots fortune and misfortune to men' through 'nothing more than the exchange of products of various individuals and countries', or supply and demand, rather than in the mode of capitalist production (Marx and Engels 1974 p. 55). Marx was a revolutionary who opposed class rule and he ridiculed Bentham's Utilitarian principle for 'the apparent stupidity of merging all the manifold relationships of people in the *one* relation of usefulness' and rejected Mill's attempts to advance the most 'complete union of the theory of utility with political economy' as 'sentimental and moral paraphrases' and 'a mere apologia for the existing state of affairs' (Marx and Engels 1974 pp. 109 and 113-114).

Marx argued against liberal capitalist theories that emphasised the role of individual owners and proprietors as creators of wealth and a neutral state that balanced the interests of competing individuals, groups or social classes. Marx pointed to the class based nature of the state and capitalist employment relationship which meant individuals did not come freely to the market as equal proprietors but as members of classes that, though capable of moulding their circumstances, were formed by inherited circumstances and a 'mass of productive forces, capital funds and conditions' (Marx and Engels 1974 p. 59). He argued it was not an invisible hand but historical and epochal change that produced 'on the one side owners of money and commodities, and on the other men possessing nothing but their own labour power' (Marx 1959 p. 169). The relation between the classes for Marx was not one of free and equal exchange but of class exploitation and oppression as the members of the opposing classes came to the production process with

different interests, 'one with an air of importance, smirking, intent on business; the other, timid and holding back, like one who is bringing his own hide to the market and has nothing to expect but – a hiding' (Marx 1959 p. 176).

Marx argued that class division and inequality was related in all epochs to ownership and control of production and that while under feudalism this was 'veiled by religious and political illusions' (Marx and Engels 1983 p. 82) and capitalism revealed a more 'naked, shameless, direct, brutal exploitation' (Marx 1971 p. 34) class division and inequality remained under capitalism 'a relation hidden by a material veil' (Marx 1959 p. 17). The source of wealth, according to Marx, was not the division of labour or exchange, as Smith claimed, but the 'capitalist trick' which converted labour power into surplus value (Marx 1959 p. 176 and p. 194). While workers had always laboured to transform nature to meet their own needs, to create goods with use values that could be exchanged for goods with other use values, the worker under capitalism, worked under an asymmetric and illusory 'free' labour contract, and was forced to work to meet their immediate needs under the 'control of the capitalist to whom his labour belongs' (Marx 1959 pp. 176 and 186).

Marx detailed how the labour process involved adapting nature through conscious or imagined purpose and human labour to produce specified articles with a particular use value (Marx 1961 p. 177). In the first place the labour process then can be seen as a process independent 'of the particular form it assumes under given social conditions', a process 'in which both man and Nature participate, and in which man of his own accord starts, regulates, and controls the material re-actions between himself and Nature' (Marx

1961 p. 177). The factors of the labour process, according to Marx, include not only the personal activity of the worker, the work itself, but also the subject of the work, the naturally occurring goods or raw materials that the worker works upon, and the instruments of work, such as tools, technology or infrastructure (Marx 1961 p.178). All of these factors are utilised in the labour process to produce products with specific use values which can either be consumed as products or re-enter the labour process to create new products with new use values. The labour process then in its simplest form 'is human action with a view to the production of use values' and this is common to every phase of human existence (Marx 1961 p. 183). Marx however explained that the labour process was transformed under capitalism which turned the process into one 'by which the capitalist consumes labour power', which is invested in products and alienated from the worker, and where the worker works not for himself but 'under the control of the capitalist to whom his labour belongs' (Marx 1961 p. 185). In this the product of the labour process becomes 'the property of the capitalist and not of the labourer, its immediate producer' (Marx 1961 p. 185). Through the labour process the capitalist incorporates labour in the product which in turn becomes his property where, 'the labour process is a process between things that the capitalist has purchased, things that have become his property' (Marx 1961 p. 185). The capitalist according to Marx is interested not in use values but in producing commodities that produce surplus value (Marx 1961 p. 186)

The capitalist 'trick' involved setting the worker to work not only to create goods, with specific use values that could be exchanged for other goods with specific use values, but

to create commodities that were owned by the capitalist and had a 'value in exchange greater than the sum of the values of the commodities used in . . . production', including the labour power itself (Marx 1959 pp. 176 and 186). The peculiar nature of labour power and the variability of labour allowed the capitalist to direct the worker to work harder or for longer than necessary to meet their individual needs, to gain 'as much labour as possible with as little money as possible', producing not only value but 'surplus value' (Marx 1959 pp. 176, 542 and 186). Marx explained how surplus value though realised in the highly visible exchange of fetishised commodities and conversion of commodities into money, an abstraction of value from labour power, was created in the 'hidden abode of production' where exploitation converted labour power, 'past, materialised, and dead labour into capital' to be put back into production or appropriated and accumulated by the capitalist for their own use (Marx 1959 pp. 176, 194 and 195). Marx argued the capitalist labour process alienated individuals from control over their own labour and the products of their labour and also from their consciousness of communal interests and the reality of their material interdependence, to the point where 'man's own deed becomes an alien power opposed to him, which enslaves him instead of being controlled by him' (Marx and Engels 1974 p. 54).

For Marx the state in capitalist society was not a neutral force protecting individuals from each other or providing the force of reason to achieve common utility but was a crystallisation of class struggle, an instrument of class rule over production and the labour process, a 'committee for managing the common affairs of the whole bourgeoisie' and a protector of the hidden relations of production (Marx and Engels 1983 p. 82). The harsh

conditions produced by capitalist industrialisation could not then, according to Marx, be tackled by state action, as the capitalist state was the source of those conditions. Neither could it be tackled by voluntary activity, which could only ameliorate rather than resolve the causes of the harsh conditions. Marx significantly did not only present a philosophical critique of liberal political economy but a practical programme to raise consciousness of the capitalist labour process which could lead to working class revolution and the transition to communism that was viewed as the only means by which to end capitalist exploitation and alienation (Marx and Engels 1983 p. 121). Marx called for the overthrow of capitalism, its ruling elites and the capitalist state as the only means to transform the conditions of the working class and meet the welfare needs of the population (Marx 1971 p. 21).

Marx's call for practical action drew political responses which in turn shaped political and economic developments in capitalist countries as well as countries that experienced revolutionary change. The emergence of socialist states supported ideological positions on the role of the capitalist state as a corrupt and coercive organ of oppressive class rule and supported calls for world revolution and a democracy for the propertyless through a dictatorship against the capitalists (Lenin 1972 p. 10). Capitalist countries attacked states which adopted Marxism as totalitarian while countering Marxist influences at home through reforms that sought to moderate the contradictions of liberal political economy, such as the granting of concessions to working people and the seeking of support from indigenous socialist parties and trade unions (Lenin 1972 p. 10). Socialists however continued to argue that the capitalist state took an increasingly imperialist form which



despite the appearance of democracy progressed towards the complete integration of the state with 'the all-powerful capitalist associations' leaving a hinterland of wage slavery, oppression of working people, imperialist war and proletarian revolutions (Lenin 1972 p. 6 and 33).

The cold war both internationalised and polarised ideological disagreements around the benefits of individual self-interest to the meeting the collective good, the nature of the labour process and the capitalist state within competing ideological blocs. Socialist countries asserted the Marxist view that the capitalist state was a coercive instrument of the ruling class which was defined in terms of the ownership and control of the means of production while the West developed pluralist arguments that the capitalist state was open to conflicting pressures and democratic which made notions of a ruling class or power elites absurd. Miliband argued that pluralist orthodoxy turned such claims into 'solid arguments of political wisdom' at a time when the practical realities of the cold war made 'subscription to that wisdom a test not only of political intelligence but of political morality as well' (Miliband 1974 p. 6). Technological development, economic crises, the success and stalling of proletarian revolution and global conflict impacted on the development of capitalist and communist states and their ideological character. At the same time liberal political economy, with greater global integration, developed a multi-national character and national states developed their functions within capitalist democracies, through widespread state intervention and the state as a customer of private sector services even in the countries most 'dedicated to laissez-faire and rugged individualism' (Miliband 1974 p. 10). Social developments produced more complex

inequalities and divisions of wealth while recurrent recession sustained ideological debate between supporters of liberal political economy and socialist reformers and Marxists on the role and function of the state in capitalist society, the provision of welfare and the capitalist labour process.

The Marxist critique of the role of the state in perpetuating alienation and protecting the hidden nature of exploitation in capitalist society was restated in the 1970s. This refuted claims that capitalism had been transformed and social and economic change had undermined the essentials of class relations (Miliband 1970 p. 11). It pointed to the central change in developed capitalism from the direct control of production and the state by capitalists to managerial control (Miliband 1970 Ch. 2). It argued that social and technological developments though did not mean that the managerial class, that increasingly controlled production, was 'better, less selfish, more socially 'responsible', more closely concerned with the public interest than old style owner capitalism' but that, despite more complex fractions of capital and class, 'self perpetuating oligarchies' and elite groups with 'networks of 'connections' and communities of interests continued to operate in totality at the state level to serve capitalist objectives (Miliband 1970 pp. 44 and 31). Managers, including public sector managers, were argued to be under disproportionate pressure from financial and business interests to tacitly support the capitalist labour process being indoctrinated, through the media and interconnecting social institutions and relations, so that they were biased in favour of capitalism 'in a way that they were not aware of the air they breathed' (Miliband 1970 p.70). Miliband argued that despite state intervention the hidden nature of exploitation and central

contradiction of capitalism remained and could be revealed in continuing crises as liberal political economy was unable to match its promises of production, dispersion of wealth and ideas of democratic freedom with the lack of sustained economic and social progress, continued and widening inequalities and tendencies to state control, coercion, authoritarianism and repression (Miliband 1970 p. 268).

The Marxist view of the capitalist labour process was also restated in the 1970s with Braverman's sustained critique of Taylorism and scientific management in private manufacturing (Braverman 1998). Braverman was critical of the view that the continued division of labour, technological development and increases in technical efficiency had increased wealth, skill levels and improved working lives. Braverman pointed instead to evidence of increasing job dissatisfaction and the growth of routine work, deskilling and the degradation of labour (Braverman 1998 p. 21-26). Taylor had extended Mill's concern with indolence arguing that managers should take complete scientific control of the labour process to reduce natural soldiering, or the instinctive laziness of workers, and, more importantly prevent, systematic soldiering, or the deliberate collusion of workers to produce less than they are capable of producing (Braverman 1998 p. 67). Managers were to gather all knowledge of the production process, to reduce reliance on skill and craft traditions, and create a divide between mental and manual labour, which allowed managers to scientifically analyse and control each element of the production process according to Taylorist principles (Braverman 1998 p. 60). Braverman restated Marx's view that the labour contract was asymmetrical and an illusion of freedom that enabled managers to 'to impose their will upon the workers while operating a labor process on a

voluntary contractual basis' (Braverman 1998 p. 46). Workers remained alienated needing to sell their labour power to a management intent on total scientific control of the production process to realise maximum value from their labour which Braverman criticised as not 'the "best way" to do work "in general" . . . but an answer to the specific problem of how best to control alienated labour – that is to say labor power that is bought and sold' (Braverman 1998 pp. 46 and 62).

Technology and state involvement in technological or managerial change were not neutral and benign for, 'so long as investment decisions are made by the corporations, the locus of social control and co-ordination must be sought among them' while 'government fills the interstices left by their prime decisions' (Braverman 1998 p. 187). Braverman criticized the 'reductio ad absurdum of capitalist efficiency' that produced constant change in the search for performance and productivity gains to sustain profit and continually intensified the exploitation of the workers through mindless work, degraded labour and reductions in skill and worker autonomy (Braverman 1998 p. 143). Taylor accepted that scientific management, and the constant struggle to eliminate inefficiency, cut costs and increase productivity was likely to cause worker reaction. For Taylor though this was the principal management problem and management was expected to focus attention on securing control over production, linking pay to performance, controlling labour output and introducing technology and changes in management practices to deskill, fragment and intensify the labour process. Managers were expected to continually review and achieve the most effective means to control labour and worker reaction (Thompson 1989 p. 57).

Braverman's arguments were compelling in restating the relevance of Marx's concepts of the capitalist state and labour process, managerial control and workplace conflict to the 1970s. His analysis of the labour process has however been subsequently criticised as part of the continuing labour process debate by those who argue that Braverman gives an overly objective and deterministic view of the labour process which ignores the subjective dimension of work. This has given rise to critiques based on empirical analysis, such as in Burawoy, Thompson and Littler, which has then been followed by postmodernist critiques, rooted in Foucauldian analysis (Spencer 2000 p. 223).

Braverman's writing in the 1970s focused on manufacturing in capitalist industrial enterprises. His concepts of deskilling, degraded and alienated work and the tightening of managerial control within the capitalist labour process are criticised for contextualising the labour process both within the conditions that existed in the industrial sector and in the 1970s (Edwards 2007, Smith 2009, Worth 2010). Marx and Braverman's approach demands that 'analysis of the capitalist labour process needs to be constantly reviewed and renewed in new conditions' and critics have argued that his analysis is no longer relevant given changes in management practices in advanced capitalism, the ending of the cold war, globalisation of the capitalist economy and developments in strategic management and HRM practices. (Thompson 1989 p. 57). Continuing studies have focused on political and economic change and industrial restructuring and its impacts on change in management practices in the workplace generally, in specific industrial or sectoral circumstances and the 'persisting managerial dilemma' of union resistance and

‘problem’ of maintaining control and securing consent from workers (Thompson 1989 p. 151-200)

Braverman has been seen as deterministic and simplistic in linking the social and political control of capitalism to the use of coercive, Tayloristic forms of control in the workplace, and it has been argued that Braverman ‘conflates one particular control strategy – Taylorism with management control itself’ presenting a picture of static class when ‘neither management nor workers are united, hyperrational, passive or powerless’ (Salaman 1982 in Tinker 2002 p. 257). It is argued that the labour process cannot be reduced to objective laws of capitalism as the workplace is subject to game playing with people as subjective beings participating in their own exploitation (Tinker 2002 p. 257). Critics suggest that the workplace is not an arena of class struggle and conflict but of accommodation between managers and workers where ‘the labour process merely consolidates processes set in motion at the more concrete level of inter-capitalist competition’ (Spencer 2000 p. 231). It is argued that managers need to win workers consent, to neutralise resistance and secure compliance in order to improve productivity which mitigates against Tayloristic or coercive forms of management (Smith 2009 p. 3, Edwards 2007 p. 3). This is seen as part of a process where ‘consent implies some level of *agreement*’ and compliance ‘indicates that workers *give way* to the structure of power and control inherent in capital’s domination of the labour process’ (Thompson 1989 p. 176).

Braverman's analysis has been argued to be abstract in accounting for the complexity of industrial organisation with critics pointing to the challenge of developing 'multi-levelled analyses that can provide credible causal accounts of the relations between changing regimes of accumulation and patterns of change within and across increasingly globalized industries' (Thompson 2010 p. 13). Such critiques have emphasised complexity and the theoretical difficulties in linking abstract concerns with economic and social development to the practical and subjective reality of the workplace with its 'dual relations of conflict and co-operation' (Spencer 2000 p. 228). This view has been held to the extent that, 'the argument is made that capitalist reality is so complex that 'there can be no theory of the capitalist labour process' (Littler 1982 p. 3-4 in Spencer 2000 p. 228). However, as Spencer points out commentators, such as Littler, tend to celebrate 'empirical complexity' without providing satisfactory explanations of how detailed phenomena are linked to abstract and complex relations resulting in 'crude, and ultimately incomplete, taxonomies of the organisation or control of work' and the 'important interconnections of capitalist production' (Spencer 2000 p. 228-229).

Critical debate has also focused on Braverman's deskilling thesis, especially in relation to changes in technology, education and training and management practices. Critics argue against Braverman's use of 'laws' of capitalism as an explanation for work intensification, routinisation or deskilling at work and the minimisation of the cognitive and technical input of the workforce into the production process (Spencer 2000 p. 228). Braverman's analysis they argue takes no account of job enrichment that, it is argued, has accompanied change and the development of modern management practices or to

‘collective opposition to the degradation of work’ (Spencer 2000 p. 228). Writers point to ‘contingencies that might qualify, ameliorate or even reverse deskilling tendencies’, for example the continuation of craft work and managerial alternatives to labour degradation (Tinker 2002 p. 253). It is argued that changes in technology and production techniques and flexiblisation require job enrichment and improvement in skill levels, not skill reductions, to gain advantage in a competitive economy (Lewis 2007 p. 397). The empirical evidence however on the existence of deskilling, upskilling or mixed impacts from contemporary change is patchy and inconclusive pointing to the continuing relevance of labour process theory and research (Lewis 2007 p. 402-403). The benefits of flexiblisation and technological change on skill levels and employee participation is also questioned given knowledge of the darker side of new production systems and a continuing focus on resistance to change (Thompson 2010 p. 8). Braverman explicitly sought to debunk the ‘upskilling thesis’ at the time he was writing based on statistical, educational and historical factors which pointed to the ‘powerful interests’ that supported the upgrading thesis (Tinker 2002 p. 254). He detailed how high technology industry reduces skill requirements and benefits relatively few workers in the long term while low skill forms of industry and Tayloristic forms of management come to dominate (Tinker 2002 p. 254).

Critics of Marxist accounts of the labour process focus on the detail of relations at work but tend to ignore Braverman’s political and emancipatory message and detail on objective and concrete relations at work. They move to more esoteric discourse and postmodernist theory which focuses on the subjective individual in a way which ‘tends to



make the extant order appear necessary and inevitable' (Spencer 2000 p. 224). This entails a shift from a view of the nature of the labour process as rooted in analysis of the capitalist labour process to discussion of the labour process where the labour process becomes simply a synonym for work (Edwards 2007 p. 2). This devalues Braverman's interest in 'the valorization process and in the dynamics of struggle and exploitation' (Edwards 2007 p. 2). Edwards points to the tendency in criticism of Braverman to complicate the changes in production that have occurred in the last 25 years within the myth of the new economy, the knowledge worker and new forms employee participation which undermines the interest 'in how labour power is deployed, how a surplus is generated, and what the consequences are' (Edwards 2007 p. 8). Edwards argues that labour process analysis continues to provide a tool for understanding how managers behave in the 'organization of the labour process and the way in which a frontier of control is created and sustained' and the creative links between an empirical interest in the experience of work at the point of production and a theoretical concern with the contradictory relationships between capital and labour (Edwards 2007 p. 10).

The relevance of Marxist economics and value theory is important to the labour process debate. Supporters argue value theory retains validity 'especially in the light of the current economic crisis' (Worth 2010 p. 5). Opponents however argue that transformations and complexity in the labour process, labour management, and capital within the global economy make value theory inadequate to explaining contemporary changes in management, relations in the workplace and forms of workplace compliance and resistance (Worth 2010 p. 5). The labour process debate significantly considers the

extent to which work is just something which society organises to meet social needs and which people carry out in order to survive or whether 'it is a framework within which those who own and control the economic resources seek to ensure the appropriation of the surplus' (Thompson 1989 p. 4). The shift from value theory, it is argued, has wider political consequences for 'in eschewing value theory, Burawoy and Thompson fail to hold attention to the totality of capitalist alienation and exploitation, creating unnecessary pessimism about the complexity of emancipatory change' (Spencer 2000 p. 224).

Postmodernist critiques of Braverman have claimed that 'subjective phenomena have been consistently neglected in the labour process debate' while Foucauldian critics have criticised Braverman's tendency to abstraction, treating individuals as functionaries responding to objective class pressures which neglects identity and subjectivity within the 'complex dynamics of the capitalist system' (Spencer 2000 p. 235). The postmodernist focus on the 'missing subject' suggests that 'individual workers voluntarily produce, and reproduce extant relations of power and domination' and 'discipline themselves through private activities to secure self-identity' which means the 'process of self-subordination supposedly accounts for the endurance of capitalism' (Spencer 2000 p. 236). There are however inconsistencies in postmodernist accounts of the labour process and the linking of objective relations of capitalist production to the subjective individual in the workplace and to value theory which means accounts of the reality of and changes in workplace organisation become haphazard and ambiguous in their analysis of power and crucially the lack of power held by collective labour under capitalism (Spencer 2000 p. 237-238). Such theories become politically conservative and vague in discussions of 'modern forms

of power' and liberal power regimes' (Spencer 2000 p. 237-238). It is pointed out that Foucauldian analyses of the workplace tend to focus almost excessively on subjectivity ignoring objective class relations and the 'plurality of disciplinary mechanisms, techniques of surveillance and power-knowledge strategies' shifting attention from the 'relation between capital and labour towards specific 'localities' of power which tend to 'offer no future beyond capitalism' (Spencer 2000 p. 238). Theories are overly philosophical and risk presenting working people as wrongheaded in seeking release from coercion 'in supposedly false identities', and underestimates the political aims and objectives in explaining the hidden and underlying causes of experiences at work (Tinker p. 251).

The continuing relevance of Braverman lies in his ability to locate the experience of work within a political context tracing the interconnections between abstract theories of capitalist production and the empirical reality of social action in the workplace (Tinker 2002 p. 272). Braverman, it is asserted, should not be dismissed for abstraction, determinism or historical specificity as his writing was intended to be emancipatory and historically enduring. It operates on different levels, linking the general to the specific, and it points to the objective logic of capitalist accumulation and the relevance of class struggle and consciousness to the experience of work to develop discussion on the tendencies within capitalism and the capitalist labour process. Braverman's debunking of management dogma around skill is enduring as it 'speaks to a present day that differs markedly from the times in which he wrote' but continues to subvert pro-capitalist ideologies and accounts of relations at work by locating workplace relations and the shaping of organisational outcomes within capitalist forms of production, the creation of

value and class struggle (Tinker 2002 p. 274). This fixes attention on the centrality of surplus value production over the needs of humans and labour as a forced activity in the service of capitalist accumulation. This challenges pessimistic postmodernism that suggests workers should accept 'precarious employment' and 'intensified labour' as 'necessary evils' thus aiding managers in the development of 'more effective control strategies to exploit labour' (Spencer 2000 pp. 235, 239-240). Braverman identifies work as no longer a natural process but an activity which objectively links capitalist accumulation to management practices to the workplace. This offers insights. For Braverman, as with Marx, there was no alternative to the overthrow of capitalism to free workers from oppression, exploitation and alienation.

While Braverman's analysis is important in understanding the capitalist labour process its relevance to the public sector which lies outside of the capitalist labour process is questioned (Thompson 1989 p. 57, Thompson 2010 p. 11). State employment and the state labour process, it is argued, are not directly linked to capitalist profit but to political, budgetary and non-market decisions, which means 'not all employment relations in a capitalist society are capitalist' and 'the labour process *in general* is distinct from a capitalist labour process' (Thompson 1989 p. 247). Labour process theory is considered important to the public sector by Thompson but because 'analyses of state work gain their power essentially from a *comparison* with their private sector equivalents' (Thompson 1989 p. 248)

Debates on the value of public sector work and whether this work is productive in terms of surplus value are important as reform of the public sector, through privatisation, marketisation and managerialisation, seek to align public sector services and management practices with the private sector. Changes in state policy impact on the forms of regulation and managerial practices in public services and considerations of whether public sector labour contributes directly to the creation of surplus value (Gill-McLure and Seifert 2008 p. 2). The classical Marxist approach held that public services such as 'the national education system or the health services of a capitalist country cannot be regarded as capitalist enterprise. Consequently, the workers they employ cannot be classified as productive labourers' (Savak and Tonak in Harvie 2006 p. 6). This would mean that teachers, for example, could not be considered 'productive since they are (for the most part) employed by the state, rather than by private capital' (Harvie 2006 p. 6). Harvie however argues that changes that have occurred in the capitalist state and labour process and public service delivery, such as the introduction of standardisation and metrics to ensure commensurability, mark public sector labour as clearly within productive labour, dominant capitalist relations and the capitalist labour process (Harvie 2006 p. 2, Gill-McLure and Seifert 2008 p. 3).

Harvie points out that privatisation and marketisation means state employees, such as teachers, have been transformed from being relatively autonomous, vocational and voluntary workers, primarily focused on the reproduction of labour, into roles that both contribute to the reproduction and production of labour, producing and conditioning labour power and directly contributing to the production of surplus value. Harvie cites

Fortunati's discussion of domestic, unpaid labour which is not organised on a capitalist basis and how it supports capital valorisation and how state labour, performed for vocational reasons and not organised on a capitalist basis, directly contributes to the production of labour power and capital valorisation (Harvie 2006 p. 8-9). Public sector labour then can be considered productive labour which contributes to the creation of surplus value although historical change means that the public service labour can be more closely aligned to the capitalist labour process (Harvie 2006 p. 14). Public sector workers become alienated from their activity through centralisation to external powers, through standardisation and commensurability, through the proscribed delivery of standardised packages of services and isolation from service users and peers as they compete to deliver standardised and formalised public service packages at the lowest price as a commercialised product (Harvie 2006 p. 14). Harvie cites 'the growth of 'for-profit' education institutions; the invasive intervention of both private sector companies and government in the day-to-day running of public universities; the increasing importance of market relations, management use of 'performance indicators', 'performance management' and various forms of 'performance related pay', (or 'merit pay'); the rhetoric of 'efficiency' and 'global competitiveness' and the 'proletarianisation' of academics which point to public service employees becoming increasingly alienated workers employed in businesses supplying standardised and commensurable services as commodities that directly contribute to the production of surplus value' (Harvie 2006 p. 3).

The central problem for capitalism then is the management of the labour process to realise potential surplus value. This is not guaranteed. Economists have recognised the dilemma capitalists face in balancing decentralisation of decision making and the granting of control to autonomous and knowledgeable managers with retaining sufficient authority to ensure surplus value is directed to capitalist owners. Efficient control is achieved through a balance between economic observation and monitoring, the granting of autonomy and the enforcing of authority to ensure that managers do not 'cheat' or 'break the rules' and act in their own interests. This problem is a problem in private markets and organisations and is also recognised in the public sector (Arrow and Hurwicz 1977 p. 29).

The means to resolve the problem in the private sector is however the establishment of competitive markets which provide incentives for managers to behave 'reasonably' and observe the rules in order to meet the interests of the owners of capital (Stiglitz 1988 p. 65 and 209). The principal-agent problem simply stated is that 'the owners (the principals) of large and complex private enterprises do not have sufficient knowledge about the activities of the managers they have to employ to act as their agents, and therefore they lose control over their own enterprises' (Ironside and Seifert 2004 p. 64).

This is resolved in private sector enterprises by reliance on one defining key to managerial success, the realisation of profit, and managers are held accountable to this criterion. The principal-agent issue is more problematic in the public sector as ownership and control are contested where, 'the government, the citizens, the service users, the taxpayers, the local authorities, the service professionals, all may claim to be involved as principals in

setting the objectives of services, and all may have different ideas about what constitutes success' (Ironside and Seifert 2004 p. 64). Public service reform and managerialisation dictates that service decisions should increasingly be management decisions, responsive to the realisation of surplus value, by seeking to reduce or remove democratic or participative involvement in service decisions, through trade unions, political representation or parliamentary scrutiny, to ensure decisions are taken based on the overriding needs of the dominant principals. Policy is dictated to agents to ensure the realisation of surplus value for the dominant principals and within this public service managers are expected to 'alter their practices, especially employment practices, to accommodate to the payers of the pipers' (Ironside and Seifert 2004 p. 64).

Consideration of the labour process and the developing nature of the role of the state and state employment are crucial to understanding the contemporary changes taking place and the management practices associated within public service welfare delivery. While public sector or state services were classically seen as outside the capitalist labour process change resulting from class struggle results in compromises and conditions for public service employees which are aligned with the creation of surplus value. Public service labour has experienced different forms of state regulation and management control for historical reasons related to class struggle and compromise. This chapter will move on to look at the history of the development of the state as a welfare provider and the changes in labour process under different historical conditions at different points in class struggle.



## **The state as employer**

State involvement in welfare was a solution to particular conditions in the development of capitalism. A central contradiction of capitalism is how the collective good can be met through individualism. The problems of poverty, inequality, exploitation and oppression can give rise to collective revolt in any particular period and the response of the state reflects compromises based on the balance of class forces in any particular period and are subject to change. Prior to state involvement in welfare there is an extensive history of the religious and charitable relief of poverty but voluntary welfare provision, rooted in the feudal ties between religion, private philanthropy and self-help, proved inadequate, to meet the welfare needs created by capitalism and 'the needs of the disadvantaged and casualties of structural change' (Kendall and Knapp 1996 p. 46). Voluntary provision was based on the "principal inhabitants" obligations to render public service as a moral duty, and was provided under local acts, but the lack of continuous administration and salaried officials to deliver services meant the services provided were often haphazard, amateur, paternalistic and moralising (Webb and Webb 1922 pp. 355 and 245).

The transition to capitalism overwhelmed and undermined the coherence of the voluntary system for a number of reasons. First, there was a multiplication of needs resulting directly from capitalist industrialisation. Second, the scale of social change produced epidemics, death, demoralisation and disorder and conditions that called for more co-ordinated relief efforts than the voluntary system was capable of delivering. Third, the opportunities afforded by capitalism led to the decay of the structures of feudal provision and the abandonment by the "principal inhabitants" of their feudal obligations.

Fourth, increasing needs led to increasing reliance on contractors to provide services to meet welfare needs and this brought inefficiency, favouritism and corruption as the “principal inhabitants” took advantage of their position and ‘opportunities for making illicit gains’ (Webb and Webb 1922 p. 364). There was then pressure for state intervention to meet social need and to provide the stability needed for capitalist development. This involved historical compromise which created a distinctive form of social provision and particular forms of regulation and employee involvement in the public sector employment relationship.

The failure of voluntary provision brought demands for coordinating legislation and central and local government structures and calls for salaried officials to administrate services while the growth of democracy brought elected representatives with an interest in the rational administration of local services (Webb and Webb 1922 p. 123). The Poor Law Amendment Act of 1834 outlined the conditions for ‘supervising and enforcing provision for the help of the poor by setting up local bodies and laying down general principles for its administration’ representing the beginning of the state, under the board of Guardians, taking over the responsibility for welfare from the church (McBriar 1987 p. 34). State provision however continued to be supplemented by private charity producing relief, based on moral concepts of the ‘deserving’ and ‘undeserving’ poor, with ‘division between the ‘impotent’ poor (the lame, blind, old, invalids, feeble-minded, and other persons not able to work) and those who were capable of working (later known as the ‘able bodied’)’ in terms of the generosity or harshness of their treatment (McBriar 1987 p. 35). Central legislation on factories, education, health, food and housing also supported

local action and were linked to the growth of universal democracy. The Municipal Corporations Act of 1835, prompted action to meet local needs through the establishment of local councils shedding 'the remnants of vocational organisation in favour of control by the "consumers" of services, as property owners or rate payers' (Webb and Webb 1922 p. 12). While it had been unknown in the seventeenth century, 'a hierarchical bureaucracy working under a body of elected representatives – became in the nineteenth century, not only the successor of the holders of freehold offices and the unpaid, compulsorily serving citizens, but also, in one service, after another, a practicable alternative to the profit-making contractor or capitalist entrepreneur' (Webb and Webb 1922 p. 457). Philanthropic institutions, trade unions, religion, charity, friendly societies, mutual and self-help organisations however also continued to expand their provision even as responsibility for welfare increasingly fell to government (Bourdillon 1945 pp. 19 and 20).

The belief that poverty resulted, not from moral but from political and economic failings, that required political and economic solutions, became increasingly influential in the late 19<sup>th</sup> and early 20<sup>th</sup> century and was highlighted in reports, such as those of Booth and Rowntree, and debates on reform of the Poor Law that led to the Local Government Act of 1929 which transferred the functions of the Poor Law Guardians to local councils. Such changes resulted from a shift in the balance of class forces and debate. The Charity Organisation Society (COS), led by the Bosanquets, recognised the ineffective, haphazard and uncoordinated provision of welfare with its contradictory elements of indiscriminate charitable relief and strict Poor Law discipline and advocated scientifically organised

charity. They however opposed state provision on the basis that it was degrading and weakened family responsibilities, friendly and provident provision and prudent individual behaviour (McBriar 1987 p. 67). Hobson's New Liberals however rejected laissez-faire and moral arguments accepting socialist arguments that poverty, unemployment and hardship had economic causes, while calling for radical reform of welfare within the capitalist framework (McBriar 1987 p. 73). Hobhouse, also tried to meld liberal and socialist views wanting 'a social order which rested neither on untrammelled individual ownership nor on full state ownership' but an increased role for the state in supervising, guiding, and harmonising national minimum standards in wages, health, work, work conditions and pensions. Hobhouse mocked the COS and the 'refined anxiety' of well-to-do persons who tormented themselves 'lest men should be "spoon-fed" with too much of the goods of this world' and pursued remedies that challenged class pre-conceptions (McBriar 1987 p. 83).

The appeal of scientific charity failed and the appeal of modernization through state direction was widely supported within the labour movement and trade unions as the balance of class forces shifted. The groups that formed the Labour party however disagreed on how to tackle social problems, the SDF (Social Democratic Federation) favouring revolutionary action while the ILP (Independent Labour Party) supported a radical state programme to tackle unemployment and the Fabians continued to argue the moral causes of poverty (McBriar 1987 p. 46). The Fabians eventually reluctantly accepted that poverty and unemployment were not the result of moral but economic causes which required reconciliation to state intervention, ownership and management if only as a

viable response to radical positions and an alternative to communist revolution (Bourdillon 1945 p.20, McBriar 1987 p. 42). The debate on scientific charity was linked to poor law reform. The Poor Law principles of minimal provision and harsh workhouse conditions for the 'able bodied' were gradually replaced by ideals of mutual obligations between the community and individuals and the need to maintain a certain minimum of civilised life. Though not revolutionary this view was criticised as the abandonment of laissez-faire and the thin end of the communist wedge.

Reforms in the inter-war period, such as the Unemployment Assistance Board and NCSS (National Council for Social Services), laid the foundations for the rational administration of welfare by trained national and local state employees (McBriar 1987 p. 365). Support for rational administration was also linked to the extension of the democratic franchise and to demands for improvements in the structures for determining workforce conditions. The Whitley model of 1919 for collective bargaining, national in scope, permanent and decentralised in action, though initially opposed by central government, was accepted as the best means of providing the stability needed to develop public services and was adopted across the civil service, education and local government (Ironsides and Seifert 2000 p. 36).

The combination of rational administration, widening democracy and the employment of professionally qualified, secure employees with reasonable pay and conditions was believed to be the best means of combating the fragmentation, nepotism, patronage and corruption that had previously hampered the delivery of welfare. The Onslow Royal

Commission addressed the redistribution of government functions and constitutional amendments considered necessary to secure a 'proper constitution of the authorities, a satisfactory organisation of areas and a rational distribution of functions' to ensure good government and probity in the conduct of local affairs (Onslow 1929). While argued for on a rational and pragmatic public service basis this approach also supported distinctive forms of regulation for public service workers and an employment relationship which provided minimum standards for public servants, a requirement for qualifications and technical standards, including university entrants, common grading structures, with promotion and transfers and publicity of salaries and promotions, with superannuation and security of tenure on the basis that insecurity is 'inimical to good administration' (Onslow 1929 p. 146). The Hadow Commission also investigated the recruitment, qualifications, training and promotion of local government officers advising that local authorities establish standing committees to deal with employment matters, advertise vacancies, recruit directly, assess experience and seniority and examine new entrants, placing employees within graded salary scales. This it argued was needed to improve standards and respond to the increase in powers and duties that fell to local government, ensure probity and provide rational uniform services (Hadow 1934). The assumption grew that bureaucracies staffed by public servants were the best means to secure probity, efficiency and democracy and 'guarantee the delivery of a cost effective service' (Deakin 1987 p. 18).

Following the First World War the view prevailed that the state should act as a good employer providing employment conditions that would create stable and effective public

services and act as a model for the private sector (Winchester and Bach 1999 p. 308). Despite liberal foundations it can be argued that the public sector however was never a 'model employer'. Despite distinctive employment structures and bargaining arrangements, which were of benefit to public sector workers, public sector workers remained exploited within a state where the primacy of capitalist interests means that public sector workers have often not received comparable pay and have not been able to realise the rewards of their labour in the way that many in private sector employment have been able to do (Thornley, Ironside and Seifert 2000 p. 138). Though not a model employer the public sector has in different historical periods developed different forms of regulation of employees to the private sector and the nature of the labour process, ethos and relations between individual employees and the communities they serve has also differed from that found in the private sector.

The post 1945 period saw consolidation of the state as the principal provider of welfare services. The Beveridge report proposed a comprehensive state welfare system covering all people and all welfare needs that effectively eclipsed and marginalized voluntary or non-state provision until the 1980s. The post-war welfare state was however a compromise, a response to socialist welfare and working class demands, a gain for working class demands that was also functional to capitalist development. It extended unemployment protection and pensions providing a minimum income for subsistence and equal benefits under a unified social security system and a comprehensive NHS (National Health Service) 'for every citizen, covering all treatments and every form of disability under the supervision of the health departments' (Beveridge 1984 p. 15). The service

combined central planning with local accountability, delivered through 'a national administration . . . not centralized at Whitehall but . . . carried out through responsible regional and local officers acting at all points in close co-operation with the communities they serve' (Beveridge 1984 p. 17). The Beveridge approach 'eliminated both the private insurance companies and friendly societies . . . and the residual but longstanding link with the locality and its specific circumstances which still survived from the Poor Law' (Deakin 1987 p. 42). The welfare state supported Keynesianism in rejecting the laissez-faire belief that unemployment and market failures could not be corrected through state action. Though influenced by communists and socialists post-war popular opinion was that 'government policies were inadequate to the scale of the problems that the country still faced' (Deakin 1987 p39). The call for social justice was combined with a pragmatic approach that offered 'social democracy without socialism' on the basis that 'if the people were not given social reform they would take social revolution' (Deakin 1987 p. 48).

Wartime mobilisation supported central planning, bureaucracy, universalism and uniformity for the post-war period. Despite the asymmetry of power and that the Soviet Union had 'emerged from war in ruins, drained and exhausted, its peacetime economy in shreds' it presented a continuing challenge in that it was able to provide its workers with 'work, food, clothing, and housing at controlled (i.e. subsidized) prices and rents, pensions, health care and rough equality' (Hobsbawm 1994 pp. 250 and 382). The welfare state was an effective class compromise in the cold war conditions of relative stability, technological development and economic growth enabling working class demands for



social improvements to be met while containing labour and social unrest and acting as a barrier to more fundamental political and economic change (Hobsbawm 1994 p. 282).

The compromise satisfied employers, employees and the state as employers were content to pay high wages in the long post-war boom, boosted by high profits and domination of world markets, and welcomed 'the predictability which made forward planning easier' (Hobsbawm 1994 p. 282). Workers in turn received 'regularly rising wages and fringe benefits, and a steadily extended and more generous welfare state' while for the state increasing living standards weakened communist influence at home and gave the government 'political stability' and predictable conditions for Keynesian macro-economic management which was now widely accepted (Hobsbawm 1994 p. 282). The compromise marginalised but retained a role for voluntary provision while expanded welfare provision was delivered by increasing numbers of bureaucratised, professionalized and trade unionised public sector workers (Hobsbawm 1994). Public service employment was linked to a commitment to national standards, sensitivity to local democratic involvement, professional training, standards of probity and honesty, the protections of collective bargaining, the principles of fair internal and external pay comparison, promotion through structured grades and a 'high degree of security of tenure' to ensure that services were 'efficient and staffed by members whose remuneration and conditions of service are thought fair by themselves and the community they serve' (Priestley 1955 p. 194).

There was widespread acceptance and popular support for the legitimacy of the role of the state in welfare and the view that welfare issues were largely technical and could be

legitimately entrusted to bureaucrats and professionals (Deakin 1987 p. 63). However the compromise on the welfare state was uneasy and was eroded in the practical politics of the post war period. Political and economic changes from the 1960s, including the restructuring of world trade with the loss of empire, challenged the broad support for the welfare state as attention shifted to the emerging costs of providing and problems of managing the expanded public services and professional public servants. The consensus in favour of the welfare state increasingly gave way to perceptions that it was inefficient, unpopular and on the verge of disintegration (Deakin 1987 p. 63). The ideological divisions, revealed in Mill and Marx, and suppressed in the post-war boom and cold war, re-emerged with political change in the 1960s and economic crises in the 1970s leading to a crisis of confidence in Keynesianism and the welfare state (Mishra 1986 Ch. 1). Critiques of the welfare state emerged as low unemployment, rising living standards, and a combination of labour and community activism identified weaknesses in and brought demands for improvements in welfare services (Carpenter 2000 p. 199). A new generation, including public sector workers, 'now took full employment, high living standards and the welfare state for granted and wanted to see them substantially improved' (Carpenter 2000 p. 199).

The welfare compromise also accepted a role for outside critics and pressure groups as representing legitimate community interests and voluntary organisations re-emerged to campaign on perceived inefficiencies, inequalities and shortfalls in public service provision and pressure for improvements and the expansion of public services (Deakin 1987 p. 63). The influence of the Soviet Union continued to support a Marxist critique that recognised

welfare gains but viewed social democracy as a trap not a springboard to socialism producing continued pressure for increased welfare provision (Miliband 1970 Ch. 1 s. I and Ch. 3 s. IV, Mishra 1986 p. 24). Divisions emerged on both left and right around the contradiction of a welfare state, which was expected to be both responsive to working class pressure and functional to capitalism, and this was linked to wider critiques of the welfare model provided by existing socialist states that argued that they were economically inefficient and bureaucratic (Deakin 1987 pp. 61 and 62). Government inquiries recommended reductions in technical and professional training and public service standards and changes in the model of regulation that had developed for managing public sector labour with a shift to corporate management and control to increase efficiency and reduce costs (Maud 1967, Mallaby 1967). They also argued for reducing complexity in local authorities and moving from the technical provision of services in line with local democratic representations to larger councils providing more efficient corporate services (Redcliffe-Maud 1969 p. 10) Reorganisation was recommended to increase resource efficiency in the recruitment and training of public sector workers and improve links between statutory and voluntary organisations to curb the 'misuse of bureaucratic power in either kind of organisation' (Seeböhm 1967 p. 231). The state, state employees and public sector employment then became the battleground for reorienting capitalism in changing economic, social and class conditions.

The economic shocks of the 1970s, such as the 1973 OPEC (Organisation of the Petroleum Exporting Countries) crisis, brought reductions in public expenditure and the introduction of corporate management signalling a transfer of control 'to the top' and a tangible attack

on the notion of increasing welfare and the bureaucratic-professional model of provision (Cockburn 1980 p. 99). Corporate control was to reduce the impact of democratic demands for service expansion and explain that 'unfairness, inequality, poverty, homelessness or failures of justice ... are merely errors in the system, errors that good management could put right' (Cockburn 1980 p. 57). The Bains report built on Maud and Mallaby and their criticisms of the 'absence of unity in the internal organisation of a local authority' (Bains 1972 p. 5). This called for strengthened central control and a corporate approach to the business of the authority (Bains 1972 p. 4). It also called for personnel management to bring 'improvements in efficiency and effectiveness . . . through more effective use of human resources' and criticised local government for a lack of delegation, excessive professionalism, specialism and introverted departmentalism (Bains 1972 pp. 15-16 and 63).

Public expenditure constraints and management changes from the late 1970s affected employment conditions for public sector workers and service standards producing low morale and industrial unrest. Low public service morale and industrial disputes however were not blamed on financial constraints but on the inflexibility and remoteness of the Whitley model and the failure of public service workers to recognise the primacy of the service user (Merrison 1979 p. 163). Emphasis was placed on the government's duty to the taxpayer to 'keep a close watch on negotiations' and to measure performance (Merrison 1979 p. 173).

Though voluntary organisations increasingly provided services and pressured for expansion and improvements in public welfare services they had not up to this point played a significant direct role in providing welfare services serving instead 'to complement, supplement, extend and influence' state provided welfare services (Wolfenden 1978). The strength of voluntary organisations lay in their autonomy, independence, moral responsibility, non-commercialism and lack of incorporation and subservience to political control to pressure for increases in the size of the public welfare resource (Wolfenden 1978 p.97). Despite the criticism, scrutiny and increased corporate control from the 1960s however the public services by the late 1970s remained rooted in the Whitley and Priestley principles with their professional bodies, trade union involvement and non-commercial public service ethos intact (Deakin 1987 p.76).

It was from 1979 that voluntary organisations, which had played a marginal role in the provision of services and maintained their voluntarism, began to play a more significant role in the delivery of services and began to have an impact directly on public services and public sector employment. The 1979 Conservative government broke the consensus around collective universal welfare provision, stable public services and employment protection for public employees infused by a staunchly neo-liberal class based ideology. This occurred as the result of a conjunction of economic and political events. The contradiction between the benefits of public sector welfare, in terms of economic and political stability, and the costs, in terms of productivity and profitability, were accentuated with the loss of the UK dominance of world markets and economic crises. The Welfare State had also become a focus for political action and democratic

representation in capitalist society and given its size, trade union density and institutionalised collective bargaining mechanisms had become a focus for trade union organisation perceived by the new Conservative right as a threat to state and economic interests. The Conservative right returned to nineteenth century liberal ideologies, as expressed by Hayek and others, which were considered anathema in much of the post war period, as a feasible response to the political and economic threats facing the UK (Hayek 1944). This found political expression in lobbying organisations such as the Centre for Policy Studies that influenced and guided the Thatcher government. Corporate management had done little to restrain public sector practices and neo-liberalism presented an alternative linked to a wider reassertion of the dominance of capital and a challenge to trade unions, the ideological appeal of Soviet welfare and in turn the Soviet Union itself (Deakin 1987 Ch. 3). Neo-liberalism presented socialism as a system that led to poor economic performance and the 'unchaining of individual energies' that inevitably led to slavery despite its socialising claims. Neo-liberals asserted the need for a strong ideological defence and reassertion of the role of free markets to protect individual liberty (Hayek 1944 p. 12). This was used to counter socialist arguments about the success of social welfare in the post-war period, the voluntary failure that had led to collective provision and the anti-social aspects of liberalism and provided the ammunition to oppose welfare and trade unions for interfering with the spontaneous order of the market. State actions, and excessive demands from interest groups calling for more state intervention, were also specifically attacked for creating dependency, undermining individual self-help, and weakening markets (Hayek 1944 p. 15).

Public Choice and NPM theories presented solutions to the perceived 'problem' of public service provision. Neo-liberals opposed 'excessive' forms of social welfare and sought to design welfare in such a way that it did not interfere with the operation of market forces. Welfare programmes that had previously been uniformly supported on the basis that given the correct information and authority public servants would act in the public interest were criticised for failing to meet welfare needs (Niskanen 1971 p. vi). It was argued that welfare programmes were inevitably distorted by 'the producer interest', or vested interests of bureaucrats, professionals and politicians, leading to an oversupply of public goods, the squeezing out of the private sector and the inefficient use of public money (Niskanen 1971 pp. vi and 36). Public choice theory attacked the bureaucratic supply of public services proposing privatisation and the expansion of markets, contracting and profit seeking organisations to increase and optimise the efficiency of service provision in the interest of the taxpayer (Niskanen 1971 p. 20).

This ideological position supported government intervention to change the public sector employment relationship to more closely mirror the market and capitalist employment relation. Government interest shifted from its responsibilities to being a 'model' or 'good' public sector employer to the problem of promoting efficiency and 'the control of public expenditure' (Megaw 1982 p. 1). Arguments that government cash limits would undermine stability and do 'little or nothing to satisfy the legitimate aspirations of trade unions on behalf of their members' and produce industrial conflict were ignored (Megaw 1982 p. 103). Arguments in support of welfare provision as a practical requirement for the

'regulation of labour and maintenance of civil order' weakened and were contested (Fox Piven and Cloward 1982 p. xvi).

The expansion of welfare as a political response to political protest was also criticised hastening a return to the nineteenth century faith in the magic of laissez-faire and the 'belief that market forces sort out and reward the talented and industrious and punish the untalented and slothful' (Fox Piven and Cloward 1982 p. 137). There was also criticism of the interdependence between the 'large and intricate apparatus of governmental and quasi-governmental organisations and personnel that is linked to and dependent on popular constituencies' and a return to nineteenth century debates on the need for poverty relief to be administered strictly to preserve labour incentives and discipline (Fox Piven and Cloward 1982 pp. 60 and 120). The collapse of the Soviet Union in 1991 undermined Marxist arguments for public welfare and public confidence in collective social planning while neo-liberal arguments appeared to confirm that 'it is impossible to be a proponent for participatory democracy and at the same time champion capitalism' (Chomsky 1999 p. 12). The global dominance of neo-liberalism institutionalised confidence in the use of state power to ensure submission to the individualism of the market both nationally and internationally under the banner of the Washington consensus to 'liberalize trade and finance, let markets set prices ("get prices right"), end inflation ("Macroeconomic stability")' and privatize' (Chomsky 1999 p. 26). The attack on welfare was supported by a public choice meta-narrative, based on the assumption of selfish behaviour by rational utility maximisers and game theory, that brought decentralisation, privatisation and institutional change intended to reduce bureaucratic



and democratic controls by freeing managers to manage, make public services more responsive to 'customers', downsize, delay and provide increased public accountability through increased managerial control (Pollitt, Birchall and Putnam 1998 p. 15).

Managerialism expanded taking over from technocratic mechanisms for delivering public services. Public managers were incentivised to strategically 'transform' public services to achieve 'archetype' movement, from bureaucratic and professional cultures, that emphasised trust, confidence and the meeting of democratic mandates, to market cultures that promoted the achievement of optimal efficiency (Hinings and Greenwood 1998 Ch. 1). NPM became dominant within public service management as public service managers were encouraged to move to remote measurable assessments of performance, to treat public money 'as if' it were their own, indulge in entrepreneurship and risk taking and to create incentives and sanctions that mirrored business practice' (Ironside and Seifert 2000 p. 10). This encouraged the adoption of Taylorist forms of management as managers sought to gather knowledge and separate the planning and execution of tasks to gain and retain control of production processes to meet efficiency targets challenging existing notions of welfare needs and the distinct contribution of public sector workers in interpreting and responding to welfare need (Braverman 1988 p. 62).

The introduction of the purchaser-provider arrangements and the contracting out of welfare services promoted a culture of competition through the development of a flourishing private and independent sector (Cutler and Waine 1994 p. 60). Contracts became the symbol of the virtues of market reform and were linked to motivations and

rewards to replace the 'public service ethos' and the notion of 'voluntary sector values' with commercial values as the 'proper way to do things' (Walsh *et al* 1997 p. 27). The growth of audit also promoted acceptance of a 'compliance mentality' shifting power from those involved in the delivery of services and from local democratic structures to those involved in policing the provision of services, creating a distinctive form of administrative control that when confronted with criticism, opposition or failure called for more audit to overcome resistance and achieve compliance (Power 1994 p. 4-7).

Taylor had accepted that scientific management and the attempts to secure greater manager control over the labour process would inevitably lead to worker resistance and that it was the priority of managers to manage and gain complete control of the workplace. This instigates a cycle of work intensification as managers struggle to achieve total control and stem resistance. Neo-liberalism sought to achieve hegemonic control 'through the 'control of information, through the mass media and through the process of socialisation' to secure consent where individuals 'accept their role in the existing order of things, either because they can see or imagine no alternative to it, or because they see it as natural or unchangeable, or because they value it as divinely ordained and beneficial' (Lukes 2005 p. 27) Market reforms, organisational restructuring and work intensification in the public sector were however not surprisingly met with widespread class resistance from public sector professionals, trade unions, individual workers and the public (Ironsides and Seifert 2000 Ch. 3).

Continuing struggle and resistance to change and the logic of increasing management control is dependent upon class consciousness and awareness of exploitation and alienation in the capitalist labour process. Organised resistance in defence of public services exposes the central contradiction of capitalism between individual self-interest and the collective good. The continuation of struggle in the highly unionised public sector highlights the ambiguous role of the voluntary sector in relation to state provision of welfare services, their intermediary role, and focuses attention on the extent of change taking place in labour management practices in the voluntary sector itself.

## **Conclusion**

This chapter has examined the underlying theories of the development of the state and its impact on the nature of the labour process for public service workers. The chapter has explained that capitalist economic growth was founded on the ideas of liberal political economy that proclaimed individual self-interest, unrestrained commerce and a limited state as the best means to produce wealth and meet collective welfare needs. There is however an inherent and theoretically irresolvable contradiction between the promotion of individual self-interest and the meeting of collective welfare needs that the Marxist overturning of liberal political economy and socialist revolution highlighted.

The chapter has discussed the underpinning political theories on the development of the capitalist state and labour process by considering the seventeenth century possessive individualism of Hobbes and Locke, the nineteenth century theories of Marx and Mill and the twentieth century theories of Braverman and Miliband before discussing

contemporary debates around the capitalist labour process and the changes taking place in the public services. The development of the state as an employer in capitalist countries was rooted both in the failure of voluntary provision and contracting to private providers to meet the welfare needs created with capitalist industrialisation and the continuing challenge posed by socialist welfare. This brought a shift from moral arguments to recognition of the economic causes of welfare need that required state action if only to provide an alternative to the threat of communist revolution. The growth of the post war welfare state was based on the ideas of rational planning and bureaucracy, democratic representativeness and stable services provided by state employed welfare professionals working within a different public sector ethos, employment conditions and industrial relations. The welfare state was a compromise that represented a crystallisation of the balance of class forces in the post war period. The welfare state however was never universal and though enduring it was based on an uneasy compromise.

The theoretical and historical discussion of the development of the capitalist state and the labour process affecting public service workers has been intended to establish the case for critically considering and explaining the development of neo-liberalism and the practical development of public choice and new public management from the 1980s. Changing social, political and economic conditions renewed the ideological divisions that had remained dormant for much of the post-war period on the role of the state in providing welfare services in a capitalist economy. The emergence of neo-liberalism brought a renewed focus on state welfare, public service professionals and workers and the model of public service industrial relations that had developed in the post war period.

Public Choice and NPM supported attacks from government on state welfare, for contributing to welfare dependency, and public sector workers, for protecting the producer interest, as it was argued the public sector undermined the efficiency of liberal political economy.

Privatisation, restructuring and managerialism have intensified pressures on public sector workers, through the adoption of Taylorist management practices, to improve productivity, reduce costs and cheapen welfare provision. This has brought change in the nature of the public service labour process with a shift to more intensive forms of exploitation and the undermining of professional values and relationships, characterised in Marxist terms, by intensified workloads, exploitation and alienation for public service workers. The erosion of support for public welfare and the model of public sector industrial relations and employment regulation have however brought resistance from public sector workers, trade unions and the public and continuing resistance to public service reform.

This is part of the class struggle around the capitalist labour process and changes in the management and organisation of the delivery of public services and may help explain the current political reforms of welfare provision and the renewed interest in voluntary organisations. The promotion of modernised voluntary organisations in the provision of welfare services, within a morally reforming limited state, can be seen as part of the continuing dialectical relationship between the state and voluntary organisations. Modernisation is intended to change the public service regulation and management

practices associated with the welfare state and break public sector resistance through the use of voluntary organisations as a staging post for and part of the return of welfare to the market.

## **Chapter 3: The development of the voluntary sector**

### **Introduction**

Voluntary sector organisations have been embedded historically in public welfare provision and any study of public welfare provision would not be complete without consideration of the role the voluntary sector plays and has played over time. The voluntary sector has always had a complex intermediary role occupying a blurred boundary between the state and private for-profit provision and it assumed a pivotal role from 1997 with the New Labour restructuring of public service delivery. Voluntary sector organisations however are difficult to define and categorise and relations between the voluntary sector, the state and the private sector are unpredictable and capable of continual change.

This chapter first examines the development of the voluntary sector before examining the problem of defining, categorising and classifying voluntary sector organisations and the blurred boundary they occupy between state and private provision. The chapter then goes on to explain the historical development of voluntary sector organisations and their changing significance in particular periods. This considers the importance of religion and philanthropy to voluntary action and the failure of feudal voluntary provision to meet welfare need with the development of capitalism. It then examines laissez-faire and the failure of markets to meet welfare need and the development of self-help, mutual aid and charitable relief and growth in state involvement in welfare provision. This includes examination of Victorian and Edwardian debates on the benefits of state versus voluntary

welfare provision before going on to examine the development of the post-war welfare state.

The creation of the welfare state marginalised voluntary sector organisations as welfare providers, within a mixed economy of welfare, and extended their role as independent advocates and campaigners for improvements in state welfare and welfare provision.

This section includes discussion of the pressure groups and community campaign organisations. The chapter moves on to examine the neo-liberal critique of the welfare state and the erosion of support for the welfare state and the growth of voluntary organisations in the 1980s with contracting and competition for the delivery of public services. This discusses changes in the management values of voluntary organisations with contracting out, competition and the promotion of business efficiency.

The chapter concludes by examining the growth in support for voluntary organisations in public welfare service delivery under New Labour from 1997. This examines the historical changes in the Labour Party and its attitudes to social democracy, equality and state intervention. It also examines New Labour's communitarianism, arguments for partnership and increasing levels of commissioning and contracting out under New Labour. The chapter focuses on recurring themes in the development and involvement of voluntary organisations in the delivery of public services and provides a context for consideration of their extended role within public service reform and modernisation. This background is used to explain the rationale for changes in voluntary sector organisations independence and autonomy, the incorporation of voluntary organisations, under the



umbrella of modernisation, in public service reform and the rapid restructuring in labour management and employment regulation in the sector.

### **The voluntary sector**

The number of voluntary sector organisations, or the scale of the sector, is huge. In 2006/7 there were estimated to be some '870,000 civil society organisations in the UK with a total income of £116 billion and assets of £210 billion' (NCVO 2009). There are though large variations in the size of organisations and their activities and functions. Voluntary sector organisations range from large organisations and employers, with diverse service delivery activities and substantial assets, i.e. large social housing groups, to small single activity local organisations, which function entirely on voluntary effort with minimal resources or assets, i.e. local playgroups. Voluntary sector organisations provide a wide range of services in addition to welfare services and cover many different types of activity, including international development, education, religion and the arts, and they fulfil a range of functions, such as delivering services, campaigning and advocacy on behalf of interest groups and monitoring civil society. Though the total voluntary sector workforce is relatively small, comprising around 2% of the UK workforce, it has increased in size and is significant in the wider economy. It employed some 668,000 paid staff in 2010, an increase from 569,000 in 2004, although there is evidence that political change and economic austerity may now be reducing this figure (Wilding *et al* 2004 p. 110, NCVO 2010, *The Guardian* 26 October 2011).

Voluntary sector organisations are complex. They have diverse historical roots, traditions, cultures, roles and working practices. While voluntary and not-for-profit they can hold assets and generate surpluses, which can resemble profits, and which can be realised by particular beneficiaries. Beneficiaries can include the state, the public, taxpayer, service user or citizen but can include those directly involved in the organisations, whether as voluntary management committee members, managers, employees or volunteers. This means that voluntary organisations while they are varied, and in many cases unusual, can have internal hierarchies, labour markets and management structures and practices that closely resemble and compare with private and public sector organisations. The voluntary sector and its internal management practices have often been viewed uncritically by the public as trust has been placed in the sector based on its voluntary ethos and values. The growth in voluntary organisations activity and greater involvement in public service delivery though makes a critical examination of their contribution, role and management practices increasingly important.

Voluntary sector organisations have grown and changed and they have a broader significance in relation to the delivery of public services. They have become increasingly significant to certain areas of public service delivery, such as social housing, care and support or personal social services where they grew 'proportionately faster than the private sector in employment terms' (Kendall 2003 p. 35). In some cases they came to comprise the majority of the increases in paid employment in certain sectors. There are few reliable figures for the public expenditure expended through voluntary organisations but while estimates suggest that their overall contribution to public services remains

small, accounting for 'only around 0.5 per cent of central government expenditure' their proportion of public expenditure increased under New Labour (Bourn 2005 p. 1). Though voluntary sector organisations have been supported rhetorically and praised, often uncritically, for the 'good' they provide to individuals, communities and civil society the period from the late 1990s saw far greater practical direction and resources committed to the sector from government. Voluntary sector organisations expanded in the 1980s in particular in social care and housing, where housing associations (HAs) responded to a 'particularly favourable playing field' for the provision of new 'social' housing (Kendall 2003 p. 26-28). Growth continued through the 1980s and early 1990s though this was *ad hoc* and incidental development on the back of contracting and privatisation initiatives intended to increase private sector provision of public services (Kendall 2003 p. 26-28).

Though voluntary sector organisations grew and received broad support concerns were expressed outside government at the 'opportunistic exploitation of loose regulatory regimes, inappropriate high rewards for Chief Executives and abuse of vulnerable users of human service facilities run by voluntary sector organisations' (Kendall 2003 p. 49). These concerns called for more formalisation of the loose governance and regulatory regimes and relations between the voluntary sector and the government. The Tories in 1996 were concerned however at how increased state funding could undermine the voluntary nature of the organisations and lead to co-option and changes in their internal structure, management and ethos. They were against formalisation and incorporation of the sector within the state and rejected the idea of a formal concordat with voluntary sector organisations arguing that they did not believe that 'given the diverse nature of voluntary

organisations and activity, a formal concordat is a sensible or usefully achievable objective' and there was little interest in monitoring the impact of the changes taking place within the voluntary sector with privatisation, marketisation, contracting and competition (Kendall 2003 p. 26-29). This changed from 1997 under New Labour with increasing support for and formalisation, monitoring and regulation of the sector.

## **Definitions**

There are no agreed international definitions of the sector and existing classifications, such as the general UN (United Nations) International Statistical Industrial Classification (ISIC) or the specific International Classification of Non-profit Organisations (ICNPO), the European Union's Nomenclature generale des activites economiques (NACE) or the National Center for Charitable Statistics, National Taxonomy of Exempt Entries (NTEE) vary widely in their categorisations. Also definitions based on function, institution, legal, economic and financial status tend to be inadequate and do not reflect the reality of how the sector operates leaving many overlapping and borderline examples (Salaman and Anheier 1997).

Voluntary sector organisations are notoriously difficult to define and tend to be defined by what they are not rather than by what they are. It is argued that they are '*not* part of the state provision of services, either at a central or local level. They are *not* constituted by statutory legislation, although their activities are affected by legislation. They are *not* directly accountable to elected state representatives either nationally or locally and their employees, where they exist, are *not* officers of government or local authority

departments ... they are *not* part of the private market or commercial provision of welfare, primarily because they do not operate with profit and loss accounts' and 'are *not* motivated by the pursuit of profit' and 'in most cases will seek to avoid charging for services' (Alcock 2003 p. 160-1, *Alcock's emphasis*). However some voluntary sector organisations do receive state funding to provide services previously provided by the state, they are regulated and bound by public accountability requirements and though often not primarily profit-making they can and do charge for services either directly or through subsidiaries and, it can be argued, they remain private organisations whatever the social claims made by or for them.

Many of the definitions applied to voluntary sector organisations are not particularly useful in analysing their structure, role or management practices. Voluntary organisations are often defined by their *charitable* status but not all organisations have charitable status even though they may provide similar services. Defining organisations as *independent* is difficult to sustain as although organisations are technically independent they are often constrained or directed by government in their service delivery, management and organisation through legislation, funding and regulatory regimes. Definitions based on *tax-exemption* are equally unreliable as they are applied with a lack of consistent rationale (Salaman and Anheier 1997). The term *NGO* has increasingly been used, primarily for international development organisations, but it is also more widely used and while NGOs are distinguished by not being part of government they do work with government, and it can be argued, are increasingly controlled to meet government programmes and objectives (Wallace in Panitch and Leys 2003). The French term

*Economie Sociale*, or Social Economy, is used to denote organisations that have social objectives but in the UK many organisations, or their constituent parts, also operate trading arms or companies that may pursue non-social objectives to support their social objectives. *Non-profit* is the term favoured in the US but while organisations may not be primarily profit seeking they do realise surpluses that are distributed to beneficiaries in forms which can resemble profit or profit distribution (Salaman and Anheier 1997).

Attempts to refine definitions to deal with the complexity of voluntary sector organisations forming a Voluntary Sector, such as *BNP* (Broad Non-Profit), *BVS* (Broad Voluntary Sector) and *NVS* (Narrow Voluntary Sector) seem fraught with difficulties and complications (Kendall 2003 p. 19-23). Whether organisations form a sector can itself be debated and new definitions are also continually being introduced, such as VCO, Voluntary and *Community* Organisations and TSO, *Third* Sector Organisations. These terms are also vague and blurred and their construction is ideologically and politically charged. The Third Sector draws on political notions of a third way but also on the Japanese Daisan, i.e. a sector invested in by public and private corporations, and was supported by New Labour before losing favour to the term Civil Society under the Conservative and Liberal Democrat coalition from 2010 (Giddens 1998, Civil Society 18/05/10). New definitions may be neutral but they also signal particular political or ideological positions and within the ill-defined and overlapping boundaries of voluntary sector organisations their flexibility can be significant in identifying and promoting shifts in public policy directions (Alcock 2003 p.162-3).

A widely accepted, but equally vague, government definition is the *charitable and wider not-for-profit community*. This is used to describe charities, community groups, voluntary organisations, social enterprises and some mutual organisations which pursue social aims and do not distribute assets to external stakeholders (Murdock 2006). *Social Enterprise*, *Social Entrepreneurship* or *Social Business* is increasingly applied to organisations that seek to self-finance service provision to meet social need. Social Enterprise can include organisations that may exist as charitable, non-charitable, limited companies, industrial and provident societies and co-operative or mutual organisations. There has been much interest in social enterprises but they are equally difficult to define and it is difficult to identify how they are distinct from 'traditional' voluntary organisations and existing definitions can be seen as 'wooly and confused' (Cabinet Office for Information 2008 [online]).

Recent revisions to charity law have done little to clarify charitable status while new organisational forms, such as Community Interest Companies, add to the complexity and arbitrary nature of contemporary legal definitions (NCVO 2008). The term *Civil Society* is also increasingly used to discuss voluntary sector organisations to encompass a 'set of relations within society not governed by either statutory control or market forces' (Alcock 2003 p.162). It is linked to ideas of *social capital* as a collective investment in social relations but again such concepts are complex and ill-defined (Alcock 2003 p.162). Concern with definitions may be semantic but the flexibility of the sector and the ability to manipulate definitions of it is also important to shifting ideological, political and practical debates on the nature, role and management of the voluntary sector (NCVO

2008). The Conservative and Liberal Democrat government from 2010 rejected the politically and ideologically charged term Third Sector in favour of Civil Society as part of their political and ideological objective to reshape voluntary sector organisations towards being self-help, independent community organisations. This can be linked to efforts to reduce state funding and paid employment in the sector at a time of generalised policy driven austerity and public expenditure constraint (NCVO 2010 b, *The Guardian* 26 October 2011, *Civil Society* 18 May 2010)

There are some definitions which focus on voluntary sector organisations involvement in public service delivery which can be useful in explaining the changing role of the sector and the rapid changes in labour management in the sector. These definitions emphasise the intermediary role of the sector, between the state and the market, such as IOs, or *intermediate organisations* (Ware 1989). The term NFP, or *Not-for-profit*, is also used to indicate that although the organisations are not directly part of the 'for-profit' private sector and may not directly produce or seek to produce profits they do realise surpluses which are distributed to particular beneficiaries and their activities have a wider influence in relation to the production of capital, creation of surplus value and social relations. The term *Voluntary* is also used, and although this can be problematic in directing attention to the use, or lack of use, of volunteers in organisations, it focuses on the importance of voluntary action or the relative independence of organisations from the private and public sector (Salaman and Anheier 1997). As all definitions are open to debate and challenge the narrow definition of the voluntary sector, as formal, independent, self governing organisations with paid employees and some element of voluntary input, if



only at board level, is accepted here (Kendall 2003). This definition allows a focus on the organisations, their broader social role, their structure and internal organisation, their employed and voluntary workforce, their management practices and the degree of independence and autonomy they are able to exercise from the state. This is helpful in considering the recent changes that have taken place in the sector and factors behind the rapid changes in labour management within the sector.

### **The historical development of the voluntary sector**

#### *Religion and voluntary failure*

The involvement of religion in the charitable provision of welfare is ancient. It can be traced to early Egypt, over 5000 years ago, and is a central tenet of most major religions, including Christianity and Islam (Murdock 2006 p. 3). The medieval church in the UK held a dominant position in society and religion, philanthropy and notions of charitable social service and personal redemption became intertwined and woven into the formal and informal fabric of feudal society (Midwinter 1994 p. 15, Beveridge 1949). Secular forms of philanthropy were also rooted in religious faith and formed part of the feudal bond, or responsibility of the aristocracy, for those that lived within the manor or parish while the guild structure developed forms of mutual protection and social insurance for members within particular trades (Wolfenden 1978 p. 16, Kendall and Knapp 1996 p. 30). The influence of religion weakened with the reformation which hastened the division between religion and the state in the provision of welfare, though the incremental development of an increasingly sophisticated Poor Law ran alongside legislation to encourage secular charity while seeking to protect against fraud (Kendall and Knapp 1996

p. 32). The UK state involvement in charitable provision can be dated to the 1601 Statute on Charitable Uses which divided the poor into those who were placed under the control of the local parish, which provided outdoor relief and work, and those who were able to benefit from private philanthropic resources (Kendall and Knapp 1996 p. 33). Charity was concerned with the relief of poverty, securing social stability and the separation enabled the state to codify and exert control over charitable relief and appoint commissioners to investigate the administration of charity (Kendall and Knapp 1996 p. 33).

The social upheaval that followed the development of capitalism and erosion of the feudal bond fragmented and shattered the obligation of the feudal principal inhabitants to render service to the poor while creating new opportunities that led to the abandonment of feudal responsibilities and a descent into moralism, inefficiency, favouritism and corruption in service delivery. Public concern grew at the 'sins of omission', which included a lack of responsibility to and the poor provision of services for the poor, while the growing taxpayer lobby was also concerned with the 'sins of extravagance' of the feudal elite, and the cost of and lack of organized distribution of relief (Webb and Webb 1922 p. 12 and p. 335).

#### *Laissez-faire and market failure*

The spread of Capitalism unleashed revolutionary economic, social and political forces, including the spread of non-conformity in religion, which fractured the feudal or moral bond, and provided the threat of revolt from the poor (Webb and Webb 1922 p. 12).

Voluntary provision, founded in moral values and concerns for civility, i.e. the Society for

the Reformation of Manners, and the protection of elite groups, i.e. Association against Thieves, was overwhelmed by the multiplication of needs produced by industrialisation and urbanisation. The demands in education, crime and discipline, poverty, illness and disease meant more than a moral commitment was needed to resolve social problems that now affected all classes (Webb and Webb p.245, 345, 349 and 383). The 'division between the 'impotent' poor (the lame, blind, old, invalids, feeble-minded, and other persons not able to work) and those who were capable of working (later to be known as the 'able bodied')' led to harsh treatment for those able to work and the introduction of tests of genuineness as a deterrent to control the increasing costs of relief (McBriar 1987 p. 35). Self-help, mutual aid, charitable trusts, Friendly Societies and Trade Unions provided welfare services but contradictions between religious ethics, social reality and need were evident in inequalities in provision (Dobkin Hall 1987 p. 10). Friendly societies, Building Societies and Trade Unions grew to meet need and relieved the cost of providing relief for the poor from the rates but Building Societies were criticised for their primarily commercial objectives and societies and unions for only being able to provide limited insurance for those who were able or willing to pay (Kendall and Knapp 1996 p. 35).

The requirement for rational administration became apparent as the state increasingly took over from the church the 'task of supervising and enforcing provision for the help of the poor by setting up local bodies and laying down general principles for its administration' (McBriar 1987 p. 34). The reform of the Poor Law in 1834 signalled a shift from the church to the state which increasingly took control and responsibility over the 'totally haphazard and uncoordinated organization and activity' of charitable poor relief

(McBriar 1987 p. 41). The attempt to cut the costs of outdoor relief however created regional opposition and 'the new poor law could hardly have been sufficient, or have survived social unrest, if it had not been supplemented on a lavish scale by private charity' (McBriar 1987 p. 41). The establishment of a permanent Charity Commission in 1860 was intended to stem inefficiency, abuse and duplication of activity in the charitable relief of poverty but this was complicated by the growth of philanthropy, the lack of co-ordination of poor relief and central government legislation, such as the Factory Acts, and municipal provision (Davis Smith *et al* 1995 p. 15).

The Victorian and Edwardian period was marked by debates between supporters of laissez-faire, who favoured the charitable relief of poverty, and liberals and socialists, who were outraged by the scale of unemployment and 'poverty in the midst of plenty' and called for state action (McBriar 1987 p. 46). The social surveys of the Victorian Period, by those such as Octavia Hill, the Webbs and Booth, revealed 'the wider inability of many people, for reasons quite beyond their control, to pull themselves up by their boot-straps' (Bruce 1968 p. 102). There has been and is a 'continuing debate between advocates of state provision and those who believe in the voluntary principle' (Davis Smith *et al* 1995 p. 13). This reveals that the wider political context in which 'the voluntary sector operates is not new' (Bourdillon 1945 p. 22). The debate on the extent to which the sector is influenced by the state or the private sector and whether its labour management practices should be more businesslike is also not new (Bourdillon 1945 p. 22). Where the voluntary sector is located in relation to the state and private sector is important to its wider social role and helps explain changes in its internal structure and organisation and

management practices. While pluralists have argued the voluntary sector forms an essential part of a mixed economy and civil society Conservatives have tended to argue that the voluntary sector is only beneficial provided it is truly voluntary, based on self-help, and not dependent on state or taxpayer funding. Much of modern voluntary welfare provision can be traced to the ideals of private philanthropists in the Victorian era, that established organisations such as Barnardo's, the Children's Society, National Children's Home (NCH) and the National Society for Prevention of Cruelty to Children (NSPCC) to protect children from poverty and delinquency. The Webbs, though advocates of state welfare, also recognised the importance of voluntary provision operating alongside state provision, whether in parallel, with each providing for different needs, or as an extension to basic state services with both acting as twin pillars in partnership to tackle social ills (Alcock 2003 p. 171).

The depression of the 1880s shook confidence in capitalism and revealed the plight of the respectable working class. This resulted in the expansion of trade unions and support for socialist parties and organisations for the unemployed and stimulated debate on whether poverty was a structural, societal and economic, or a moral, individual and personal, issue. This became a critical debate between the Webbs and the COS. The COS retained belief in Victorian notions of self-help and the need to 'co-ordinate the efforts of voluntary and public enterprise dealing with unemployment' (McBriar 1987 p. 53). The COS viewed state help as degrading and irresponsible as it undermined thrift and could be seen to be 'providing too much ammunition for reformers of a socialistic bent' and they adopted moral arguments for relieving poverty by 'persuading men to take home their

earnings, for wives to spend and feed and clothe their children well' (McBriar 1987 p. 71-3). The views of the COS were 'seen by some establishment figures at least as an antidote to working class values and political protest' (Davis Smith *et al* 1995 p.18). The central view of the COS was that 'the upper classes should take the lead in forming and keeping well under their governance and supervision 'safe' societies, and should be assured that such bodies would receive the protection and countenance of the state' (Bourdillon 1945 p. 16). This was intended to stem what was perceived as the potential for a descent into disorder and to occupy a middle ground between 'the dangers of the do-nothing policy of laissez-faire individualists' and what were perceived as the 'rough and mechanical' reform methods of socialists' (McBriar 1987 p. 84). The COS condemned socialists but also opposed the outright moralism of organisations, such as the Salvation Army, which 'distributed charity indiscriminately in the name of the Lord' (McBriar 1987 p. 60). They argued that unregulated relief diverted workers from employment and encouraged them to give up jobs lightly and called for careful administration of relief with a role for public provision where voluntary charity could not cope but a continuing role for charity as an 'essential organ of civilised group life' (McBriar 1987 p. 323). The COS represented 'a strongly individualist gospel of self-help and for 'Voluntaryism' as against the extension of state aid and their views provided the basis for the majority report leading to the 1929 Local Government Act and reform of the Poor Law (Bourdillon 1945 p. 19).

The 1929 Local Government Act however did not bar the advance of arguments that poverty and unemployment had structural causes that were endemic to capitalism and it accepted an increased state role in dealing with welfare needs (McBriar 1987 p. 367). The

1930s recession ensured that 'a widespread feeling remained that the government's policies were inadequate to the scale of the problems that the country still faced' (Deakin 1987 p. 39). The Webbs' minority report also criticised harsh poor law conditions and the COS position that the market and charity alone could meet welfare need and these arguments for state welfare endured within trade unions and found favour with the formation of the Labour Party from 1900 (McBriar 1987 p. 380).

The NCSS, the forerunner of NCVO (National Council of Voluntary Organisations) had been established in 1919 to co-ordinate activity between the voluntary sector and government. This included giving up of some independence in exchange for public money to provide more professional services to those in need. Despite this services remained geographically patchy, disorganised and unable to meet the challenge of major crises, such as the 1930s housing crisis (Macadam cited in Davis Smith *et al* 1995 p. 26). The ideas supporting scientific charity eventually failed because they were inconsistent, not tied to providing specific services and were undermined for 'as fast as the COS and its followers on the 'strict' Boards of Guardians cut down the number of recipients of outdoor relief, the Salvation Army and a host of other bodies opened soup kitchens and set about dispersing indiscriminate charity of all kinds which the Charity organizers regarded as most demoralizing' (Bourdillon 1945 p. 20). This highlights the continuing tensions between the idea of a voluntary and independent sector and state attempts to regulate the sector and control the sector's ethos, structure and organisation. The collectivist view that state welfare provision was not socialist but was required as part of

a humane and civilised society came to dominate political developments even prior to 1939 before becoming established in the post-war period (Bruce 1968 p. 26 and 237).

### *The welfare state and the marginalisation of the voluntary sector*

The Beveridge post-war welfare state established the principle of universal state provision of services such as education and health, income protection for the unemployed and elderly and protections for children but it was a compromise that also identified a continuing role for voluntary action. Beveridge pointed to the danger of universal provision and state bureaucracy in its inflexibility in responding to new needs. He recognised the contribution of voluntary organisations lay in their ability to form a bridge between the state and the community and their flexibility to respond to new social needs and to promote new services which could be incorporated into universal state provision. He supported the modernisation of voluntary provision as an important social and democratic principle, based on the model of the CAB (Citizens Advice Bureaux) where 'advice to citizens must be given independently by other citizens', independent from government but with government support (Beveridge 1949 p. 387).

Though Beveridge supported this function for voluntary action and a continuing role for an independent voluntary sector universal state welfare provision was intended to meet the majority of social need and secure efficiency and probity in service delivery. This rendered private philanthropy and charitable provision largely irrelevant and voluntary organisations were effectively marginalised in the post-war period through the development of models of rational administration, public services delivered by



professionally trained public servants and public service organisations characterised by distinctive forms of regulation and terms and conditions of employment. Though Building Societies, Co-operatives and trade unions continued, their roles were adapted, friendly societies largely disappeared and newer forms of philanthropy replaced religious philanthropy (Beveridge 1949 p. 322). The principles underlying the Welfare State were however an uneasy compromise that shaped a complex and evolving bureaucracy. This compromise was rooted in a post-war class compromise and shifts in this led to concerns that the Welfare State did not fit with its original conceptions, or ideals, opening up new opportunities and areas for the involvement of voluntary sector organisations (Bruce 1968 p. 332).

#### *The erosion of the welfare state and the pressure groups*

The development of the welfare state in advanced capitalist countries raised contradictions around the need for increasing state intervention in welfare, to secure social stability, against the growth in the cost of welfare, which impacted on the process of capital accumulation itself (Gough 1979 p. 14). Voluntary welfare provision though marginal continued and voluntary sector organisations became adept at exploiting contradictions, representing interest groups, adapting to new roles laid out for them by government and filling the gap between private and public sector provision (Wolfenden 1978 p. 18 and 19). The voluntary sector grew in the late 1950s and 1960s and was able to identify weaknesses and shortfalls in public service provision and develop networks, i.e. Council for Voluntary Services, which allowed them to act as a trusted, accountable and independent critic of statutory and other social provision (NCVO [online]).

Though organisations could be criticised for ‘an aura of amateurishness’, characterised by a lack of defined roles and weak internal management structures and organisation, this was held to be ‘the essence of the voluntary sector’ (Wolfenden 1978 pp. 28 and 97). Citizen-led autonomy meant that ‘if a feeling should grow up that organisations working for the local authority have become a subservient part of the established machine . . . new voluntary organisations would arise outside the controlled ones to reassert the voluntary spirit’ (Wolfenden 1978 pp. 28, 97 and 191).

The late 1960s saw economic, political and social change with growing pressures on the public sector and expansion of state welfare. This was also a period of political radicalism linked to civil rights and militant grassroots campaigning (Fox Piven and Cloward 1982 p. 198, NCVO [online]). While government sought to promote community involvement there was a tension between its support for community action and an unwillingness to engage with radical critiques of capitalism. Government initiatives, such as the Community Development Projects became open to political radicalisation where ‘control effectively shifted from the Home Office into the hands of local project activists’ (Loney 1983 p. 1). Support for community action ‘did not extend to radical community organizing and even less to . . . neo-Marxists critiques of the urban crisis’ and in the case of the CDPs funding was suspended to prevent further radicalisation (Loney 1983 p.196). Voluntary sector organisations, such as Oxfam, Voluntary Service Overseas (VSO), Community Service Volunteers (CSV), Shelter, Child Poverty Action Group (CPAG) and National Association for the Care and Rehabilitation of Offenders (NACRO) were also accessible to

new social movements and revealed the susceptibility of the state to campaigning and political pressure (Davis Smith *et al* 1995). Social shifts also produced an arena for political conflict and criticism of state action with 'increased scepticism about the values and performance of professionals' which 'led to a sharp change of mood on the role of the voluntary sector' (Deakin 1987 p. 77). A series of reports, such as Seebohm in 1967 and Aves in 1969 highlighted the distinctive contribution that could be made by volunteers and voluntary action although this was sensitively framed within the context of not challenging public sector provision or the sensitivities of public sector employees, their professional bodies and trade unions (Seebohm 1967, Bales 1996). It can be seen that even in the 1960s there were pressures to utilise the voluntary sector to bridge the gap between public and private sector provision and usher in market and business practices to public service provision. However, pressures for service improvements could also be linked to class consciousness and a continuing critique of capitalism as well as to rising social expectations and any 'disillusionment with state welfare' (Davis Smith *et al* 1995 p. 54).

The welfare state continued to be widely supported by the public but criticism of the public sector as bureaucratic, inefficient and inflexible intensified with the economic crises of the late 1970s. The Wolfenden report concluded the 1970s recognizing the need for a distinctive voluntary sector that 'complements, supplements, extends and influences the informal and statutory systems' (Wolfenden 1978 p. 26). While commerce was accepted to be unable to meet the needs of those without resources state provision it was recognised also suffered problems of continued growth, insufficient resources and

bureaucratic and professional tensions around the nature of the services provided and how they should be managed which supported arguments for a mixed economy of welfare, or welfare pluralism (Wolfenden 1978 p. 26). Victorian debates on the structural versus individual causes of poverty, suppressed in the long post-war boom, also returned in part fuelled by radical political, feminist and anarchist critiques that challenged the growth of the state and bureau-professionalism and favoured voluntarism, de-bureaucratisation, self-help and community action (Loney 1983 p. 5, Mishra 1984 p. 24, 33 and Ch. 3). The effect of increased pressure group activity was to increase the diversity of voluntary organisations. This impacted on the structure and management of organisations with radical groups making the sector less businesslike in terms of its role and management practices. It also placed further pressures on the government and state to respond to meet wider social needs through the welfare state and voluntary welfare provision.

### *Neo-liberalism and the contracting out of public service delivery*

The economic crises from the late 1970s rekindled longstanding ideological oppositions to the collectivist welfare state and brought pressures to limit the growth of state welfare and to control public expenditure. Neoliberal theorists had consistently opposed planning and central control in the provision of welfare accusing it of producing the slavery of socialism that damaged freedom in economic affairs and political freedoms (Hayek 1944 p. 10). Hayek called for a return to the individualism of the market and 'the unchaining of individual energies' to promote 'the spontaneous forces of society' which

would encourage personal responsibility, reduce state coercion and prompt a return to higher living standards (Hayek 1944 p. 12-13).

The public choice critique of the welfare state developed in the late 1970s was based on a critique of the failure of welfare programmes and post-war assumptions that state bureaucracies and professionals when left alone would do the right thing to meet society's needs. It argued that laudable aims of state bureaucratic welfare programmes were distorted by the vested interests of bureau-professionals which led to increased costs, inefficiency in the allocation of resources and the oversupply of public goods (Niskanen 1971). Public choice theory called for a fundamental return to liberal values 'articulated in the eighteenth century' arguing that 'there is nothing inherent in modern technology, higher incomes, or conditions in other nations that makes them unworkable' (Niskanen 1971 p. 230)

Neo-liberalism and public choice theory was practically applied in the UK following the election of the Thatcher government in 1979. This provided an incremental and rolling process of social and economic change based on monetarist beliefs. The Conservative government's pursuit of efficiency, effectiveness and economy through contracting and competitiveness was intended to break public sector monopoly and increase private sector competition. Though direct support for the voluntary sector was largely rhetorical, marketisation also created a favourable climate for the expansion of the voluntary sector (Walsh *et al* 1997 p. 20-21). The introduction of competition and extension of markets affected relations between the state and the voluntary sector with 'relatively informal

grant-based relationships being challenged, in favour of more formalized contractual approaches' (Walsh *et al* 1997 p.27). Voluntary sector organisations were able to take advantage of the contracting environment by arguing the 'flexibility, adaptiveness and capacity for innovation in the voluntary sector, in contrast to the inflexibility of the bureaucracy' (Deakin 1987 p. 108). They were also able to question opportunistically whether private organisations were sufficiently in touch with service user preferences to be able to provide effective services (Walsh *et al* 1997 p. 32-37). Voluntary organisations therefore benefited from contracting intended to aid the private sector positioning themselves between the state and the private sector so that they ended up 'in the right place at the right time' (Kendall 2003 p. 139).

NPM and the growth of managerialism threatened to change voluntary organisation management practices, especially in radical organisations that rejected conventional business models. This could occur through the promotion and extension of business models and practices which could be enforced through regulation. Larger voluntary sector organisations in particular, it is argued, had already changed in the late 1980s taking on board the lessons of the management revolution, adopting a businesslike approach, restructuring their organisations and adopting new management practices while kitting themselves out 'with all the paraphernalia of the enterprise culture: mission statements, logos, personal identification with tasks' and a 'passion (even obsession) for excellence', performance, productivity and efficiency (Davis Smith 1995 p. 62). The erosion of state welfare provision, for example the withdrawal of state investment in housing and the introduction of the 'Right to Buy', encouraged the growth of voluntary sector providers,

such as HAs, and extended opportunities within employment training, community care and other areas of state welfare provision. The success of voluntary sector organisations lay in their ability to claim improvements in management, quality and efficiency even though paradoxically this depended on 'the goodwill of HA staff and management and the survival of some of the qualities that stem from their voluntaristic origins' (Bramley in J. Le Grand and Bartlett 1993 p. 182). It was difficult however to measure whether their success, in such an ideologically charged environment, rested on any particular intrinsic value within the organisations (Walsh *et al* 1997 p. 36).

Voluntary sector organisations up to the late 1980s in general however had strongly resisted professionalization, performance management and the management training and consultancy that had become endemic in the private sector and which were being widely promoted for the public sector. This was due to idealism and the problems of reconciling management with voluntary sector values which rested on voluntary input, independence and the meeting of social need. This however led to an attitude of muddle through and voluntary organisations could be criticised for an inefficiency and moralism that was 'rampant in this sector' (Batsleer *et al* 1992 and Landry *et al* 1992 p. 25).

Voluntary sector organisations continued to resist a management culture but many organisations recognised by the late 1990s that survival was based on 'being able to play the game according to the new rules' (Davis Smith 1995 p. 62). Many community organisations, ethnic, women's and political and pressure groups and campaigning bodies were 'simply bewildered' or 'deliberately excluded because their objectives' did 'not

mesh with the competitive market environment or managerialist project' (Davis Smith 1995 p. 62).

The Conservative attitude to voluntary organisations, apart from 'the usual hat-tipping to the importance of innovation' was a 'desire to 'manage' the voluntary sector and its activities' and to reap the rewards of 'volunteering . . . charitable giving and . . . business involvement in the community' (Davis Smith 1995 p. 62). The primary reason for Conservative engagement with voluntary organisations was to extend competitiveness to obtain value for money and 'to the extent that there has been a consistent theme in government attitudes towards the voluntary sector it has been the utility of voluntary provision in reducing the costs of provision' (Davis Smith 1995 p. 64). Many people in voluntary sector organisations found that 'commitment to empowerment, collective working and grass roots democracy did not, in itself, guarantee success in the changing circumstances of the 1970s and 1980s' and were happy to surrender elements of their values and resistance to management to the managerialist project, supporting a shift to capitalist business practice and forms of labour management (Davis Smith 1995 p. 225). Their flexibility also meant that they were also able to incorporate managerialism within 'structures ranging from the classic functional bureaucracy to ostensibly looser matrix systems and federations' (Davis Smith 1995 p. 240). Though initially defensive and reactive, competition for contracts meant that 'purchasers and providers began to take on attitudes and behaviour patterns modelled on commercial practice', with notions of a passive role for service recipients and a shift from organisational commitment to forms of



managerial game playing that were well established in the corporate sector (Walsh *et al* 1997 pp. 204-7).

### *Modernisation under New Labour*

Rapid changes took place in the levels of support for the voluntary sector and its involvement in the delivery of public services under New Labour from 1997. Best Value and the promotion of partnership between the public sector and voluntary organisations in the delivery of public services were supported by a tighter regulatory framework across public service and state involvement in the modernisation and managerialisation of labour management was extended across voluntary sector organisations. The reasons for the rapid changes in Labour's approach to the voluntary sector, its labour management and delivery of public services can be examined through debates on the changes in approach to social democracy and public service delivery which defined 'New' Labour. The extent to which New Labour represented a development or revision based on Labour's social democratic foundations or the abandonment of social democracy and adoption of neo-liberalism has been much debated. There are disagreements on the extent to which New Labour was 'new' in its approach to public services, the public, private and voluntary sector, labour management and the trade unions (Driver and Martell 1998, Rubenstein 2000, Bullock 2009, Daniels and McIlroy 2009).

The Labour Party was rooted in broad reformist social programmes which sought to reduce social inequality and promote social justice. Clause IV of the Labour Party, established by the Webbs in 1918, laid out the principles of the Labour Party based on the

promotion of equality, redistribution of wealth, social justice, nationalisation, full employment and a commitment to welfare. This traditional approach was embodied in post-war Labour government's commitment to Keynesian economic management and support for the welfare state. This traditional Labour approach was however challenged by revisionists within the party, such as Tawney and Crosland. Tawney's 'Acquisitive Society', published in 1921, was most influential until Crosland's writing in the late 1950s, in presenting an alternative Christian and ethical social democratic approach for the Labour Party (Tawney 1921). This rejected nationalisation and state ownership and control as a necessary or defining feature of socialism and panacea to counter the destructive forces of twentieth century capitalist development. Tawney's approach accepted that capitalism provided 'a framework creating a secure entitlement to the fruits of one's own labour' which benefitted workers as well as the owners of wealth. He believed that developed capitalism, in separating ownership and control, created rampant individualism and this weakened the ability of governments to meet social objectives. Tawney rejected 'public ownership as a key feature of a desirable society' while calling for greater state regulation of both private and public sector organisations so that managers would be enabled to act in the public interest (Clift and Tomlinson 2002 p.2). Tawney's call was not for revolution or state control but for regulation and the reordering of corporate governance within capitalism to support competition and private enterprise but also to provide the necessary controls, through state intervention and regulation to bring inefficient employers, i.e. those that did not serve the public interest, to account (Clift and Tomlinson 2002). Tawney shared with Hobson the belief that nationalisation was not the pinnacle of productive efficiency and there was a need for

governments to consider consumer needs and market discipline but he was also critical of Adam Smith and Locke for their absolutist support for property rights and competition and the wastefulness of much competitive market behaviour. Tawney despite his opposition to nationalisation retained faith in the allocative role of public bodies and the professional pride of public servants but he introduced a moral critique of capitalism that called for 'a strengthened public realm' which he believed would 'constitute the most effective, and efficient regulator of capitalism' (Clift and Tomlinson 2002 p. 6).

The revisionist school of Labour politics continued to question the centrality of public ownership and control to the socialist enterprise. Crosland's 'Future of Socialism', in 1956, was influential and was linked to Labour's experience in government from the 1960s onwards. Crosland did not believe that nationalisation or public ownership was an essential or necessary part of the socialist project but that they simply provided a means to an end of social welfare and social equality (Crosland 1956 p. 13). Crosland called for 'new thinking about socialism' to bring about the renewal of social democracy in new times (Crosland 1956 p. 11). He rejected Marxist and economic laws of historical development focusing attention on government activity to promote equality, reduce class divisions and inequality and promote equality of opportunity (Bogdanor in Seldon p. 165). Crosland argued that the Marxist claim that capitalism needed to be overthrown to bring an end to exploitation and achieve a more equal society was incorrect and argued that 'in my view Marx has little or nothing to offer the contemporary socialist' (Crosland 1956 p. 20). He believed that post-war affluence and abundance, changing class relations, reformed managerial capitalism and the development of a sophisticated meritocracy,

which included relative improvements for the poor, had changed social and employment conditions and that the Labour Party needed to change to recognise these developments to maintain its relevance (Bogdanor in Seldon p. 165). Crosland's optimism on the potential for continued technological development, growth and abundance, support for 'progressive management' and calls to reduce nationalisation and planning restrictions to private industry were influential in debates between traditional left and revisionist right sections within the Labour Party (Crosland 1956 p. 38 and 516). His views represented a continuing attempt to roll back socialism and the Marxist intellectual tradition to develop a social democratic Labour Party which placed a reduced emphasis on an economic criticism of capitalism and a greater emphasis on achieving social equality through government programmes (Crosland 1956 p. 516).

The development of revisionist ideas on the socialist foundations of the Labour Party can also be traced to the IMF (International Monetary Fund) economic crisis of 1976. The acceptance of IMF imposed unemployment, cuts in public services and the marginalisation of trade unions sparked further revisionism within the parliamentary right wing of the Labour party (Meredith 2008). The traditional Labour approach to state intervention, welfare and trade unions was seen by revisionists as a major factor which contributed to UK economic decline, the electoral defeats of the 1970s, the collapse of the social contract and embarrassment of the IMF crisis (Bullock 2009 p. 181). Debates between traditionalists and revisionists within the party continued through the 1970s and the Limehouse declaration in 1981 sought to establish a vehicle for the liberal right to shift the orientation of the Labour Party which the right argued had become overly

influenced by trade union and Marxist views. Some on the right in the Labour Party questioned whether it was possible to reinvigorate social democracy, given the divisions within the party, which led to the creation of the Social Democratic Party (SDP) and the Alliance with the Liberal Party to form the Liberal Democrats. The call for a renewed social democratic party which could become a potent electoral force continued, following the electoral defeats of Labour in 1983 and 1987 (Bullock 2009 p. 180, Marquand 2006 p. 35).

The Labour Party rejected the Webbs' clause IV in 1995 prior to its election in 1997 and by 1997 had set its course against Keynesian economics, nationalisation and rational planning. New Labour had also committed itself to Thatcherite notions of free trade, flexible labour markets and entrepreneurial capitalism arguing this was essential to create an electorally viable New Labour (Driver and Martell 2002 p. 2). The background to further revision was the global shift to neo-liberalism. New Labour accepted that in a globalised economy it was no longer possible to adhere to the belief in the potential to achieve socialism and equality in one country. New Labour argued that changed conditions meant it was necessary to accept globalisation despite the contradiction that engagement with globalisation could be demonstrated to increase rather than decrease inequalities (Bogdanor in Seldon 2007 p. 173).

There are different views on New Labour and the extent to which it represented simply a further revision based on Tawney and Crosland's legacy and Labour's social democratic foundations or whether it represented the emasculation of social democratic values. New

Labour's approach to the trade unions has been argued to demonstrate its acceptance of Thatcherism and a virulent neo-liberalism (Daniels and McIlroy 2009). The development of an antagonistic approach to trade unions lay not only in the shifting ideologies within the parliamentary party from the 1970s, divisions within the party in the 1980s and global Neo-liberalism from the 1990s but acceptance by New Labour of the legacy of legal changes that had taken place under Conservative governments through the 1980s (Daniels and McIlroy 2009 p. 144, Smith and Morton 2006). Trade union resources, membership and organising capability had been weakened in the 1980s, while union mergers had led to a weakening of the radical influence of trade unions and acceptance of a top down managed activism. Unions supported an acceptance of management driven initiatives and partnership which stunted trade union challenges to public service reform and the modernisation agenda (Daniels and McIlroy 2009 p. 103). While many on the left in the Labour Party hoped that the rhetoric of change was only part of an electoral strategy the ideological changes that underpinned New Labour meant that 'any hope that the advent of a Labour government would see a restoration of union fortunes, and significant change in the legal position to the advantage of employees and their organisations were soon dashed following the 1997 election' (Bullock 2009 p. 64). Daniels and McIlroy argue that this process was completed with the trade unions involvement in and acceptance of the Warwick agreement in 2004 (Daniels and McIlroy 2009 p. 185).

The Blair government rejected Marxism, left wing radicalism and much of the traditional labour and social democratic tradition and sought to marginalize trade union influence in the party to conform to a pro-business ideology that continued the commercialisation,

commodification and contracting out of public services which had commenced under the Thatcher government (Bullock 2006 p. 64). It can be argued that 'the essence of New Labour was that public services needed to use the techniques of private business and the market to increase efficiency' and that 'injections of new money into the public sector . . . were dependent upon reform. Moreover, the state should no longer be expected to be the sole provider of public services' (Bogdanor in Seldon 2007 p. 179). The acceptance by New Labour of globalisation and its inequalities, privatisation and contracting out, a liberal economy and a weakened trade union movement can be argued to have represented 'a form of accommodation, designed to hide from those on the left the extent to which the party was accepting the new settlement built by Margaret Thatcher and John Major' (Bogdanor in Seldon 2007 p, 181-182).

Driver and Martell though claim that the creation of New Labour was a far messier affair than is often suggested and that it would be wrong to see New Labour as simply a continuation of Thatcherism (Driver and Martell 2001). Many Labour Party officials and members clearly did not support the neo-liberal project and adhered to socialist and social democratic values, even where the influence of the left had been isolated or removed from much of the party (Driver and Martell 2001). While arguing that 'there is something new about New Labour' Driver and Martell concluded that there were continuing aspects of social democracy in New Labour (Driver and Martell 2001 p. 48). The central element of 'newness' under New Labour though was acceptance of the need for modernisation where 'the pragmatic post-war social democratic arguments for a mixed economy have given way, rightly or wrongly, to the celebration of competitive

markets and private enterprise' (Driver and Martell 2001). The Blair government championed business, public sector reform and restructuring of the public sector, pliable unionism, flexible labour markets and the removal of the welfare state to encourage work. It was 'not just like any old labour government' and 'the privatisation of public assets and services . . . continued under New Labour. . . [and were] not opposed as it was under Old' (Driver and Martell 2001 p. 48-50). While it can be argued that the Labour Party was never a radical party and that it always held a pro-business bias, with a focus on economic prosperity within capitalism, and maintained a distance from trade unions, 'especially when they go on strike', there were elements in New Labour that supported business management models and labour process reform, especially in the delivery of public services (Rubenstein 2000 p. 163). While there were continuities in revisionism within Labour radical revision was argued for on the basis of practical realities, for 'society has changed and political parties have inevitably changed with it' (Rubenstein 2000 p. 166).

New Labour could be seen to move decisively to occupy 'the electoral and rhetorical territory which the SDP had set out to occupy' even though the liberal right continued to attack New Labour for its betrayal of this legacy under a statist and authoritarian populism and lack of civic engagement, hidden under the mantra of permanent modernisation (Marquand 2006 p. 34). New Labour, under the banner of modernisation, represented a significant shift in the social democratic position adopted by previous labour administrations, especially in relation to the public sector and trade unions, Keynesianism and the welfare state. This led to support for private sector and pro-market



values, managerialisation, especially in the public sector, and the market reform of social welfare programmes so that they adhered to a pro-business agenda. Within this agenda support for the voluntary sector was maintained and developed.

The New Labour approach to welfare was influenced not by the Webbs' social and collective approach but by ideas of partnership and communitarianism. The political environment from the 1980s had been favourable to the voluntary sector but the change to a New Labour government in 1997 extended marketisation and NPM and created conditions that were the most favourable the sector had experienced (Blackmore *et al* 2005 p.6 ). Communitarianism signalled a return to moral values and emphasised the rights and responsibilities of individuals within an inclusive agenda based upon shared commitments. This paid less attention to class and structural arguments about social inequalities and more to concerns around community, moral revitalisation and partnership across sectors that were encouraging to the voluntary sector. The shift from contracting to commissioning also extended the potential role of voluntary sector organisations as service deliverers while revitalising the idea of voluntary sector closeness to the public (Blackmore *et al* 2005 p. 18).

New Labour argued for an enabling state and a pragmatic approach to the delivery of public services by state, private and voluntary providers that was 'sector blind' and in the interest of service recipients (Bourn 2005). Modernisation embraced the collapse of communism, the development of a network society, expansion of technology, globalisation and the widening of capitalist markets, restructuring and deregulation even

though it was recognised this held potential consequences in terms of increasing social exclusion (Castells 2000 p. 24). The pragmatic endorsement of free markets by new Labour embraced a managerialist 'what works' agenda while communitarianism spoke of restoring a moral voice to communities to combat the moral confusion and social anarchy that resulted from social change (Etzioni 1993 p. 14). This supported the voluntary sector where the state was deemed to have taken the place of what people had previously done in a voluntary capacity (Etzioni 1993 p. 14).

The favourable disposition of New Labour to the voluntary sector was rooted in the idea that 'people have a moral responsibility to help themselves as best they can' and that 'every community ought to be expected to do the best it can to take care of its own' but that 'societies ... must help those communities whose ability to help their members is severely limited' (Etzioni 1993 p. 144-146). The communitarian approach was politically useful to New Labour counteracting Thatcherite ideas of no society while providing a return to 'traditional values that encouraged individuals to be virtuous' (Himmelfarb 1995 p. 255). Communitarianism recognised that communities may be overwhelmed by needs, especially following war or natural disasters, and that the final responsibility 'to ensure that all are attended to falls to the state' (Etzioni in Gilbert 2002 p. xv). The rhetoric of the enabling state, partnership, restructuring and the privatisation of public services however could support a divorce from state solutions and the pragmatic endorsement of free-markets with a natural 'empathy with the voluntary sector' (Kendall 2003 p. 56). This was within a communitarianism which was 'both moralistic and arguably even authoritarian' (Driver and Martell in Kendall 2003 p. 56).

### *The modernisation of labour management in the voluntary sector*

While New Labour's support for the voluntary sector was based, to some extent, in communitarian ideals it was largely founded on the promotion of managerialisation to improve productivity and efficiency in the delivery of public welfare services. The ideological acceptance of neo-liberal globalisation and NPM was central to the creation of New Labour. New Labour's approach was focused on state intervention to reform public sector labour management practices and the trade unions to stimulate increases in labour productivity and efficiency in the delivery of public services. The growth of support for voluntary sector organisations and rapid changes in their regulation and labour management practices followed the ideological shifts in New Labour and their commitment to social democracy, the public sector and the market. Modernisation and partnership between the public and voluntary sector extended competition and state regulation and control over labour management in voluntary sector organisations. The support for the voluntary sector was based on acceptance of the need to transform voluntary sector labour management practices, through funding and regulatory controls, to ensure that the voluntary sector was brought into line with the private sector and regulated, marketised public sector organisations.

The ideological conflict between the government and public sector unions was revealed in Tony Blair's reference to 'the scars on my back' in July 1999, in reference to dealing with public sector trade union opposition to modernisation (*BBC* 7 July 1999).

Encouragement of a modernised voluntary sector can then be seen as part of an overall

ideological change in approach to transform public service delivery. This bypassed traditional labour concerns at the lack of transparency and accountability in voluntary sector organisations and their antipathy to trade unions and organized labour, where activity could be considered as disloyal to the organisation or in conflict with religious, philanthropic or voluntary values and commitments and a sense of voluntary mission (Gilbert 2002, Ball in Batsleer *et al* 1992 p. 80 and 16). It also bypassed traditional labour concerns at partnership concealing structural imbalances in relations between the public and voluntary sector and fragmenting labour markets (Doogan 1997).

Traditionally there had been concerns at imbalances in pay and conditions between voluntary sector employers and employees and the poor benefits and conditions of voluntary sector employees, recognized to be below the pay and conditions of public sector comparators (Kendall 2003 p.109). The growth of contracting and shift to commissioning bypassed concerns at the incorporation of voluntary organisations within the state apparatus, 'voluntary organisations receiving government funds which are, by definition, outside the political system, but still subject to some state control' (Wolch 1990 p. xi). Increased dependency on government funding and resources and stricter accountability and audit requirements supported the promotion of a compliance culture that threatened the autonomy, independence and distinctive role and contribution of voluntary sector organisations. The dangers of incorporation within a shadow state apparatus which could weaken voluntary sector independence, including autonomy for employees, and mean that 'the innovative capacities of voluntary organisations may be

lost along with their autonomy' had long been considered but was ignored as New Labour sought to promote its new neo-liberal modernisation agenda (Wolch 1990 p. 207).

Political incorporation, financial dependence and managerial forms of control affected voluntary organisations sensitivity to civil society and the distinctive role and approach of the voluntary sector to public services (Osborne, Chew and Moran 2008). Incorporation within a shadow state could also be seen to diminish the political and social radicalism of the sector, identified with the 1970s, and their ability to take 'voluntary action against the state' which could be 'perceived as biting the hand that feeds them' (Wolch 1990 p. 32 and 216). The voluntary sector's inability to resist state pressures and independently represent those requiring welfare services held longer term consequences for public service delivery in that 'a voluntary shadow state operating at acceptable levels can be reduced or discontinued with much less difficulty and negative publicity than cuts in state agencies and directly provided programmes' (Wolch 1990 p. 218). New Labour's support for the voluntary sector and reform of its labour management practices then complemented and contributed to New Labour modernisation and public service reform as voluntary sector workers were typically less resistant to state modernisation pressures and received lower pay and fewer benefits 'which make voluntary sector workers more attractive than protected and better paid public employment' (Wolch 1990 p. 218).

The New Labour approach held 'clear echoes' of a return to Victorian and Edwardian themes about the integration of the voluntary sector with the state, even where concerns at the compromising of the integrity and independence of the sector continued (Deakin

2000 p. 1). The extension of the 'contracting regime' threatened the role of voluntary sector organisations focusing attention on 'the public benefits to be gained from providing services outside the line accountability of the public service' while restricting the independent and autonomous representation of those in need (Consodine 2003 p. 76). Ideological change and pressures for rapid changes in labour management practices in voluntary sector organisations could be seen to impact in the 'extent to which the introduction of techniques of modern management may compromise the original mission of voluntary bodies by substituting alternative goals and a different locus of accountability' (Deakin 2000 p. 11). Voluntary sector organisations were as 'riven with contradictions and conflicts as are the state and the market' and their diversity meant individual managers and employees within organisations could readily hold views that were supportive of the need for market change and the transformation of their own labour management practices to meet regulatory and financial pressures within a new modernisation environment (Deakin 2000 p. 14).

Contracting out and commissioning can be seen as part of a larger trend 'in the devolution of responsibility for social welfare from central to local units of government and from local government to community-based private agencies' (Gilbert 2002 p. 124). There are however contradictory centralising and decentralising tendencies within modernisation and restructuring that prevent organic forms of growth and support state manufactured forms of civil society based on the 'extension of state power via a range of social actors' (Hodgson 2004). This contradiction remains 'for as long as the local voluntary agencies are heavily dependent on government funds, there will be a tension

between the extent to which they are serving the interests of the state and the extent to which they are mediating the interests of local consumers' of welfare services (Gilbert 2002 p. 115). The expanding role of the voluntary sector and its incorporation in the modernisation of state welfare services can be argued to have a direct impact on the capitalist labour process as it supports the 'retrenchment of worker's rights and social spending' and 'the state's efforts to cushion the growing social risks, which would help avoid a backlash against globalisation' (Gilbert 2002 p. 38). Voluntary sector organisations were embraced by New Labour as an alternative to bureaucratic, professionalised and trade unionised state services as they support 'the grounds for social cohesion', within an approach based on rights and responsibilities, and 'shifting away from the state and towards the private market and civil society, made up of voluntary organisations and informal networks of family and friends' (Gilbert 2002 pp. 46 and 100).

The New Labour approach placed trust in the voluntary sector despite a tendency to social exclusion, patchy service provision, wasteful duplication and managerial and administrative deficiencies (Kendall 2003 p. 117- 121). The new regulatory approach sought to overcome such problems in evaluating the impact or value of the voluntary sector, related to the scale, structural dependence and blurred nature of the sector. It sought to turn to structural advantage the issue of pay inequalities between the public and the voluntary sector stressing the advantages of voluntary sector provision in increasing efficiency, even though this could be based upon 'employment that is stressful, sometimes unsafe, and often unfair and badly paid' (Ball in Batsleer *et al* 1992 p. 80). The extension of modernisation to voluntary organisations while it risked providing public

services 'on the cheap' supported the 'demand to provide cheaper, efficient and innovative welfare services to society, while at the same time maintaining the traditionally high levels of employee commitment' (Cunningham 2000).

Government promotion of NPM and neo-liberal managerialism, combined with voluntary organisations financial dependency and reliance on public funding, supported rapid changes in labour management. Modernisation and marketisation challenged the traditional linking of public and voluntary sector pay and conditions and supported greater managerial control and work intensification, as voluntary sector managers were forced to seize the opportunities associated with state modernisation or alternatively maintain their independence, organisational purpose and mission, which would involve a continuing struggle for resources and survival (Cunningham 2008 b p. 195–196, Wolch 1990 p. 19). For New Labour, 'increases in public expenditure have been linked to specific initiatives that have been accompanied by more intense forms of performance management' and the use of audit, quality systems and the outsourcing of public services to achieve centrally designed service Improvements (Bach 2002 p. 324, Power 1994, Travers 2007). The fragmented nature of the voluntary sector workforce, management hostility to trade unions and financial dependency were also all factors mitigating against effective workplace mobilisation against managerialisation, which might be precipitated by a shared sense of injustice, an attribution of blame to the employer and a belief that collective action would be productive (Kelly, 1998).

Relations between the government and voluntary sector organisations also meant that opposition to modernisation could be focused on external forces, leaving local



management free to introduce tighter management control and employees to believe that local workplace action to resist management change was unlikely to wield effective results (Cunningham 2008 b p. 193–194, Kelly 1998). The transfer of public services to the voluntary sector then represented a shift under New Labour, as part of a response to neo-liberal globalisation, to reduce social democratic commitments to equality and move services to employers that were largely more willing to accept managerialisation, and a limited approach for trade unions, and to employees lacking the levels of union organisation found in the public sector, in an environment of limited employment legislation and protection, and limited support for traditional labour interests (Smith and Morton 2006).

The danger of the incorporation of voluntary sector organisations within a wider public service reform was that it became harder for those within voluntary organisations to conceive of an independent and autonomous role in campaigning and advocacy on behalf of unpopular individuals and groups. Modernisation supported rapid changes in organisational structures and practices, the provision of services, labour management and employment relations which can be argued to be a feature of modernisation and public sector reform that conceals the realities of changing power structures, influence and mechanisms of control to the extent that ‘the memory of an alternative way of organising’ across a range of services ‘is being rapidly eroded’ (Pollock 2004 p. 215).

## **Conclusion**

This chapter has examined the scale and complexity of the voluntary sector and the problems defining voluntary organisations and the changing relations between the voluntary, private and state sectors. It has demonstrated how the sector has played a pivotal role in the restructuring of public services, especially under New Labour since 1997. Definitions of the voluntary sector are important in signalling and promoting change in an ideologically charged and flexible environment, with wider societal significance.

The chapter has also examined the historical changes in the voluntary sector and the continuities in the political context in which the sector operates in relation to the state, the private sector and the provision of welfare. The history of the voluntary sector demonstrates the intermediary role played by the sector located between the private, for profit, and public sector, non-profit, and its changing significance in different periods. Voluntary sector organisations provide an intermediary, alternative form of public services delivery, which can assist in alleviating the social consequences of capitalism, helping prevent social breakdown and political revolt, while assisting capitalist development and the modernisation of public service delivery.

The Welfare State in the post-war period effectively marginalised the voluntary sector but this was based on an uneasy class compromise and support for universal state welfare provision within a mixed economy of welfare delivery. The diversity of voluntary sector organisations means they were able to adapt to different roles, whether radical or

conservative, in response to changes in the political and economic context, as demonstrated by the rise of the pressure groups in the 1970s. The contradictions around support for the state delivery of welfare were revealed in the re-emergence of ideological divisions and the erosion of support for state welfare in the 1980s and the rise of neo-liberal marketisation and privatisation and managerialisation of public sector professionals and employees.

Though privatisation and marketisation in the 1980s was directly intended to benefit the private sector voluntary sector organisations were opportunistically able to develop and play a greater role in the provision of welfare services. While voluntary organisations were initially opposed to the adoption of business values and management approaches, based on the defence of voluntary and not-for-profit principles and values, many organisations were transformed in the 1980s by the lure of growth into accepting business values, managerialism and changes to labour management practices.

Neo-liberal modernisation and public service reform continued and expanded under New Labour as the party distanced itself from its traditional collectivism and support for nationalisation and the welfare state, and its social democratic traditions, in response to the dominance of neo-liberal globalisation. The New Labour communitarian and partnership agenda supported voluntary organisations within ideological battles in the public sector over the extension of managerial control and the role of public sector trade unions. Voluntary organisations more readily accepted neo-liberalism and state pressures accepting managerialism, based on historical ambivalence within the sector to trade

unions. Voluntary organisations became increasingly dependent upon government funding which left them increasingly subject to regulatory compliance and forms of management modernisation and public service reform that were extended beyond the public sector. Voluntary organisations, following initial opposition, have been willing to abandon voluntary values and resistance to managerialism in return for organisational development and greater influence over welfare provision. The greater involvement of the voluntary sector in the provision of state services has eroded their autonomy, independence and distinctiveness within the new commissioning environment. New Labour support for the voluntary sector also tended to by-pass traditional labour concerns about executive pay, the accountability of voluntary organisations and their history of poor employment conditions. The exploitation of voluntary commitment and charitable reward has also been ignored as voluntary organisations have marketised and the nature of the labour process in the voluntary sector has become increasingly capitalist.

Voluntary sector organisations provide an alternative means to develop market solutions and extend managerial control as they are more responsive to state regulation and control. There are concerns that funding dependency and regulatory accountability may become incorporated within a state agenda which undermines the autonomous aims and objectives of voluntary organisations and their attractiveness as independent and innovative organisations. The central advantage to the state though of a modernised voluntary sector rests in its ability, in an increasingly competitive and global arena, to respond to external pressures to reform the labour process and place downward

pressures on costs, pay and pay expectations, and reduce resistance to the market and managerialist agenda. Voluntary organisations offer an attractive alternative public service workforce to the trade unionised, protected and better paid public sector workforce. Voluntary sector organisations have grown and changed and now have an extended role in public service reform and modernisation and have experienced, due to their responsiveness to political and ideological shifts, rapid restructuring in their labour management practices and employment regulation.

## **Chapter 4: Modernisation and change: shifting the frontier of control**

### **Introduction**

This chapter examines the changes in management practices that have accompanied modernisation and the implementation of public service reform. It considers the attempts to shift the frontier of control over the labour process across the public and voluntary sector from the 1980s onwards.

The chapter looks at reform and modernisation in voluntary organisations, the changing relations between the state and the voluntary sector and the shift from a public administration approach to management and service delivery to an approach rooted in the global development of NPM. The impact of contracting, commissioning and service procurement and the intensification of regulation, audit and evaluation of voluntary sector organisations and their delivery of public services are examined. The chapter also looks at how central state pressures to change are transmitted through prescriptive programmes and management models, performance based contracts, regulatory mechanisms, and quality systems. These it is argued force managers and organisations to change their management practices, and how public services are delivered, to conform to global NPM and external public policy requirements.

The chapter then explores, through examples, how the extent of adoption and compliance with external pressures varies given the complexity and diversity of national, regional and local government structures, service providers, and sub-sectors, such as

housing and homelessness, drug and alcohol, mental health and youth programmes, and religious provision.

The chapter moves on to examine literature on how shifts in public policy, public service reform, modernisation and managerialisation have transformed the management of labour and shifted the frontier of control over the labour process across public service provision. The chapter concludes by considering modernisation and the implementation of NPM and HRM in the voluntary sector. This is intended to provide a basis for examining and analysing the fieldwork research on change in labour management in the voluntary sector.

### **Modernisation and New Labour**

Decentralisation, privatisation, marketisation and Taylorist forms of performance management have been widely applied across public sector and public welfare services since the 1980s. Modernisation and public service reform has been promoted by the Organisation for Economic Development and Co-operation (OECD), the World Bank and the European Union (EU) and supported by the 'improvement claims' of governments and organisations that accepted its central tenets (Pollitt and Bouckaert 2004 p. 1). While the exhortations to make cost savings, improve quality, increase efficiency, develop effectiveness, control bureaucracy, increase managerial responsibility, enhance accountability and act in the public interest have been more widespread in the Anglophone world the promotion of public service reform has been global and 'few

governments . . . can now afford to be without some programme of public sector modernization' (Pollitt and Bouckaert 2004 p. 1).

The changes that have taken place represent a shift from the national to the global, from rational planning to responsiveness to markets, democratic accountability to responsiveness to shifting consumer demand and from service stability to an acceptance of turbulence in the ability of the state to provide for and meet social need. The forces shaping the international remodelling of public services are however complex and outcomes in particular countries depend upon a range of factors. These include the decisions of elite groups, politicians, civil servants and managers and their responsiveness to pressures for change, class awareness and resistance to change and reactions to the unintended consequences of change and other contextual factors. These include socio-economic factors such as structural change, economic cycles and competitiveness which produce further pressures 'to restrain public spending, lighten the bureaucratic burden and re-shape social policies that can no longer be afforded' (Pollitt and Bouckaert 2004 p. 28). There are also social-demographic factors, such as changes in life patterns, which produce additional or modified welfare demands and encourage the restructuring of public provision and enhancement of the role of 'community or voluntary sector participants' in service provision (Pollitt and Bouckaert 2004 p. 29).

Different countries have different political, structural or cultural pressures that constrain the ability of 'political and administrative elites' to adopt neo-liberal approaches and ideologies of management change promoted by management gurus, such as



Management by Objectives, Total Quality Management, Benchmarking, Outsourcing, Business Process Re-engineering, Public Choice, Agency Theories or Transaction Cost Economics (Pollitt and Bouckaert 2004 p. 30). There has been continued debate on the extent to which we are witnessing the globalisation of NPM or policy convergence around the neo-liberal NPM model (Common 1998). While public sector reform and modernisation have been universally applied and many senior officials 'make a career out of 'modernizing' and 'streamlining' activities' management reform is complex, subject to 'trade-offs and dilemmas', and is undertaken 'in conjunction with other types of policy initiatives' which may give rise to resistance (Pollitt and Bouckaert 2004 pp. 6-7). The outcome of public service reform is that 'things have the habit of being not always what was expected' (Pollitt *et al* 1979 p. 195). The debate on the extent to which there is convergence in public management is complicated by the probability that convergence and enduring difference are capable of co-existence (Pollitt 2001). While NPM has been globally applied public sector reform continues to be contested, managerial moves to reform services are subject to miscalculation and NPM as an approach retains the potential to collapse in the wake of economic, political, ideological or administrative shifts or movements.

The introduction of contracting and commissioning to public services in the UK was part of the Thatcher government's attempts to curb the power of the trade unions, the growth of the welfare state and public expenditure (Foster and Scott 1998 p. 101). The marketisation of public service and contracting out became the symbol of the virtues of market reform and the simplicity of the actions needed to achieve more effective public

service performance based on practical management action (Walsh *et al* 1997 p. 1). Its introduction however provoked public sector industrial unrest and given political sensitivities, especially in areas such as health and social care, managers initially were reluctant to pursue contracting out and competitive tendering. There was significant political hesitancy which delayed implementation, for example in the compulsory competitive tendering (CCT) of social care, 'as a result of the need to cope with the fall-out from the 'poll-tax' episode' (Walsh *et al* 1997 p. 2). CCT signalled the enforcement of the market over traditional public service approaches and it was only over a prolonged period and with gradual implementation that ideologically driven ideas of competitive tendering became more accepted and embedded in public service delivery. Hostility, resistance and opposition from trade unions and local communities to CCT were sustained and in addition private providers were not always well placed to take over the running of public services (Foster and Scott 1998 p. 119).

This supported the development of intermediate agencies 'intended to introduce private sector principles into public sector management in a manner unachievable before' under 'a new generation of managers more imbued with the ethos of the private sector and willing to promote competitive tendering and the fragmentation of public sector workforces' (Foster and Scott 1998 p. 119). The 1988 Education Reform, Housing and Local Government Finance Acts of 1988 and the 1990 NHS and Community Care Act have been described as 'a bold and dramatic attempt to restructure the British Welfare State' (Ferlie *et al* 1996 p. 56). The NHS and Community Care Act introduced the purchaser-provider split to embed contracting and NPM within health and social care provision and

mainstream the Conservative ideological critique of public sector management. The aim was to marginalise public sector union power while enhancing the ability of managers to control public sector pay and working conditions (Ferlie *et al* 1996 p. 99). The Conservative governments ideological championing of CCT however provoked continuing resistance which meant that they were unable to fully develop the partnerships that were needed to facilitate change, 'trapped within an established, directive policy trajectory' and 'informal alliances' (Foster and Scott 1998 p. 131). In contrast Labour's 'ideological reconstruction permitted more constructive engagement' (Foster and Scott 1998 p. 131).

New Labour's election in 1997 was in part the result of dissatisfaction with the previous Conservative administration's approach to public service reform and welfare. New Labour had though prior to 1997 been internally restructured and modernised. Though the overt 'get what you can' approach of the neo-conservatives was rejected by New Labour the party also jettisoned much of its association with 'old' Labour collectivism to accept the realities of global neo-liberalism. This included a commitment to free trade, flexible labour markets, and the domination of finance capital, entrepreneurialism, self-help and private initiative (Driver and Martell 2002 p. 29). Though this was combined with communitarianism this did not support class based solidarity and represented 'a shift from *passive* to *active* policies, an emphasis on *responsibilities* over *rights*, and a redefinition of objectives from *income maintenance* to *social inclusion*' (Gilbert 2002 p. 61). New Labour's support for trade unions and the public sector diminished on the basis that government should not respond to the producer interest and should accept that opportunities for social progress could not be introduced at the price of reduced

economic efficiency (Le Grand and Bartlett 1993 Ch. 1). This approach sought the rebuilding of social order and stability 'through individuals, family, government and the institutions of civil society' rather than the re-building of collective class solidarity and the welfare state (Driver and Martell 2002 p. 29).

New Labour moved on to Conservative territory but their claim to be different and modern rested 'on details, the competence and unity of the government, and the freshness and imagination of ministers to carry out what they promise' (Driver and Martell 2002 p. 73). New Labour ministers called for more selective and targeted welfare and social policies on the basis that 'those able bodied persons who can help themselves out of dependence on the welfare state to independence have an obligation to do so' while 'only those who cannot help themselves merit a promise of special help' (Driver and Martell 2002 p. 90). This approach criticized public servants empire building and challenged charitable benevolence taking a firm line on welfare claimants while the 'producers' of welfare' were exhorted to be 'responsible and responsible to the 'consumers' of welfare' (Driver and Martell 2002 p. 98). New Labour maintained contracting and extended commissioning and partnership arrangements between the state and service providers developing mechanisms that were intended to encourage compliance, responsible behaviour and responsiveness to government objectives (Driver and Martell 2002 p. 90, 98 and 184). This was supported by rewards, such as enhanced and continuing contracts for compliance with change, and penalties, for behaviour not seen to be supportive of the government as the representative of community interests,

which combined an 'acceptance of Thatcherism with a reaction to it through communitarian sentiments' (Driver and Martell 2002 p.90, 98 and 184).

### **New Public Management**

While debate on the extent of global convergence around NPM continues it has developed to become the dominant paradigm for the management of public services (McLaughlin, Osborne and Ferlie 2002 p. i). This has entailed a shift from public administration, which was intended to prevent corruption, waste and incompetence through high trust relations, detailed policy and procedural rules, fixed hierarchy, pay and contract structures to NPM, which emphasised low trust relations, the replacement of bureaucracy with management control, detailed output measurement, intensified employment competition, variable pay and short term contracts (Hood 1995 p. 94).

The formulation, implementation and evaluation of policy however takes place through existing structures and, as such, is an 'exercise in power – in the manipulation of dependence relationships - as much as it is in rationality' (Pollitt *et al* 1979 p. viii). Policy change is dependent upon 'partnership with a variety of interest groups' and self seeking sectional interests, including voluntary sector organisations, whose views are often articulated as being in the public interest (Pollitt *et al* 1979 p. ix). The shift to NPM can be argued to be rooted in management perspectives that assert that 'reality is socially constructed' and even where it is argued that 'not all constructions have equal claim to our credulity and certainly some constructions prove more durable than others' this supports arguments for greater fluidity in managerial decision-making and the rejection

of the managerial constraints of traditional bureaucracy and public administration (Pollitt and Bouckaert 2004 p. 22). NPM is 'not neutral' but 'intimately and indissolubly enmeshes with politics, law and the wider civil society' (Pollitt and Bouckaert 2004 p. 14). While government and policy makers claim to be interested in 'what works' it is difficult to establish 'what works', what the outcomes of public policy shifts on the ground are, who benefits and what the costs, benefits and efficiency gains are as practices of evaluation are inherently political (Taylor and Ballou 2005 p. 2). Policy formulation and implementation depends upon the 'assumptive models' of policy makers, political alliance building and persuasion to overcome inertia and support policy change which both contributes to and distorts definitions and measures of success (Pollitt *et al* 1979).

The shift to NPM was not inevitable but was a consequence of the rightward swing in British politics, and a move from pluralist to neo-liberal unitarist approaches which accepted the public choice theorists assertions that 'public organisations must be exposed to some variant of market forces in order to bring about any fundamental cultural shifts' (Clarke and Newman 1997 p.85). The importance of NPM then rests in its ability to transform central-local relations, the relations between the government and the providers and consumers of services. NPM was promoted as it encouraged hands-on management, entrepreneurialism, employee motivation and a focus on performance outcomes and measurement (McLaughlin, Osborne and Ferlie 2002 Ch. 1) This supported the control of outputs, decentralisation of bureaucratic power, incentives to competition, discipline in resource allocation and the separation of political decision making from management (McLaughlin, Osborne and Ferlie 2002 Ch. 1). NPM encouraged a

continuous drive for efficiency, downsizing, decentralising and restructuring to reduce costs, promote an excellence culture and develop a public service orientation which highlighted the importance of user voice in service design (Ferlie *et al* 1996). For public service employees the impact of reform could be felt in the continual drive for efficiency, adoption of a 'can do' mentality, the breakdown of trust in working relations and the necessity to deal with stress and overload in working lives (Clarke and Newman 1997 p. x).

Advocates argued the benefits of NPM were found in cost effectiveness, improved management and greater political accountability. Critics however argued that the claims made for the improvements brought by private sector management techniques assume a normative superiority which cannot be supported by evidence. NPM is argued to reduce political, democratic and bureaucratic accountability and produce a lack of effectiveness in practice (McLaughlin, Osborne and Ferlie 2002 Ch. 1). NPM however supports the extension of the right to manage and the transition from representative and democratic forms of state control. Managers are 'freed' to exercise discretion and enhance managerial networks where 'agents who are not formally part of the state - associations, groups, corporate entities and individuals . . . are able to mobilize forces of social power at the points of intersection with the state' (Clarke and Newman 1997 p. 31). The shift to NPM supports the prolonged restructuring of welfare provision where 'the contracting out of services from the public to the private sector is part of a larger trend in the devolution of responsibility for social welfare from central to local units of government and from local government to community-based private agencies' (Gilbert 2002 p. 114).

This includes the dispersal of state assets and development of a 'mixed economy' of welfare, with expanded roles for the private, voluntary and informal sectors' in reconstructing 'welfare without the state' (Clarke and Newman 1997 p. 18 and 25).

NPM is built upon the need to transform the culture and practice of public sector services based upon a globalising narrative where 'the managerial conception of change has excluded other views of what could or should be changed' (Clarke and Newman 1997 p. 52). This transforming culture can be criticised for promoting 'the need to 'love change' and 'thrive on chaos' and it is argued that this 'has helped to constitute a *tyranny of transformation [their emphasis]* which has served to legitimate the process of state restructuring' (Clarke and Newman 1997 p. 39). Transformational change is 'top down change, driven by political motives as well as by the need to shepherd resources and improve efficiency' (Ferlie *et al* 1996 p. 93). It is a means of introducing private sector models to the public sector where 'maintenance management has given way to the self-proclaimed management of change' and where the 'general pressure for change is constant' (Ferlie *et al* 1996 p. 25). This results in perverse effects on welfare budgets transferring scarce organisational resources from direct service provision to managerial information, monitoring and surveillance systems (Clarke and Newman 1997 p. 80). However, the removal of bureaucratic controls creates a fundamental problem as 'the hybrid professional manager is both the advocate and decision maker' constrained and incentivised within a set of externally imposed budgetary constraints and managerialised networks and power relationships (Clarke and Newman 1997 p. 115).



## **Service performance, audit and evaluation**

The drive to transform the public sector, as argued by Clarke and Newman, can be seen to have led to an extension of state power through increasing 'regulation, contracting, monitoring and surveillance' (Clarke and Newman 1997 p. 26). The extension of audit since the 1980s has, it is claimed, created an 'audit explosion' or 'audit society' (Power 1994). The rapid spread and widening application of audit, the proliferation of and strengthening of regulatory agencies, the expansion of auditing systems and the inclusion of audit in legislation and regulatory arrangements can be said to represent a qualitative shift in accountability and 'the spread of a distinct mentality of administrative control' (Power 1994 p. 4).

Audit, and the extension of quality systems, is not concerned with the quality of performance *per se* 'but rather with the systems in place to govern quality' and, as such, has a tendency to be self-referential and invulnerable to its own failings for 'where audit has failed, the common response has been to call for more of it' (Power 1994 p. 7). Audit however provides managers with a focus for manipulable activity and a tool to trumpet success and direct, incentivise and control employees as audit is based on quantified, simplified, ex-post forms of control by external agents over qualitative, multiple criteria based on trust, dialogue with employees, real time contact and understanding (Power 1994). Alongside the development of NPM there has been increased scrutiny of the actions of public servants and 'the reform of public services has driven an expansion of forms of scrutiny (particularly those of inspection and audit) and has simultaneously led to a blurring of boundaries between audit, inspection, organizational design and

consultancy' (Boviard and Loffler 2003 p. 149). The central concerns of audit and consultancy have shifted from financial control to the detailed monitoring of service performance, necessarily linked to managerially determined best practice models, HRM and control over employee behaviour.

Concerns for employees focus on the problems of audit and evaluation, such as the multiple costs involved that can detract from service provision and employee reward. Audit can also be used as a device by managers to stage manage service transformations which directly increase surveillance and workload and there is inevitable bias as auditors adopt particular views in their representation of the public interest. Audit has a tendency to support low trust and centralized approaches that fit 'less readily with diversification, innovation and participatory models of local governing of services' (Clarke in Boviard and Loffler 2003 p. 157). Audit shifts attention from service delivery to documentation and given the links between audit and service funding can encourage the manipulation of data which in turn establishes the need for further audit and 'creates the very distrust it is meant to address' (Power 1994 p. 13). Power is shifted from those with front line knowledge to external managers, auditors and consultants with a focus on control through ritualistic processes rather than the practical realities of the delivery of welfare services. This promotes 'a compliance mentality' shifting power from those involved in the delivery of services and shifting their attention from their primary function in meeting democratic and professionally determined judgements of need to meeting the needs of those involved in the policing of service delivery (Power 1994 p. 20 and 7). Audit expands as 'submission to audit has become such a benchmark of institutional legitimacy that

resistance and complaint look like attempts to preserve abuses of privilege and secrecy' (Power 1994 p. 47).

### **Partnership and the reform of public services**

Voluntary sector delivery of public services under New Labour from 1997 to 2010 moved from the marginal to the mainstream and relations with government could be seen to be 'the most favourable the sector has experienced' (Blackmore *et al* 2005). However, mainstreaming was accompanied by pressures on voluntary sector organisations through the extension of performance based contracts, increased regulation, cost cutting competition and quality prescriptions to them to deliver 'more for less' alongside elements of the manufacture of civil society. Although there has historically been interdependency between voluntary sector organisations and the public sector public service reform threatens interdependence and fundamental voluntary sector values, based on independence and autonomy.

The New Labour government from 1997 proposed far greater attention to the voluntary sector 'addressing the nature of the relationship with the state and business sector' (Deakin 2000 p. 9). Increased support for voluntary sector organisations was framed within proposals for wider changes in state, central and local government relations and democratic structures, with an emphasis on state monitoring and regulation 'to provide more efficient co-ordination of government policy towards the voluntary sector' (Deakin 2000 p. 10). It also included an increased enabling over provider function for local government and the widening of contracting for services within restructured forms of

local governance (Deakin 2000 p. 10). With the election of New Labour in 1997 the concordat idea was translated, as sponsored by Nicholas Deakin, Alun Michael MP and the New Local Government Network (NLGN), into formal agreements with the voluntary sector under the Compact in 1998. Other initiatives, such as the Local Strategic Partnerships (LSPs) in 2001 and Local Area Agreements (LAAs) in 2005 formally linked voluntary sector organisations into local service provision while the 2002 Treasury Review, Futurebuilders programme in 2003, Change Up initiative in 2004 and the Charities Bill in 2004, which received Royal Assent in 2006, sought to tackle the funding, administrative and legal barriers which, it was claimed, restricted the voluntary sectors 'freedom to work freely' (Kendall 2003 Ch. 3, Deakin 2000 p. 15).

New Labour's initiatives for the voluntary sector did not develop in a vacuum 'but in the context of inherited institutions and interests' but it has been argued that an 'important aspect of the 'newness' of Labour was its empathy with the voluntary sector' (Kendall 2003 p. 12). This was 'completely without precedent in this country or elsewhere' and signified 'an unparalleled step change in the position of the voluntary sector in public policy' (Kendall 2003 pp. 56 and 46). Voluntary sector organisations continued to be highlighted from 1997 in central areas of public service and welfare reform, including welfare-to-work, mental health, homelessness, young people and anti-social behaviour initiatives (Kendall 2003 p. 81). The role of voluntary sector organisations was promoted repeatedly in the new Labour government articles, broadcasts, pamphlets and speeches. Tony Blair claimed in 2002 that 'a bigger role for the Voluntary Sector, in framing and delivering local services, is central to our vision' (quoted in Kendall 2003 p. 66). Some

within New Labour continued to push far more aggressively to extend voluntary sector provision into ever-wider areas of public service delivery, such as education, crime and health to increase the 'diversity in supply not just from private providers but from voluntary and community sectors too so that social entrepreneurship blossoms' (Milburn 2004). Policy documents across government continued to point to how 'public, private, voluntary and charitable organisations will need to work in partnership' (Department of Health 2006). Documents called for the use of reviews to compare employment practices as a 'means of encouraging "under-performing" organisations to develop their performance' while enabling 'more meaningful financial comparisons between organisations to be made' (Home Office 2003 p. 10/19). Tony Blair and New Labour ministers continued to argue that public service providers should be 'learning from business and the voluntary sector where it is sensible' (Blair 2006, National School of Government 2006) and where it was deemed that public services were not working ministers were eager to address such perceived problems by 'boosting the contribution of the voluntary sector and private companies' (*The Guardian* 7 November 2006).

Plans to expand the role of the voluntary sector were developed through the concordat which proposed a new approach to relations between the state and voluntary sector, building on Labour's rejection of Clause IV and communitarian dismissal of state solutions to social problems. The desire to develop the voluntary sector can be linked to New Labour's desire to control public sector productivity, retain Tory trade union laws, restrict the power of public sector trade unions and support labour market flexibility (Smith and Morton 2006 p. 403). The concordat supported 'joined up government' and 'partnership'

with different community agents in the delivery of public services as a solution to many of the problems perceived within public service. The championing of the voluntary sector, it was argued, could bring a wealth of experience to bear on improving state delivered public services and it allowed a shift against traditional labour support for the public sector, public sector employees and their trade unions (Kendall 2003 p. 56-60).

The concordat was formally adopted after Labour took office in 1998 in the Compact which can be seen 'as a calculated attempt to establish for the first time a proactive and significant "horizontal" policy position towards the sector *per se*, to extend beyond the inherited structures of support provided by the legal and fiscal system, and to supplement the "vertical" policy arrangements in specific fields that have dominated in the past' (Kendall 2000 p. 22). The Compact challenged regional and local government to develop an alternative structure for public services that promoted partnership and the transfer of delivery of public services to non-state providers. This was argued to be about better partnership working and better outcomes for individuals and local communities (The Compact [online]) However, it could be viewed at a local level as 'part of a wider process threatening the power base of local government, and therefore representative democracy' (Kendall 2003 p. 72). The Compact established networks between the voluntary sector, national and local government, codes of practice, to guide the development of effective partnerships and transfer of services, and was supported by an advocacy service for voluntary sector organisations that believed they were adversely affected by government agencies unwillingness to engage with the new agenda. The compact sought to break down the barriers to partnership working being augmented in

2005 by the Compact Commission, to add weight to overcoming resistance or barriers to 'partnership' and 'joined up working', and the development of the Office of the Third Sector (OTS) in 2006, to provide financial and political support to ensure all policy streams within government developed arrangements with the voluntary or third sector.

LSP and Neighbourhood Renewal (NR) in 2001 also sought to enhance the role of the voluntary sector linking local community, faith and voluntary sector organisations to statutory bodies, such as local councils and emergency services, and private businesses in non-statutory partnerships. These were established to provide forums for partnership working and the implementation of national policies at a local level and to provide support to local authorities to engage with non-statutory providers in the planning and rationalising of the delivery of local services. The development of LAAs from 2005 furthered the establishment of forums to link local priorities with government objectives and reduce bureaucratic barriers to partnership working. In some areas LSPs were also responsible for controlling NR regeneration funding bringing direct control over the involvement of the voluntary sector and wider community organisations in projects to tackle decline and disadvantage in specifically identified urban areas. These developments contained a strong rhetorical emphasis on co-governance while in practice there were significant tensions between central control and community governance and there is evidence of resistance and limited progress in implementation which has prompted further interventions (Johnson and Osborne 2003, Cowell and Martin 2003).

The Cross Cutting Treasury Review of 2002 lent support to the Compact by seeking to remove the financial barriers to the development of the voluntary sector across government streams. It identified problems over short term contracting and a lack of full cost recovery that brought financial uncertainty and instability to voluntary sector organisations. This initiative was supported by the establishment of Futurebuilders, an agency that provided loans and grants to the voluntary sector to enable them to develop their capacity to engage in the delivery of public services (HM Treasury 2002, Futurebuilders [online]). There was criticism of the limited effectiveness of the cross cutting review process and problems translating central government commitments to partnership and a co-ordinated approach through intermediary levels of government into actual funds for voluntary organisations. Funding problems were believed to be particularly acute at the local level, 'despite the adoption of local compacts by many local authorities' (Bourn 2005 p. 3). Organisations, it was argued, remained 'underfunded and reliant on charitable subsidy' with the consequence 'in the longer term' of the 'possible erosion of third sector reserves' threatening 'continuity of service and even the supplier, and loss of competitiveness and choice if organisations collapse or withdraw from public service delivery' (National Audit Office 2007 p. 2). It can be argued however that the cross cutting review, despite its limits intensified control and the development of a service agent relationship for voluntary organisations. This threatened not only local government but the independence and distinctive contribution of the voluntary sector to local public service (Osborne and McLaughlin 2004).



The Change Up programme established in 2004 following the Treasury Review intended to modernise the voluntary sector infrastructure through the targeting of funds to 'hubs' to support voluntary organisations development in governance, volunteering, Information and Communication Technology (ICT), finance, performance and workforce development. The workforce development 'hub' recognised sectoral employment issues, such as the high turnover of employees, lack of skills and workforce development that hampered the development of voluntary organisations. Delays in the establishment of the 'hubs' and concerns at waste, ineffectiveness and inadequacies in the financial administration of Change Up led to the programme being transferred to a new organisation, Capacitybuilders, in 2006. However, this can be seen to represent a move from devolving decision making to a third sector to more closely tying the availability of resources into meeting government policy on public service reform and the development of social enterprise (Capacitybuilders [online], National Audit Office 2009 p. 6).

Moves to reform the legal structures underpinning the voluntary sector were included in The Charities Bill 2004, which received Royal Assent in 2006. This sought to reduce bureaucratic requirements for charities and clarify definitions of charitable purpose, linked to tax exemption. Though not considered earth shattering the Bill was generally welcomed by voluntary sector organisations despite their concerns that the power of the charity commission to regulate voluntary organisations would increase, especially over smaller charities (Charities Act 2006 [online], NCVO 2006 [online]). The measures taken from 1997, though not always successful in meeting their objectives, represent a co-ordinated government approach to remove, through legal, financial and administrative

means, the barriers that restricted the voluntary sectors 'freedom to work freely' and widen voluntary sector organisations role in public service delivery and the restructuring of local government services (Deakin 2000 p. 15).

However, there were variations in the implementation of centralised reforms at the local or geographical level. Horizontal pressures for public service reform were affected by levels of institutional development and national, regional and local variations. In England such pressures were rapidly adopted with progress on developing infrastructural and cultural change. Though independence was espoused in the English compact government tended to take a prescriptive and instrumental view of voluntary sector organisations. Contractual incorporation was strengthened as in 2001/02 48% of government funding to charities was through contracts while in 2004/05 62% was by this route (NCVO 2007 in Smerdon 2009 p. 37). This was not the case to the same extent in Scotland where, although much of the general policy direction has followed the English example, national political considerations have slowed public service reform and the incorporation of the voluntary sector and significant regional variations remain (Smerdon 2009 p. 86). The Welsh government adopted a unique compact to support the voluntary sector, although this was largely the result of national political considerations, and Welsh voluntary sector infrastructure and capacity remains fragmented, weak and underdeveloped with public service delivery remaining largely with the state (Smerdon 2009 p. 124). Northern Ireland is complicated by conflict and religious divisions and though voluntary sector organisations are well developed 75% of organisations remain wholly catholic or

protestant and the legacy of conflict means that Northern Ireland remains largely dependent on state public services (Smerdon 2009 p. 69).

There are regional and local variations as voluntary sector organisations have complex and changing spatial webs and relations to regional and local government structures that are also dynamic and changing. Within cities there are voluntary organisation rich and poor areas with wide regional and neighbourhood variations in the development of voluntary sector organisations and their infrastructure (Milligan and Fyfe 2004 p. 75). Government regeneration policies, such as priority partnership areas (PPAs), from the mid 1990s also accentuated spatial variation through the allocation of resources to voluntary organisations through spatially targeted schemes (Milligan and Fyfe 2004 p. 75). Horizontal pressures for the development of the voluntary sector infrastructure have been less effective in rural areas and there is 'little evidence of 'the state . . . controlling either informally or formally the activities of these groups [voluntary organisations], except in fairly specific cases' with a 'variable geography of voluntary and community sector engagement in community governance' (Edwards and Woods in Milligan and Conradson 2006 p. 63-66). The significance of national, regional and local spatial differences meant that it was difficult to verify claims about partnership working as 'it is surprisingly difficult to identify precisely the full extent of partnership working in any area even though non-governmental, local authority and voluntary and community groups frequently make broad claims to be working in partnership with others' (Edwards and Woods in Milligan and Conradson 2006 p. 58).

There are variations in the implementation of centralised reform at the service area level. Social housing was one of the first of the public sector services to be privatised, marketised and subject to NPM from the 1980s and such pressures continued under New Labour from 1997. The Thatcher government had introduced the right-to-buy council homes and demunicipalisation of council housing was progressively advanced through large scale voluntary transfer (LSVT), a policy that 'was obviously concerned more with changing the terms under which housing was consumed than with the problem that dominated the local agenda – the construction of new housing' (Pollitt, Burchell and Putman 1998 p. 47). Council housing was relegated to a residual and declining role in housing provision despite continuing demand for council housing, rising council waiting lists and problems in the availability and supply of affordable social housing (Malpass 2001 p. 2).

New Labour from 1997 accelerated the transfer of council housing to HAs and in addition local councils were forced to accelerate the incorporation of NPM into their management practices on the basis that 'authorities that fail to do this will be deemed to be failing to operate a Best Value regime' (Woods in Clarke, Gewirtz and McLaughlin 2000 p. 142). Councils were required to engage in partnerships to provide housing to encourage 'partnerships with private enterprise and voluntary organizations to secure new expertise and greater investment, and to promote innovation' (Hilary Armstrong MP, quoted from 1999 by Woods in Clarke, Gewirtz and McLaughlin 2000 p. 142). Stock transfer was state engineered leaving it as the only means for housing managers to resolve management issues and address housing obligations in their area and most local authorities were left

with no option but to transfer property to non-municipal registered social landlords (RSLs) (Malpass 2001 p. 2). This closely regulated demunicipalisation could be seen to represent 'both a loss of accountability at the local level and an increase in power at the centre' (Malpass 2001 p. 4).

HAs by contrast were supported to become the 'fastest growing and most dynamic part of the housing system' representing 'a transition from public to not-for-profit bodies which are neither fully elected nor appointed by ministers, but which provide public services, often at a local level, which are often largely or wholly publically funded' (Nolan Committee 1996 in Malpass 2000 p. 3). Legal changes enabled HAs to create 'group structures, in which associations organise themselves into a number of legally separate entities under a parent body 'giving them 'the flexibility to pursue both activities that qualify for charitable status and those that do not' ushering in commercial management practice (Malpass 2000 p. 14). The growth of large transfer association and housing groups created division between large commercially oriented national, or regional, developing and small non-developing associations diluting many of the traditional values of the HA movement (Malpass 2000 p. 7).

HAs were granted favourable development and funding opportunities but 'the price attached to this privileged situation was that associations became instruments of government housing policy' and the Housing Corporation (HC) 'developed an increasingly tight framework of controls over association activity' with HA managers increasingly 'suggestible to ministerial whim' (Malpass 2000 p. 179 and 199). The introduction of

performance standards, monitoring and evaluation was argued to be essential to reassure private lenders wishing to invest in HA developments but it could be argued that 'far from being unaccountable, there is a case for believing that they [HAs] are too heavily controlled' with the genuine voluntarism of the past replaced with a form of managed or bogus voluntarism, in the LSVT associations and companies (Malpass 2000 p. 259). The privatisation and modernisation of housing by 2004 could be argued to be responsible for delivering a housing crisis with severe problems of affordability, a lack of housing starts across all tenures and shortages of access to social housing (Barker 2004).

One of the most pressing political and social consequences of the housing crisis is single homelessness and rough sleeping. Public policy since the 1977 Homeless Persons Act, which created statutory responsibilities to house homeless families, was directed at homeless families leaving single homelessness as an area of 'malign neglect' (May, Cloke and Johnsen 2006). The problem was famously addressed by Sir George Young, then Conservative housing minister who complained of the problem of rough sleepers as 'the people you step on when you come out of the opera' (*Inside Housing* 27 March 2009). The Conservatives had established the rough sleepers initiative (RSI) in 1990 to address rough sleeping but this was a minimalist and managerialist attempt to address the problem and in order to qualify for funds service providers simply 'had to demonstrate basic value-for-money . . . [while] funding agreements included nothing about staff training, the use of volunteer staff, or the minimum standards of accommodation organisations had to offer their residents' (May, Cloke and Johnsen 2006 p. 6).

New Labour from 1997 highlighted the continuing shame of rough sleeping and in 1999 established the Rough Sleepers Unit (RSU), a new Rough Sleepers Initiative (RSI) and Housing Action Programme (HAP) which through partnership with voluntary sector providers saw central government 'taking the lead role in the design of welfare policy, and the local state (re)assuming responsibility for the funding and monitoring of front-line providers' (Morrison, 2000 in May, Cloke and Johnsen 2006 p. 7). BV and Supporting People (SP) replaced central Housing Benefit (HB) support establishing local partnerships to provide and support hostel accommodation for rough sleepers but it was 'difficult to read such a move as evidence of genuine de-centralisation' (May, Cloke and Johnsen 2006 p. 9). Voluntary sector organisations involved in provision for the single homeless were required to engage in consortia contracts which tied providers to 'strict performance targets, requiring them to demonstrate a reduction in levels of rough sleeping (assessed via repeated street counts) and of a measurable through-put of clients in to move-on accommodation' (May, Cloke and Johnsen 2006 p. 9). The Quality Assessment Framework (QAF) allowed the monitoring of the performance, quality and value for money of hostels and night shelters funded through the programme (Van Doorn and Kane, 2003 in May, Cloke and Johnsen 2006 p. 10). The new rough sleepers policy also allowed central government to claim that targets for reducing rough sleeping were met despite the complaints from voluntary organisations that such targets were artificial, manipulated and ignored wider housing issues and more complex patterns of street sleeping, turnover in hostels and the rise in the 'hidden homeless' (BBC 3 December 2001). There was criticism that agencies operated within severe financial constraints, with limited support and training for staff, in often poor physical conditions with a difficult,

chaotic and violent client group despite the actions taken to modernise service provision and claims of success (May, Cloke and Johnsen 2006).

Drug policies in the UK have included a combination of medical and criminal approaches, often fuelled by demands to control class, racial and alternative sub-cultures, but voluntary organisations have also provided non-residential support and residential rehabilitation services, comprising the bulk of this provision in the 1970s (Yates 2002). From 1979 public policy focused almost exclusively on the growth in heroin use and its impact on crime, especially in inner city areas, with increases in resources fuelling an expansion of statutory and voluntary services. The arrival of Acquired Immune deficiency Syndrome (AIDS) and the rave scene in the 1980s increased the focus on outreach, harm reduction and community initiatives, such as needle exchange, to minimize harm and infection. While services have changed to reflect changing drug issues 'it is in the area of designing, commissioning and evaluating services that Government policy has seen the most dramatic upheavals' (Turner 1994 in Yates 2002).

New Labour appointed an anti-drugs co-ordinator, commonly known as the drugs 'czar', to co-ordinate a single UK wide central drugs policy that was 'reluctant to allow dissenting voices in the war against drugs' (Yates 2002). The role of Drug Action Teams (DATs), partnerships of local authority, housing, health, probation, private and voluntary sector service providers was adapted from a co-ordinating and planning role to 'one of directly commissioning and evaluating the quality and value for money of the drug response (both treatment and other) at the local level' (Yates 2002). The National Treatment Agency



(NTA), a special health authority within the NHS, was established to work in partnership with community providers, such as voluntary organisations, believed to have a particular ability to connect with drug users at a local level, to meet centrally established targets to double the number of drug users in treatment between 1998 and 2008 and the percentages completing treatment (NTA [online]). While resources to voluntary sector Drug and Alcohol services increased local action plans tied agencies to national programmes distorting independent priorities and an emphasis on alcohol addiction. In contrast to the 'war on drugs' policy targets were not established for alcohol addiction and the policy on alcohol could be criticized as 'a recipe for ineffectiveness at the national level' despite concerns at the social harm caused by alcohol (Room 2004 p. 1083). Drug and alcohol services were commissioned through local DATs but with pressures on voluntary sector organisations to contribute to the achievement of central government targets for drug reduction, modernising service delivery and introducing performance management. Stricter managerial control was introduced in a programme that challenged voluntary sector independence and mission and relations with employees and service users, especially in relation to the balance between drug and alcohol services and prescriptive and compulsory treatments.

There were necessarily links between mental health, youth and other community services, such as housing and homelessness and drug and alcohol and the crime agenda, developed under New Labour. The move from core to contract funding raised fears in voluntary organisations at the loss of autonomy and flexibility in representing, advocating and campaigning for mental health services users and the incorporation of the voluntary

sector in the provision of health services (Hoyles and Means in Le Grand and Bartlett 1993 p. 123). Modernisation of the health service produced a shift from a medical model that relied upon reflective professional judgement to a managerial model which emphasises control of health professionals to deliver 'what works' to meet consumer demand and improve the quality and supply of health care (Harrison 2002 p. 472-3) There is a focus on evidence based frameworks and measuring and evaluating success in meeting health outcomes through centrally established evidence based clinical protocols, performance targets, audit, competitive rating and sanctions for non-compliance (Harrison 2002 p. 472-3). The standardisation of medical practice has entailed a shift to 'rituals of verification' which have variously been resisted and complied with within the medical profession (Harrison 2002 pp. 481-482). Voluntary sector organisations challenged managerialised medical models, especially in relation to those with mental health problems. Involvement in community care and mental health provision has fuelled controversy between a medical profession under managerial pressure to control public expenditure and voluntary sector advocacy on behalf of those experiencing mental health problems, testified by controversies over compulsory treatment orders (*BBC* 7 March 2007, *HSJ* 21 January 2008).

The policy on youth services was closely linked to government agendas on crime and drug use. It was accepted that policies from 1997, focusing resources towards the meeting of centralized crime targets, may have tended to demonize young people and that this may have been 'an unintended consequence of Government policies to tackle some serious problems affecting the lives of some teenagers' (HM Treasury 2007 p. 5). Rather than

presenting a positive vision and resources for youth 'national priorities and local services have been organised and targeted around addressing problems, such as crime, substance misuse, or teenage pregnancy' (HM Treasury 2007 p. 5). While voluntary sector organisations have been encouraged by government, based on their ability to reach the hardest to help, there are contradictions between the approach to crime and positive initiatives for young people, such as youth and sports clubs which remain subject to underfunding and a complexity of funding streams (*The Guardian* 15 July 2009, HM Treasury 2007).

There were variations within and between religious organisations on the implementation of centralised reform. Religious organisations have a long history of delivering services to disadvantaged groups with well developed networks of support and community resources that enable them to reach out to disadvantaged individuals. While New Labour claimed 'we don't do God' religious involvement in delivering public services widened, through involvement in New Deal, Sure Start and Children's Fund, youth work and in combating religious fundamentalism (Philpott 2001, Dinham 2008 p. 2166). Conservative leaders prior to the election of the coalition government in 2010 asserted that they would increase religious involvement in welfare provision moving from partnership in the delivery of public services to a US model of substitution (Hague quoted in Twombly 2002 p. 74). The Church of England was critical of Conservative policy on poverty in the 1980s but was able to engage with New Labour communitarian and partnership models from the late 1990s (Dinham 2008). There were, however, a number of issues concerning religious organisations involvement in public service reform and welfare service delivery.

Equity is a critical problem as religions often do not have the capacity to provide public services, their organisation is patchy and religious qualification can involve the privileging of faith over other groups (Harris 2002, Dinham 2008). The delivery of public services and renewal of civil society is not the primary function of religious organisations, which can be sensitive to tensions between the market and social justice and incorporation within government programmes which may conflict with spiritual objectives and challenge religious independence (Harris 2002 p.48, Dinham 2008 p. 2170). Many religious organisations are hostile to contracts, quality mechanisms or bureaucratic interventions that extend state control and conflict with religious freedom and autonomy (Harris 2002).

### **Shifting the frontier of control and public service labour management**

Variations exist in public policy priorities and government promotion of modernisation, NPM and commercial practices across public service providers, service areas and funding streams. There are however similarities in the pressures faced across the public services to comply with a neo-liberal managerial model of public service reform and the shift from a pluralist to a neo-liberal approach to service management. Since 1997 there have been co-ordinated efforts across service streams to extend the privatisation and marketisation of public services through the extension of partnership, contracting, commissioning and outsourcing. Voluntary organisations have been entrenched in efforts to provide services and transform management practice in the delivery of public services through the implementation of best practice, performance monitoring, audit and evaluation and quality systems.

The New Labour approach from 1997 to 2010 embodied the public choice critique of public service delivery in that 'professionals assume what service users and the community want' but 'too often they get it wrong' (Terry 2001 p. 10). New Labour stated they were 'moving away from the age of the expert, planner and official, and into the age of people power' (Hazel Blears in NLGN 2005). In practice however public policy focused on extending private sector provision and flexibility for public service managers over employment relations in the drive to seek 'more value for money and better use of resources' (Terry 2001 p. 6). This included engagement in 'partnerships and collaboration with the private and voluntary sectors' to weaken 'old' state, bureaucratic, hierarchical and professionalised structures' (Terry 2001 p. 6). New Labour showed no hesitation in privatising and transforming welfare frameworks in accordance with prescriptive managerialist models and it was argued that for New Labour 'the key goal has been to improve [New Labour's image] by a drive towards increasing managerial efficiency and an attempt to improve its political focus and accountability' (Stoker 2005 p. 6).

Research has explored the changes taking place in public service management, and has drawn on Braverman's critique of capitalist production, as applied to the private sector in the 1970s, to analyse contemporary change across a range of public services. Studies have covered health (Buchan 2000, Thornley 1998 and 2003, Bolton 2004, Pollock 2004 and Bach *et al* 2008), education (Ironside and Seifert 1995, 1999, 2000, Webb and Vulliamy 1999 and 2006, Bach *et al* 2006 and Mather *et al* 2007 and 2009), local government (Gill-McLure *et al* 2007) social work (Kessler *et al* 2007) probation (Gale

2007) and the fire and police service (Seifert and Sibley 2005 and Seifert 2006). Worrall *et al* 2010 also provide an overview and analysis of research into persistent change and its effect on professional workers across the UK public sector. This details how change across public services is centrally concerned 'with solving the labour problem – low worker productivity and managers not being able to manage – in what are labour intensive services' (Worrall *et al* 2010 p. 117).

Concern about the levels of control managers hold in the workplace is not new. Goodrich, writing in the 1920s, framed this discussion around the ability of managers or employees to shift the frontier of workplace control. While the employment relationship is asymmetric and necessarily favours manager control managers do not have complete control and the level of discretion workers enjoy varies across industries and can be changed over time. The frontier of control is determined by managerial and trade union organisation and their power and ability to assert claims for control. This 'fluctuates widely from industry to industry' and can be seen as 'a shifting line in a great mass of regulations in regard to which the question of control may never have arisen' (Tawney in Goodrich 1920 p.xi., Goodrich 1920 p. 62).

The research into change in public service delivery details the shifting of the frontier of control through public service modernisation. This examines the transformation of public service delivery and changes in management practice and the nature of the labour process in public service organisations. The NHS has experienced continued and prolonged structural change, restructuring and modernisation with the introduction of

market mechanisms and consumer choice and a focus on cost containment and change to the skill mix, pay and employee relations (Buchan 2000). The central change in the NHS however is cited as the change in the attitudes of staff and the organisational culture which represents 'a partially successful attempt to adopt private sector HR management techniques to meet the challenges of public sector reform' (Buchan 2000 p. 319). There has been a continuation of policies from the 1980s which have sought to reduce nurses pay and conditions and autonomy and 'reassert managerial control' even though in the NHS 'the search for managerial control remains, as always, a contested terrain' (Thornley 1998 and 2005). The considerable changes that have taken place in the NHS involve the introduction of NPM which 'has been given the task of changing hospital culture and making service provision more efficient' (Bolton 2004 p. 317). This has included the adoption of Taylorist performance management techniques and efficiency measures, a customer service ethos and 'empty promises of increased operational autonomy for nurses while increasing the level of centralised control mechanisms' (Bolton 2004 p. 318).

Bolton points to the contested terrain as nurses have fought to retain their traditional autonomy and professionalism while flexibly accommodating to the new demands placed upon them. Management has sought a cultural transformation with an emphasis on increasing output and more 'direct control of the labour process' which was found to increase demands on employees leading to work intensification (Bolton 2004 p. 321). The changes form part of a systematic objective of transforming the NHS so that 'commercial values are increasingly displacing the service ethos' (Pollock 2004 p. ix). Management has been 'obliged to form an essentially business culture' which targets control of 'producer'

interests, such as doctors and nurses and their professional interests (Pollock 2004 p. 1).

The transformation of health continued under New Labour as 'the Labour Party, which had created the NHS, became dedicated to its destruction' through continued fragmentation, the PFI (Private Financing Initiative), outsourcing and a generalised 'preference for businessmen and women over public sector managers' (Pollock 2004 p. 17 and 54). There has been strong opposition to the privatising of health in the UK but the continued introduction, extension and use of performance measurement and NPM techniques mean that 'doctors and nurses found themselves obliged to do whatever would improve their hospitals position in the league tables, at the expense of what their professional judgement told them they should be doing' so participating in the long term erosion of the institutional memory of the NHS (Pollock 2004 p. 202).

Role redesign was 'central to the labour governments modernisation agenda' for the NHS and has been introduced to break down professional boundaries (Bach *et al* 2008 p. 171). The antipathy to professional demarcation has extended the use of healthcare assistants to curtail the role of nurses in direct health care and forms part of a modernisation agenda which emphasises 'the need for consistency and the use of standardised procedures to assess and monitor standards of care' (Bach *et al* 2008 p. 179). The impact on the NHS has been a shift in the frontier of control. The move to management related to the meeting of performance targets has led to an increase in nurses workload, especially an increase in paperwork, and though work redesign is complex, there is a complexity of roles for healthcare assistants in different health contexts, the introduction



of healthcare assistants has led to grade dilution and a loss of autonomy for healthcare professionals (Bach *et al* 2008 p. 184).

The issue of who controls education and changes in management practices in schools have also been examined (Ironside and Seifert 1995 p. xii). There is evidence that the transfer of control from education authorities to local schools and managers increased the power of central government, with the introduction of prescribed quality standards and performance expectations, and led to the downgrading of teacher skills, reductions in teacher autonomy and the dilution of the professional autonomy of the teaching workforce (Ironside and Seifert 1995 p. xii). Conservative policies of privatisation and marketisation brought tighter workplace controls aimed at raising workplace productivity and the introduction and extension of the use of NPM and HRM techniques aimed at increasing (Value for Money) VFM and extending the right to manage.

Changing central demands led to changes in management practices in schools under both the old Conservative and New Labour governments with teaching methods argued to have altered more in the five years to 2006 than in the previous two decades. This has largely resulted from the introduction of national curricula and education strategies and the presence of teaching assistants in the classroom. Though teachers sought to interpret government requirements in the 'best interests of the children' government targets and testing regimes have been described by teachers as producing 'unremitting pressure on heads, themselves and pupils' and 'immense pressure and stress' associated with a reduction in the ability to use professional judgement (Webb and Vulliamy 2006 p. 146-

8). Centralised pedagogy has been criticised for deskilling and reducing the morale of teachers who are compelled to adopt a 'painting-by-numbers' approach to teaching (Webb and Vulliamy 2006 p. 153). Changes in work organisation have accompanied the remodelling of the workforce with growing importance placed on teaching assistants and the labour process in schools has been marked by a loss of professional skill. The logic of Taylorite structural reforms is implemented through NPM and the extension of managerial control but, it is argued, deprofessionalisation is complex and teachers have demonstrated flexibility and adaptiveness in responding to external modernisation pressures. While the pressures for modernisation in teaching are strong outcomes vary dependent on the context of individual schools and services, levels of worker resistance, adaptation of job roles and the mediation of the external environment at the local level (Bach *et al* 2006 p. 3-5). Teaching assistants, for example, have been generally welcomed by teachers who have, to some extent, been able to defend and retain their professional role and resist standardisation while managing a changing role and the teaching assistants themselves.

By contrast market reform, NPM and changes in management practices in further education have resulted in significant change in the labour process for college lecturers and the disempowerment and deterioration in working conditions and professional autonomy 'with work intensification as a logical consequence' (Mather *et al* 2007 p. 109 and 111). While in schools studies show continued resistance and flexible and adaptive protection of professional boundaries the evidence from FE (Further Education) suggests that resistance 'does not seem to have been sufficiently strong to prevent the reported

changes from occurring' shifting control to a new managerial class emboldened by its own rhetoric of performance management, targets, indicators, value-for-money, quality, productivity and flexibility' that has little in common with the experience of 'workers at the chalk face' (Mather *et al* 2007 p. 122). Lecturers pay and conditions have been reduced while they are forced to work harder on casual contracts and struggle to cope with Taylorist management methods, standardisation and the introduction of market pressures (Mather *et al* 2007 p. 122).

Managerialism has brought negative consequences for employees as managerial discipline has been extended to 'whip professionals into shape' (Mather *et al* 2009 p. 141). Though FE lecturers have not accepted 'the maximisation of labour utilisation' this has become 'the central concern in the sector' (Mather *et al* 2009 p. 143). Managerial initiatives impact negatively even though 'public sector workers in particular have resisted individually, collectively and professionally' (Mather *et al* 2009 p. 143).

Resistance from 'public sector managers (who often see themselves as modernisers and change agents) and those who self identify as professionals (who are often driven by a non-managerial value system)' also mean that 'lecturers have not passively accepted change and the sector has experienced significant collective resistance and industrial relations turmoil' (Mather *et al* 2009 p. 143-144). Recourse to negotiation and industrial conflict has been maintained within institutions despite the preoccupation of managers with lecturers' productivity and their emphasis on responding to consumer, or student, demand achieved through bullying and threats of redundancy. Resistance has varied across managers, employees and institutions but professional control remains fragile in

the face of ministerial driven reforms and there has been little public opposition to the transformation of the sector and increasing control over FE lecturers (Mather *et al* 2009 p. 143-144).

Local government manual workers also experienced marketisation pressures. Lower paid public sector manual workers in local government have found that marketisation and restrictions on central funding have weakened their relative autonomy and relatively benign employment conditions, with job loss, work intensification and job insecurity (Gill-McLure 2007). There was widespread evidence that privatisation, marketisation and centralisation and the adoption of NPM have had negative consequences for employees but the legacy of municipal socialism has supported the defence of employment protections and autonomy of public sector manual labour. Despite continued pressure on public sector employees' distinctive employment practices, through modernisation and NPM, public sector manual workers retained an ability to defend themselves through organised resistance and joint shop stewards committees (Gill-McLure 2007 p. 50). Gill-McLure argues that public sector employees remain aware that public sector labour and employment is distinctive and that Taylorisation goes against the public service ethos and undermines the value of public goods. There is then evidence of market pressures for change but also continuing resistance to Taylorisation as 'public service workers under central political attack are in a strong position to respond by building union, management and local community coalitions in defence of public services and funding' (Gill-McLure 2007 p. 42).

Social care has also experienced external market reform pressures and the dilution of professionalism and autonomy. While teachers retained a degree of autonomy and control in the classroom and over teaching assistant roles the broader social work context, embedded use of teamwork and history of more open relationships, weaker regulation and work under supervision of professional staff has led to a greater weakening of professional control. Professionalised status within the social work profession has not been strongly defended supporting role dilution and a weakening of the protection of social work professionalism (Kessler *et al* 2007 p. 1660).

The Probation service, previously founded on professional autonomy and judgement, has also extended performance management systems to the work of probation officers and such systems have introduced Taylorist management controls over the probation labour process. Research has demonstrated that employees were concerned at the way the probation service had been operated in the past and held mixed views on the best way to improve the service. It was though recognised by probation officers and their trade unions that NPM and modernisation brought problems for employees as it extended managerialism, through partnership, centralised performance systems and a 'what works' mentality. The introduction of prescribed and standardised ways of working, external audit, performance management and non-negotiable management systems removed both professional and human judgement while increasing officer workloads. The extension of the right to manage led to a loss of autonomy and increases in workplace stress, leading to sickness and a reduction in service quality. Gale argued for a balance between effective management, employer accountability and continuing professional

autonomy. She also argues that despite the negative consequences of NPM within the probation service there has been significant trade union involvement from NAPO, the Trade Union and Professional Association for Family Court and Probation Staff, including support for a ballot and national strike leading to the negotiated settlement of the introduction of performance management systems (Gale 2007).

Research on the fire and police service found evidence that despite rhetoric of managerial devolution and support for professionals audit and inspection has encroached with growing centralisation, control of resources and a responsiveness to ministerial diktat which has overridden local and professional autonomy. The fire service dispute in 2002-4 highlighted how the rhetoric of democracy and localism was abandoned at times of crisis and centralisation and standardisation returned clearly as the dominant feature of management (Seifert and Sibley 2005). The police service was subject to the same pressures, through NPM in service restructuring, combined with financial controls to produce internal pressures to increase productivity and service output. The changes in the services were characterised by the introduction and extension of the use of performance management standards and targets. These were used to motivate managers to motivate employees while HRM and the increased use of discipline as a management control tool were used to reduce labour costs. This resulted in a lack of clear operational objectives, a loss of morale and increased rates of staff turnover while managers were implored to extend cost containment and increase labour productivity (Seifert 2006).

The analysis of public service organisational change since the 1980s displays a persistent pattern of reform with the introduction and extension of centralised state pressures on managers to address, within varied public service contexts, the perceived 'labour problem', or lack of competitiveness and productivity of the public sector compared to the private sector (Worrall *et al* 2010). Modernisation operates by creating external pressures, through policy prescription and efficiency initiatives, tightening regulation and controls on funding which can then only be translated by managers into the required results through changes in labour management practices intended to increase output at lower cost. The changes shift the frontier of control over the labour process from relatively autonomous professionals and employees, involved directly in the delivery of services, to managers, responsive to external targets, efficiency pressures and measures of success. Pressures for change encourage the adoption of Taylorist management techniques.

The adoption of Taylorism however varies across service sectors, organisations and individual workplaces as certain sectors show resistance to change while others are weak in their ability to resist external pressures. Services that are modernised are enlisted as comparators, used to compare against other services which are resistant to change, furthering modernisation pressures upon services or service sectors which are less compliant, or where trade union and professional organisation is more developed. The evidence suggests that despite the variations in service context and resistance to reform the pattern of modernisation pressures is common across public service work. Reward for managerial compliance with government objectives and targets are supported by

coercive comparison, performance measurement and other statistical and managerially defined measures of success.

Worrall *et al* argue that this focus on addressing the producer interest simply replaces one set of producer interests, those of professionals, with the producer interests of senior managers, themselves prompted through remote and bureaucratic performance measurement and metrics. For employees the experience of reform and modernisation is increased pressure from quality management prescriptions and the use of discipline which shifts the frontier of control to managers and deskills professionals (Worrall *et al* 2010). Though the election of New Labour in 1997 brought a 'change of emphasis in public sector provision, namely the displacement of a reliance on markets and the means of delivering service in favour of 'partnerships', the overriding political and managerial concern has been cost reduction and containment, under the mantra of achieving greater VFM in public expenditure (Worrall *et al* 2010 p. 121). There has been ideological continuity in the reliance on numerical flexibility, casualisation and flexibilisation before and after the election of New Labour in 1997 (Conley 2006). Across service areas managers have sought to adapt to a centralised prescriptive approach to service delivery. Managers are constantly and increasingly monitored in their ability to control labour costs and meet externally imposed regulations and performance requirements. This 'acts to further strengthen the management function and empower service managers to push through reforms as determined by ministerial dictat' disempowering 'public service professionals in favour of a newly empowered group of public service managers' (Worrall *et al* 2010 p. 125).



The impact of increased surveillance and monitoring across public services, and the combined use of HRM, performance management and quality inspection and coercive exertions of management power on employees is cited as a shift in control to managers that results in work intensification and workplace pressure. The consequences for employees include a loss of job insecurity, reduced motivation and pressure to meet unreasonable demands. The election of the coalition government in 2010 means these pressures are not likely to weaken when 'the call for public spending cuts is becoming louder' and the continued neo-liberal remedies are likely to be 'applied with even more assiduity' (Worrall *et al* 2010 p. 132).

### **HRM and the modernisation of the voluntary sector**

While modernisation pressures have been persistent and relentless across the public sector resistance has also been consistent which may help explain support for the development, modernisation and managerialisation in the voluntary sector. There has been continued resistance to privatisation, modernisation and NPM from public sector professionals, managers, employees, users of public services and sections of the community and trade unions. Public sector groups that have resisted managerialism have faced the practical issues of 'job loss, relative low pay, increased workloads, managerial initiatives to cheapen work, and an overall loss of power and control over job regulation' (Thornley, Ironside and Seifert in Terry 2001 p. 137). The election of New Labour however complicated resistance to public sector reform producing a complex tactical, strategic and ideological problem for trade unions seeking to defend collective bargaining, professional

and trade union organisation. The environment following the election of New Labour also challenged the ability of trade unions to respond effectively to the growth and increased importance of the role given to the voluntary sector.

Within voluntary organisations significant importance had historically been attached to the independence of and vision of the organisation. This was often based on the vision of the founders of the organisation and its response to a social need. The strength of voluntary organisations then was argued to be based on the absence of state regulation or motivations of private profit. Voluntary organisations drew instead upon their independence and voluntary values as a source of inspiration and motivation. This defined the organisations purpose and was carried through its independence and campaigning role and formed its voluntary character (Schwabensland 2006 p. 164).

The implementation of NPM and HRM in the voluntary sector had then rarely been considered prior to the 1980s and 'interest in management within the voluntary sector was seen as minimal given that practitioners considered themselves as different from the for-profit sector and most appeared satisfied with an approach to management based on principles of goodwill, informality, commitment and natural ability' (Billis in Cunningham 1999 p. 19). While contracting and competition was developed in the 1980s it was the election of New Labour in 1997 that advanced changes in voluntary sector management as voluntary organisations responded positively to the new and favourable relationship with New Labour (Blackmore *et al* 2005 p. 6). Growth in the profile of the voluntary sector in public service delivery was however accompanied by concerns at the challenge to the

sectors financial independence and ability to maintain its independence and organisational mission.

Financial dependency could be seen to result in a muzzling of opposition where decisions are 'expected of it, or forced upon it, by a statutory funder' (Blackmore *et al* 2005 p. 15). Financial dependency and the extension of state and managerial control impacted on voluntary organisation managers and employees bringing financial instability and uncertainty, inadequate training and a lack of skills development, poor pay, physical environments and working conditions and the pressure to deliver better services but with constantly declining resources (Blackmore *et al* 2005 p. 27). In the 1990s there was antipathy and resistance to managerialisation and the 'perception among paid professional staff, in areas such as social work, that more managerialism was likely to undermine their professional autonomy' (Bruce and Leat 1993 in Cunningham 1999 p. 19). Since the 1990s however the voluntary sector has come under pressure to conform with the modernisation and reform taking place across the public sector and 'there have been strong pressures on managers in the voluntary sector to re-evaluate their approaches to people management' as 'funding and competitive factors have led to an increased awareness within the sector about the importance of people management as a resource for the purpose of achieving quality in service delivery' (Cunningham 1999 p. 23).

The adoption of HRM has also been seen to help attract funding to secure the long-term survival of organisations but there have been suspicions about the appropriateness of

private sector managerialism to the sector and problems introducing HRM due to organisational size and the costs of implementation (Cunningham 1999 p. 23). The ideological and practical problems of implementing HRM in the voluntary sector have been compounded by 'the resistance to change in people management policies from line managers' and other institutional barriers, including problems measuring the impact of HRM policies on voluntary sector organisations (Cunningham 1999 p. 23-24). There have also been concerns that the introduction of HRM would 'exacerbate some of the problems and tensions inherent in people management in the voluntary sector', problems such as low pay, job insecurity and low staff motivation (Cunningham 1999 p. 23-24).

The voluntary sector has been targeted by trade unions given the prospect of union growth in a growing sector in a period of general union membership decline (Cunningham 2000 b p. 192). The voluntary sector was seen to be 'a poorly organised sector, with an expanding workforce' and the main unions representing the sector 'were making serious efforts to organise the voluntary sector' (Cunningham 2000 b p. 192). However, it was recognised that the introduction of HRM, the reliance on temporary and insecure workers and the breaking of the links to public sector pay scales also meant the voluntary sector was a 'difficult environment for union growth' and a sector where there was 'a weakening union influence' over pay and other management issues (Cunningham 2000 b p. 202). Unions despite the potential opportunities for involvement in voluntary organisations, over issues such as discipline and grievance, faced problems developing a strategy for the sector and suffered 'financial and human resource constraints' operating in a voluntary sector populated by small, dispersed workplaces (Cunningham 2000 b p. 202). Many

employees in the voluntary sector also held negative perceptions of trade unions and many voluntary sector employers were hostile to unionised employees exerting power in the voluntary sector workplace, as this could be seen to be 'disruptive to the cause' and many voluntary sector employees appeared to support this hostility to trade unions (Cunningham 2000 p. 203). The introduction of HRM, contracting, commissioning and partnership combined to produce 'changes in management style within charities' and 'less opportunity for staff to experience the traditional rewards associated with employment in the sector, i.e. variety and autonomy in their working lives' (Cunningham 2000 b p. 204).

The unremitting outsourcing of public services and transformation of voluntary sector management practices increased up until the election of the coalition government in 2010 against the backdrop of wider neo-liberal public sector reform. Government spending on the sector doubled over the time New Labour was in office to £11 billion a year, although this was unevenly spread across the sector (Davies 2011 p. 644).

Contradictory pressures on the sector remained though due to tougher regulatory pressures, intended to raise standards of service provision, and pressures to reduce costs, through more intense contract competition (Davies 2011 p. 646). The Conservative and Liberal Democrat coalition from 2010 stated it would be 'building on the increased involvement in public service provision of voluntary and private providers with the overt aim of shrinking the state' and in conditions of economic downturn it has been argued that this presents 'a serious danger that voluntary organisations will collapse, or be pushed aside by private sector companies' (Davies 2011 p. 647). There are concerns at

the continuing impact on the independence and autonomy of the sector, its role in public service reform and delivery, its accountability to the public and to government and the treatment of employees working in the sector (Davies 2011 p. 646).

The use of HRM continues to expand within the voluntary sector undermining approaches to employee management that rested on value commitment, a voluntary sector ethos and mutuality in employment relations (Kelliher and Parry 2011 p. 651). Government has continued to use its power as a contract purchaser to impose quality standards 'to ensure that government funding is spent effectively' and organisations have adopted HRM and performance management practices and changed their HR and management of labour practices in order to continue to receive government funding (Kelliher and Parry 2011 p. 651). This represents a significant shift in a sector that had relatively unsophisticated HRM and had defended alternative forms of management based on mutuality, commitment and trust. While it is argued that 'externally imposed performance measurement frameworks and competitive pressures have served to make voluntary organisations more "business-like", "professionalized" and "efficient" in the context of a workforce that is generally highly committed' this has been at the expense of 'growing job insecurity, deteriorations in terms and conditions relative to those in the public sector, and increasingly standardised and intense work roles and processes which have the potential to undermine worker morale and commitment and to consequently harm the quality of service delivery' (James 2011 p. 691). Voluntary sector organisations have faced a difficult time balancing external pressures to increase efficiency with maintaining autonomy and voluntary value driven aims and objectives in a confusing and contradictory funding and

regulatory environment. This is likely to continue into the future as austerity and cuts in public service funding further erode the, albeit limited, ability of the voluntary sector 'to resist change over time' as 'funders will increasingly be demanding "more for less" from services outsourced to the sector' from the public sector (Baines and Cunningham 2011).

The coalition from 2010 has continued to express support for the voluntary sector. The Queen's speech in May 2010 stated the coalitions commitment to widening the role of civil society and voluntary groups in the running of public services at the same time as proposing significant cuts across all areas of public sector spending to tackle the public spending deficit resulting from the 2008 banking and financial crisis (Mair in *Civil Society* 26 May 2010). Ministers advised at that time that the scale of cuts, and government commitments not to ring fence spending, meant that cuts were likely to disproportionately affect the voluntary sector, as local authorities would target charities and community groups for reduced spending to preserve core public services (Mair in *Civil Society* 19 July 2010). Large voluntary and infrastructural organisations have been the target of the rhetoric of the incoming coalition administration with a move to supporting smaller, truly voluntary and local voluntary organisations.

The abandoning of the third way rhetoric, politically connected to the New Labour approach to the voluntary sector, brought the rebranding of the Office for the Third Sector into the Office for Civil Society. Third Sector representatives have been excluded from the redesigning of policy making on voluntary organisations (Mason in *Civil Society* 18<sup>th</sup> May 2010 and Mason and Mair in *Civil Society* 19 May 2010) and the newly

restructured Office for Civil Society announced immediate cuts in its budget of £11m affecting a wide range of voluntary sector infrastructure and support bodies (Mair in *Civil Society* 29 July 2010). Though government ministers have complained that local authorities should not cut voluntary sector budgets the policy adopted by the coalition government appeared to mirror that adopted by the Canadian government, now advising the coalition, in 1994 to 1996, which extended contracting and voluntary sector compliance in the face of public sector funding cuts (May Young in *Civil Society* 16 September 2010, NCVO 2010 c). The result of the coalition policies could be evidenced by 2012 in reports of severe real financial cuts to voluntary sector organisations, with the cuts falling hardest on organisations working in the most deprived areas (*The Guardian* 3 March 2012). For the coalition in the wake of austerity support for the voluntary sector appears to return to support for a voluntary sector that is local, truly voluntary and provides services without the need for state support and funding. The coalition government have stressed the importance of social enterprise in responding to the cuts in voluntary sector funding but this has also provoked angry reactions from self-styled social entrepreneurs who also cannot provide services without subsidy and state funding (Socialenterpriselive [online]).

The Labour party have denounced the severity of the proposed public sector cuts stating that 'we are repeating the mistakes of the 1980s' (*BBC* 6 June 2010) while trade unions and professionals in the public sector, though weakened by privatisation and marketisation in the 1980s and by modernisation from 1997, have continued to argue the case for public services and a public service employment model. While this has not



prevented the privatisation, marketisation and managerialisation of public services it has frustrated government and delayed the progress of public service reform (*BBC* 7 July 1999). The TUC (Trade Union Congress) and trade unions, such as UNISON and unite, have also called for organised resistance to public sector cuts involving trade unions, public sector workers and the wider community. Within this political environment there is the possibility of the voluntary sector intensifying its adoption of NPM to continue the process of reducing costs and cheapening welfare provision or returning to a more radical and campaigning role in the future working alongside trade unions and communities in defending public services (*The Guardian* 19 September 2010, *Mailonline* 10 September 2010).

## **Conclusion**

The chapter has explained how public service reform and a shift in approach to public service delivery, to a managerial public choice, NPM, HRM and managerialist model, has been globally extended. This model advocates the incremental restructuring and remodelling of public services around market concepts of efficiency, in line with global neo-liberalism. Though there are variations in the extent of the adoption of reform across public services and varying degrees of compliance and resistance to change in the UK the period since the 1980s has been marked by privatisation and increasing manager control over pay and employment conditions, based around the efficiency criterion and Taylorist methods for seeking the maximum output for the minimum pay from public service employees.

NPM has been used to extend manager control through output and performance measurement, increasing competitive pressures and advancing flexible approaches to service delivery. This has involved the reconstructing and transforming of methods of service delivery based on a reliance on metrics to justify interventions, even though there are problems measuring and evaluating such political and ideologically driven changes. The 'tyranny of transformation' has involved extending audit and quality systems, despite the damage to professional loyalty and commitment and negative impacts on employees. Reform continues to be supported politically as it extends the right to manage and enables managers to more tightly control employee behaviour and shift the locus of control from employees and professionals.

The voluntary sector has had an important role to play in public service reform and the transformation and managerialisation of public services under New Labour. It formed part of New Labour's strategic approach to reforming public services, with partnership with the voluntary sector used to lever in private sector management practices to public service delivery. Technical, administrative, financial and legal support were given to the voluntary sector to allow it 'the freedom to work freely' in developing partnership and its services. There is complexity in the development of the voluntary sector in the delivery of public services, related to national, regional and sectoral differences, but the overall thrust is towards centralised control over public service delivery, the use of commissioning, performance management and quality systems and the voluntary sector in service delivery.

The co-ordinated pressures for public service reform across all service areas has shifted the frontier of control over pay, organisational structures, roles and discipline, to managers while transformational change and the development of private sector employment practices have had important consequences for public service employees. This has brought target driven work intensification pressures, job insecurity, standardisation through ritualistic performance measurement, an increase in discipline and dismissal, the loss of morale and motivation and a weakening of the public service ethos and professionalism within restructured job roles. Though resistance continues the pressures on public service employees are consistent and unremitting and these pressures have been extended to the voluntary sector, a sector which is structurally weak and unable to resist such pressures, by comparison with much of the public sector, where trade unions and professional bodies are better established and organised.

## **Chapter 5: The research strategy and process**

### **Introduction**

This research seeks to explore the changes taking place in the provision of welfare services and changing management practices in the voluntary sector from the 1980s as part of wider neo-liberal public service reform and modernisation. The research is linked to theoretical discussion in the previous chapters on the historic development of the provision of welfare by private, public and voluntary organisations. It examines the impact of public service reform and modernisation in the delivery of public services and welfare provision, changing management practices in the voluntary sector and the wider implications for employment conditions in the voluntary and public sector.

The research seeks to provide in-depth study of neo-liberal public service reform and deliver rich detail on the changes taking place in management practices in voluntary sector organisations. It seeks to examine the processes of and different attitudes and perspectives held by participants around public service reform and modernisation. Positivist quantitative approaches are discussed but were not considered appropriate to providing the form of in-depth study and the rich data required to fully examine the hierarchical, political and ideological nature of modernisation. It is also not considered suitable to examining how the actions or reactions of managers and employees in voluntary organisations lead to changes in management practices. The research draws on a social constructionist and qualitative approach to generating empirical data, and is influenced by critical and Marxist theory and critical realism. This approach seeks to link

theoretical understandings of the capitalist labour process to empirical study in voluntary sector organisations in order to critically examine the perceptions, attitudes and experiences of those experiencing modernisation pressures. It is intended to reveal the impact of modernisation pressures on organisations, managers and employees, and how modernisation pressures lead to changes in management practices and responses from employees.

The research makes use of a case study approach, and in recognition of the diverse nature of the voluntary sector, makes use of multiple cases within a systematic but flexible research framework. Multiple case studies are used from across a wide range of voluntary organisations to provide variance and opportunities for comparison of organisational and managerial responses to modernisation pressures. Attention is given in this chapter to the problems of the case study and a multiple case studies approach. This is considered especially in connection to research design and issues of validity, reliability and bias in qualitative information and data obtained from case study research.

The chapter covers ethical considerations and the problems associated with research that is dependent upon large numbers of subjective interviews. Vertical slice studies are used to examine the different perceptions and perspectives of individuals at different levels within organisational hierarchies, between organisations and within social hierarchies. This approach is used to explore perspectives on reform and attitudes to compliance and resistance to external modernisation pressures within complex hierarchies. The chapter provides details on the research strategy and approach to the selection of organisations

and individuals to take part in the research. It concludes with reflection on the research strategy, the research problems encountered and how these were dealt with as part of the research process. This includes problems of poor survey response rates from some organisations, ethical issues, such as informed consent, and the potential for bias in the methods used to select organisations and individuals for research. This also includes reflection on the research methods used and a discussion on the interviews, which formed the most significant information and data source for the research, and the candour and accuracy in interview responses.

### **The research methodology and design**

Social science research is concerned with the discovery of knowledge that can be used to understand and explain patterns of human behaviour (Punch 1998 p. 2). It can be defined as an activity that emphasises a systematic method of inquiry which through methodical processes can 'add to one's own body of knowledge and hopefully, to that of others, by the discovery of non-trivial facts and insights' (Howard and Sharp in Bell 2001 p. 2).

Methodological debates in the social sciences have been concerned with the defence of fixed positions between those who support positivist, and quantitative, approaches to social research and those that support social constructionist, and qualitative approaches (Easterby-Smith *et al* 2008 p. 56). Positivist researchers use methods that emulate natural science, and it is associated with the objective measurement of social phenomena as social facts, which assumes an external and observable reality (Easterby-Smith 2008 p. 57). The assumptions behind positivist research are that an independent and value free

observer is able to identify and verify causal explanations using a hypothetico-deductive scientific method. This approach relies on the quantitative measurement of facts and analysis that reduces problems to their simplest elements and compares variations across samples to produce generalisable theories about social behaviour (Easterby-Smith 2008 p. 58).

Social Constructionism on the other hand, in reaction to positivist social science, does not view reality as objective and exterior to the observer but as a socially constructed reality, a reality which is given meaning by people and which has to be interpreted (Easterby-Smith 2008 p. 58). The social constructionist approach is a qualitative, humanistic or interpretive approach that, though methodical in its pursuit of knowledge, recognises the problems of measuring and determining social phenomena to discover universal social meaning. It also recognises complexity in the evolution of human behaviour. Social constructionists are not interested in examining facts or producing generalisable theory but in exploring the social meanings that people place and construct on their experience (Easterby-Smith 2008 p. 59). Rather than searching for fundamental laws that explain human behaviour social constructionists are interested in the qualitative interpretations based on experience (Easterby-Smith 2008 p. 59).

The different perspectives lead to the justified use of different methods. The positivist researcher seeks to be independent and impartial and seeks causal explanations based on hypothesis through defined and measurable concepts. This relies on simple units of analysis, generalisation through statistical probability and generally involves large,

typically random, samples (Easterby-Smith 2008 p. 59). By contrast the social constructionist researcher seeks to immerse themselves in the field and they are interested in human responses and understandings of particular phenomena. They seek to gather data which is capable of generating concepts and ideas about social phenomena which encompass different views and perspectives of a situation. Social constructionists take a holistic view which recognises the complexity of social situations and they seek to develop theories that help explain social phenomena. Rather than relying on large-scale statistical studies they focus on small cases which are specifically chosen to analyse and illustrate the phenomena being studied (Easterby-Smith 2008 p. 59).

Debate between positivists and social constructionists continue within social sciences but there is less reliance now on traditional and mechanistic 'linear' models of scientific progress. Ideas of a detached and neutral social science research have, to some extent, given way to acceptance of the validity of using a combination of quantitative, qualitative, practical and pragmatic approaches (Easterby-Smith 2008 p. 115). A more open approach to research, it is argued, can produce the rich data required to inform theoretical and philosophical enquiry and advance theoretical understanding of social phenomena (Punch 1998 p. 2-4).

This research methodology used here is informed by social constructionist but also by critical and Marxist theory and critical realism. Positivism, and grounded theory, is based on the premise that it is possible to simply observe reality and use empirical research to create valid social meaning. Critical theory argues that facts do not speak for themselves



and it is impossible to be a neutral and value free observer. Critical theorists argue there is a need to connect theory and empirical observation to achieve explanatory significance. A central part of this approach is the need for reflection and critique to establish a wider truth or validity, to counter dominant views and to 'pull reality back to where it ought to be' (How 2003 p. 5). Critical theorists argue that positivist concerns with facts and an external observable reality are politically limiting as critical thought and reflection is needed to explain how the world actually works. The need for critique is particularly relevant, it is argued, to understanding capitalist society given its unequal and hidden power relations. Critical research draws on accumulated wisdom, such as through historical and theoretical analysis, believing this is essential in order to overcome popular misconceptions, reification of institutions and structures and dominant ideas that suggest their way of viewing phenomena are natural and complete. Critical theorists argue that in a distorted capitalist society it is important to use critique to reveal spurious ideas of normality and seek better alternative futures based on an understanding of the 'complexity and diversity of reason . . . what enables us to grasp reality and see the truth of things' (How 2003 p. 179).

Qualitative critical research relies on critique, challenging discourses, assumptions and interpretations of a socially constructed reality (Alveson and Deetz 2000). It seeks to balance the development of theory with empirical observations while taking account of political agendas and the constructed nature of reality. This is considered important to studies of management as management is not a neutral, scientific or technical activity but a form of control that has 'developed positive capacities but also dangerous forms of

domination' (Alveson and Deetz 2000 p. 14). Positivist and quantitative methods do not question 'what good management is' or the lived experience of those encountering management. Critical theorists argue there is a need for qualitative richer examination to counter the 'thinness' of the positivist approach and quantitative data but point to the problems of bias in critical qualitative research and the need for an open attitude, reflexivity, consideration of multiple perspectives, recognition of the subjective voice in interviews and critical examination of one's own assumptions (Alveson and Deetz 2000 p. 114-136).

This research also draws on a Marxist labour process and political economy approach and It is argued this has continuing relevance, taking historical account of the collapse of the Soviet Union and the rise of global neo-liberalism, in explaining the changes taking place in management practices in the public services. A theoretical, or 'meta-theory', approach is found in Marxism, feminism and cultural studies and allows empirical findings to be analysed against theoretical understandings to help explain the power relations that underlay, influence and produce social relations and meaning. This theoretical perspective and approach draws on historical and dialectical materialism and widely used empirical research methods, such as case studies, extensive interviews and surveys to reveal the attitudes to the labour process of employers and employees (Morrow 1994). The use of a meta-theory, such as Marxism, provides an opportunity for the researcher to openly outline their ideological assumptions in opposition to the notion of a value free science. This suggests that all research takes place within a context where all 'individuals

and groups have material or class interests at stake' and 'tend to justify them in ways that distort their perceptions of reality' (Morrow 1994 p. 52).

An account founded on a different perspective would be different but that does not preclude this form of research producing genuine findings that can be tested against accounts produced using other normative theories and perspectives. It is no less valid, nor biased provided the research is conducted methodically, with an awareness of bias, and its findings are open and subjected to testing and academic review. Grounded theory or the over-reliance on empiricism and descriptive or measurable data to explain social phenomena can itself be flawed and result in the 'fetishization of quantitative facts' and naive realism given the 'problematic character of social facts' and the need for concepts and theory to help us explain and 'construct what we observe' (Morrow 1994 p. 44).

There is no single correct method or methodological strategy appropriate to the investigation of all social questions, phenomena and topics and the approach developed depends upon the nature of the object of inquiry (Morrow 1994 p. 79). The adoption of a critical and Marxist perspective for this research is determined by the researchers own theoretical and practical experience which necessarily influences the research strategy and methods adopted.

Social research then needs to be thorough and methodical and produce more than a descriptive account, but does not need to produce generalisable theories. Industrial relations research has utilised a variety of research approaches to provide explanations for the social phenomena surrounding the employment relationship. It has been

characterised by a multi-disciplinary approach that encompasses historical and institutional analysis, theoretical examination and empirical and case study research and comprises 'a broad, interdisciplinary field of study and practice that encompasses all aspects of the employment relationship' (Kochan 1998 p. 31). While Industrial Relations research uses quantitative and statistical methods it adopts a practical and pragmatic approach to research while maintaining a critical approach based on the testing of normative assumptions about the employment relationship framed within Marxist, Pluralist and Unitarist perspectives (Kochan 1998 p. 36). The purpose of a multi-disciplinary and multi-method approach is to explore 'below the waterline of organisational visibility' to provide convincing explanations for why specific phenomena occur within the employment relationship while recognising the complexity of the employment relationship and social behaviour and the problems of interpreting such phenomena (Ahlstrand 1990 p. 69).

However, the multi-disciplinary nature of Industrial Relations research has itself been criticised for being atheoretical and lacking in discipline (Arrowsmith in Edwards 2006 p. 1). Edwards though points out that industrial relations is not atheoretical or lacking discipline and points to the tacit theorizing that links Industrial Relations to institutional analysis and the philosophy of science. Edwards argues these links are most clearly laid out in critical realism and that the adoption of this approach needs to be made more explicit in industrial relations research. Critical realism seeks an alternative to positivism as 'its basis in deductive-nomological approaches prevents it from asking *why* things occur as they do' **and** social constructionism, criticised for ignoring 'the influence of

structures that lie outside the processes of social construction' (Edwards 2006 p. 4).

Edwards points out how critical realism 'argues that there are real, if unobservable, forces with 'causal powers' and that it is the task of science to understand the relevant mechanisms' (Edwards 2006 p. 4). He explains that though the social world is different to the natural world it is not wholly constructed by human design or without rules, norms and institutions 'with logics independent of the choices of individual actors' (Edwards 2006 p. 4). Critical realism therefore 'aims to move beyond the discovery of empirical regularities to understand the mechanisms that not only produce these regularities but also determine when they will occur and when they do not' (Edwards 2006 p. 4).

Industrial relations research then is multidisciplinary but also coherent theoretically and empirically grounded, as both quantitative and qualitative methods have their place and in-depth qualitative data can be compared against rigorous quantitative data.

To gain a full picture of what is happening in the workplace there is also a need to move beyond restrictive analyses of the workplace or organisation and to position analysis within and between sectors and national and international levels, 'a need for an analytical perspective sensitive to the articulation between 'top-down and bottom-up developments' (Sisson in Storey 2007 p. 86). This research is not seeking to prove or disprove Marxist or labour process theory but is based on a combination of a top down theoretical and critical Marxist understanding of capitalist production and the capitalist labour process and bottom up empirical observation of perceptions of contemporary changes in the labour process. This recognises that there are tensions between a Marxist approach, based on analysis of the fundamental rules of capitalism and the causal

pressures that lead to exploitation and alienation in the workplace, and an empirical approach, which seeks to examine agency and how individuals in voluntary and public and sector workplaces act and construct their everyday experiences. Critical realism assists in relieving this tension and is used as a basis for examining, analysing and understanding phenomena and placing the expressed and subjective experience of individuals within a meaningful explanatory framework. This can then be informed by comparative theoretical and empirical research that places the experience of individuals and how they operate within social and institutional structures, networks and relationships and theories of change in labour management practices.

New research can add to theory whether or not the individuals researched are conscious of the phenomena under investigation or the normative approach of the researcher. The researcher believes all research is based on paradigms and the normative epistemological, theoretical and philosophical assumptions about the social world that are held by researchers. It is also believed that research methods need to be robust and meet academic standards for social research. They need to be reliable in 'the extent to which a test or procedure produces similar results under constant conditions on all occasions' and valid in their ability to measure or describe what they are supposed to measure or describe (Bell 2001 p. 104). Though methods may not meet the stricter tests of positivist research they are intended to provide more than a subjective and descriptive account and an account that is open to criticism, review, comparison and further testing (Bell 2001 p. 104). Research is not and cannot be free from bias as social research involves the utilisation of beliefs, manner, and attitudes and prejudice that affect all accounts of

social processes (Bell 2001 p. 115). While it is impossible to eliminate bias from the research, in both the researcher and the research material, the research has been conducted with an awareness of bias and the importance of remaining critically focused and objective (Bell 2001 p. 139).

### **The case study approach**

The research design is based on the case study approach which is seen as the most appropriate approach for delivering the form of in-depth, real life and rich empirical data required for this study. This is the best method for examining and understanding complex phenomena and providing the rich and in-depth data needed for the critical analysis of the labour process and the changes in management practices in public service delivery resulting from contemporary neo-liberal reform and modernisation (Yin 2009 p. 2-8). The case study approach can be criticised for a lack of rigour and control in comparison with other more rigorous methods, such as experiments (Yin 2009 p. 14). The case study method though can be preferable to other methods such as experiments, which are removed from their context, historical analysis, which is not contemporary, and surveys, which are unable to provide detail on context and struggle with complex variables (Yin 2009 p. 18-19). Case study research is criticised for its potential for bias but it is pointed out that other forms of enquiry, such as statistical surveys, can also encounter such problems (Yin 2009 p. 14). Case studies can also embed other research methods, such as surveys, within their overall approach. The key factor in determining whether to use case studies is the linking of the research method to the research question, the clear definition of the unit of analysis and the development of a strong theoretical basis for the research

and a systematic approach to analysing data (Yin 2009 p. 36-37). The case study method is a valuable method for researching contemporary how and why questions, such as how modernisation impacts on management practices in the voluntary sector, and why there are pressures to change labour management practices as a result of modernisation and this was considered the best research method for this study (Yin 2009 p. 8).

A critical decision in the research design was whether to use a single or multiple case studies. A single case study is most useful for testing a well formulated theory or covering extreme, unique, representative or revelatory case or where longitudinal study is a key part of the research aim. However, multiple case studies have particular advantages and can be considered more compelling and robust (Yin 2009 p. 53). Multiple case studies follow a replication model similar to multiple experiments as evidence from one study can be replicated in a further study. Cases can produce a literal replication, similar results, or a theoretical replication, different results, but for interesting and explainable reasons. Multiple case studies rely on a rich, theoretical framework and different methods from quantitative studies where findings are applied to a whole population or universe. Yin argues that 'any application of sampling logic to case studies would be misplaced' as there would need to be an impossibly large and uncontrollable number of cases. The multiple case studies approach relies on theoretical development and selection of cases which in themselves comprise whole studies. Summary reports of the studies are compared to the other case summaries for replicability and cross case conclusions drawn which allows modification of the original theory, development of policy implications and cross case reportage (Yin 2009 p. 57). Complementary data can also be added through a



mixed method design, which allows the use of a survey or statistical methods within a multiple case study approach (Yin 2009 p. 63).

The research design followed here is based on a multiple case study approach covering a wide range of voluntary sector service providers. The use of multiple case studies is justified by the potential of multiple case studies to allow for comparisons and generalisations to theoretical propositions, not populations, beyond what could be achievable from a single case study or other methods (Yin 2009 p. 15). The case study approach can capture the complexity and diversity of public service reform, the public policy and funding pressures applied to voluntary organisations and responses to public service reform. The research examines how pressures influence voluntary organisation managers in their management decisions and practices, employee responses to changes in management practices and wider acceptance of public service reform, at an individual, group, workplace and trade union level.

The case study approach then is particularly useful for detailed study and conceptualising, establishing, confirming or negating existing hypotheses (Punch 1998 p. 152-154). It is an approach that allows the researcher to explore particular events in detail as they unfold and link the events to developed hypotheses and causal explanations (Kitay and Callus 1998 p. 104). Individual researchers use case studies extensively where there are time and resource limitations and substantial quantitative or survey-based techniques would be either be impossible to conduct or would produce insufficient data to generate valid and reliable findings (Bell 2001 p. 10). Case studies allow the researcher to 'put flesh on

the bones of a survey' or develop a detailed 'inquiry around an instance' that can be specifically focused on detailed consideration of the 'interaction of factors and events' (Adelman *et al* 1977 in Bell 2001 p. 10, Bell 2001 p. 10).

Case studies have been the 'most favored research design used by industrial relations researchers' and can be traced to the Webbs' earliest research into trade unions (Kitay and Callus 1998 p. 101). They fit neatly with the multi-disciplinary nature of industrial relations research and its focus on institutional analysis, understanding complex social phenomena and consideration of the values and perceptions of individuals in the employment relationship. Case studies focus on a distinct bounded unit of analysis, such as the organisation or workplace, but this can be broadly interpreted to cover events, such as strikes, or individuals, workplaces, organisations, occupations, industries and communities. Though case studies are bounded they are most productive where they are not overly restricted and lines of inquiry can be developed around more abstract topics and can evolve through networks of new informants and information that present in the course of the study (Kitay and Callus 1998).

Case studies have been used extensively in Industrial Relations research, see Lipset, Trow and Coleman (1956) on union democracy, Gouldner (1954) on strikes, Goldthorpe *et al* (1968) on affluent workers and Batstone, Boraston and Frenkel (1977) and Beynon (1984) on shop steward behaviour. There have also been Industrial Relations studies, since Braverman's classic study (1974), that have explored the labour process within different public services using case studies, such as Whittington, McNulty and Whipp (1994) on the

NHS and Ironside and Seifert (1995) on schools and case studies continue to supply the rich data needed to explore the complex processes that determine employment relations and the labour process in public services.

Case studies can be interesting in their own right in producing information on a particular instance and they can be used on their own or alongside other research approaches to allow the researcher to chip away beyond organisational barriers (Ahlstrand 1990 p. 69). They do not prevent or rule out the use of any approaches in line with the research enquiry, such as observation, interviews, narrative accounts, survey questionnaires or statistical data provided the methods are related to the topic and the pursuit of answers to specific research questions and lines of inquiry (Punch 1998 p. 152-154). They allow the researcher to undertake study into a particular subject area with a specific focus using multiple data sources that are relevant to that focus (Bell 2001 p. 10). The use of multiple methods within a case study approach allows the researcher to gather detailed information from individuals with differing perspectives to reveal how particular events impact upon those individuals and can provide detail on the reality of social processes and how actual decisions and relations within the workplace are constructed.

The single case study is not intended to be representative but is an example and may present an untypical response to a particular instance or set of events but this still provides useful information (Kitay and Callus 1998). Multiple case studies can also be used where 'the instrumental case study is extended to cover several cases, to learn more about the phenomenon, population or general condition' (Punch 1998 p. 152). These

again are not intended to be representative but are examples and may explore cases where all may be untypical but still provide useful information (Punch 1998 p. 150-156). While the single case study provides the opportunity to discuss how particular phenomena impact upon a particular individual, organisation or industry multiple cases studies provide more extensive information on that phenomenon as it applies in different organisations, with different histories and operations and individuals with different perspectives, values and concerns. Multiple cases studies within a single research project can be useful because the knowledge gained in one case study can be easily transferred or linked to other cases allowing more detailed examination and exploration of theoretical ideas (Punch 1998 p. 152-154). Case studies were appropriate for this research, which looked at how modernisation and public service reform impacts through complex institutional processes on diverse voluntary sector organisations. They allow the detailed exploration of the implications of public service reform and modernisation of the labour process in different organisations and the variation in the modernisation process taking account of the views of a large number of voluntary sector managers and employees set within their organisational or institutional contexts. The advantage of the multiple case study approach is its flexibility in obtaining detailed and structured accounts of voluntary sector organisation responses to modernisation that cover different sectors, geographical locations, organisational histories and experiences.

While case studies are useful and were considered the best approach and method to providing the rich and in-depth detail needed for this research there are problems in the approach which needed to be considered. These relate to time and resource constraints,

confusion around the unit of analysis and the choice of cases, and threats to construct, internal and external validity, reliability and bias. Time, resource and access limitations restrict how much information can be gathered on a topic. Case studies largely provide a snapshot of a particular instance although the development of relations with informants can provide longitudinal information and a continuing commitment to and involvement of organisations over a period of time (Kitay and Callus 1998). Though cases studies are cheap and flexible and can produce a large amount of detailed information they 'may involve a considerable commitment of time, and, in some cases resources', in terms of travel and the commitment to building and maintaining relationships (Kitay and Callus 1998 p. 108).

Mixed methods and multiple case studies can allow the researcher to examine unfolding events and while they do not reveal a whole or complete picture they can offer new, colourful and sparkling accounts of a subject. Multiple cases also 'augment external validity and help guard against observer biases' (Leonard-Barton 1990 p. 250). There are though problems in bounding or defining a particular case, specific instance or object of enquiry. This is particularly important to this study, as modernisation or public service reform is not a clearly bounded event or instance but a relatively unbounded, evolving and abstract process. There is a danger that the case study approach can lead to a tendency to generalise based on insufficient, partial or carelessly selected data (Bell 2001 p. 172).

Case studies are also subject to problems of selection. This can result from access problems, where managers may seek to control access to key individuals and organisations and define and control the nature of the problems identified or data sources relating to a specific inquiry (Kitay and Callus 1998 p. 108). There is also the danger of self-selection by the researcher to confirm a particular theoretical point which needs to be guarded against. The principal problems faced in case study research relates to problems of validity, reliability and bias. Case studies experience problems of a lack of construct validity, a lack of a sufficiently operational set of measures, internal validity, where causal effects are sought that are not necessarily applicable or give rise to problems of inference around events that cannot be directly studied, and external validity, seeking to generalise to a larger population or universally. There are also potential problems with reliability, as case studies can be diverse and relatively unique. The main problems with case study research lie in the problem of whether observed changes can be attributed to the stated cause and not to other possible causes or alternative explanations, and the difficulty of replicating findings, due to the time and effort which would be required to do this. In most cases replication is impossible as conditions in a specific case would rapidly change and move on (Bell 2001, Kitay and Callus 1998 p. 111).

Time constraints and problems bounding the unit of analysis have been addressed in this research by the adoption of a broad but focussed and methodical approach to the selection of specific organisations and individuals for the research that is consistent with the theoretical framework. The study also adopts a vertical slice and top-down/bottom-

up approach while focusing on a careful, methodical and consistently process and framework for the selection of organisations and individuals for the study. The problems of internal validity and the reliability of the findings have been tackled by the use of mixed methods or triangulation of findings from different sources (Bell 2001 p. 102-3).

Case studies are dependent on the ideological assumptions or theoretical focus of the researcher which influences the decisions and selection choices made, how the research is conducted, the methods used and the presentation of findings (Bell 2001). To ensure validity and avoid bias this research was conducted with an honest, careful, documented, systematic, rigorous and critical approach. The threats to construct validity were addressed by using multiple sources of evidence, developing chains of evidence and reviewing evidence and important findings across key informants. Problems of internal validity can be addressed by pattern matching, explanation building, addressing rival explanations and using logic models and these approaches influenced the extensive analytical process adopted (Yin 2009 Ch. 5). The overall strategy for analyzing data was based on theoretical propositions and the examination of rival explanations and descriptive frameworks. There are no mechanical approaches that guarantee internal validity and the central practical problem was the need to 'play' with and consider the data to decide how it could be effectively analyzed while applying different techniques to help systematic analysis. Threats to external validity were dealt with by reference to the theoretical framework around public service reform. The research did not seek statistical generalisation but analytical generalisation around theoretical developments on public service reform. This cannot be addressed by 'analogy to samples and universe' and it is

argued 'this is incorrect when dealing with case studies' (Yin 2009 p. 43). Theory needs to be retested in specific settings but with reference to underlying replication logic.

Reliability was protected by transparency and systematic documentation which would allow another researcher to examine the same cases and arrive at the same conclusions (Yin 2009 p.41).

The central criticism of the case study approach is that it lacks rigour and is not able to produce generalisable findings and this can lead to the researcher placing the interpretation they want on the data which affects validity and introduces bias. However, both quantitative and qualitative methods critique each other and issues of validity, reliability and generalisability are different in different research traditions (Eaterby-Smith 2008 p. 109). The important point in handling case studies is to clearly define the unit of analysis, avoid universal generalisations, link data to theory, and to apply critical subjectivity by seeking evidence that does not conform to one's own views (Easterby-Smith 2008 p. 106).

While bias and gullibility on the part of the researcher or informants cannot be eliminated from research the extensive nature of this research, the attention to systematic selection decisions, and the thorough 'documentation of the techniques utilised and data on the sources of information, such as interviews and archival information' means such criticisms can be addressed and limited (Kitay and Callus 1998 p. 112).



## **The vertical slice and case selection**

The research adopted a vertical slice approach to the multiple case studies to explore how change impacts upon employees at different levels within the organisational hierarchy. The primary research method was interviews with managers at different levels within the selected multiple case study organisations. Interviews were supplemented by a survey questionnaire conducted with employees below senior management level in the selected organisations combined with non-participant observation and informal contacts with employees and former employees and documentary evidence gathered from a range of public, company and news media sources. Similar studies were also conducted in the main trade unions representing voluntary sector employees and by interviews with service commissioners and representatives from other relevant organisations. The multiple case and vertical slice approach was illuminating but was not without its problems and these will be discussed later in this chapter.

Johns and Ross describe how vertical studies can add to horizontal studies that examine groupings such as geographical areas, market segment groups or specific subjects, such as an organisation. They add to such horizontal units of analysis by exploring vertical hierarchies or relations at different levels within the unit of analysis. Research can examine hierarchical relations across international, national, social, industrial, sector, organisational, internal groupings or at the level of individuals within an organisation relating to more than one level simultaneously (Johns and Ross 1998 p. 52). The term vertical slice study was used by Nader in 1972 and in social constructivist anthropological studies of organisations. By exploring hierarchical power relations, studying up as well as

200

down, 'vertical slice' studies examine hierarchical power relations within and between organisations as units of analysis (Wright 1994 p. 14). The method has also been used in management research to understand perceptions of change at different hierarchical levels within organisations to produce more nuanced responses to a framework of semi-structured interview questions on a topic within an organisation, from senior and middle management and front-line employees. The important factor to consider in vertical slice research is the careful and systematic selection of the vertical slice organisations and individuals and the development of a systematic framework of questions to put to employees at different levels within the organisations (Stewart and Kringas 2003 p. 679)

The research strategy was based on multiple case studies drawn from across a large number of diverse voluntary sector organisations differing in size, structure and the complexity of their service provision, funding and monitoring arrangements. This was intended to examine replicability and reflect on the complex and diverse characteristics of the organisations, the divide between large and small organisations and how pressures for public service reform impact on such complex and diverse organisations. The scale of voluntary sector activity meant that, as with similar studies of the sector, some artificial limits needed to be set to the scope of the study (Wolfenden 1978, Kendall 2003).

The research was limited to voluntary organisations receiving, or seeking to receive, public funding to provide welfare services and was limited to five categories of service provision, housing, homelessness, drug and alcohol, mental health and youth and religious organisations, providing a range of welfare services, such as food distribution,

money advice or childcare provision. This included HAs or RSLs many of which have grown rapidly, through favourable funding, merger, takeover and transfers of council housing to become large social businesses and employers as well as the main providers of social housing across many areas of the country (Malpass 2001). It also included small, local and often poorly resourced, organisations providing homelessness, drug and alcohol, youth, mental health and other services. The research was conducted in two geographical locations in England, Stafford and Brighton and Hove. These areas were chosen for practical or convenience reasons, as residence and familiarity helped understanding and access, but were also interesting being geographically distant with different political, administrative, partnership and other features (see Appendix 1).

Research was carried out in 2004-5 in 23 organisations in total. The 23 organisations included voluntary organisations, trade unions, service commissioners and other relevant partnership organisations and representative bodies. Interviews were also conducted with former employees from two of the vertical slice organisations and a former employee from another housing organisation, renamed Refuge (see Appendix 2).

The vertical slice studies were conducted in 9 voluntary organisations. The names of the vertical slice case study organisations and former employee organisations have been changed so that organisations and individual interviewees cannot be identified. The organisations included are housing associations, homelessness organisations, drug and alcohol services, mental health service providers and religious organisations. The profiles for the renamed organisations Philanthropy, the Reformed and Radical Trusts, Parents,

Support in the Community, The Families Project, Cuddle Co-ops, ChurchGate and Muddy Ditch Baptist Church are included in Appendix 3.

Studies were also conducted in 6 trade union organisations and detailed interviews were conducted with national and local officials in the 3 main trade unions representing voluntary sector employees (see Appendix 4). Interviewees from trade unions and other organisations have been identified as they gave full informed consent and acted as representatives of their trade union organisations. Profiles for the remaining organisations and representative bodies are given in Appendix 5.

Case study research is intended to be flexible to produce thick and deep data that aids analysis of theoretical ideas. It sacrifices breadth for depth and does not use statistical sampling techniques to produce a subset from a defined population that can be taken as representative of a defined population to provide larger broader generalisations. Case study research does not require the same level of statistical validity but 'it does require systematic, documented and replicable procedures' which display some of the rigor of statistical sampling methods (McClintock *et al* 1979 p. 2). Multiple case studies reduce threats to internal validity and allow the uncovering of processes related to theoretical propositions provided definitions are clear and there is a clearly articulated framework. Use can be made of procedures 'in which the units of analysis are selected in groups rather than individually' (McClintock *et al* 1979). The use of replicable procedures allows the checking of continuity over time and control of bias in research design while the selection of informants who are knowledgeable and accurate and well positioned in the

hierarchical structure to be close to events allows a strategic and reliable group of informants to be researched. The strategy adopted for selecting cases for this study differs from sampling strategies for quantitative studies (Easterby-Smith 2008 p. 212-213). The aim in qualitative research is to select informants on the basis of their appropriateness and ability to shed light on the research question. Selection can be based on convenience, in that informants are accessible, willing and able to take part, but is also based on their access to relevant information and their ability to uncover processes and explain what is happening. In such methods of case selection it is accepted there is a greater risk of bias which needs to be considered seriously in the research design (Easterby-Smith 2008 Ch. 9). The selection of organisations for the fieldwork research involved a combination of identified qualitative research techniques.

There were two stages to the selection process. The first stage was the initial selection of organisations for study. This involved the drawing up of manageable quotas within categories selected to offer the most appropriate organisations in relation to the research question. The method for selection of individual organisations followed, with limited exceptions, letters inviting organisations to participate. The organisations were selected from local provider lists in the geographical and sectoral areas chosen for the study to best examine the questions arising from the theoretical framework. The selection of the geographical areas was based on convenience while the actual organisations contacted were chosen as appropriate to the research question and within identified service provision categories (Easterby-Smith 2008 Ch. 9). Preliminary interviews were conducted with representatives of the selected organisations to gain practical information and

insight into the issues to build relationships and provide access to aid further study. As the research progressed snowball forms of selection were introduced within the convenience geographical areas and the purposive categories or groups of organisations, as the participants pointed to relevant organisations and individuals that could help inform the research topic. Access was sought to voluntary organisations through the management route, generally via the HR office or senior manager. Access to trade unions was also sought at the national and local level and to other organisations through their central office.

The second stage of selection was the conduct of the detailed vertical slice studies. Following access being obtained detailed interviews were conducted with managers at different levels within the organisational hierarchy. Access to organisations and individuals can be difficult given time constraints on managers and employees and due to potential concerns as to the nature of the project. This may lead to a drift to manager bias in the selection of individuals within organisations but also the desire to achieve particular results can lead to self-selection of individuals by the researcher. For this research special attention was paid to ensuring that individuals were selected according to a systematic process related to their within the organisation and that a similar criteria for selection could be replicated in the other case study organisations. Snowballing techniques were also used to overcome access problems related to participation within the research framework categories (Easterby-Smith 2008 Ch. 9). The actual managers and employees interviewed were dependent upon access arrangements but, with limited exceptions where an opportunistic approach to selection was taken, the participants

were drawn systematically following the logical lines of the organisational structure. With limited exceptions access to individuals was largely unrestricted by managers and individuals selected were selected between the researcher and managers for practical and pragmatic reasons. The interviews were supported by a comprehensive questionnaire survey of employees in the vertical slice case study organisations, observation and informal contacts and the collection of documentary evidence.

The groupings were chosen to allow exploration of variations between large and small, well and poorly funded voluntary organisations covering a diverse set of service provision and service expectations. Four HAs were initially selected from Housing Corporation (HC) lists on the basis of their housing stock and presence within the geographical areas. Preference was given to the middle range of providers. Initial interviews were held with Philanthropy HA (see Appendix 3 -1). This was a large, well-established and resourced organisation that employed 500 workers and was active in both geographical areas and in the process of being restructured within an RSL group structure at the time of the study. There were no problems gaining access to this organisation for the vertical slice study although, but as the organisation was large, research was limited to one geographical area, the North West and Midlands. It was also the Philanthropy Human resources (HR) manager that suggested that the Radical Trust be approached for the research, as Philanthropy was due to merge with Radical to cover the South-East (see Appendix 3-3). Radical were approached, agreed and were added to the vertical slice organisations. Access could not however be obtained to any other large housing associations (see Appendix 11) and to overcome the lack of comparisons in the housing association

grouping a former employee of another housing association, Refuge, was interviewed about his experiences when working in that organisation (see Appendix 5). This individual was selected purposively due to his knowledge of and contacts within the organisation and because current employees of Refuge felt unable to take part in the research due to a lack of support from their managers even though they wished to do so. The evidence provided in this interview was used to confirm anecdotal information and other documentary evidence and while this information should be treated cautiously, due to issues and concerns of self selection and researcher bias, the interview produced valuable evidence and allowed comparisons between HAs and complemented the extensive research at Philanthropy.

There were no similar problems in getting access to organisations in the other service groupings within the selected geographical areas and the chosen organisations and service groups. Organisations that met the criteria were selected from groups of similar organisations from local Council of Voluntary Service (CVS) provider lists. There was more success in gaining access to these although there were similar problems gaining access to the homelessness organisations, leading to a snowballing approach in the case of Radical. The homelessness organisations initially approached were, first, the Reformed Trust, a small local homelessness organisation employing 29 workers (see Appendix 3-2). They were the subject of a negative publicity at the time of the research and were initially reluctant to provide access but later relented and provided full vertical slice access. The survey however was not completed as the organisation went into liquidation and its



employee's were transferred to other organisations prior to the completion of the research.

The drug and alcohol organisations approached were, first, Parents (see Appendix 3-4). This was a national agency that employed 650 workers and operated in Brighton and Hove and around Staffordshire but not in Stafford and, second, Support in the Community Drug Services in Staffordshire (SITC), a Stafford based organisation providing drug and alcohol treatment services across Stafford County that employed 65 workers (see Appendix 3-5). Both agreed to provide full access for the vertical slice studies. Parents initially attempted to restrict research from their Brighton area due to problems with the withdrawal of their funding and directed research to their Walsall branch. A change of HR and Brighton area manager however meant the research eventually covered both geographical areas.

The mental health organisations approached were, first, TFP, a small Stafford based locally autonomous project, federated to a national mental health organisation (see Appendix 3-6) that employed 6 workers and supported young people and families with learning disabilities and, second, Cuddle Co-ops (see Appendix 3-7), a small Brighton based local project employing 22 mainly part-time workers, that provided a range of housing, support and therapeutic services for people with mental health problems. Both organisations agreed full access for the vertical slice research.

One organisation The Young Person's Project (YPP) (see Appendix 5-16), a local Hove based autonomous organisation, federated to a national organisation, that provided a range of housing, support, employment and leisure services for young people and employed 130 workers was approached and an interview was conducted with the HR manager but the vertical slice study was not permitted. The HR manager's job was under threat at the time of the study and newspaper reports later revealed project closures that may have contributed to the lack of willingness to provide access.

The religious organisations providing welfare services approached agreed full access for the vertical slice research. They were, first, ChurchGate projects (see Appendix 3-8), a small, Brighton based religious organisation, employing 13 workers and providing a range of projects for young people including FoodShare, a food distribution service to homelessness projects and, second, Muddy Ditch Baptist Church (see Appendix 3-9), a small, Stafford based religious organisation employing 21 workers and providing a range of community services and facilities for youth and the elderly, including a debt and money management advice service.

Six trade union organisations were involved in the research, including the TUC and the three main trade unions representing the voluntary sector, UNISON, the TGWU and amicus. Vertical slice studies, involving interviews with national and local level voluntary organisation representatives, were conducted with UNISON, amicus and the TGWU (see Appendix 4). Interviews were also conducted with representatives from the TUC,

Partnership at Work, a CYWU supported project, and Community, in connection with their involvement with voluntary organisations as community organisations.

Local Strategic Partnerships (LSPs) were approached and interviews conducted through the LSP co-ordinator in Brighton and Hove and the Chair (then former Chair) of the LSP in Stafford Borough, which at the commencement of the research did not have an LSP co-ordinator. During the course of the Reformed study the commissioners involved, Staffordshire Supporting People, were contacted and agreed to interview. The replacement Parents Brighton area manager had also previously been a commissioner of adult services for Brighton Council. He agreed to be interviewed about his experience as a Brighton commissioner of services in addition to his role as temporary manager of Parents Brighton.

There were problems gaining access to some organisations, particularly the large housing and homelessness organisations, and it would have been preferable to have access to more HA/RSLs and homelessness organisations but the case study organisations eventually included were felt to be sufficient for the purposes of the research.

## **The research methods**

### *Interviews*

The purpose of the voluntary organisation interviews was to explore manager attitudes to modernisation, changes in management practices, external and internal modernisation pressures and how these impacted on employees and employment relations and were

transmitted within the organisational hierarchy (see Appendix 6). Interviews with trade union representatives focussed more on workplace issues, their representation of voluntary sector workers and employee and trade union responses to public service reform (see Appendix 7). The remaining interviews were more specifically focused dependent upon the organisations role and involvement with voluntary organisations (see Appendix 8).

All interviews were prepared in advance but were semi-structured and flexible to allow probing into issues as they arose during the course of the interview and research investigations. Actual interviews varied from the largely unstructured where interviewees once prompted told their story to those that required some probing to those where the interviewees needed much encouragement, prompting and direction. Interviews were recorded, with the interviewee's permission, using a digital recorder and stored in computer sound files. A small number of respondents requested that interviews were not recorded. In these cases notes were taken and written up immediately after the interview. At the earliest opportunity after the interview all recordings were noted with a comprehensive transcript from the sound file completed at a later date. Quotations where possible were drawn directly from sound file recordings. A technical problem however meant some digital sound file recordings were lost and initial notes and transcripts have been relied on in these cases.

54 Interviews were conducted in total (see Appendix 9). These were conducted with managers at different levels and employees and former employees within the voluntary

sector vertical slice organisations. The number of interviews conducted was determined by the size of the organisation and its organisational structure. Interviews were conducted with the HR Manager, Area Director, Regional Director, 2 Estate Managers and an Employee Consultative Committee (ECC) representative at Philanthropy, and a former employee at Refuge for the HA/RSLs. For the homelessness organisations the Reformed Chief Officer, project manager, support worker, former Chair of the Management Board and 4 former employees were interviewed while at Radical the Chief Executive Officer (CEO), a Director, project manager and former project manager were interviewed. In the drug and alcohol organisations at Parents the HR Manager, 2 regional project managers and 2 regional service managers were interviewed while the CEO and 2 area project managers were interviewed at Support in the Community. In the mental health projects for practical reasons a group interview was held with the Service Manager, Service Development Officer and Family Advisor at The Families Project while at Cuddle Co-ops the CEO and Administrator were interviewed. For The Young Persons Project only the HR manager was interviewed. In the religious organisations at ChurchGate the Co-ordinator and Project manager were interviewed while at Muddy Ditch the Senior Minister, Project Manager and a Minister were interviewed.

The union interviews were conducted with the Public Services and Voluntary Sector Policy Officer at the TUC while in the larger unions at UNISON the Voluntary and Community Organiser, a national officer and local officer were interviewed and at amicus a national and a local officer were interviewed. For the TGWU only the national officer of the

Association of Clerical, Technical and Supervisory Staff (ACTS), the group that encompassed the voluntary sector, was interviewed.

The other interviews were with the co-ordinator of Partnership at Work, local organisers from Community, LSP representatives, the organiser of Birmingham Citizen's and the Head of Research at NCVO. Again for practical reasons a group interview was held at Staffordshire Supporting People with the principal officer, development manager and area officer.

Much attention was focused in the interviews on asking questions in an unbiased manner with questions worded to convey a naive interest in the topic area to allow interviewees to freely provide their own commentary within the semi-structured interview format and to avoid leading questions (Yin 2009 p. 109). There were few problems experienced with the conduct of the interviews and while respondents varied in their responses, and while some were more candid, open and forthright than others, there were few problems with candour or accuracy in the interviews and points were followed up by seeking information from other sources to corroborate information given in interviews or to search for contrary evidence (Yin 2009 p. 109).

### *Survey questionnaire*

The purpose of the survey questionnaire was to supplement the data from the interviews with information from employees below management level in the selected case study organisations. A survey was considered necessary, as it would have been impossible given

constraints, to interview sufficient employees in the case study organisations. The survey however, while seeking to represent employees was part of a qualitative approach and was not intended to conform to any mathematical sampling plan or produce generalisable or statistically significant findings (Punch 1998).

The number of survey questionnaire forms issued to the various respondents was determined by access arrangements with the case study organisations and their size and structure. As many forms, sealed with a covering letter with instructions for completion and return through a reply paid envelope, as possible were distributed and the intention was to receive as many useful responses as could be obtained within the time period available for the research. In some, particularly the smaller, organisations it was simple to distribute forms to all employees while in larger organisations the numbers were restricted to a service or geographical area. In most cases distribution of the survey forms was through managers using the organisations internal distribution systems. This approach though convenient and largely effective relied on managers distributing the forms and in one case, ChurchGate, it was unclear, as contact was lost with the manager, whether forms had in fact been distributed to employees or whether employees had simply not responded to the forms they had received.

The survey form (see Appendix 10) collected information on issues in the workplace and contained attitudinal questions on employees' views of their organisations, management practices, working conditions and employee representation plus some basic details about the respondent. The form was uniform in design across all employers, was agreed with

organisation managers and piloted and tested in face-to-face interviews. Postal return surveys tend to have a poor response rate but postal return was considered the only practical way of dealing with the numbers of forms issued, the number of organisations involved and the dispersed geographical locations of the employees.

Most questions used Likert scaling but respondents were invited to complete their personal details for identification and contact for further research and were invited to make comments in an open question at the end of the survey form. The survey forms though generic, uniform and confidential were secretly coded, using different numbers of dashes at the end of the form, to identify the respondent's organisation. This was in case respondents did not identify themselves or their organisation on the form as this information was considered significant to the study and important to the analysis of the findings. It was initially planned that 500 forms would be delivered with an expectation of around 100 forms to be returned for analysis. In practice a total of 527 forms were delivered to the 9 organisations distributed by the numbers of employees covered in that organisation. Survey findings were not mathematically representative but it was hoped that enough forms would be returned to allow meaningful inferences and interpretations to be made when combined with interview, observation and documentary material and of the 527 forms delivered 131 were returned.

The overall response rate was 25% which compares favourably with similar surveys but the level of response varied by organisation. No forms were returned from ChurchGate as the manager contact left in the course of the study while in TFP respondents were



interviewed in a group interview and completed the forms afterwards so 4 out of the 5 employees completed the forms. The response rate by organisation was ChurchGate 0-13, TFP 4-5, Parents 22-50, Cuddle Co-ops 5-15, Muddy Ditch Baptist Church 6-21, Philanthropy 31-120, Radical 48-200, SITC 14-65 and Reformed 1-10. This was satisfactory given the nature of the form and the organisations involved.

The returned forms were coded and analysed to produce frequency response tables using SPSS and these findings were scrutinised, analysed and interpreted using aggregate tables and tables broken down by organisation, location and service and incorporated in the research findings. Likert scaling attitudinal questions were analysed removing intermediate responses so strong attitudinal responses could be compared. Due to the small sample in some organisations the actual numbers of respondents and not percentages have generally been used in the findings. No other significant practical problems were encountered with the delivery, return, coding and analysis of the survey returns.

#### *Observation and informal contacts*

This research was not intended to meet the detailed scrutiny and attention to detail of ethnographic research but has made use of informal discussions, observation and contacts, and previous experience and involvement in some of the organisations, and non-participant observation and informal contacts were important in forming interpretations of what was happening in some organisations.

Observation can provide greater detail and insight than interviews and surveys and is 'particularly useful to discover whether people do what they say they do, or behave in the way they claim to behave' and is used extensively in industrial relations research (Bell 2001 p. 156). It is flexible and allows the study of the dynamics of the workplace and its networks, relationships, unstated intentions and 'apparently trivial events and casual comments' (Batstone, Borostan and Frenkel 1977 p. 13, Edwards and Scullion 1982 p. 17).

Informal contacts and observation provided a depth of knowledge that, in certain cases, helped make sense of the complexity of workplace relations and added to interview, survey questionnaire and documentary analysis. Observation however can suffer from weaknesses of memory and selective interpretation of events (Bell 2001 Ch. 11). It can be particularly susceptible to subjectivity, bias, idiosyncratic and non-quantifiable findings (Bell 2001 p. 157). There are also ethical problems concerning intrusion, secrecy and provocative interventions that arise in participant observation (Bell 2001 p. 153). In this respect though observation and informal contacts contributed to the research findings they were treated with caution and thoroughly checked against other evidence and data sources.

### *Documents*

Documentary evidence is extremely useful to most social science and industrial relations research and provides a weight of contextual and factual information. Generally there are substantial amounts of information on a topic area available from a range of different

sources. This research made use of the critical study of a range of documents including public records, such as Audit Commission and government reports, political speeches and commentaries, company information, including annual and committee reports, newsletters, minutes, policy, briefing and occasional documents and news sources, such as newspapers, both national and local, and trade journals.

While documentary evidence is useful there are problems in its use. Documents provide witting and unwitting evidence and a wealth of detail that can be verified from numerous sources but such evidence is generally inadvertent and not produced for the purpose of the study (Bell 2001 p. 104). The volume of material available also produces problems in the selection, coverage and time for adequate content analysis to ensure balance and the drawing of valid and replicable inferences. Consideration has to be given to the authenticity of documents and the intentions of the writers of the material and checks need to be made to corroborate and critically consider evidence for bias from the writer (Bell 2001 Ch. 7). Maintaining, sifting and sorting a large volume of documentary records and files and sources for relevant information requires careful recording to be methodically grounded, reliable and valid and more than historical fiction. There were few practical problems obtaining documentary evidence as much useful material was publicly available, such as audit reports, and company information, once access had been secured, was easily available and the main problem was filing and recording the mass of information to enable the selection of useful material without being time consuming and difficult.

The principal problem with documentary evidence however is that it does not answer specific research questions, nor does it reveals actual relationships in the workplace. This was obtained using more direct means, such as the interviews and survey questionnaire while documentary evidence was used to check and verify details obtained from these sources (Bell 2001 Ch. 7).

### **Reflections on the research**

The research methods were appropriate to the study and careful attention was paid to a systematic, transparent and open approach in the study. This attention was necessary to protect against identified issues of reliability, validity and bias in case study research.

While there are always issues of time and resources to ensure thoroughness and accuracy in the data it was felt that immersion in the field, ongoing involvement in a wide range of organisations and a systematic approach to the research ensured that the account given in the findings is accurate, reliable and valid depiction of the perceptions of change in the organisations selected and at the time of the study that can be compared with similar studies and contribute to theoretical models and debates. Findings are necessarily filtered through the researchers own perspective but the account provided could be tested and compared with other accounts that use similar methods and approaches and gives a detailed account which is open to criticism and review.

There are necessarily issues of bias that arise in any research using multiple case studies. There were problems, as in similar research, gaining access to organisations to conduct research. Research can be intrusive and imposing on individuals and organisations,

especially organisations under pressure. However most organisations approached were willing to fully co-operate openly in the research. There were few problems of manager bias in terms of the selection of interviewees or direction over the areas of research (Alveson and Deetz 2000 p. 193). In most cases managers were helpful and supportive and allowed open and free access for the research (Alveson and Deetz 2000 p. 193). However, there were problems gaining access to housing associations and homelessness organisations and the researcher was forced to use interviews with former employees to overcome these access problems. In these cases valuable insights and information were provided but there is a danger of self-selection by the researcher. These interviews developed using snowballing or opportunistic approaches to overcoming practical barriers to the research in isolated groups and organisations and strengthened the research findings. The information from former employees was treated critically and objectively and checked against other informants and sources of information. While researcher self-selection could be a weakness producing bias in the research this only related to a small part of the research and must be set against the number of service groups, organisations and interviewees and informants that were involved in the study. All research runs the risk of unwitting bias however rigorous the research methodology adopted and this research cannot be guaranteed to be free from researcher bias. Every effort though was taken to reduce bias and conduct rigorous, rich and detailed case studies.

Underlying some of the problems of reliability, validity and bias are time and resources to conduct the research. Due to the number of voluntary organisations and the open nature

of the organisations access in general this was not a problem. The selection of research in convenient geographical areas helped the research and the researcher achieve immersion in the field and good access and detailed insights throughout the research. A problem for the research was bounding the research due to the scale and interconnectedness of the voluntary sector. The scale of organisations and activities means there were particular problems bounding the units of analysis to allow meaningful comparison between organisations and individuals. The vertical slice study approach added to the problem of bounding the unit of analysis. The principal problem in the research was to achieve the correct balance between a rigorous and bounded methodical approach and a flexible approach that allowed the following of interesting leads into potentially important areas of study. On reflection thoroughness and balance was achieved. Where the approach taken was flexible this can be justified by the insights achieved which were useful to the overall analysis.

The survey produced the main disappointment of the research. Much time and effort was placed on the preparation and piloting of a good survey questionnaire to supplement the cases study interviews. Much attention was also paid to ensuring the widest possible distribution of the survey forms within the organisations under study. While the response rates were reasonable compared to similar studies given the diversity of the sector they were disappointing in the usefulness of the data that resulted. There were no problems processing and analysing the information using SPSS but there were problems in using the survey material to complement interviews within the case studies. The complexity and diversity of the voluntary sector meant that aggregate findings provided little useful

information. The surveys were useful in that they added to and supported the other case study data. Their contribution though was limited due to the thinness of the data and problems comparing this data across organisations in an aggregate form. There were some open questions which allowed some useful contributions from the survey data and on reflection a more open question type survey may have been more appropriate and produced more meaningful results.

Ethical Issues were considered seriously within the research design. Informed consent was sought from all participants who were fully advised of the nature and purpose of the research. While participants varied in their openness and enthusiasm every effort was made to make participants feel comfortable about their participation in the research and most supported and were interested in the research aims and objectives. Where interviewees were uncomfortable about recordings being used notes were taken of interviews and written up later. To maintain confidentiality and further ensure no harm could be caused to participants due to their participation in the research interviewees have only been referred to by their job titles and the case study interview organisations have been renamed. This was not believed to be necessary in relation to interviews with trade union and other representative organisations where participants generally spoke as representatives of their organisations. This was only slightly complicated when in a few cases individuals were speaking in the context of their wider involvement in the sector, or in a personal capacity not as a representative of their organisations. The research conformed to the strictest ethical requirements of causing no harm to participants, respecting the dignity of participants, achieving informed consent, protecting privacy and

confidentiality and avoiding conflicts of interest, deception and misleading or dishonest interpretations (Easterby-Smith 2008 fig. 6.2 p. 134)

## **Conclusion**

The research strategy was designed to examine empirically the theoretical arguments about the extension of public service reform to voluntary organisations. The research sought to produce and examine evidence of how change, associated with complex public service reform, impacted on management practices and the labour process and employment relations in complex and diverse voluntary sector organisations. This was intended to provide detailed and current knowledge of what was happening in voluntary sector organisations at the time of the research and to contribute to wider theoretical discussion of the implications of public service reform on public service employment relations.

The multiple case study and vertical slice approach was appropriate to researching this topic as it was focused yet flexible enough to examine the impact of, and responses to, reform within different institutional and organisational contexts. It is accepted that bias and subjectivity might prevent the production of valid and replicable findings but this was addressed through a thorough research design, systematic selection of a diverse range of organisations and individuals for the research and in depth and methodical research within the research organisations.



There were problems gaining access to organisations for the study, especially to HA/RSLs and homelessness organisations but sufficient organisations and individuals willingly gave their time and effort in interviews and survey questionnaires to produce meaningful findings. The number of organisations researched and the use of multiple methods, including informal observation and contacts, meant findings could be compared to build a useful picture of what was happening across a range of organisations to inform theoretical understandings.

There were problems ensuring reliability and validity and preventing bias but these were overcome through a systematic and extensive approach throughout the research. The units of analysis were bounded while being flexible enough to provide opportunities to explore interesting topics within the overall research design. Though the survey was disappointing it did add to the overall case study data. Consideration of ethical issues was an important aspect in the research design while ensuring informed consent during the research and confidentiality in the presentation of findings was a paramount concern.

## **Chapter 6: Management responses to the extension of government and local government modernisation initiatives to voluntary sector organisations**

### **Introduction**

This chapter presents the findings of the research on the impact of modernisation on management practices in voluntary sector organisations. This examines the impact the implementation of public service reform and modernisation has had on voluntary sector organisation managers.

The chapter explores the incentives and pressures applied to voluntary organisation managers and how these impact upon management practices and employment regulation. It examines the extension of state control over voluntary sector organisations through changes in contracting and commissioning, funding arrangements, audit and regulation of service provision. It explains how this provides incentives, rewards, pressures and punishments to voluntary sector managers to encourage the restructuring of voluntary organisations.

The chapter also examines how contracting and an increasing focus on market efficiency criteria over other forms of service measurement results in a focus in management practice on lowering costs, increasing internal efficiency and commodifying welfare service provision. This section presents the findings from the research on management responses to modernisation. It details the pressures and the variations in responses,

compliance and resistance to modernisation, the pressures for efficiency and a more business-like approach and tighter control over labour and the labour process. It details how increasing support for the voluntary sector was tied to tighter regulation and control of the sector. It goes on to discuss neo-liberal change and market pressures and the pressures brought about through changes in commissioning practice, funding and regulation which has had direct impacts on management practices, tied to threats to ensure compliance, control over labour and the extension of management control.

### **The research findings**

This chapter examines the external pressures for increasing management control over the labour process in the voluntary sector and management responses to these pressures. Chapter 7 deals with the impacts on employees and how pressures have resulted in workload increases and a loss of autonomy for voluntary sector employees and how this mirrors the experience of employees in public sector professional occupations (Worrall *et al* 2010).

Though there are variations in manager resistance and compliance with modernisation pressures managers overall have adapted their management practices to meet central pressures. They have met demands for increased efficiency in service delivery by tightening control over employees, extending the use of performance management, HRM and discipline in the regulation of employees (McLaughlin, Osborne and Ferlie 2002 Ch. 1, Ferlie *et al* 1996, Webb and Vulliamy 2006).

Senior managers in the research organisations confirmed that with growth and increasing support for voluntary sector involvement in public service delivery they had been coerced into adopting a neo-liberal market or business perspective and approach to the management of labour (Pollock 2004 p. ix). This supports the thesis that modernisation of the voluntary sector has been rooted in a neo-liberal faith in the superiority of market over public and voluntary sector provision (Pollitt and Bouckaert 2004 p.1). This has resulted in utilitarian pressures on politicians and managers to deliver market change as the only route to achieving public service improvements, even though this takes limited account of the potentially negative, and possibly unintended, consequences of the marketisation of public service provision (Hood 1995 p. 94).

The research findings demonstrate that market change is achieved through changes to contracting and commissioning, funding arrangements, audit and the regulation of service provision (Foster and Scott 1998 p. 31). While pressures are complex and there are variations between sectors, geographical areas, organisations delivering different types of services and changes over time, voluntary organisation managers given their growing dependence on public funding are, it is argued, particularly responsive to central direction, pressures and control. This is manifested in responses to changes in funding, audit and regulation through organisational merger, restructuring and changes in management practices.

Increasing control is exercised by service commissioners with the use of threats of and actual funding withdrawal to ensure compliance with modernisation. Bureaucratic

monitoring is utilised to mimic market pressures and provide centrally established targets that provide incentives and pressures on voluntary organisation managers to improve their internal efficiency and deliver efficiency savings through increased regulation and control over labour (Worrall *et al* 2010 p. 125). The thesis argues that the pressures placed on managers are intended to improve productivity and reduce labour cost and encourage restructuring, i.e. through call centres or group mergers. Funding dependency and competitive contracting and commissioning, it is argued, have resulted in managerial and organisational cultures in the voluntary sector which are based on the idea of achieving 'more for less' to the detriment of other service considerations.

In many of the organisations studied there were tensions between a relentless drive for efficiency and the defence of existing organisational mission or purpose. Market transformation and compliance with inspection and monitoring processes, partnership and organisational restructuring could be seen to produce additional costs, not predicted savings. The drive for internal efficiency and increased monitoring and regulation to achieve organisational compliance however forms part of a wider public service modernisation agenda. The drive for internal efficiency changes management practices as managers develop internal targets and seek to apply pressures on employees through the introduction and development of performance management and increasing discipline over employees (McLaughlin, Osborne and Ferlie 2002 Ch. 1, Cunningham 1999 p. 23).

There were variations and different responses to the general pressures on voluntary sector organisations. Many organisations were largely compliant while others were slow

to comply with change. In organisations, such as Radical, there were deep divisions and resistance at all levels to compliance with modernisation which was only resolved by supervision, appointments to the board and changes in the leadership of the organisation (Clarke and Newman 1999 p. 39). Managers in organisations, such as the Reformed Trust, resisted external pressures modernising reluctantly, if at all, and this ultimately led to the organisations demise. For drug and alcohol organisations there was evidence of intense dissatisfaction with the modernisation programme, based on national drug targets and local development of drug services, but competition around contracting and the commissioning process meant that there was limited potential for resistance to modernisation pressures. In smaller community organisations, such as The Families Project (TFP), there were tensions within the staff group as to the benefits of modernisation while religious organisations, although wishing to engage in public service delivery, were resistant to the bureaucracy of modernisation which, it was felt, could threaten religious and voluntary values and objectives (Harris 2002).

The evidence supports the thesis that despite variations voluntary organisations are in a structurally weak position to resist public service modernisation due to their funding dependency on the state. Managers can be persuaded, or coerced, into complying with auditor demands, introducing market based performance measurement and increasing efficiency, tightening discipline and the labour process to deliver cost efficiency savings. The research evidence suggests there is a direct link between the improvement claims for modernisation that drive reform, structural changes in government and regulation which create financial and administrative pressures for the transformation of services and

changes in the behaviour of managers and management practices that shift control over the labour process to managers to secure cost savings and increase labour productivity.

### **‘Carrot and stick’ – audit and compliance**

Documents from and interviews with voluntary organisations managers revealed growth in the housing sector but a connection between service expansion and greater control over funding and an emphasis on management compliance with state policy. Audit was based upon simplistic and ritualistic ‘carrot’ and ‘stick’ systems, such as star systems, that reward compliance and the achievement of performance targets. These were routinely used across service providers to encourage managers to compare their practices and services with others and to encourage conformity with state expectations. This confirms social housing research findings and evidence across the public sector that point to increasing central control over organisations through a focus on performance management which produces a constant pressure for change (Malpass 2000 p. 179, McLaughlin, Osborne and Ferlie 2002 Ch.1 and Ferlie *et al* 1996 p. 25)

Refuge Housing was an example of an organisation compliant with the new corporate business paradigm. It was monitored by the Audit Corporation in 2004 and awarded 2 stars for, although there was some criticism of its focus on commercial over social development activity, it was found that Refuge had developed a business model that was meeting its core social housing business as part of a broader corporate expansion strategy (Audit Commission Report 2004). Though ‘there were prospects for improvement’ the organisation was deemed to be ‘properly managed’, to have ‘strong leadership’ and to

maximise its returns on investments. The report explained that management had 'led a process of change and growth' that had involved changes in staff management, including the establishment of a call centre, and that this had brought 'improved staff performance' and 'performance targets that linked to the business plan'. For workers this had included the introduction of 'regular performance appraisal' linked to individual pay and corporate objectives (Audit Commission 2004). Senior managers also benefitted as, despite periodic media concerns at HA 'fat cat' salaries the Managing Director (MD) at Refuge had risen to become the highest paid social housing executive officer. The Audit Commission appeared to endorse this and Refuge's approach to financial and staff management, development and governance recognising this as an important factor in targeting new housing grants and subsidies to the organisation for future development.

It had proven difficult to get access to managers in the organisation to discuss their approach and the research was reliant on informal conversations with employees and a formal interview with a former manager in the organisation. When I spoke to the former employee he said that managers in the organisation were acutely aware of the pressures from government, especially in relation to funding, that the organisation faced and pressures to comply meant the organisation was 'very, very corporate, just the erm, er, things have to be done a Refuge way . . . very, very tight on policies and procedures, things like that' (Interview 2). He felt strongly that managers had to follow central policy directives and a corporate way of working: 'things like wearing a tie in the office. First day I showed up I got told you should be wearing a tie. I, err, said it doesn't really go down well with your average homeless person (laughs) so we, erm, came to an arrangement



but there was that sort of expectation of a company to be almost bland but consistent, er, you know corporately' (Interview 2). This points to how accountability has shifted as remote targets and procedures are increasingly used to ensure corporate compliance (Malpass 2000 p. 179, May, Cloke and Johnsen 2006 p. 9)

When I asked the former employee about the management approach he explained how it had been extended by 'moving towards call centres rather than people on the ground who can build up a relationship with (pause-sigh) the customers' (Interview 2). He said he felt that all HA managers were motivated by 'a big ring through our nose attached to a large sum of money (laughs)' and the commercial approach at Refuge, was largely based on this and following government funding (Interview 2). He felt that this relationship was not necessarily overtly expressed but was intrinsic to the review and funding structure where money was effectively channelled through one controlled pot which meant that 'if you take it (the money) away then you would get redundancies and a folding business' (Interview 2). Refuge as an organisation, perhaps more than others he argued would respond more readily to the pull of money and 'if there was a problem with the money they would say no, don't want it, or transfer it to someone else' (Interview 2). Refuge promoted service changes to attract funding as part of their broader expansion plan which in 2003-4 included major restructuring and the development of a call centre. This was described by the former employee as a period of stress and change where 'It started off with people were like fearful of their jobs, and then it was sort of like various people sort of like disappearing . . . various departments going down . . . some people getting seriously stressed and going off sick, whatever . . . in the end it was, you know like, it was

almost so bizarre you had to laugh about 'who's going to go next', 'when me', we'd laugh about it' (Interview 2). This highlights the financial dependency of the voluntary sector and the consequences of business pressures for employees (Blackmore *et al* 2005).

When I asked about service provision the former employee said that services had also become more regulated through the centralised control of the allocation of resources for services, needs mapping and mechanisms such as SP. Monitoring, through SP, was detailed it was argued and: 'if they (SP) come to us and they decide our services aren't relevant they can back it and tell us what to do. If you're not meeting their quality standards or their relevance they can say you're not going to get the money unless you change' (Interview 2). This points to how audit and performance management can be used to support market transformation and build a compliance mentality (Clarke and Newman 1997 p. 39, Power 1994 p. 20).

Philanthropy Trust had not historically adopted a commercial or corporate approach. The organisation's unique charitable legacy meant that it was able to protect service features, that included an estate based management structure and community and tenant focus, but they had been compelled to tighten their management approach as a result of increasingly strict external regulation. Their community approach to service provision was described by the regional director as 'locally strong even though we are a national. Estate based staff and local maintenance team. Eyes and ears to deal with local issues of management very promptly' (Interview 28). An estate manager explained that the community approach produced 'loyal tenants' with high expectations of local managers

and employees that were especially responsive to tenants and 'do a lot for them' (Interview 40).

The managers I spoke to reported however that competitive pressures and increasing regulation challenged the 'community' approach (Clarke and Newman 1997 p. 26). The estate manager said that there was 'a lot more monitoring and regulation. When I started 10 years ago we were a lot freer with the things we could do. You weren't covering your back all the time quite so much' whereas now there was 'a lot more red tape, auditing and the whole sort of regulation' (Interview 40). Regulation she explained shifted attention from meeting community needs to a duplicating of activity where you 'almost feel like you're having to deal with everything twice. Not only are you having to deal with the tenant but you've also got to put all the information into the computer and prove you've followed the policy' (Interview 40). The regional director argued that the organisation was increasingly directed by a 'government agenda that is leading us all in certain ways' and 'a lot of it is top down' (Interview 28). The estate manager also reported that central pressures were passed down the line as 'I get monitored and in turn I have to monitor staff' (Interview 40). She said that regulation was, 'I think it's quite, very strict . . . as an organisation Philanthropy are very strict and have clear guidelines about what they expect' (Interview 40). Failure to perform was expected to bring consequences for the estate manager as, 'if I didn't perform I would probably end up facing disciplinary action about why I wasn't performing' (Interview 40).

Commissioning introduced financial pressures, priorities and targets to ensure compliance with public policy objectives. I spoke to the operational HR manager. He was a senior manager recruited from the private sector and pointed to the 'obvious difference' between the private sector and HA in the level of 'regulation by the Housing Corporation' and the restrictions placed on business and manager autonomy (Interview 7). He said he was shocked but he accepted that HAs had been 'very independent in the past' and now there was now less autonomy as the organisations 'are increasingly dependent on external finance to promote and develop future development' (Interview 7). This focus on regulation which reduces professional judgement and autonomy can be highlighted as a consequence of modernisation and marketisation (Braverman 1998, Hood 1995 p. 24, Webb and Vulliamy 2006 p. 14, Worrall *et al* 2010).

For drug and alcohol services central regulation was based on performance targets, comparison and star systems that were routinely used across all services to encourage managers to compare management practices and service priorities and rigorously pursue efficiency improvements. It was argued by the CEO that Support in the Community (SITC) and other drug and alcohol agencies were increasingly regulated as part of the national drug reduction strategy:

'I think, with regard to the drugs side, erm, there is a lot more changes with regards (pause) far more directive decisions, this is how you will now deliver the services and sometimes that can be positive, I mean certainly there has been an influx of money coming into services, sometimes it feels like the decisions are quite short term and to a large extent, having been here so long, we did that x years ago and now we are doing it again so you feel like you are going round in circles' (Interview 8).

The CEO criticised the level of control that was exercised by service commissioners, and the limitations it placed on how much control organisations could exert independently over their operations, especially the balance between drug and alcohol services. The young person's services senior practitioner argued that these new initiatives, as against traditional forms of client based service delivery, were far more 'focused on hitting the targets' rather than developing the best services to meet need, based on the experience of managers and employees themselves (Interview 10). Commissioners were criticised by the CEO for the micro-management of services, which extended to dictating to service managers the number and type of employees needed, how employees were to be selected, trained and developed, remunerated and managed, and direction on their job descriptions, pay levels, performance expectations and supervision requirements. The CEO felt that this left little managerial autonomy with 'the expectation out there . . . that we will deliver to everyone else's agenda but not our own' (Interview 8).

Another manager, the arrest referral co-ordinator, agreed that the organisation had moved from being primarily focused on working with people to meeting external requirements and 'to be perfectly honest it's become absolutely bogged down with useless information and bits of paper' (Interview 9). She complained that for managers 'policy for me at work has meant more paperwork, more people we have to be accountable to, more problems within the organisation' and 'criteria have to be met' as 'diktats are given and we have to fulfil them, otherwise we are liable to lose our funding' (Interview 9). This highlights the extent to which public service managers have become responsive to ministerial diktat through audit and regulatory controls and forced to focus

on performance and the regulation of employees to achieve compliance with government objectives (Worrall *et al* 2010 p. 125, Power 1994 p. 7, McLaughlin, Osborne and Ferlie 2002 Ch. 1)

Dependence upon state funding meant managers were increasingly vulnerable to funding reductions and forced to deal with reductions through organisational restructuring. The CEO of Cuddle Co-ops, explained that they had grown in the 1980s but been forced in the early 1990s to reduce the size of their workforce and scale down operations. Within a small voluntary mental health service this included 'stripped out management posts' and 'merged departments', and the reduction of its mainly part-time workers from 25 to 20 and the management team down to 4, in order to cut costs (Interview 27). The need to restructure resulted from the removal of core funding, increased competition for funding for mental health work and the need to respond to new funding streams that focused on innovative new initiatives over maintaining or developing existing service provision. Financial constraints were also imposed on community care budgets through the linking of funding to evidence based practice and prescribed, costed and monitored individual care packages.

The administrator, argued that the organisation had little power and could be forced to restructure its services: 'I suppose, you know, it's a bit like a chain really, a chain that builds from the top down really and as the impact of the funding might start at the top but the pressures are passed on to the managers and then they have to pass them on to their team and ultimately it's the people who work in the front line I suppose that are the

most responsible for implementing whatever the targets are' (Interview 26). He went on to say that it was the funders who have the power as: 'Any government office has a particular way in which it is run, its own rules and regs. I suppose it's kind of like the balance of power and control was heavily weighted towards them, the funder, because we are dependent on their funding rather than, you know, it being balanced evenly' (Interview 26). He felt that as far as commissioners were concerned in the overall picture of service provision the organisation was not a priority for they were: 'dealing with more organisations so we are just another organisation on the database. There's a whole load of organisations that they have to deal with and were just like a little dot that's on this map, a little tiny dot out of many dots on the map' (Interview 26). This demonstrates the sense of alienation that the financial dependency of voluntary organisations, especially smaller organisations, and the focus on externally created performance management creates for voluntary sector organisation managers (Harrison 2002 p. 412-3).

When I asked about who the organisation was accountable to the administrator explained that the organisation, despite its progressive voluntary values, but due to its funding dependence, was completely accountable to service commissioners: 'I'd love to be able to say the answer to that [who are you most accountable to] would be our service users. That would like be the model answer but the reality of it is the funders come first, if you don't have the funders you don't have the service users' (Interview 26). In some senses this can be seen as a topsy-turvy world for a voluntary organisation but the changes in funding had impacted on managers that were forced to spend increasing amounts of time applying for funding which meant, he argued, that 'time was not spent in other areas',

notably providing direct services of benefit to clients (Interview 26). As with other organisations Cuddle Co-ops had come under increasing monitoring and regulatory pressures as they 'have to show more added value to be further up the list' in future competitive funding rounds even though this drained time which could have been spent trying to deal with meeting client needs as was the case in the past (Interview 26). This points to the focus of regulation on increasing productivity and extending manager control of the labour process in what are labour intensive services (Worrall *et al* 2010 p. 125).

In order to respond to pressures placed on organisations managers were forced to look towards merger to deliver cost savings and improve compliance with strategic monitoring requirements. During the research period Philanthropy and Radical merged to join one of the largest housing groups in the country. The Philanthropy area director for the Merseyside and Stoke area explained that the pressures from monitoring were intense and that 'form filling is unbelievable, I've never filled in so many forms' (Interview 43). She said that this level of detailed monitoring meant that 'you have to be very precise about what you are doing, how you are doing it and then you have to be able to evidence everything that you do' and she also thought this level of scrutiny was required to demonstrate that the organisation was meeting central key performance indicators which are 'more closely monitored and scrutinised' (Interview 43). Philanthropy had achieved a three star status which, she explained, was necessary to enable the organisation to expand, restructure and seek merger, to improve its opportunities for further development and expansion. She argued that regional managers had supported the



formation of a housing group 'which is looking to expand even further' and 'talks with a larger housing group', were ongoing at the time of the study, on the basis that it allowed growth, security from the acquisition of additional housing stock, experience and resources which would allow the organisation to compete more effectively in the more competitive environment. The area director argued that 'you've got to be cost effective and efficient' to compete in the current market and 'very small associations are not likely to survive in the long term unless they merge' and it was clearly understood that 'one of the main reasons for merging is the efficiencies that you make . . . you merge to reduce those types of cost' (Interview 43). She however accepted that 'it's an opportunity and a threat at the same time' and that 'staff who have worked here a long time have got some concerns and are waiting to see what will happen' (Interview 43).

The area manager was however concerned that while smaller associations joining the Philanthropy group had not been seen as threatening they thought, 'it gets a bit worrying when you hear about larger take over's and the possibility that people are going to be made redundant' (Interview 40). Merger, the area manager thought, was 'unsettling for everybody' as 'everybody just thinks well OK you are thinking you can get rid of me' (Interview 40). She pointed out that 'obviously all housing associations have been told by the Housing Corporation that they have to become more efficient, there's this massive drive towards efficiency and to something that is being looked at across the whole organisation to where efficiency savings could be made' (Interview 40). She accepted that 'its change isn't it and change happens' but she also criticised merger on the basis that 'there's only so many efficiency savings you can make before you start cutting' (Interview

40). There were tensions between managers at Philanthropy between the desire for efficiency and the defence of the existing voluntary and charitably oriented service. The area manager said that she was not concerned for herself necessarily. She said that 'I know if I wanted to get another job I could go out and get another job', but she was concerned for 'a lot of people that are institutionalised by it all' and would find it difficult to accept redundancy and adapt to job loss or change (Interview 40). This account points to the *reductio ad absurdum* of the constant political and regulatory pressures for expansion, competition and organisational restructuring to meet prescribed efficiency, productivity and performance objectives (Ferlie *et al* 1996 p. 25, Driver and Martell 2002 p. 73).

At Radical managers argued that their organisation had been taken into HC supervision as part of a process of removing autonomy from smaller organisations and to increase efficiency and responsiveness to central direction (Power 1994 p. 20). It was explained by the director of complex needs at Radical, that 'working towards a group, an issue since supervision and in general part of government policy to have less smaller organisations' was important as the belief was that larger organisations were more efficient and that the 'larger one's are easier to manage'(Interview 21). She conceded that most managers would 'probably rather not go into a group', as effectively it appeared that 'Radical was being taken over' and it would mean 'losing autonomy . . . losing central functions' but it was accepted that this was inevitable and desirable on the basis that 'financially it's a good move' that would secure jobs (Interview 21). This points to how financial pressures have led to a shift in housing organisations as they are forced to become more

commercial in their approach to service delivery and accountability is shifted to corporate concerns and meeting the expectations of the state and service commissioners (Malpass 2001 p. 2).

### **‘More for less’ – efficiency pressures**

Refuge had moved towards a market approach and the 2003-4 call centring and restructuring was felt by the former employee to provide evidence of a commercial cost-cutting approach which was ruthless in closing projects and making workers redundant (Interview 2). The former employee argued that ‘Refuge had not a bit of transparency around cost-cutting, and it was argued it was avowedly commercial . . . I have never worked for a private company but I can imagine it [Refuge] was quite similar to that’ (Interview 2). He said that services were ‘stripped down’ to the minimum to achieve maximum efficiency and economy in operations (Interview 2).

Philanthropy by comparison with Refuge when audited in 2003 though deemed to be well managed, with a high turnover and adequate resources, came under pressure to improve the efficiency of its group operations. The Housing Corporation stated that it had low levels of profitability compared to its rivals, linked to stock reinvestment to meet government decent homes standards, above average operating costs, low rents and rental recovery, which it was required to increase and improve to address the efficiency of its operations. A second estate manager largely accepted that, ‘now you have to be cost effective as a business’ but was concerned at the impact service reviews and the promotion of efficiency would have on the existing quality of service to tenants (Interview

33). The regional manager however supported the changes in that they were getting 'funding to do a job and proving that we are using government money responsibly'. She accepted that 'there has to be a full business case made with milestones, if you get the grant they monitor you against those milestones and at the end of it there's a full review' (Interview 28). The extension of monitoring, audit and review of performance and productivity highlights the shift to commercial over professional and other forms of accountability (Malpass 2000, Clarke and Newman 1997, Power 1994).

However when I spoke to the area manager she accepted that competition was eroding the Trust's voluntary and community approach, 'In the 7 and a half years I have worked for Philanthropy the charitable, voluntary part of it had diminished, we are far more competitive and cutting edge than when I joined this organisation, we have to be' (Interview 43). She said that there was a need to be tough, say on rental income, otherwise the 'HC would be all over us because our performance wasn't good enough' and believed that 'you've got to be cost effective and efficient' in order to compete (Interview 43). Competition, the regional manager believed, had also brought uncertainty and wasted effort as it had become a 'a bidding game' with resources often deployed on activities with no guarantees of results for the organisation or those needing its services. She did not believe that every idea to increase efficiency should be adopted and opposed call centres arguing that:

'we justify what we do . . . the government have accepted the arguments from very large associations that have gone that way that it is a cost effective way to manage their calls and they would have to say that don't they, if you've just invested in a huge call centre then you are going to say it the bees knees and its cost effective and it's

doing everything it should . . . we think what we've got it is just as effective, and better, and just as cost effective' (Interview 28).

She felt that there was a need to balance efficiency with a quality of service that met the organisations wider objectives and for this reason it was argued 'we are careful that we don't set unrealistic targets because we are not about to browbeat . . . we want a good service' (Interview 28). The first area manager said she felt that merger and the squeezing out of service quality arguments would occur over time as 'obviously all housing associations have been told by the HC that they have to become more efficient, there's this massive drive towards efficiency and it's something that is being looked at across the whole organisation as to where efficiency savings can be made' (Interview 40). While managers accepted 'it's about efficiency' and 'you've got to streamline' it was also felt the estate based structure was under threat and estate managers were concerned for their jobs. One said she believed that the positive connection between the residents, workers and managers was being broken and 'customers don't necessarily like it' and complained that 'it almost feels like you are being forced to go down that road' (Interview 43).

Radical was also forced through audit and supervision to increase internal efficiency. The 2005 Business plan stated that since supervision 'significant improvements had been achieved' in terms of compliance with the statutory requirements of the HC, by then Audit Commission, but that despite compliance 'the absence of an identified group partner was, in the view of the commission, sufficient for it to be "uncertain" regarding the next stage in Radical's evolution' clearly indicating the requirement for a merger to take place (Radical 2005 - 1 p. 5). The 2005 report clearly indicated that following

supervision 'robust financial viability is identified of being of the highest importance' and this involved the review of services, the seeking of efficiency gains, the introduction and strengthening of central controls over the organisation, the disposal of assets and a willingness to engage in partnerships with other organisations (Radical 2005 - 1). In order to be released from supervision it was made clear to managers that they would have to demonstrate that services had been reviewed against benchmarked efficiency criteria, that efficiency gains had been sought and that the organisation would present itself for merger with another organisation to usher in further 'more for less' efficiency savings.

The organisation was however increasingly dependent on SP funding which in turn had come under increasing central scrutiny, review and control and the business plan noted that SP were 'determined to drive down the cost of the services' with the threat of funding withdrawal for non-compliance if costs were not reduced (Radical 2005 - 1 p. 6). The HC and SP commissioners restructured the board and senior manager teams. This was argued publicly to increase responsiveness to Radical's customers and 'stakeholders', but was clearly targeted on increasing financial accountability and making efficiency savings, including through merger within a larger group structure (Radical -2 2005). The effectiveness of the strong focus on fiscal prudence was however questioned by many managers within the plan as it could be argued that supervision and a more regulated business model in fact rapidly accelerated and increased salary costs, brought wider pay divisions and spot rates of pay to maintain basic services (Radical -1 2005). The manipulation and winning of arguments of what is in the public interest can be seen to be fundamental to achieving and maintaining regulatory control (Pollitt *et al* 1979 p. viiii).

The CEO at Radical said he believed that the drive for efficiency raised standards and that there was a need for the new systems and controls that 'we are expected to have' even though, 'they are sometimes bureaucratic and sometimes expensive to have' (Interview 25). He argued that it was necessary as 'we do it partly because we have to from compliance but on the other hand it is also a good thing for our tenants and residents as (pause) we have got a lot of wastage' (Interview 25). He also explained that now it was necessary for managers to 'judge carefully what you take a stand on' as commissioner and regulator led efficiency meant that: 'they are reducing our unit cost, our hourly rate and they say other people are charging £18 and you are charging £23 and why is that well our salaries are significantly higher than anyone else in the sector locally, we are at the top end of the upper quartile in terms of our unit costs and its salaries that make that up, erm, and if we say we can't do it for that rate they will say that's all right we've got some other people who can' (Interview 25). The focus on cutting labour costs and taking direct control over the labour process through the use of performance and efficiency measurement and regulatory control mirrors evidence of the impact of modernisation found in other public services (Buchan 2000)

The CEO said though that services had to 'operate in different ways and maintain quality' or services, roles and people would be lost (Interview 25). The Director of Complex Needs accepted that 'we are not the cheapest service around' but she also believed that financial and quality targets were being 'pushed to the nth degree – further than they need to go' (Interview 21). Though she believed that performance indicators were

needed 'across the trust' to 'keep a good eye on the things that slipped' she also felt this was part of an overall approach that was about 'being told and toeing lines' which undermined the progressive and autonomous development of the past (Interview 21). She however argued that change for managers meant that the expectations were at least now very clear which they had not been in the past, 'very clear in terms of competitiveness and value-for-money' (Interview 21).

Many of the managers I spoke to thought the 'monitoring brought in' was a 'lot more focused' on 'being within budget' but it was argued by others, such as a former manager that in reality the efficiency focus produced little difference for service users: 'The new paradigm is better at packaging, quantifying, at boxing what it does and presenting it, the old paradigm was less concerned with boxing it, presenting it, rationalising it, in that sense (pause) but (pause) I still believe . . . the outcome . . . I would see very little difference' (Interview 37). The former manager said that the unquantifiable costs outweighed the quantifiable gains in that 'the biggest loss is that sense of loyalty to an organisation based on understandable principles' (Interview 37). This section points to the shift from a voluntary to a commercial approach to service delivery and the impact of this in the loss of autonomy for professionals in determining services and service standards to meet social need. This again mirrors evidence on the impact of modernisation found in research in other public service areas, such as the NHS (Pollock 2004 p. ix).



Parents at a senior level had also been critical of the impact of central direction and the impacts on drug services of national drug reduction targets. This 'one best way' short term 'more for less' model, it was argued, held long term consequences as the cost of meeting national targets distorted organisations and service delivery. When I asked the HR Manager about this she said that managers were leaving Parents at the time of the study as they complained about the excessive pressures they were placed under from government to provide flexible 24/7 services for people with drug problems. She complained that this was causing major upheavals at an organisational and operational level (Interview 3). The Brighton interim area manager spoke of the almost total dependence on government funding, '95% of our income to be honest' but explained how central targets and grants directed through local Drug Action Teams (DATs) meant services varied widely on a regional basis (interview 29). This supports theories that suggest that though there are universal pressures for modernisation there are wide national, regional and service variations producing a fragmented picture of modernisation across services and regions (Smerdon 2009, Pollitt *et al* 1979).

Despite recruitment and retention problems there was a strong performance culture across regional offices driven by the need to win contracts and meet national targets. The Brighton manager explained that 'you are under pressure to get results quickly' as drug services were 'very performance driven. High standards expected' (Interview 29). The criminal justice services manager explained that 'the services we deliver have been tightened up, they are far more target oriented than they were before' and things were 'very, very fast-paced at the moment' with managers 'driven to achieve more' and

managers and organisations ‘competing against each other’ (Interview 39). She also pointed out that many in the organisation had fundamental grievances about the changes taking place in drug services where ‘a lot of people who have been in the treatment sector for a very long time are not very comfortable with the sort of joined up working between criminal justice agencies and treatment agencies’ (Interview 39). A project manager said that target meeting also produced intensive pressures and wasteful intensification, especially in monitoring and recording outcomes, with, even former service commissioners recognising the plight of ‘some poor worker down there on the workface, particularly in the criminal justice side having to fill out two lots of 30 page forms with lots of common information but not all the same’ in addition to dealing with the individual needs of the client (Interview 22). Efficiency pressures and the loss of contracts he said were costly and disruptive meaning redundancies in the local office he ran as they had, ‘lost 3 outreach workers over the last year’, and the ‘whole of the senior management team have gone and at the moment are all temporary’ (Interview 22).

The CEO at SITC was also critical of the ‘far more directive’ drug action policy that sought to be competitive in pushing down costs but did not provide full cost funding to service providers, as funding was designated for specific and measured immediate target meeting front line work. She argued this did not allow the development of central support services, such as HR and administration, resulting in inefficient and ineffective services. She felt SITC was stretched both by the geography of the county it operated in and inflexible target pressures and was ‘reliant on DATs as funders’ that were ‘target driven’ and this left only a limited ability to manage independently (Interview 8). While

she recognised the governments cross-cutting review had established the need for full cost accounting she felt this 'did not translate locally' and the organisation was constantly left with a 'lack of spare capacity', and a shortage of funds making it dependent on unreliable fundraising to plug gaps in essential central services (Interview 8). She argued that there was a 'greater expectation on us to deliver services' and 'to deliver above and beyond' and this meant that 'everybody is stretched' (Interview 8). The young person's services senior practitioner also said that the organisation was fixed on meeting national and DAT targets in order to survive for 'things go through to the DAT and it becomes a service level agreement and we just offer it or we wouldn't get commissioned' (Interview 10). Another local manager also believed monitoring was strictly focused on ensuring national efficiency targets were met with 'log sheets, what we do, when we do it, time lengths, whether its structured work and so on' but it was argued that in order to achieve targets managers needed to 'work hours and hours over our appointed time' with little autonomy at the local level (Interview 9).

The CEO of Cuddle Co-ops, had argued in an MBA paper that changes in the funding of Cuddle Co-ops were intended to increase competitive pressures and improve efficiency by driving 'up quality outputs and performance targets' so 'budgets are used to reward an organisation if the agreed outputs are achieved and to penalise when they are not' (Interview 27). The use of crude punishment for non-compliance and rewards for compliance have been highlighted by those, such as Driver and Martell 2002 p. 73, as being fundamental to the New Labour approach to modernisation and modernisation in the voluntary sector from 1997. When I interviewed the CEO he said that he felt targets

and competition had done some good as he believed that 'all organisations were now raising their game' and improving their efficiency as 'competition is driving up standards across the board, which is what it is supposed to do' (Interview 27). As with SITC though he felt that the 'emphasis on monitoring was much greater' and there was a lack of full cost funding and it was explained that 'only recently' had there been 'an allowance for us to resource the monitoring side of it' (Interview 27). The tightening of external regulation and restricted funding had, he had argued in his paper, forced changes in his management style as he was pressured to adopt rationalist NPM and strategic HRM approaches to demonstrate organisational change and how this helps control employment costs, change working methods and improve productivity. The increasing use of HR to focus managers on taking control of the labour process and increasing labour productivity is recognised as an essential aspect of the modernisation process across public services and has been increasingly applied in the voluntary sector (Worrall *et al* 2010, Cunningham 1999 p. 23). The administrator at Cuddle Co-ops confirmed that the financial and regulatory pressures meant that 'certainly at management level' Cuddle Co-ops had been forced to become 'more business astute' to respond to the 'predicament the organisation is in' (Interview 26). Management he said tried to maintain its voluntary ethos and protect workers from long hours and overload through supervision and support but he felt that this was becoming more of a problem as the 'more for less pressures which are coming in' were 'not always comfortable' for employees and caused stress problems through the 'combination of workload' and the inability to deal with difficult issues with clients (Interview 26).

There were particular problems for smaller and religious organisations in adapting to a competitive market ethos. Though they were not as closely affected by regulatory controls and external targets, or as dependent on competitive bidding, commissioning and regulation, they were not immune from such pressures. The young person's project like other voluntary organisations had grown rapidly but was dependent upon competitive project funding and it was explained by the HR manager, that 'we don't have much money of our own . . . apart from the shops' and so are dependent on public funding (Interview 4). Despite the focus on partnership and the 'huge potential' for future work the funding situation was described by the HR manager as continuously 'precarious' with service funders able to 'pull the funding at any point' leaving the organisation to juggle funding and make experienced workers in successful projects redundant (Interview 4). Managers, she argued, were unable to control and plan service developments or develop policies and procedures to meet external requirements as they needed to reduce costs and; 'be aware when funding is coming to an end, erm, and be aware that (laughs) that you have your redundancy papers ready just in case' (Interview 4). At the same time she said the funding and efficiency pressures meant that; 'people are coming down with stress a lot more easily and I think it is the pressure of workload, accommodation, requirements for monitoring and the managers dealing with the niggles of the staff, the fact that the staff are unhappy, demotivated and stressed about accommodation. So the managers not only have their workload but they have to manage the staff' (Interview 4). This highlights the external pressures on managers to take control of the labour process, intensify labour productivity and increase employee workloads and assert greater control over the work. The capitalist labour process has been recognised to produce alienation

and exploitation as control over the labour process is removed from employees bringing greater managerial control and increasing expectations of employees (Marx 1961 p. 185, Braverman 1998 p. 143).

TFP was also forced to respond to changing funding conditions by introducing targets, measurement, business plans and notions of contractual value for money despite their small size, lack of expertise and limited development budget. The services manager said targets had become more important than in the past in that it was made clear to the organisation that 'If we don't meet them we don't get the money' (Interview 12). The organisation, as a consequence, employed a service development officer, with a banking and financial services background, specifically to fundraise, market, advertise and bid for resources to meet service needs, areas where statutory services were failing and the organisation was unable to fill gaps on a purely voluntary basis. The service development officer, said that there was excessive 'competition for the funds that are out there' and the organisation would be required to change and adopt business models if it was to access future resources and said, 'we have got to change things to get that money (pause) we are in the early stages of trying to change what we need to change internally so that we can present ourselves for this funding' (Interview 13).

At the time of the interviews there were however tensions between those new to the organisation arguing for a business model and established employees who had limited experience of working within performance targets and who had previously enjoyed significant autonomy in working with clients and their families. The services manager said

that work had in the past rarely been refused even if it was not funded as personal connections to the client group meant employees 'could not bear to think of the consequences or the children and the families if the plug was pulled on the funding' (Interview 12). In this context the consequence of pursuing 'more for less' and compliance with central objectives could result in employees and volunteers subsidising the resourcing of previously publicly funded provision.

### **'Tightening up' – discipline and performance**

The former employee at Refuge pointed to the advantages of modernisation and extending managerial control within organisations as it promised the potential to deliver organisational growth and financial strength which in turn could enhance manager security and career opportunities. He also reported that financial strength made it easier for managers to manage for if they 'had financial clout' they could deal with difficult work situations, such as problem tenants, 'taking people to court' speedily and with full legal support (Interview 2). This he explained was more difficult to achieve in less financially sound organisations. Financial strength, he argued, meant that 'if you're doing well', and meeting the targets, the organisation left you to 'just get on with it' and on a more selfish point the 'pay was very good' which was not the case in organisations that were less financially strong (Interview 2). This highlights how growth and NPM free managers to do what they want to do (Clarke and Newman 1997 p. 31). The former employee however also said that he had left Refuge, a financially strong organisation because it was too large, corporate and impersonal and to escape from tight policies and procedures that left for him little room for professional autonomy or creativity. This points to how for

some the advantages of pay and job security do not compensate for the problems of alienation in working for large corporate organisations (Interview 2).

Managers at Philanthropy adopted different perspectives on extending management control and the widening use of performance monitoring. The regional manager argued that key performance indicators were 'more closely monitored and scrutinised' and that monitoring was 'far more robust' at an external HC level and this needed to be filtered down to managers within the organisation (Interview 28). The area director supported this and the extended use of performance monitoring on the basis that they needed to understand 'where it's going wrong, why it's going wrong' and this allowed them to be 'congratulating when it goes well' (Interview 43). She argued that 'the bottom line for performance management being introduced is to improve the service for customers and to be cost-efficient' and that this was essential as government would not support services that 'weren't being managed' in a cost effective way (Interview 43). She explained they were now more able to control employees than in the past and for many employees for the first time 'they see you as management' – 'a definite 'them' and 'us' (Interview 43). This reflects how modernisation and the use of NPM divides managers and employees and leads to the creation of a newly empowered manager vested interest group, provided they remain compliant and responsive to ministerial whim (Worrall *et al* 2010 p125).

Management it was reported had moved from being supportive of employees to being focused on increasing performance and discipline as managers were expected to deliver to quantifiable results to meet external and internally monitored targets. The manager at



Philanthropy explained that this represented a 'huge change in culture' and led to 'tough meetings and discussions' where managers were willing to challenge established employees on whether they thought 'Philanthropy is the place you want to work' as 'they have got to be far more effective, they've got to prove its a value for money service because if they don't there's lots of contractors who'll be able to do that' (Interview 43). She argued 'that is the reality of the world we live in now, and most of them, 99%, realise that when you have that conversation with them' (Interview 43).

There was however variation between the views of central and regional managers and those based on local estates. The estate manager said she remained responsive to the concerns of their local estate-based team, especially where it was thought that the team 'go out of their way and do over and above what's expected of them' (Interview 40). She supported employee grievances about the organisation pointing out that their loyalties were mixed, 'I wouldn't say necessarily people feel positively about the organisation. People are very loyal to the team' (Interview 40). Local managers struggled to manage where 'people who have been here a long time feel they have been let down', especially when promised improvements to pay and working hours did not materialise and they were often unwilling to tighten up on employees to meet performance requirements. The area director felt that discipline had however increased within the organisation and she believed managers were being tougher in telling employees that they needed to be 'more cost effective' as that 'is the reality of the world we live in now' (Interview 43). She expressed this as the need for a change in a culture where 'you can't just potter about and now and then doing a repair and having a cup of tea in people's houses. Life's not like

that anymore' (Interview 43). Increasingly, she said, it was made clear to employees that they would be made redundant, or their service would be outsourced, if they did not or could not increase efficiency and cope with additional pressures. She said that people varied in their responses in that 'some people have adapted to change . . . others don't . . . and we have had to make them redundant . . . you've got to do what you need to do to make your service run properly and sometimes people aren't up to doing this. That sounds quite harsh but it's the reality' (Interview 43). This confirms how modernisation is intended to extend managerial control over the labour process through the adoption of HRM strategies on employee discipline to meet external targets and pressures (Buchan 2000).

At Radical there was, following supervision, a greater emphasis on performance targets and a co-ordinated HR approach to tightening up discipline within the organisation. The CEO supported performance targets and increased discipline on the basis that performance standards were poor prior to supervision and were essential to increasing service efficiency, even where they were concerned by governments arbitrary targets that imposed a 'simplistic approach' that did not assist in effectively meeting the needs of homeless people (Interview 25). He also believed that since supervision the 'changes in the organisation are seismic . . . positive' although he felt that though 'performance is improving' there is, 'still a long way to go, I think' (Interview 25). This points to how NPM is used to produce constant pressures on employees that support managerial led change (Ferlie *et al* 1996 p. 25).

The supported housing manager conceded that he didn't 'necessarily support' government policies but argued that they were 'forced to work' within the panoply of targets, monitoring and evidence based practice as 'government policy was reaching into the internal management' even of very small housing projects (Interview 23). A number of managers felt that tightening up had benefitted them as 'in the past expectations weren't that clear' but now 'more than usual' managers were 'told how things are to be' and had to meet these expectations by tightening up on service delivery (Interviews 21 and 23). Managers, the supported housing manager argued, despite this increased clarity were divided on the benefits as increasingly they could not take the clients side for 'if we don't meet their [the funders] requirements and targets then our funding will be pulled' (Interview 23). Though Radical formally retained autonomy it could be seen effectively to have no option but to set standards internally that conform to external performance requirements for, as explained by the CEO 'we have as much autonomy as we like but we would lose our funding' if there was not full compliance (Interview 25).

The director of complex needs said that despite her initial reservations since supervision 'personally I have quite enjoyed it' as it was simpler operating under rules which gave managers the freedom to be 'far more open about staff not doing what they are supposed to do' (Interview 21). She explained that 'it's easier as a manager having more clarity . . . in terms of expectations' and 'more movement' which was 'a good thing' (Interview 21). The CEO supported this freedom to manage and said he now felt comfortable by-passing previous union negotiated policies in the new environment of greater managerial control, i.e. this allowed greater freedom over recruitment and

selection, such as in the recruitment of former residents without external advert (Interview 25). He believed increased discipline was 'a good thing to have' as 'there are people who are not delivering' and sickness was a particular target as it was argued that 'certain individuals and certain projects were [stops] . . . there are people who always take a Monday off once a month . . . I think it's people thinking they have a right to their level of sickness leave' (Interview 25). The CEO was determined to stop what were perceived as serious abuses by taking a firmer management line and claimed to have 'dismissed more people than [the former Director] did in her entire time' (Interview 25). He also argued that tighter discipline was fairer as the former director had effectively bullied employees to get them to do what she wanted while now there were formal processes so 'the first thing we hear is a solicitor and UNISON are involved and that is absolutely fine' (Interview 25).

Despite the increased use of formal disciplinary processes the CEO argued that practices were tighter as managers were 'much harder . . . less willing to take crap' and more willing to push workers to 'go off with stress and either resign, or seek a compromise' if they failed to deliver to essential performance targets (Interview 25). The supported housing manager believed he was expected to adhere to detailed work objectives and 'to correlate with those objectives' or he would appear to be 'off the scale' (Interview 23). He also believed that this was useful in 'managing things' and 'picking things up earlier' but also led to increasing problems for managers due to the need to manage cuts in services, deal with redundancies, pay and pension reductions and the staffing problems caused by higher levels of employee turnover, sickness and intensified workloads (Interview 21).

Drug and Alcohol services were engaged in implementing national standards through local action teams and faced varying regional pressures. In Brighton the scale of and political focus on drug problems meant managers faced intense competition for contracts, tight auditing of service provision and strict targets and deadlines. There were also local labour shortages that compounded the problems of meeting performance expectations on competitive contracts. The contract for Brighton Parents had been withdrawn at the time of the research and was in the process of being re-tendered as the organisation had failed to meet its performance expectations under the contract. This initiated redundancies and rationalisation within the organisation at the same time as attempts were made to increase competitiveness to try to win back the contract in the future (Interview 22).

Parents had more comfortable relations with service commissioners in other areas, such as the Midlands, but though the criminal justice service manager felt that competitive pressures were not as intense in hers as other areas she did say that contracts had been 'tightened up' and were 'far more target oriented than they were before' (Interview 39). The central-local funding arrangements also had particular impacts for Parents as a national organisation as it grappled with the problems of introducing a national pay system which was 'unworkable' given the fragmented structure of the organisation and its complex income streams. The HR manager complained that the organisation struggled with high levels of employee turnover and problems filling manager posts and argued this was endemic given the expanding short term target driven field of drug prevention work.

She argued that the nature of the contract bidding process, the micro-management of outcomes to meet local targets and shortages of skilled drug workers meant Parents suffered from a lack of quality managers and managers failed to deliver on their contractual obligations or employee management leading to problems with contract performance and employee complaints, formal grievances and employment tribunal cases. She argued that inflexible contract demands meant they were forced to 'take anybody' on or risk contract penalties in certain cases leading to difficult to resolve long term contract compliance and HR issues (Interview 3).

The project manager in Brighton also complained that there was 'a lot of insecurity' around the tendering process as tenders were awarded for fixed periods. Project managers were under 'a lot of pressure from Chief Executives' of local authorities, whose own performance ratings depended upon contracted agencies performance. Insecurity however interfered with motivation and the ability of managers to recruit suitable employees capable of meeting targets. The treatment issues, he explained, took second place to the management complexities of moving people through services with 'heavy clear targets with money attached' but where the system for 'delivery is a bit of a problem' (Interview 22). He also complained of the contradictions between detailed systems with clear targets and an 'integrated paperwork system' supported by a 'creaking database' which meant managers were 'unable to deliver because of blockages in the system' (Interview 22). The consequences of failure to meet performance expectations was the re-tendering of the contract as political pressures and competition between statutory and voluntary agencies, each driven by its own strict target criteria, brought a

culture of blaming individual service providers for failure to meet targets which could be blamed it was argued more broadly on the failures of the system itself. A team leader in Brighton, questioned 'whether the targets themselves are meaningful (pause) well (pause) ahhh (pause) I don't know really' and the 'management of data' as agencies were 'still trying to get to grips with the system to make it function' (Interview 38). He was angry services were re-tendered as 'some of the not-performing is not down to not performing services but is down to an under-performing system . . . not able to co-ordinate itself' (Interview 38). The withdrawal of funding to Brighton Parents could be seen to produce further tightening on worker effort and reductions to worker comfort combined with redundancies in an effort to reduce costs and re-vitalize to re-secure a revised re-tendered contract. This can be related to the tyranny of transformation that produces instability and uncertainty around change to secure improvements in labour productivity (Clarke and Newman 1991 p. 39, Foster and Scott 1998 p. 31).

Walsall Parents managers also complained of the problem of recruiting and retaining drug workers in a rapidly expanding field and the problems of meeting time-focused national targets. In Walsall the relative security of funding allowed an approach which was to train people up through the organisation but this was also seen to be a problem, by the interim area manager, as poaching meant that 'we have trained a lot of good people who for some reason seem to leave fairly quickly' (Interview 29). He argued that they needed to set exacting standards for local employees though and;

'one of the best things of working for Parents is we don't tolerate, erm, poor performance. I mean I sacked somebody last week . . . we do have more disciplinaries,

we do have more grievances than we need to but I think some time it's inevitable that's the case because you are at the other end (pause) upstream if you like . . . from customers . . . you are under pressure to get results quickly . . . you are fishing in a market . . . a pool . . . that is shrinking and sometimes you have to appoint people who have to make a great leap to get into the role and you have to support them too much and they perhaps never would have got the job had there been a less competitive market' (Interview 29).

### **'We saw which way the wind was blowing' – moving towards the market**

The operational HR manager at Philanthropy made clear that, due to its historical philanthropic development his organisation was defensive of its ethos and management practices. He accepted that the organisation was probably slow to adapt to a more competitive commercially driven market but he explained that 'Philanthropy saw the way the wind was blowing, erm, in the last 2 or 3 years' especially in relation to the need for partnerships and mergers when: 'they formed, erm, we had, erm, something called the Philanthropy Alliance, that was basically an informal linking locally to do things together' (Interview 7). This progressed from an informal alliance to engagement in a national group structure but it was explained that the philanthropic legacy meant there was always a preference for informal charitable alliances: 'I think our preference would be for partnership rather than competition. I mean we do feel that probably a lot of the competition we enter into, we don't really have a feel for how much we are being drawn into it (pause) so obviously an agreed negotiated partnership is, I think, our preferred route' (Interview 7). He accepted that modernisation and greater external regulation were changing HAs: 'we've had to change. I think what's driving it is the competition really that, you know, in the housing sector the Housing Corporation is making it clear it only wants to deal with a number of larger preferred partners and you've got to adapt to

263



that climate' (Interview 7). This confirms the aim of the New Labour government in promoting competition and the expansion of voluntary sector organisations while giving managers the freedom to work freely, to engage in merger and takeovers, to change and act 'as if' they were running private commercial businesses (Kendall 2003 p. 12).

Radical had experienced a more turbulent defence of an independent voluntary approach. Prior to 1997 it was an independent locally based homelessness charity, with a management style that could be described as paternalistic, at board level, but radical and campaigning at manager level. Resistance to modernisation, audit and regulation by the HC and SP was led by the established Director but supported by the senior management team, board and employees. Eventually and only following HC appointments to the board, changes in board membership and the installation of a new CEO who, unlike the former Director, was prepared to institute the changes in performance expectations and management practices imposed by the HC did resistance diminish. The shift from 2002 was to compliance with external regulation and managerialist control, with an emphasis on financial responsibility and a willingness to participate in merger and restructuring.

At the time of the research in 2005 the director of complex needs believed that 'a lot has changed' and 'some things were for the best (pause) in terms of the organisation' (Interview 21). She however felt that change 'could not be seen as so good' as it had largely been 'to fit with government and funders needs' and managers were 'having to implement things that were not about clients' which for many was 'not why we got into this work' (Interview 21). The CEO was a manager who eventually welcomed the changes

but he explained how even he had not appreciated the extent of continuing central control the organisation would face and how local commissioners hands would be tied by government meaning that our 'services had ceased to be our own' (Interview 25). Managers, such as the director of complex needs who had initially opposed merger and the 'political agenda' to 'get rid of small associations' increasingly accepted that 'we had a brief' and had to adapt to it as 'there wasn't much choice' (Interview 21). This demonstrates how NPM was intended to secure from public service managers a recognition of the benefits of a more commercial and businesslike approach to meeting service user expectations, including dealing with employees and labour productivity (Power 1994 p. 20, Worrall *et al* 2010 p. 125).

The chief officer at the Reformed Trust, said that although there had always been regulation of housing and homelessness services, such as theirs, this had in the past been conducted 'in a piecemeal way' (Interview 16). The former chair had said that the organisation had not wanted to comply with central direction, such as inducement into a mentoring relationship, or pressures, such as the threat of or actual withdrawal of funding leading to bankruptcy and project closure as they believed it was not in the best interests of their clients. She explained that in the early days of the Trust things were 'far more lacksa (pause) no wrong word, things were different then, more churchy social goody' (Interview 44). She felt that this original ethos meant the Reformed Trust offered 'a human space' where often religiously motivated volunteers 'could do some really good work' with disadvantaged people but she accepted that the Trust had also suffered historically from poor management and a lack of funds, relative to that which had been

available to other organisations for similar provision, so despite enthusiasm from volunteers and employees, the service delivered to homeless people was poor (Interview 42). This illustrates concerns at the lack of accountability in organisations to volunteers, employees and local communities that accompanied the extension of NPM, regulation and modernisation to voluntary organisations (Malpass 2000 p. 14).

SP inspections of the Reformed in 2003 identified problems that needed to be addressed in order to secure future funding. SP teams had been established in 2001 and initially mapped services and built relations with the projects providing housing support. Due to the inadequacies and complexity of previous funding regimes many voluntary sector organisations, including the Reformed Trust, welcomed SP who in the early years, as the principal officer of SP stated, 'were pals' giving organisations 'help, advice and support' (Interview 49). From 2003 SP replaced the varied sources of income for supported housing projects, including HB, grants and management allowances. However, budget errors and overbidding around the introduction of the system combined to produce a 'growth in costs by £400 million between December 2002 and April 2003', and a budget shortfall with cuts of 4% in 2004-5 which brought pressures to bring services 'into line with the proper market rate' to ensure 'that efficiency savings are optimised and secured' (Staffordshire Supporting People 2005 a). Reductions in costs were achieved by reviewing services using centrally determined audit and evaluation models and criteria that examined Quality, Value for Money, Stakeholder Feedback, Tenant and Service User Involvement and Performance Monitoring (Staffordshire Supporting People 2005 b). Of importance to the Reformed Trust was that services for the homeless were marked 'red'

under a traffic light priority system indicating that there should be no further service developments in the new 'commissioning environment' except where such services could be tailored to meet targeted and specific individual needs (Staffordshire Supporting People 2005 b). For the Reformed Trust this meant a shift from a casual open door policy to a more managerialised service. From 2003 the SP function, as the principal officer explained had been planned from 2001, changed when from being supportive as they 'became the inspection and contracting service . . . looking at the market' and 'procurement best practice' (Interview 49). A pilot review allowed Supporting People to gain access to the Reformed Trust to gather evidence which using audit and cost efficiency criteria could justify the reduction or withdrawal of funding from the project in line with budget restrictions, service and political priorities (Interview 49). A SP inspector expressed her shock at the management of the project and the lack of safety procedures, inadequate monitoring systems and financial controls and the 'awful place' where residents 'slept all day and went out drinking all night or whatever' (Interview 51). Theorists have pointed though to how instruments such as the Quality Assurance Framework (QAF) emphasise competition and transformation with damaging consequences to the independence and autonomy of organisations and professionals in relation to appropriate service delivery (May, Cloke and Johnsen 2006, Pollock 2004 p. ix).

The former Chair said that the board members felt they were duped as there was no acknowledgement of the historic funding problems they had faced or the efforts they made to meet SP requirements, 'Supporting (pause) we took them literally (laughs) . . . we thought there would be more support and there wasn't more support, it was criticism'

(Interview 44). She said the board attempted to meet conditions imposed by the quality assurance framework but found this was difficult as 'you had to get C's and we only got D's for everything and we tried to improve and we thought we had' (Interview 44). As time went on she said the board became aware that SP wanted the Chief Officer, who resisted many of the proposed changes, removed and, 'what came out was the problems with the (whispers) chief officer and his relations with the council . . . I was actually told if we were dealing straight away with you we could have done things with it but your problems was your chief officer' (Interview 44). Meetings between SP and the Trust she said were fraught as Trust representatives thought it was like the 'council sat on one side of this enormous table and we were like a child being told off by the headmistress' (Interview 44). She said board members 'thought we were going to be helped and we were just ticked off for everything we hadn't done' and she felt they had to defend the Chief Officer who they thought 'must have been under a lot of pressure' (Interview 44). The SP team on the other hand, as argued by the SP Inspector, believed that the existing 'management wouldn't or couldn't' have complied in the way that would be expected under the new regulatory regime. As a result the SP team recommended another housing organisation as a 'mentor' to work alongside the Reformed management to make improvements as part of a SP action plan (Interview 51). This mentoring arrangement was however rejected by the Trust's board, managers and employees who defended their open door, personal approach over the mentoring proposal which they perceived as an attempt to take over the Reformed to 'run things as a business, for a profit' (Interview 44). This returns to theories about the tyranny of transformation which underpins

discussion around partnership, change and the extension of audit and regulatory controls (Clarke and Newman 1992 p. 39).

The Reformed project, the former chair explained, had struggled to meet regulatory demands, in relation to the physical accommodation and management records. They resisted change but were forced to adopt changes to survive a series of inspections and monitoring and avoid threatened funding withdrawal and project closure (Interview 44). Subsequent inspections reported some evidence of improvements but also pointed to continued weaknesses as management continued to resist central requirements or implement required changes more slowly than was expected. The chief officer complained that the organisation became 'accountable substantially to Supporting People' and 'incredibly tightly regulated' but continued to protest at the SP approach that treated homeless people 'in effect as a number' rather than focusing on 'human outcomes' (Interview 16). Though there had been employee divisions and employment problems in the past the group of workers that were at the Trust at this point rallied around a management led public campaign to save the project. The attempts to respond to SP requirements and performance expectations, by upgrading facilities at hostels and modernising monitoring practices, created a £141,000 deficit while the local publicity campaign, to try to win public support to save the Reformed Project, did not prevent the SP grant being withdrawn leading to the bankruptcy of the organisation. The direct access hostel management was eventually transferred by SP to the preferred partner for a brief period before an arson attack by a resident gutted the building, perhaps the ultimate act

of defiance to the change in management at the project, prior to redevelopment of the site by the preferred partner.

For drug and alcohol agencies the pace of modernisation, due to the national drug strategy but local implementation, varied across drug and alcohol providers. In Brighton Parents local managers had initially resisted and ignored the growing pressures and external demands for improvements in service delivery but the consequence of resistance was that the contract was withdrawn and the 'old' group of managers removed. A temporary manager, who had previously been a local commissioner, was recruited to respond to the resulting financial crisis, problems in the local organisation and ensure policies and practices complied with external requirements. In the West Midlands Parents worked closely with local service commissioners and there was little resistance to modernisation.

SITC had a good local reputation and enjoyed funding and support from the NTA and local DATs but its CEO was highly critical of the funding regime and the direction of drug and alcohol policy, in particular the funding of drug work over alcohol work, and tried to influence local policy there was little direct resistance to modernisation (Interview 8). It could be noticed that criticism of national drug policy was less evident in newer managers, such as the young person's services senior practitioner, who appeared to accept the primacy of drug work and built their personal careers and aspirations around the continuing development and expansion of drug treatment work (Interview 10).

Within smaller community organisations there were pressures but also resistance to adopting modernisation requirements to secure funding in the changed commissioning environment. TFPs more established employees argued that the primary purpose of the organisation should be to care for the clients. While recognising the need for additional resources the family advisor argued that modernisation would affect the voluntary character of the service 'bringing in a different kind of person' who may not have the 'feel' for the needs of the clients. Despite her concerns at workloads she felt there was a value in keeping to voluntary arrangements even if this meant foregoing future resources (Interview 11). The manager of the organisation however argued that there was a need for modernisation as 'the structure we have at the moment isn't really working' and there was a need for change if the organisation was to survive and develop (Interview 12). The managers and employees of the organisation, at the time of the study, appeared divided between retaining a voluntary ethos and independence in meeting client need even if this meant a lack of resources, and operating as a small business, with an emphasis on meeting external accountability requirements while seeking to expand resources through bidding for contract funding (Interview 11 and 12). This section illustrates how modernisation has undermined organisational and professional autonomy as managers have moved from high trust, hierarchical and participative forms of management to low trust, competitive and alienating forms of management control to deliver prescribed services within restricted budgets (Hood 1995, Pollock 2004 p. ix).

The research found that while religious organisations were encouraged to play a greater role in the delivery of public welfare services there were particular issues for religious



organisations in connection with state regulation, voluntary sector and religious autonomy. The ChurchGate Co-ordinator, believed that though the rhetoric of government towards faith involvement in community work had 'changed incredibly', for 10 years ago there would have been 'a lot less optimism that the government and councils would be prepared to work with churches' but argued that there were problems in the changing relationship (Interview 5). Organisations, such as ChurchGate wanted to develop their delivery of public services but resisted bureaucracy and regulation and the co-ordinator admitted that they often did not have the necessary managerial skills or approaches to deliver to regulated external requirements. He explained that there were significant contacts between the Christian church, local councils and community service nationally but regional variations and it was not the case in Brighton and Hove that religious organisations were favoured. Here it was felt that there was 'antagonism' to churches and a 'strong secular dimension' to the local political establishment. This, he argued, impacted on ChurchGate, and in particular their subsidiary FoodShare, a Christian homelessness charity, that 'would like more money from the local authority' but had been refused funding (Interview 5). He also said that faith groups were not represented on the local LSP despite 'government guidance' that they 'should be included' (Interview 5). He explained that while 'government thinking is around the community empowerment networks' and partnership arrangements this does not resolve the problem of competition and conflict between VOs (Interview 5).

Though ChurchGate and religious organisations sought greater access to public funding to expand their work and influence over welfare and community services they were also

hostile to regulation and doubted that they had the capacity to cope with the 'budgets and the whole pile of paperwork (pause) to satisfy government, the office of the deputy prime minister and so on' and believed this would put 'a whole weight of responsibility on some people who are not there for that purpose' (Interview 5). This points to concerns raised in the literature on the expansion of the role of religious organisations in public service delivery and resistance from such organisations to contracting for public services due to concerns on the impact this may have on services founded on the basis of religious belief (Harris 2002, Dinham 2008). A project manager was concerned that the receipt of public money would place restrictions on religious activity and said he was aware of organisations that were 'threatened with the loss of funding' when, for example, they encouraged prayer. He complained that government 'want the faith communities to come within but (pause) don't want us to bring our faith with us' (Interview 24). While employees at ChurchGate argued that local structures do not take into account of the influence of hidden networks, central government and business influence the co-ordinator of the LSP pointed to the differences within the voluntary structure in relation to power and the representation of 'the massive voluntary sector organisations which are multi-million pound businesses, particularly in housing' and their dominance over local voluntary services and partnership arrangements (Interview 1).

The project manager explained that ChurchGate was not well developed and could be described as 'shoddy . . . idealistic and woolly' (Interview 24). Though management processes were examined, especially where it was necessary to meet statutory requirements, such as Office for Standards in Education, Children's Services and Skills

(OFSTED) for nursery provision or food hygiene regulations for the Food Share operation, the organisation was limited by its lack of resources and was forced to piggyback off other religiously motivated but more mainstream service providers, such as the young person's project for help with management issues, such as in relation to employment matters (Interview 5). The project manager explained that there was considerable 'overlap between church and community projects' at ChurchGate and that 'a good proportion of the staff were known to us before we employ them' and were, in fact, church members who were managed through a combination of traditional line management and involvement in the church hierarchy and there was little discernible division between the roles of those involved in the organisation as employers, employees, church members, community workers and faith lobbyists (Interview 5).

Many religious organisations appeared to experience problems recruiting managers to develop funded services in a difficult and pressured environment delivering services to tighter, externally set, contractual and monitoring requirements, due to their limited experience and resources. The HR manager at the young person's project complained of the lack of management skill and the controlling approach of many existing managers that created HR problems. While it was argued that 'bullying is a very strong word' it was also explained that many managers in the organisation did not make staff feel fully valued in the way that might be expected in many modern organisations (Interview 4). She further explained that an appraisal scheme had been introduced in January 2004 in an attempt to tackle such problems but it was argued it had failed to meet the management objectives for its introduction. There was no mechanism for reviewing jobs or linking pay

to performance and the pay structure, initially based on a young person's association national scheme. The scheme was rarely adhered to and given the problems of recruitment in Brighton and Hove pay was decided on an ad hoc basis with many grievances and complaints of unfairness. Job Evaluation was proposed to help develop a pay structure that was systematic, consistent and felt to be fair but it was conceded that this would be 'a challenge' given the existing pay structures and funders insistence on specific salaries for specific posts and the organisation expected further problems meeting employees pay expectations (Interview 4). She complained that HR in the organisation could do little more than 'grow and cope' and fire-fight the consequences of decisions taken outside the organisation as they arose.

A minister explained that administrative systems in religious organisations, such as Muddy Ditch, had not developed to cope with growth in the organisation and management practices here were also described as 'very sloppy' (Interview 35). The organisations elders, as the managing body, were conscious that their employment practices did not meet even the most basic minimum legal standards, i.e. they did not issue employment contracts, and that this could produce future risks for the church. This had been highlighted in a mentoring audit carried out by a local bank on a voluntary basis. In response the organisation had employed a church member with experience of local government management in an attempt to develop compliant administrative systems and employment procedures that met their legal responsibilities. A volunteer manager, with experience in local government project management, explained that there was a need to tighten up on monitoring and supervision of staff but there were also tensions between a

church ethos, which argued for a personal and informal approach, and a business efficiency approach, that required the monitoring of performance in order to improve service delivery. She went on to say that many in the church promoted the 'carrot not the stick' in dealings with employees where it may have been the case that the stick was needed if they were to expand a business approach to their service provision and bid for public service delivery contracts (Interview 15). The minister said however that church members tended to be appointed to posts on a benevolent basis and that there were tensions between this approach and the notion of improving business performance. He argued that, 'some of the people we employ here have particular needs themselves and we're not going to get the same out of them as we would if we were a business, we wouldn't have employed them in the first place if we were a business . . . here we tend to go towards helping the individual rather than getting the best out of them' (Interview 35). Many employees it was explained were older church members and the volunteer argued that 'young people could do their jobs in half the time' but she said the continuing religious suspicion of business practices tended to restrict attempts to 'improve' management, as 'the church is suspicious that you are trying to be a business' (Interview 15).

## **Conclusion**

This chapter has illustrated the experience and views of managers implementing public service modernisation in their organisations. It points to how despite variations across services and geographical areas managers state they have increasingly come under pressures, through changes in funding arrangements, audit and performance

management and monitoring, to adopt market forms of modernisation. This has resulted in calls to increase internal efficiency and deliver 'more for less', consider organisational restructuring, both through internal restructuring and mergers with other organisations, and apply pressures on employees to improve performance.

Managers described how tighter external regulation penetrated and filtered down into the internal management of their organisations, through the introduction of performance management, tighter HR, discipline and managerial regulation of employees. There have been variations in manager compliance or resistance to modernisation pressures depending on institutional, regional, service, status or individual differences and differences between older and newer managers in attitudes to compliance. This thesis argues that most voluntary sector managers, including those in smaller and religious organisations that bid for public resources to deliver services, are in a structurally weak position in regards to their ability to resist modernisation and need to be compliant in order to continue to receive government support in a competitive and regulated commissioning environment.

Voluntary sector managers have increasingly come under pressure to change their management practices in response to changes in contracting and funding arrangements and audit pressures which are tied to central performance expectations. Increased regulation of voluntary organisations produces incentives and pressures on managers to promote market forms of efficiency, even though in many cases in the judgement of managers these approaches do not appear to be in the best interests of meeting client

needs or the needs of the sector. The use of audit, competitive funding, performance targets and monitoring produces pressures are designed to enhance internal efficiency and productivity within a climate of managers delivering 'more for less'. Managers revealed that service commissioner pressures lead to pressures within organisations to seek efficiency savings from employees and that improving productivity and efficiency was increasingly a condition of a manager's continued employment. There were however indications that a continued drive to efficiency detracted from organisational mission and overall service quality and that the broader costs of transition, inspection, monitoring, developing partnerships and organisational restructuring were not fully taken into account. Smaller and religious organisations though not driven to increase efficiency to the same extent as other organisations were aware that this would be a requirement if they bid for public resources to provide public services.

The research points to how, despite variations, there was a general trend towards tightening up manager control and monitoring of employee performance. Managers were often concerned at the loss of autonomy and personal involvement with clients that this entailed. But they could also see the benefits of modernisation in increased financial security for their organisations and the potential for employment and career development for themselves. Performance monitoring had been extended from external agencies into the internal functioning of the organisations and was generally supported by managers as necessary to comply with external funders and regulators. But managers also argued that it led to improved services for clients.

Managers believed that increased control over employees was necessary, even where they were not supportive of government policy or where the policy meant a reduced focus on meeting the needs of the client that they had formerly been committed to. Tightening up involved increasing discipline over employees, supported by the implicit or explicit threat of redundancy, as a means to improve efficiency and increase labour productivity. Managers believed that tightening up was necessary and had been given them a clearer role and more power to deliver services to clearer expectations. They also felt that external requirements boosted their ability to deal with labour problems, such as restrictions on their freedom of action from previous union negotiated agreements.

In some, especially larger and more competitive organisations, managers welcomed and were willing to comply with modernisation pressures. In others managers wrestled with change but initial resistance and defence of a voluntary ethos gave way to compliance with modernisation. In some organisations resistance to modernisation was sustained despite the incentives or pressures that the organisation encountered. Modernisation pressures could be seen to produce tensions between managers in organisations and, in particular, there were divisions between more established and newer managers in their willingness to accept modernisation pressures. In smaller community and religious organisation managers wished to become more involved in the delivery of public services but were less willing to accept the consequences in a tightening of discipline, the extension of performance monitoring and efficiency criteria and control over the labour process which conflicted with religious and voluntary sector independence, ethos and values. Many religious organisations were suspicious of business practices and models



which produced tensions between an ethical religious and a managerial approach and also lacked the management resources to deliver in a regulated environment. Religious organisations seeking to expand their provision through competition for public service contracts recognised they would need to adopt a business approach which included the tightening of control over labour to increase labour productivity. They were aware this could produce dilemmas for religious organisations which stressed a caring and responsive human approach to labour management.

This thesis argues that across voluntary sector organisations managers have either been willing, or have been coerced into, abandoning voluntary sector values and approaches to managing the labour process in their organisations. As voluntary organisations have expanded their involvement in the delivery of public services they have become subject to greater government intervention and pressures to deliver cost savings and efficiency and productivity improvements. Government intervention has supported the tightening of control over the labour process across public welfare services and the mobilisation of labour power in voluntary sector organisations engaged in the delivery of public services. This has consequences for employees in relation to alienation and work intensification, with the introduction of Taylorist performance management and restrictions on the influence of local authorities, professional bodies, trade unions and pressure groups which will be explored in the next section.

## **Chapter 7: The impact of modernisation on voluntary sector organisation employees**

### **Introduction**

The previous chapters examined the pressures that have been placed upon voluntary organisations, through audit, financial controls, regulation and monitoring, to promote organisational compliance with a government agenda, based on the long term market restructuring of the delivery of public services. They have discussed how managers responded to such external pressures, targets and performance management, through the promotion of internal efficiency and the tightening of regulatory control over the labour process and employees. Managers were also encouraged to restructure organisations, bringing insecurity and the threat of redundancy, and extend the use of HRM, monitoring and disciplinary control. There were significant variations in the extent of modernisation pressures on different organisations, especially related to their size, location, orientation, funding environment and the extent of the organisations involvement in the delivery of public services. However, the research found that in order to compete and receive public money for the delivery of public services voluntary organisation managers either accepted, or were coerced into accepting, market restructuring. This in turn brought intensification of control over employees as managers sought to maximise efficiency and productivity to meet external targets.

This chapter explores the impact that managerial change has had on employees in the voluntary sector. It examines changing values within voluntary sector organisations and

the loss of employee autonomy. It also examines changes in the commitment of employees and organisations to each other. It goes on to examine the changes in employment conditions in the sector that have brought a tightening of regulatory control and discipline, job insecurity and work intensification and the impacts of this on employee morale.

The chapter examines employee compliance or resistance to modernisation and regulatory pressures and trade union involvement in the voluntary sector. Many of the pressures of modernisation experienced in the sector mirror the pressures experienced across the public sector. There is however in the voluntary sector relatively limited organised employee resistance to modernisation. The chapter examines the problems faced by trade unions in organising the sector, with low union membership density, few bargaining agreements, relatively low levels of union activity and problems dealing with hostile employers. It also examines broader trade union responses to public service reform and the problems trade unions faced in developing a robust and coherent strategy on the voluntary sector, public service reform and modernisation under New Labour.

The chapter concludes that employee autonomy in the voluntary sector, founded in voluntary values, independence, commitment and closeness to the client groups they represent, along with employment security and conditions have been eroded with the extension of public service reform, modernisation and managerialisation. There are particular conditions in voluntary sector organisations that limit effective trade union organisation and resistance to managerialism as decisions which impact on employees

are made remotely from local managers, dominated by government regulation and controls over funding, often mediated through local authorities and commissioning bodies. This means that employees and trade unions are unable to negotiate directly with those who set the policies which affect them negatively in the workplace. The financial dependence and structural weakness of the voluntary sector may also help explain the interest of the New Labour government in developing the sector and modernising its labour management. This formed part of its broader political and ideological strategy to tighten control over the labour process across labour intensive public welfare service provision. This has created potential long term consequences for both voluntary and public sector employees.

#### **‘It’s lost its heart’ – modernisation of the voluntary sector**

Within voluntary organisations significant importance had historically been attached to independence and the ability to recognise and respond to social need and make a difference in line with an organisations vision, often rooted in the vision of the founders of an organisation. The strength of voluntary organisations was argued to be based on their autonomy and the relative absence of state regulation or the motivations of private profit. Voluntary organisation employees then could draw upon voluntary values and the vision of the organisation as a source of inspiration and motivation (Schwabenland 2006 p. 164).

For many employees, especially for longer serving employees, employment in the voluntary sector was marked by independence, autonomy, distinctive voluntary values

and a commitment to the organisation and the groups the organisation was established to serve. While many of the employees that were interviewed for this research argued that they remained committed to their organisations many believed that modernisation had reduced their autonomy. This affected how they worked and their freedom to change working practices in line with their judgement, voluntary values, commitment and motivation.

This change was resented by the former manager at Radical who left his post as resettlement manager partly as a consequence of what he perceived as a change in values. I asked him why he had left the organisation and he explained that this was partly because the supervision and modernisation process at Radical had meant that the campaigning element of the organisation, which for him was its real purpose, had been lost. He said that Radical had lost 'an in principle sense of direction . . . its Radical'ness, its focus on principles, its direction, questioning, campaigning, a heart' (Interview 37). He explained that not all employees felt the same as he did and there were 'different views of what Radical was really about' and that 'certainly for new staff, of which there have been quite a few' voluntary values were not as important as they were to older, or more long serving, employees (Interview 37). Nevertheless he said that the loss of independence, autonomy and control over the organisation and the externalisation of management decision making had affected many employees and was a principle cause of reductions in staff morale, which 'was not as good as it was, I would say for example, about 2 years ago' and this had led to people, such as him, leaving the organisation (Interview 37). He explained that for many employees morale had suffered greatly, 'it was

crashing . . . due to a lack of a sense of why they were there'. He said 'people were there for all sorts of reasons, to meet targets, to meet Supporting People requirements under the contracts and xyz, and to do a good job for the clients, I'm not saying that had gone but you know the essence, the wholeness, the thing that went through Radical as I used to know it, erm, that had sort of wobbled' (Interview 37). He explained that, for him, the organisation now lacked independence and the autonomy to act in line with its principles. This meant, he argued, that employees were not able to have autonomy and meaningful input into decision making as they had in the past, as decisions were increasingly taken by a more limited team of senior managers in compliance with the requirements of external regulatory bodies. He said that this meant that his ability to influence decisions, in line with his principles, had been 'watered down' and employees were unable to use their judgement (Interview 37). He said he was most concerned at the loss of loyalty employees felt for the organisation and the corresponding loss of loyalty from the organisation to employees, saying 'the biggest loss is that sense of loyalty to an organisation based on understandable principles . . . there are now people, and I could say I am one of them who will never have loyalty again' and he felt this was justified as 'the company has less loyalty to them' (Interview 37). This illustrates the alienation experienced by voluntary sector employees resulting from the tightening of external controls and the erosion of the independence of voluntary organisations and reflects the experience of professionals across public services, such as in health and education (Webb and Vulliamy 2008 p. 146-8, Pollock 2004 p. 202).

The survey, though the findings differed across organisations, highlighted that though employees were largely supportive of local managers they felt that competition for contracts, the insecure funding environment and external regulation pressures were impacting on the values and, through merger and restructuring, the structure of their organisations and that they were becoming more like private businesses (see table 1 in Appendix 12). A similar loss of autonomy and values was taking place in the Reformed Trust. This was as an 'old' style voluntary organisation, mainly based around the Reformed church, that had been established by volunteers and concerned citizens to tackle local homelessness. This developed into a permanent organisation providing services in inadequate NHS and then County Council accommodation. Growth had created problems bringing tensions between volunteers, with different views of how the organisation should be run, and the charismatic campaigning founder of the organisation under such pressures 'burned out' and left (Interviews 42 and 44). The loss of the charismatic campaigning founder brought pressures to change and move from a 'democratic flat structure with volunteer staff and volunteer management' to a 'fully staffed and hierarchical structure' and in 1996 an experienced youth and community worker was recruited to be 'a proper manager' (Interviews 16 and 44).

A former employee that had been involved in the organisation from its establishment and had continuing links to it explained that when she had worked for the organisation initially she had worked for it because she was able to act autonomously in line with her religious and moral values. She was willing to accept far less money than she could earn elsewhere, as she 'wanted to make a difference' for homeless people, but she

complained that the expectations placed on employees were excessive and said she had 'worked her socks off' for a year and left because she 'was knackered' (Interview 42). This illustrates how voluntary sector employees prior to modernisation had suffered low pay, job insecurity and high workplace demands (Cunningham 1999 p. 23-24). Despite the high demands placed on employees it was explained that caring people wanted to work for the organisation as it provided a 'human' and 'informal' space for homeless people, even though the lack of consistency meant that care was patchy and a lack of controls meant there was the potential for abuse of clients and workers (Interview 42). The Reformed Trust was value driven but problems emerged with growth and a higher public profile. The former employee said that though the 'proper' manager had a strong commitment to homeless people he found the organisation difficult to manage and ended up 'juggling too much and couldn't cope with it' (Interview 42). She understood that he 'worked very long hours' and knew that 'his wife certainly sees him as a victim' in that modernisation had meant he struggled to manage the charity on a shoestring, with increasing requirements and standards to meet and a board of trustees 'who were not there as a resource for him' which meant that he was largely 'on his own' (Interview 42). The former employee said that 'I like [the chief officer] as an individual . . . intelligent . . . heart in right place' but she complained that his management of employees left much to be desired, and that he was 'slippery, you would think he had said something and then you would look at the words and find he hadn't' (Interview 42).

The chief officer confirmed that when he replaced the former manager in 1996 he set out to change the organisation from one that was run on voluntary commitment and people



that 'live the job' (Interview 16). He explained that when an organisation had a charismatic values led leader 'often that person departs under difficult circumstances because the organisation says we can't run on will power. We need to run structures, systems, policies, procedures and everyone, including the boss, needs to work to them' (Interview 16). He entered an organisation marked by conflict over its values and direction. He instigated changes, 'what could loosely be called professionalization', but felt that employees resisted change and 'felt it was their job to return the Reformed to its original aims' (Interviews 16 and 42). He accepted that poor management appointments also heightened employee dissatisfaction, leading to well publicised employment tribunals which, in turn, contributed to local political opposition to the Trust and its client group, not least from the local police. External pressures continued to demand tighter management systems to meet external performance requirements which further reduced employee autonomy and exacerbated conflict over the values and ethos of the organisation and how employees should be treated which continued and contributed to the removal of funding and closure of the organisation (Interview 16).

Employees in drug and alcohol organisations reported, largely due to the political and media prioritisation of drug treatment under the national treatment strategy, the loss of an independent and autonomous value driven approach to drug and alcohol treatment. Parents had been founded by concerned parents of drug users in 1967 but developed to become one of the largest national providers of drug and alcohol services. The rapid growth of the organisation, to some 700 employees by 2003, was largely dependent on the government focus on increasing drug treatment. Despite funding dependency Parents

had sought to retain a campaigning role criticising aspects of government drug treatment and prevention policy but the National Treatment Strategy (NTS) and partnership working signalled a move to coercive approaches to working with drug users that did not sit comfortably with Parents voluntary ethos, campaigning history or the attitudes of many of its more established workers (Interview 3). While the survey, which was only conducted in Parents Walsall, revealed that employees in that area were largely secure and satisfied with their employment conditions this was not the case in the Brighton office, where unfortunately the survey was not able to be conducted due to reorganisation following the loss of its main contract (see table 1 in Appendix 12).

The Brighton project manager had been brought into the Brighton office following resistance from former managers and employees to the adoption of the national policies that, he believed had led to the loss of their main contract. The manager said he had a brief to introduce tighter managerial control and allow the organisation to re-establish itself in order to meet external pressures and bid effectively for future competitive contracts and argued that the former manager and employees had been 'pushed to develop a much clearer focus on drugs and not done that very effectively' (Interview 22). Employees in Brighton resented the loss of autonomy and ability to use professional judgement in the change of emphasis from the development of services for those with alcohol or drug problems based on client need to an emphasis on competition for targeted and monitored funded provision of services to drug users to meet national targets (Yates 2002). The manager at Parents explained that it was now about 'expanding services for people with drug problems' as there was no funding for people with alcohol

problems (Interview 22). He explained that employees were 'angry with us (the managers), angry with commissioners' and 'feel undervalued' as the changes introduced meant they are 'not using their skills in alcohol work' (Interview 22). The new arrangements under the NTS meant, it was argued by the manager, that all the power was in the hands of the commissioners, which had led to 'real personality problems between the manager here and the commissioner' (Interview 22). He felt the loss of the contract was caused by the unwillingness of former managers and employees to comply with policy change and he called for a change in practices arguing that 'they (the employees) spend a lot of time doing wash up meetings, supporting each other' while 'we (the managers) are introducing a much more structured day for them, they will have a lot less free time and they are peeved about that' (Interview 22).

He explained that there had been a change in values and employees felt they had lost their ability to influence policy decisions, in ways that they had in the past, and said that 'some of them (the employees) don't think they are being listened to. The manager said that 'we (the managers) are reflecting back that just because we don't agree with what they are saying doesn't mean that we haven't heard what they are saying' (Interview 22). This illustrates the alienation that employees experienced at being unable to use their skills autonomously within their projects and work with clients. This was due to restrictions on the input employees had into decision making and a shift in control over the labour process and illustrates Braverman's deskilling theories (Marx 1961 p. 185, Braverman 1998 p. 143). This also mirrors the deskilling resulting from the strengthening

of managerial control over the labour process found in the public sector, such as in the health service (Bolton 2004 p. 321).

A team leader who had trained as a volunteer at a drug helpline before moving to work at Brighton Parents explained that many workers in Brighton struggled to adapt to modernisation, the new commissioning regime, and the 'drive to have workers who can be recognised as substance misuse workers . . . to professionalize' as 'more money is coming' from government for this purpose (Interview 38). He complained about the 'coercive arrangements' under the new partnerships, especially in relation to the criminal justice agenda, which many employees resented, as it 'changed the relationship with clients . . . between agencies and professionals' and moved from approaches based on working with client needs to box ticking and the manipulation of data for political purposes. He said this had caused 'some level of disgruntlement amongst workers' as 'they have no input, they have no power so there's a lot of frustration here' (Interview 38). He explained that a principal demoralising factor was that responsiveness to client need was subsumed within shifting political and managerial agendas where, 'at one moment you might think that we're moving in to this and were going to meet this need and then you're told it's not happening anymore and dah-de-dah and then 4 or 5 months later you get told that well actually it is going to happen and I think as a project worker, and to some extent as a team leader, you think what is going on here. This is lacking in co-ordination' (Interview 38).

Many employees at SITC faced similar problems and complained at the routinisation and standardisation inherent in the NTS regime. The policy focus on crime was felt, by some employees, to damage the voluntary ethos and the positive relationship between voluntary organisation workers and their clients (Interview 9). When asked her views about this the arrest referral coordinator, said that 'I've always worked with people . . . I'm very soft on people' (Interview 9). She criticised what she viewed as a media driven policy that highlighted drugs and suggested that 'every crime that is committed is a drug user' while turning a blind eye to alcohol abuse that she felt, based on her experience, was the 'most insidious of all substances' (Interview 9). When I asked about changes in government policy she said that it was now not about meeting the needs of the clients but just about meeting numbers, and she felt that 'all the while it is going backwards. As a worker government policy is making it harder for me to do my job . . . I'm being told not to be voluntary, not to use my knowledge' but simply to follow changing government directives (Interview 9). She explained that 'all we do as workers is create these statistics which people use and abuse against the people we are trying to help' and 'every month it feels we get a new directive on how to add up' (Interview 9).

She believed, though she was not against change, that it 'feels very restrictive, very artificial, unworkable' as 'the only thing we have going for us is that were voluntary, we have a rapport with the clients' (Interview 9). She argued that employees at SITC struggled to remain caring and 'friendly' and would say 'blow the paperwork' if someone was in need but that this impacted upon their workload as they would 'work hours and hours over our appointed time', because they were concerned, 'that's why I'm here,

everybody works like that' (Interview 9). She said that for employees such pressures could lead to stress, burn out and over-working, and things left 'going around in your head at night' but that it was 'very difficult to take a day off because you are not feeling well' due to the pressures at work (Interview 9). Despite such pressures she said that staff tried to pull together 'to be the best' as 'it's a family' and it 'pulls the same way in a time of crisis' (Interview 9).

Newer employees, such as the senior practitioner, adopted a more instrumental approach, largely accepting policy and managerial change and the expansion of drug work in that it offered secure employment in a developing field. The practitioner said that though his 'energies are with the young person', or the drug using client, he was also clear that 'drugs work is not going to reduce . . . the problem is not going to go away no matter what I do. I feel confident that there's always going to be a job' even if this meant the contract was moved to another organisation, or SITC was forced to merge with another organisation. He, while appreciative of the opportunities and training SITC presented him with, unlike the arrest referral coordinator appeared to show little loyalty to the organisation arguing that people should be prepared to move to further their own careers, 'your all paying mortgages and things like that . . . you know your area, you know the ethics of work or whether you are good at your job . . . if it isn't commissioned (at SITC) you're going to go somewhere else' (Interview 10). Modernisation in the voluntary sector and threats of the removal of funding if targets are not met, as in other areas of public service delivery, led to alienation as employees were unable to use their professional knowledge and judgement autonomously while targets and bureaucracy led

to work intensification (Webb and Vulliamy 2008 p. 146-8, Pollock 2004 p. 202, Mather *et al* 2005 p. 109 and 111).

Though the employees of smaller community based and religious organisations appeared to a greater extent to continue to be motivated by voluntary values, they were also forced to adopt a more businesslike and competitive approach to service delivery in order to gain resources. The TFP group was established in Staffordshire on a volunteer basis but went on to employ paid workers and by 2005 the organisation employed 5 paid workers and was active in restructuring to bid for further work. The project services had always been delivered free on the basis of need and were intended to fill gaps in statutory service provision for their client group. The employees said that the need to secure resources however presented them with a Catch 22 situation in that if they provided services on a purely voluntary basis they would not receive funding, and would be unable to provide an ongoing service, while if they sought public funding they recognised that ‘internally we are having to make changes’ and ‘present ourselves properly’, providing a full business plan, budgets and performance targets, which undermined their voluntary ethos. It was accepted by the employees that this was a difficult transformation for the small staff team as the organisation had always operated on a caring and human basis and, ‘we are all in it together and we all feel it’ (Interviews 11, 12 and 13).

The family advisor at TFP explained that the pressure of her work had increased but she argued that ‘we work hard for the clients’ and ‘we have a feel for them’, as most employees had personal experience of children with learning disabilities. She complained

that though there were 'not enough hours in the day' their focus remained on service users as 'people come before paper' and the pressure of work was largely because 'we don't refuse work' as we 'can't bear to think about the consequences if the plug was pulled' (Interviews 11, 12 and 13). Though she said she recognised the argument, put by newer commercially oriented colleagues, that change was needed to attract and secure funding and make the organisation more efficient and secure she was concerned that 'as you change and as you grow you are bringing in a different kind of person' and argued that these people may have 'policies coming out of their ears but where is the feel' for the individual client and their needs (Interview 11).

Employees in religious organisations, such as Muddy Ditch Baptist Church, particularly resisted regulation and the pressures to adopt a business model, especially where they feared this would undermine religious values and freedoms. There were tensions in the organisation as to how they could balance a desire for administrative improvements with retaining a distinctive voluntary approach based on religious values. A volunteer, who had formerly been a local authority project manager, had been employed to develop administrative systems and improve employment practices, as she was a church member with previous experience in local government. When I asked her about her role she saw this as not only improving basic administrative procedures, to meet legal responsibilities, but also to tighten up on the monitoring and supervision of employees. She explained that she was frustrated at the tensions between a church and a business efficiency ethos and felt the church promoted the 'carrot not the stick' in dealing with employees when she felt the stick was needed. Other employees did not agree with her as they felt



employee motivation should be to 'genuinely help people' as their 'motivation comes from faith' (Interview 35). Church appointments it was argued contradicted ideas of improving business performance as, 'some of the people we employ here have particular needs themselves and we're not going to get the same out of them as we would if we were a business, we wouldn't have employed them in the first place if we were a business' (Interview 35).

This highlights theoretical concerns at the tensions between commercial and charitable or religious concepts in the delivery of public services (Harris 2002). The former local authority project manager pointed to inefficiencies in that many employees were older church members and 'young people could do their jobs in half the time' but she felt that suspicion of business practices meant she was restricted as 'the church is suspicious that you are trying to be a business, but she felt that you need business principles to help the voluntary side' (Interview 15). Though the senior minister, accepted that 'you've got to become more professional' as 'change is almost constant' and 'a lot of it (regulation) is to safeguard you' he was concerned that this should not just be about ticking the boxes as 'we would tend to go towards helping the individual rather than getting the best out of them' (Interview 35). The Senior Minister also accepted that the culture and values of religious organisations was strained if they became involved in government programmes and said that 'it changed everything when I had to hit their targets' especially 'the culture we had set up where we are with you', or worked closely with people on a religious basis in local communities. He said that where the basis of the contract was that the

organisation had 'got to get a result' this 'unnerved people . . . as they didn't want to do it' if 'it didn't sit with our ethos' (Interview 14).

### **'More put on us' – The impact of work intensification and reductions in pay for voluntary sector employees**

The previous section has illustrated the loss of autonomy, voluntary values and commitment in voluntary organisations as a result of modernisation. Modernisation also produces changes in employment conditions, notably an intensification of or unreasonable increases in workload, grade dilution or reductions in pay, due to pressures to reduce labour costs and increase efficiency and labour productivity (Bach *et al* 2008 p. 184, Mather *et al* 2005 p. 109 and 111). The extension of HRM and organisational restructuring, including merger, to voluntary organisations also facilitated the extension of managerial control over the labour process, as in other public and labour intensive services (Worrall *et al* 2010 p. 117, Thornley 1998 and 2005 and Bolton 2004 p. 317). This section examines evidence from the research on the impact of modernisation on voluntary sector workloads, grading, and pay and employment conditions.

#### *Workload and work intensification*

HAs moved faster than other voluntary organisations in their adoption of modernisation but for many employees this still remained anathema. Greater regulation, increased monitoring and changes in management practice supported a move from respect for professional judgement, individual autonomy and motivations connected to voluntary values. The shift was to managerial monitoring of the completion of codified tasks to

demonstrate accountability and compliance with external funders and regulators. The extension of HRM, increasing discipline and use of Taylorist forms of management practices, as in other services, resulted in work intensification, increases in workload demands and reductions in pay and benefits (Bach *et al* 2008 p. 184, Mather *et al* 2005 p. 109 and 111, Worrall *et al* 2010).

At Refuge restructuring, it was argued, was intended to and did achieve a reduction in costs. There were reductions in the overall number of employees and increases in the workloads of those remaining to meet tighter external regulatory requirements and performance standards and to allow the organisation to compete effectively for new capital and revenue resources. Employees, that remained in the organisation following redundancies and restructuring, experienced a stripped down service and work intensification. The former employee said that 'I think it got to a stage where (pause) where the people left now know that they are bombproof really, unless the whole of the management of the stock gets taken away, what you now have left is the absolute bare minimum . . . it's so stripped down' (Interview 2).

At Philanthropy the drive for efficiency and regulation impacted on employee's workloads as there was a far greater emphasis on reducing costs. The estate manager explained that, 'I feel that quite often we are not given the tools to do the job', there was 'a lot more red tape, auditing and the whole sort of regulation' (Interview 40) The volume of standardised and routinised work reduced professional judgement leaving few opportunities to use skills. The manager said that she had studied hard to get a degree in

housing and found 'it's quite frustrating, er, anyone could do my job. You don't need to have gone to University for 3 and a half years. It's just kind of routine' (Interview 40).

Other estate managers explained how the work had increased and how roles became more demanding with changes in government policy, such as on anti-social behaviour and welfare benefits. This meant that tenants faced more difficult problems which estate managers were meant to resolve. One explained that she 'had them [tenants] in crying' all the time but despite all efforts she was often unable to help (Interview 33). She explained that managers 'gave high expectations' to tenants of what could be achieved, on say anti-social behaviour, which meant 'more was put on us as housing officers' without the resources being made available to do the job which led to tensions between managers, employees and tenants (Interview 33). She believed that targets for her local office were not necessarily too difficult to achieve but that she was constantly aware that if she did not meet them 'they (the managers) will pick me up' as employees 'have to reach those targets' (Interview 33). Workload pressures varied across different offices and areas and this estate manager said she was aware that many other estate managers said that they could not meet demanding targets (Interview 33). Increased contracting and competition and policy targets led to pressures on employees to increase their efficiency and productivity highlighting Braverman's labour process theory (Braverman 1998). Increasing workloads and reductions in professional skill requirements have been evidenced in other areas of public service delivery as the labour process is more intensively regulated, monitored and controlled by managers (Mather *et al* 2005 p. 109 and 111).

Workload pressures were particularly acute in organisations involved in drug prevention as this had become a central government priority, with the establishment of the NTA in 2001 and the target to double the number of drug users in treatment by 2008 (NTA 2006). Parents responding to this target doubled its workforce between 2003 and 2006. The rapid growth though, according to the Chief Executive, brought workload pressures, creaking systems, a reliance on arbitrary targets, a lack of user focus, fixed models of care, impossible contract demands and chaotic funding practices. The CEO was frustrated as the organisation was unable to manage change or through political influence change negative aspects of policy. At SITC employees were concerned about the focus of government policy in relation to crime and drugs and 'short sighted' policies that were focused on hitting the targets' but involved increasing direction in their focus on drug over alcohol prevention work. Higher expectations on standards of work and the necessity of meeting external requirements due to their 'reliance on DAT as funders' with limited resources contributed to poor pay and 'greater pressure . . . to deliver above and beyond' (Interview 8).

However, managers at Radical, such as the supported housing manager, supported regulation saying that 'it creates a more professional environment to work in' and although it increased the administrative workload he said it meant that managers were 'accountable to funders . . . accountable to clients' to 'provide a service that is what it says on the tin' (Interview 23). He accepted though that this created challenges for managers who had to overcome 'low morale' associated with a lack of resources and, in some cases, increases in workload and poor physical working environments. He argued

that he 'had to focus on how we balance the books' by encouraging improved performance and felt he could achieve this by being pro-active in dealing with employment issues and showing that the organisation had a 'desire to sort things out' but he believed this was difficult as 'funding for Radical is a problem and that gives people insecurity about their job future' (Interview 23). The CEO agreed and spoke of the challenges managers faced in meeting external efficiency standards and he said, when asked about the implications for employees, that he recognised that increasing standards required discipline within limited resources and that this created problems, job insecurity and stress for employees but he argued it had to be done. He said that job insecurity was a major problem but that it was 'not Radicals fault' but the fault of the external funders and regulators (Interview 25).

There were marked differences in workload pressures in some organisations between different geographical office areas. At Parents this resulted from the combination of national targets and local commissioning. When I spoke to the interim area manager in Walsall about recruitment, completion, commissioning and targets he said that while 'Parents as a whole has quite a problem with staff turnover. I think it is fair to say that this (Walsall) is actually one of the more stable areas' (Interview 29). He said that funding in his area was generous and there was little competition from other providers. Local commissioners in Walsall he argued operated a sitting tenant approach to the award of contracts, which benefitted large providers like Parents. He said that while 'monitoring varies greatly between areas' Walsall was the 'same lackadaisical approach it always had been' (Interview 29). He said that 'we set our own targets internally' but that local labour

markets meant there were few problems securing younger motivated employees who realised that the nature of the work meant that 'you are under pressure to get results quickly' (Interview 29). The organisations policy was to train people into their role which he said worked quite well apart from poaching by organisations in neighbouring areas, he said 'we have trained a lot of good people who for some reason seem to leave quite quickly' (Interview 29). He felt that selective recruitment, teamwork, tight discipline, secure employment, reasonable pay and promotion opportunities meant employees in the Walsall area were happy to work hard for Parents (Interview 29).

When asked about the pressures at work the criminal justice services manager said that 'the services have been tightened up, they are far more target oriented than before' and said that she understood that 'a lot of people who have been in the treatment sector for a long time are not very comfortable with the sorts of joined up working between criminal justice agencies and treatment agencies' but that she saw it 'as a good thing' (Interview 39). She said that the work was 'very, very fast paced at the moment' as government did not know what it wanted, performance expectations changed rapidly and systems and partnerships were not well developed but that at the local level though they were 'driven to achieve more' they felt safe in their employment and while pay was an issue, especially in comparison with the public sector, local employees thought the pay was good and she said 'we have a lot of fun as well' (Interview 39).

Employees in the Brighton office by contrast to Walsall reported that they were highly insecure and stretched in their jobs, demoralised by both local and central management

and national and local drug policies. The Brighton team leader explained that employees in the Brighton office felt they had been penalised for systemic failures as, 'some of the performing is not down to not performing services but is down to an under-performing system' and that the problem was with commissioning and the 'management of data' which was 'manipulated to suit your needs' (Interview 38). Though there were variations within and across organisations the survey of employees identified that management practices had tended to change in ways that both increased workloads and reduced job satisfaction (see Appendix 12). At SITC, according to the CEO, pay issues, due to a lack of resources, compounded high workload demands, to meet target pressures, which meant that 'everybody is stretched' (Interview 8). While she said that 'everybody is determined to deliver, client will always come first' she acknowledged there were problems with sickness and stress in the organisation that resulted from workload demands and external requirements placed pressures on 'a couple of us that tend to take things home and worry about them' (Interview 8). The young person's services senior practitioner said that there were requirements for log sheets and evidence through extensive paperwork of 'what we do, when we do it, time lengths, structured work and so on' (Interview 10). Though he argued that 'some people don't like that' and excessive workload created problems both for the employees and for their clients which meant, 'young people's lives are at risk. If that worker is stressed out how good are they going to be when they get to that young person' he also argued that 'if you don't get that information you don't have a job' (Interview 10).



Many of the employees in the survey indicated that workloads had intensified with modernisation. Philanthropy and Cuddle Co-ops employees gave the strongest response indicating that they were under greater workload pressure and that this made work less enjoyable. SITC, Parents and Radical employees however indicated that while there were far greater external pressures on the organisations this pressure fell largely on managers in the organisation while, to some extent, employees remained insulated from external pressures to meet targets (see Appendix 12).

#### *Pay and employment conditions*

Supervision and monitoring, from HP and SP, combined with constraints on funding and merger and restructuring bringing redundancies and increasing demands on employees. This increased workloads while reducing pay and employment rewards. At Radical increases in workload were compounded by deterioration in pay and employment conditions. This was signalled in Radical's 2005 business plan which declared that pay awards would be 'lower than the general rate of inflation', the staffing establishment would be frozen, there would be reductions in the, recently introduced, stakeholder pension and a freeze on salaries prior to internal re-structuring and merger (Radical 2005 -1). Employment benefits, such as holiday and paternity leave entitlement, at Radical were generous by comparison with local government negotiated standards, but it was proposed that these should be reduced as part of complying with external requirements. The CEO recognised that 'we don't pay enough' in certain areas and that the lack of pensions was an issue for employees but argued that excessive workload and reducing pay had no impact on morale as this was largely due to bad line managers. He argued that

304

‘there are problems with morale in certain areas because of resistance to change’ but that this could be managed well so that ‘you can have people who are insecure and highly motivated’ (Interview 25).

When I spoke to the HR manager at Parents she said that though Parents had increased the number of workers it employed by 20% over the period 2002 to 2004, and this could be considered as positive for the organisation, the increasingly competitive commissioning process and demanding pressures to meet targets and fulfil contracts led to HR problems, especially as a shortage of experienced drug workers led to workload demands while resource shortages limited the ability to increase pay (Interview 3). There was, she said, widespread poaching of drug workers and ‘secret policies’ of spot bonuses to managers to meet short-term target and contract obligations but also problems within the organisation in implementing ‘fair’ national pay systems and balancing pay and workload and this created dissent between employees within the organisation (Interview 3).

Contract demands, she argued, were difficult to meet, as managers and employees did not have the necessary skills or resources and training, employees were stretched and funding mechanisms did not provide for skill or capacity development (Interview 3). The evidence of tightly structured work with increasing demands demonstrates how a management by numbers approach to management leads to workload intensification and reducing rewards (Webb and Vulliamy 2006 p. 146-8). SITC like Parents experienced problems recruiting qualified staff and ‘competent managers’ and while the organisation

sought to ease recruitment pressures and workload demands through the recruitment and training of volunteers poaching was an issue here also. Other statutory and non-statutory organisations were, it was argued, able to offer better pay and conditions which it was argued, was 'very nice for them but costly for us' (Interview 8). The arrest referral coordinator at SITC explained that though pay was not the biggest issue, she said 'none of us get paid that much', it became an issue alongside increases in workload. The CEO confirmed that pay was poor for employees at all levels, giving the example of a recently employed finance manager who was 'not paid anywhere near what a finance manager would be paid in the statutory sector'. It was also explained that other employees that had left to go to council employment as there was 'better pay' and more reasonable workload expectations (Interviews 9 and 8).

Cuddle Co-ops had already been through a major redundancy and restructuring programme due to cuts in its core funding and the move to commissioning. Remaining employees, though committed to the organisation and its ethos, experienced continuing job insecurity and continued threats to funding, and poor pay, relative to comparable employers, while they performed often stressful jobs working with a difficult and demanding client group. The CEO claimed that pay levels at Cuddle Co-ops were average for the sector, saying, 'it's not the best and it's not the worst', but the administrator argued pay was a problem for the organisation, due to its funding problems, and for employees as 'pay is lower than it would be in other organisations' (Interviews 27 and 26).

As with many small voluntary sector organisations TFP was underfunded and reliant on short term contracts. Employees faced job insecurity and low pay. Pay had been linked to local government National Joint Council (NJC) rates, although funding shortfalls and lack of legal requirement, meant pensions were not provided. Employees when questioned tended to accept employment insecurity, as this was the 'nature of the voluntary sector . . . your jobs for three years', and low pay, 'my salaries fine', and the lack of pensions, as 'we don't have a pension scheme. I don't think anyone in the voluntary sector has a pension' (Interview 11). There were disagreements though as to whether the organisation should change to become more competitive to secure improved pay and job security. Religious organisations, like smaller community organisations, tended also to be under-resourced and pay, pensions and other employment benefits were generally lower than for other organisations. Pay rates were said to be 'less than we would ideally like to pay' and at least '30% below what' they 'should be' at ChurchGate while Muddy Ditch employees said that they were 'not paid well commensurate with other people with equivalent roles in society' (Interviews 5, 24 and 35). While concerns were expressed about increasing workloads employees in religious organisations spoke openly of their willingness to forego pay and make pay sacrifices. This was part of their commitment to keep the organisation running and to meet religious objectives. Pay sacrifice was considered acceptable by employees who said that 'what we lose on salary we actually gain in job satisfaction' (Interviews 5, 24 and 35).

The blend of paternalism, radicalism and a relatively flat management structure at Radical had combined to produce loyal and committed workers, motivated through a developed

personal and 'psychological contract' based around 'the cause' and pay and employment security but this appeared to be changing. Pay and employment conditions had been based on local government structures and procedures and were reasonable in relation to comparable local voluntary organisations but these were being eroded. While newer employees, such as the supported housing manager, adopted a flexible approach to change saying 'we operate in the modern world here and I don't expect my job to be guaranteed years into the future . . . if my work was going astray I would expect to be pulled up and accountable to the Trust', for some employees the move from independence, autonomy and voluntary values to a more regulated, managerial and commercial environment caused resentment and dissent (Interview 23).

The survey indicated that some organisations, such as SITC and Cuddle Co-ops were experiencing falls in morale connected to job insecurity, pay and workload demands and stressful working environments, with 4 out of 6 employees at Cuddle Co-ops complaining of falling morale and rising levels of sickness and staff shortages. Employees at Philanthropy believed that management had become more detached from employee concerns as they focused on meeting targets in line with external monitoring and competitive pressures in preparing for merger. Many believed that the merger and restructuring would have a negative impact on their pay and working lives. At Radical many employees believed that performance targets were having a significant impact on work with too much emphasis placed on meeting performance targets while pay was reduced while at Cuddle Co-ops over half of employees were unhappy with their pay in relation to what they were expected to do (See Appendix 12). The evidence on workload

and pay suggests that modernisation has brought work intensification and accentuated poor pay and employment conditions in the sector, especially when compared to the public sector.

### **‘Now we have to play hardball’ – employee resistance and trade union organisation**

The research has demonstrated that modernisation has had detrimental impacts on employees in voluntary sector organisations. Changes in funding and regulation challenged employee autonomy as relatively stable and secure grant funding gave way to competition and service commissioning and light touch regulation gave way to tighter and centralised controls on performance. This has reduced professional autonomy at work, increased workload pressures and created incentives to reduce pay and employment benefits.

Given reports of the detrimental impact of modernisation and managerialism on voluntary sector employees it may have been expected that employees would resist modernisation and seek to redress the balance of power between managers and employees in the workplace through organised resistance and trade union activity. There was however little evidence of organised resistance and trade union activity in the sector when compared to the resistance found across the public sector (Mather *et al* 2009 p. 143-144, Gill-McLure 2007 p. 50 and Gale 2007). The research found much dissatisfaction at changes in employment conditions and widespread dissent but resistance was often fragmented and ineffective. There was a relative imbalance of power between voluntary sector employees and their managers and between voluntary sector managers and

service commissioners. Resistance, except in a few isolated cases, such as at Radical, was not effective as the decisions that impacted on employees' working lives, leading to job insecurity, low pay and high workloads were taken remotely and outcomes were often considered inevitable. This created disillusionment and a feeling that resistance was futile. The survey findings, though they varied across organisations, demonstrated that employees were often in favour of and supported trade unions, especially in organisations that promoted staff associations, such as Philanthropy. Radical and Cuddle Co-ops employees showed the most support for trade union activity even though this was felt unlikely to bring improvements in pay and employment conditions (see Appendix 12).

The extent of the influence of trade unions in the voluntary sector organisations researched varied. At Refuge there appeared to be little evidence of formal or informal consultation with employees about restructuring and redundancies. When I asked the former employee at Refuge whether he was aware of employee or trade union influence he said that, in his view, employees at Refuge had a complete lack of influence over policy (Interview 2). A local official for UNISON, said that that though the union had 'a few members' at Refuge he had never been able to meet their HR manager and said 'I've never really got into Refuge . . . haven't really had a case there . . . I think they use their own association, staff association' (Interview 36).

Philanthropy actively promoted a staff association. Their HR manager said that they did not deal with employees collectively but operated 'one-to-one employment relations, most of our work is one-to-one' (Interview 7). He said that there were 'not a lot of

disciplinary and grievances' and he thought the organisation had settled industrial relations but that unions at a national level played no part in determining HR policy, and that while 'in some organisations your first port of call would be your union rep' if you had problems at work 'that is not available here' (Interview 7). The regional Director said that the ECC , or staff association, was the principal forum for employees to air any problems at work and that this held monthly meetings with its 'own agenda, chaired by a member of staff, very open, can talk about what they like' and staff surveys confirmed 'people were happy with the way it's going' (Interview 28). The regional manager did not think many employees were union members, although she said 'we may well have them on the estate offices', but she said they did not play a significant role in the organisation, although they did make contact in some disciplinary cases. 4 employees responding to the survey said they were members of GMB while 1 said he was a T and G member.

I interviewed the ECC representative, and she said she thought that the ECC played a useful role in that employees 'could put forward anything to our fellow workers that affects the whole company' and said that that the ECC was listened to by senior managers, saying 'the MD sits in on the meetings and somebody from HR, in head office, and the director from the area we hold the meeting in' but she accepted it could only play a limited role in that it was made clear it was not a negotiating body and she could do nothing 'until the people at the top ... tell us anything' (Interview 41). She said that 'It's a voice' and 'a voice is better than no voice at all' (Interview 41). The view reflected in the survey was that most employees they would prefer to be represented by an independent trade union rather than a staff association (see Appendix 12). Employees on the estates



suggested that relations between employees and managers were not harmonious and that the ECC was ineffective. An estate manager when asked about the ECC said that, 'to be honest I'm not sure the reps to the ECC take our issues on board and deal with it' and 'you can raise grievances (at the ECC) but it just gets shot down in flames really' (Interview 40). She believed there was a need for a trade union at Philanthropy as she felt that 'there are some things that happen within Philanthropy where I think you wouldn't get away with it if there was a union' but she believed there was no pressure for trade unions from employees as 'strangely . . . the mentality here is I can't change it . . . not my job to organise that' (Interview 40). Despite the support for trade unions employees did not appear to join or organise through trade unions. There are a number of reasons why this may have been the case. The structure of the organisation, with most employees working or covering relatively geographically isolated estates, may have been a factor in limiting organisation. The existence of the ECC and other HR mechanisms also appeared to maintain one-to-one and prevent collective bargaining arrangements. Employees, despite their concerns at the changes taking place in the organisation were either adopting a wait and see approach or were relatively apathetic, as the estate manager suggested. In addition even if there was support for trade unions in the organisation there were few signs that trade unions had actively sought to recruit and organise in the organisation.

Employees at Parents in Brighton reported their frustrations that their 'management will make decisions that are pretty bloody hard-nosed' and that 'workers have no input, they have no power so there's a lot of frustration here' (Interview 38). The employees were

despondent about their lack of power and inability to challenge what they perceived as unfair treatment. As with other organisations though this was not necessarily attributed to the managers at the local level as it was expressed that it was the commissioners that held all the power and employees became resigned to their inability to resist changes they disagreed with believing 'this is the world we live in' (Interview 38).

The survey conducted with employees in Walsall found that no survey respondents were members of a union. The manager however did say that he was in a union 'for his own protection' but that he thought there was little demand for organising or support for trade unions among employees generally at Parents Walsall (Interview 29). Unions were active in Brighton and in interviews it was explained that unions had represented workers in redundancy cases it was not claimed that there was effective collective workplace organisation or resistance from workers to the changes in working practices and job losses that occurred. Employees and union organisers expressed the view that a lack of power led to a focus of defensive representation based on securing minimal compliance with legal provisions as all that was achievable rather than a spirited defence of jobs or working conditions (Interviews 36 and 19). Both managers and workers in Brighton believed there was a need for trade unions but they questioned the extent to which trade unions could protect them in the 'new' competitive contracting environment and pointed to the problems of organising unions within a national but fragmented organisation such as Parents (Interviews 36 and 22).

Managers at SITC differed in their approaches to trade unions but one line manager argued that trade union membership was vital 'because the management is so chaotic and they get the wrong advice' and it was argued that 'management would be surprised how many people are in a union' and would 'see it as a very big threat' (Interview 9). It was explained that there had been unofficial industrial action about poor conditions when, 'we withdrew our labour for a day in 1998' and that employees would have the ability to stand up for themselves again but it was also felt that action was futile as the organisation would not or could not respond to complaints given their funding situation (Interview 9). The survey also did not reveal strong trade union support with only 2 trade union members, 1 in amicus and 1 in UNISON and interviews with employees and union officials confirmed that there was little formal trade union organisation or activity in the organisation. One manager was especially dismissive of the idea that trade unions could offer benefits to employees questioning 'why you should pay someone £4 a week when you can put the money in your back pocket and have a curry at the weekend' (Interview 10).

At TFP only one employee supported trade unions as others favoured staff associations as the best way to represent workers interests. The family advisor supported trade unions and explained to the others that she had negative experience of staff associations while she had worked previously at the national organisation. She explained that, 'I was made redundant from the national organisation ... the national organisation have never recognised any trade union at all. We had what they called staff representatives ... who were very inaccessible' (Interview 11). The UNISON Voluntary Organiser interviewed in

2005 explained that UNISON was taking legal action against this national organisation that was blocking trade union recognition (Interview 19). The family advisor though, although she supported trade unions in principle and believed they were needed at large employers like the national organisation, did not believe a union was required at TFP. She explained that 'we have never had a need for a union here because things have always been tackled . . . because we are still small . . . we work as a team' (Interview 11).

At other small, and especially religious organisations, such as ChurchGate, managers and employees believed that trade unions were not needed as this would be 'extra baggage' (Interview 5). Problems at work it was explained tended to be dealt with informally and through other structures, such as the church elder structure, as employees 'would go to the lead elder' as a natural way to resolve any problems (Interview 5). A staff forum had however been considered as there were no formal staff consultation structures or means by which workers could express their discontents and little structured information on employment issues was given to employees (Interview 24). The organisation was not though supportive of unions and most religious organisations researched argued that their Christian ethos created complexities which meant they were not predisposed to trade unions. There were also in some issues, such as at the young person's project the appointment of only practicing Christians to senior or key posts in the organisation, which unions opposed. This led the organisations to take a hostile approach to trade union membership or involvement.

Muddy Ditch similarly had little formal consultation with employees and no forums for dealing with employment problems and church leaders took all decisions and dealt with employment issues outside formal structures. Informal practices continued despite an external audit that suggested that formal procedures were needed to meet minimum standards and statutory legal requirements. The survey revealed no trade union members in smaller church based organisations and Interviews suggested that trade unions were seen as a threat to the independence of the church, the authority of church elders or leaders and it was felt that union involvement could affect the link between spiritual and temporal aspects of church activity (Interviews 14 and 35). 4 out of 6 employees at Muddy Ditch strongly disagreed with the statement that 'It would be better for me if trade unions had a greater say in what happens at work' revealing a level of hostility to trade unions that seemed fairly typical in the religious organisations studied (see Appendix 12).

The majority of workers at Muddy Ditch depicted the organisation as a good employer that offered a calm and supportive working environment linked to the church. The lack of consultation structures and autocratic elder styles of management were not obviously a problem for church employees although one survey respondent wrote that 'the disciplinary procedure was used against me as my line manager felt I was undermining her'. The respondent pointed out that an appeal was upheld as the procedure was not properly followed but the respondent remained 'aggrieved' because they had not been 'exonerated of the result of the verbal warning' which they felt was unjustified (Survey Form 64). This reveals that there were tensions around spiritual and managerial roles and

the development of a clear approach to management, lack of understanding of employment responsibilities and these may be suppressed in a close-knit religious organisation. Such problems were likely to intensify if religious organisations continued to grow rapidly and attract public funding to provide public services while sidestepping legal and moral responsibilities to employees.

Research in voluntary sector organisations has suggested that there are problems in organising effective trade unions and it is a difficult area for union organising (Cunningham 2000 p. 23). There were few union members and little support among employees for trade unions despite evidence of job insecurity, poor pay and workload intensification. Few voluntary sector organisations had bargaining agreements with trade unions and even where unions were well established there were often relatively low levels of trade union activity. Many employees felt that trade unions had little power and did not have the same strengths as trade unions in the public sector to resist negative modernisation pressures. Employees were often fragmented and decisions on the funding of the organisation were remote which dissipated blame from managers to external forces that were the locus for decisions that were harmful to employee interests. There were also religious or moral factors that affected support for trade unions in voluntary sector organisations. One of the principal reasons however for ineffectiveness in organising voluntary organisation employees was the remoteness of decision making from the voluntary organisation and its local managers. The nature of the arms length competitive commissioning process, combined with residual loyalty to the organisation

and closeness of local management, meant that resentment and resistance were dissipated leading to disillusionment (see Appendix 12).

Trade unions at the national level were aware of the problems that the sector faced and the need for organisation. Trade union national representatives were concerned that modernisation and government support for voluntary sector organisations was partly intended to give ‘a kick up the bum to the public sector’ to aid the securing of a procurement and commissioning agenda that aimed to reduce costs across public service (Interview 48). Unions, it was explained by the policy officer at the TUC, gave the voluntary sector a ‘very low priority’ as they struggled ‘internally to get a handle on public sector reform’ due to the diverse views held between and within unions at the national, regional and local level (Interview 48).

Unions it was pointed out did recognise the voluntary sector as a potential area for membership growth, owing to the rapid growth of the sector, the transfer of public services and the poor employment conditions experienced by many employees in the sector. They were concerned over the problems of job insecurity, the lack of skill and career development and employment protection for employees. Trade unions had participated in government initiatives to address such problems but the policy officer said that the TUC had little confidence in government consultation forums, such as the workforce hubs, which were established by government to provide a forum for developing skills and dealing with capacity problems in the sector. These she viewed as ineffective and she said the TUC had poor relationships with industry representatives,

such as NCVO and acevo, as they did not support their agendas which focused largely on expanding HRM and managerialism and rejected collective bargaining and trade union involvement as 'scary' (Interview 48). While organised resistance and the threat of industrial action continued in the public sector (*The Guardian* 24 June 2008) there was little sign of trade unions supporting industrial action and trade union activity in the voluntary sector and though there have been disputes, such as those at Shelter, and also at Radical following the research it has to be acknowledged that in general trade union activity in the voluntary sector is noteworthy by its relative absence (*The Guardian* 5 March 2008)

The Reformed Project had experienced continuing disputes between managers and workers since its creation. While, as with Radical, there were many external factors that contributed to the organisations problems complaints by employees of their treatment by management remained an important issue for the Trust. A UNISON member at the Reformed Trust had tried to organise a union in 1996 in response to the management problems employees faced at that time. She said that she had tried to get in touch with UNISON but she said 'they were pretty crap' and 'I don't know what their problem is' but they never really supported her and the official would talk to the chief officer and then they 'didn't get back to us' (Interview 42). The former employee complained that the chief officer who said that the trustees 'would prefer staff to be unionised' as it 'makes staff management negotiations easier' would at all times try to talk employees out of organising a union (Interviews 16 and 42). Forming a union, according to the former employee however was hampered by the Chief Officer and high rates of staff turnover,



itself the result of the poor pay and conditions, and also by strong personal disagreements between workers. The chief officer said that there was never enough support for a union as most staff were anti-trade union and as staff belonged to different unions they could never agree on a union to represent them (Interview 42). As a result, the former employee said, 'nothing ever happened', a union never got off the ground and the style of management did not change and even those employees who worked for the organisation out of a sense of political, religious and moral commitment left the organisation as conditions were so poor (Interview 42).

The lack of a union did not prevent grievances being reported to the press. The chief officer as manager, according to the former employee could be fine and supportive to employees but equally he could be hostile and unsupportive and she said he had 'treated (one employee) appallingly'. She was part of a group of former employees that went to the press in 2003 to complain about their treatment. When I spoke to this group in a group interview about their experience of management practices at the Trust one said 'it was dreadful' with a 'lack of policies, lack of procedure, no awareness of staff needs or tenants needs really' (Interview 52, 53 and 54). The management style was reported to be authoritarian and one of the group reported the chief officer saying, 'I'm the manager and that's the decision, end of really' (Interviews 52, 53 and 54). The former employee said 'I was in UNISON at the time and I put in a grievance' about a dispute which occurred in 2003 over the handling of racist graffiti and bullying by a deputy manager. She had appealed to the Chief Officer and written to the trustees about this but felt the issue was

‘pushed under the carpet all the time’ and grievance procedures were not followed (Interviews 52, 53 and 54).

A second attempt to form a union was made in 2003 on the back of the grievances about bullying and changes management proposed to overnight shift patterns. Again it proved difficult to form a union as there continued to be a high turnover of workers and many workers, it was argued, were on probation and ‘did not want to jeopardise their job’ and there continued to be divisions between workers which managers were able to exploit to prevent a union being formed (Interviews 52, 53 and 54).

This incident led directly into the dispute with SP. This time employees felt bound to support the Trust as it was threatened with cuts to its funding. Though the workers supported the Reformed’s campaign for ‘a hostel for homeless people in Stafford’ and believed they had been able to do good work to help residents and received benefits from working at the project, such as payments to complete qualifications, they remained angry by management practices at the Trust. This pushed them to complain to the press and SP after leaving the organisation (Interviews 52, 53 and 54).

The workers that remained did not attempt to form a union but supported each other informally as best they could through the collapse and political machinations that surrounded the project (Interview 32). They criticised management in that they did not deal with the hostel’s problems earlier and felt they ‘put so much on us’ but also criticised SP for their lack of interest in the workers views for the needs of residents. They said ‘it’s

been awful for us . . . it started last October where we were told we had to cut down on staff . . . we went to December not knowing if we'd got a job or not . . . and then in February we were told we were going to be shutting' (Interview 32). The experience at the Reformed Trust highlights how external competitive pressures and the drive for efficiency lead to changes in management practices, job insecurity, poor pay and workload intensification (Clarke and Newman 1997 p. x, Bach *et al* 2008 p. 184). It also shows how the lack of trade unions and organised resistance in the sector leads to deteriorating employment conditions and a lack of effective resistance in the sector to challenge the impacts of modernisation (Cunningham 1999 p. 23-24, Baines and Cunningham 2011).

Union representatives at amicus and the T and G claimed that they had increased activity in the voluntary sector in recognition of the growth of the sector and the recruitment potential. They were aware of the need to organise voluntary sector employees to tackle the chronic funding problems and job insecurity, employer hostility to unions, problems of low pay and poor employment conditions, high levels of stress experienced by employees in the sector and limited access to pensions and other employee benefits. They explained that they were hampered in what they could achieve as there were few recognition agreements and problems of low union density in the sector (Interviews 45 and 46). The strategy for both unions was to seek to influence the New Labour government, through the links held between the trade union movement and the Labour party, especially in seeking to tackle the lack of resources and short term funding problems that it was believed underlay job insecurity and the lack of progress in

improving employment conditions in the voluntary sector. Beyond such political lobbying and campaigning on a more practical level the organising strategy of both unions was to seek to recruit and extend membership especially in larger organisations where they already had a presence and could work to achieve and develop recognition and bargaining rights. There was little difference between the trade unions approach to recruitment, organising and lobbying for employees in the sector and while the principal strategy was to grow in the larger organisations the unions also welcomed members from new or smaller organisations where they believed there was some realistic potential to develop a membership base in the organisation (Interviews 45 and 46).

Trade union membership in the voluntary sector it was argued had increased across the main unions. The amicus national officer said that the voluntary sector was the 'fastest growing part of the union' with opportunities for further growth (Interview 45). She however accepted that 'the problem we face is resources, it's very resource intensive' and the union did not have sufficient resources to be able to optimise the potential the sector offered especially as there were particular difficulties recruiting in the smaller workplaces that dominated the sector (Interview 45). She was aware of a 'core union membership in the public sector' that was increasingly 'moving out into the private and our sector [voluntary sector]' and it was felt that this was an important area for recruitment especially where they were fighting a losing battle on recruitment in the manufacturing sector (Interview 45). It was also explained by a UNISON national officer that while there had been growth in union membership in the voluntary sector this was

largely in established organisations where unions had a presence and the organisation was favourable to trade unionism.

While it was stated that some voluntary sector organisations were especially well disposed towards trade unions it was also accepted that the majority were not and that many voluntary sector organisations were hostile as employers to trade unions. Trade unions had been able to increase membership in the voluntary sector but it was debateable whether this was due to their own strategy and activity in recruitment or whether membership had increased due to the transfer of services and natural growth in the sector. Where unions had become established it was accepted that this was because organisations that supported trade unions had actively sought union involvement but when I asked a national officer about this she asserted that in trade union strategy 'we have picked off the soft targets now it's time to play hardball' (Interview 20). The national secretary of the T and G thought that trade unions had to take this step as they had let down members in the voluntary sector and the employment conditions in the sector meant that voluntary sector employees were 'delivering services on the cheap' which impacted on the pay and conditions of all those delivering public services (Interview 46). A lay union official believed 'the government is trying to use voluntary organisations as a counter to statutory organisations' but claimed he had little support to challenge this and was left to face a hostile management able to justify attacks on employment conditions by blaming funding pressures and regulatory requirements, resulting in pay freezes, increased monitoring of employees, the extension of performance targets and continued demands on employees for greater output (Interview 31).

The national officer for UNISON explained that trade unions had paid little attention to voluntary sector employees in the past but since the 1990s the mapping, recruitment and campaigning in voluntary sector organisations had grown and was now a priority for UNISON and that this was actively supported at senior levels in the organisation (Interview 20). However, it was explained that many in UNISON did not support this and were hostile to recruiting in and organizing voluntary sector members that could be marginalised within the union (Interview 20). Public sector employees could be hostile to recruiting and organising in voluntary sector organisations as they believed this supported modernisation and public service reform and undermined the defence of public services and the retention of public service work in the public sector (Interview 19).

Radical, unlike Philanthropy was unionised with UNISON having a bargaining agreement with the organisation since 1986. Union density was high with some 32 out of 48 survey respondents saying that they were UNISON members. The union had been relatively dormant for a period but from 1996 became active as dissent grew at the changes taking place in the organisation as the organisation expanded, financial pressures intensified and pay and employment conditions were challenged. Radical had enjoyed relatively settled industrial relations, with pay and employment conditions linked to local authority structures, but the union was revitalised to counter attempts by managers to reduce negotiated pay and conditions, such as cost-of-living inflation awards, and increments, and the development of inequitable pay structures and unfair promotions. Though pay and conditions were linked to local authority structures there was no pension provision

for some time, due to the insecure funding of the organisation, and there were other workplace issues around poor health and safety provisions, the use of temporary and agency staff, increasing workload pressures, staff turnover and poor morale.

Interviews with employees and local officials confirmed that the union at workplace level was well organised and capable of representing employees in disputes, negotiating on their behalf and placing pressure on the employer. The local union official, said that 'Radical is probably the best organised' of the voluntary sector organisations in the Brighton area. Despite organisation at the time the interviews took place there had not been industrial action at the organisation, although since the interviews were undertaken in 2009 there has been strike action in response to the issuing of 'new contracts which include longer working hours and pay cuts of up to £4,000' associated with tightening of funding following the impact of the recession from 2008.

The CEO at Radical argued that UNISON following supervision had 'more formal input than previously' into the organisation, as the previous Director had been actively hostile to unions but many did not believe that this was 'necessarily any better' in terms of improving conditions for employees. Managers argued that the union had little power to influence important decisions, as these were largely taken outside the organisation, and the 'things that happen are most probably going to happen anyway' as in most case 'decisions are not negotiable' (Interview 23).

The CEO said that he supported trade unions, 'I believe in union's still and good employer-employee relations through a union are such an advantage' but despite his formal support for trade unions which he believed in principle were 'generally a help' he also complained that UNISON action, if oppositional, did not help resolve the external pressures the organisation faced as cost reductions were imposed on the organisation through the removal of funding. He argued that UNISON 'does not have the maturity to act in the member's interests' and if 'people behave like idiots it doesn't help their members, they will get themselves marginalized and it doesn't help me do my job' and the 'board were not taking them seriously any more' (Interview 25). Employees expressed that, following supervision, the organisation had become a bullying organisation and the CEO, when asked about this, responded saying that 'I couldn't say that at all . . . I would be very disappointed if people would say that I was a bully' (Interview 25). The CEO said that he was committed to consultation and union representation he also said 'I am much harder . . . I am less willing to take crap' (Interview 25). Allegations however of a bullying approach have resurfaced in the recent dispute between the management and unions with accusations that Radical has 'gone from being an employer of choice in the voluntary sector to being known as an organisation which bullies it's staff', although this again has been refuted by management.

At Cuddle Co-ops by contrast despite survey evidence of despondency in the face of funding and service cuts to the organisation there was strong support for trade unions with regular trade union meetings and employees argued that 'the trade union is completely needed' and that 'management respect what they are there for' (Interview



26 and 27). The local UNISON branch representative also said that had been heavily involved in the negotiations concerning reorganisation at the organisation that had followed reductions in funding and that he had ongoing relations with the organisation, its management and workers. This involvement it was claimed by both the CEO and the union representative although it had not prevented painful changes taking place it had made the changes both more manageable and less painful than they could have been (Interview 27 and 36).

The Voluntary and Community organiser for UNISON, explained that in some areas of the country UNISON branches were hostile to the idea of recruiting or servicing voluntary sector members and, 'Voluntary Sector members never hear from the organisation . . . never get any support . . . make phone calls that are never answered . . . get passed from branch to region and, you know, it's bad . . . a big hole we should be filling' (Interview 19). Despite these internal problems and that it was 'a difficult sector to organise' she argued that it was a 'myth that it was unorganisable' and felt it was important to organise as 'the sector is naturally growing out there in leaps and bounds' (Interview 19). She said that she believed it was possible to resist public sector reform and recruit and represent members transferred into the sector and add new members in emergent parts of the sector (Interview 19). Despite such enthusiasm even local branches that were supportive were also concerned at the disproportionate time that could be spent on dealing with voluntary sector members as 'everything [funding] seems to be time limited and when that comes to an end its redundancies and, you know, you end up picking that up' (Interview 36). The local organiser claimed that even though his branch of UNISON had

been extremely positive in its support for and successful in recruiting and representing voluntary sector members interests they would always be cautious about taking on members before asking 'what problems you got' (Interview 36).

## **Conclusion**

This section has highlighted that modernisation and public service reform has impacted on voluntary sector employees, as with employees across the public sector, in producing a loss of autonomy, increased workloads, reductions in pay and deteriorating employment conditions. The research highlighted that campaigning, advocacy and voluntary values were held to be important over adopting a business model for many employees in voluntary sector organisations and many employees believed that this was being eroded with modernisation. They pointed to how competition and centralised regulation resulted in a loss of purpose, reduced employee commitment and deterioration in the ability to influence organisational policy. While newer employees tended to adopt a more instrumental approach many longer serving employees expressed that they had become demoralised by the lack of independent values, input into decision-making and they explained that there had been a weakening of campaigning and advocacy on behalf of clients. Most employees were forced to comply with centralisation, modernisation and public policy decisions they did not agree with even though this resulted in shifting policy and chaotic management practices and created resentment and demoralisation and conflicts in responses between adopting a business approach and retaining moral, religious and voluntary values and ethos.

Employees believed their skills in working with people were downgraded as work became 'Taylorised' and routine, standardised, regulated and monitored as performance management systems were introduced and extended. Efficiency and competitive pressures led to stripped down services and work intensification, high turnover of staff and staffing problems, while Taylorist forms of standardisation and the use of targets led to job insecurity, increased workloads and reductions in pay and employment benefits. Despite the direct impact on employees in terms of their autonomy, pay and employment conditions and morale there was though limited employee resistance in voluntary sector organisations to public service reform and modernisation, especially when compared to evidence of this from the public sector.

There was little recourse to formal trade union responses and though there were variations between organisations, with some having no employee involvement, some using staff associations and some having well developed trade union involvement in industrial relations many employees expressed the view that the development of regulatory mechanisms meant that autonomy and defending pay and conditions was becoming more difficult. Many newer employees however, especially in expanding fields such as centrally funded drug treatment work, adopted a clear instrumental career view and were willing to work within regulatory requirements and embrace business over voluntary values where this served their immediate interests. In contrast employees in smaller local community and religious organisations were particularly resistant to public and commercial management which they feared would undermine religious freedom and

values driven autonomy. Despite poor pay and employment conditions many could not see the benefits of trade unions, especially in smaller and more informal organisations.

Trade unions, for their part, until recently had not actively recruited or organised the sector and their strategies of lobbying government for improvements in conditions and organising at the local level had not proved effective. Membership in the voluntary sector had grown but it could be argued that the reasons for this had little to do with trade union actions themselves but the growth of the sector and that to develop further would require a willingness to challenge government and hostile employers and this commitment was not apparent. The implication of a growing managerialism, a lack of employee resistance and trade union organisations is that voluntary sector organisations can offer a route for government to undermine employment conditions for all employees delivering public services. There are internal and ideological factors for trade unions that limit and prevent effective organising of the sector and practical problems, in terms of time and resources, involved in organising in the sector. Employees tended to adopt compliant instrumental approaches.

Despite concerns over voluntary sector employment conditions there was limited resistance to managerial change and modernisation and in many cases the blame for deterioration in employment conditions was focused on the remote decisions of commissioners and regulators and was either tolerated or fatalistically accepted.

Historically trade unions have not given priority to organising and supporting voluntary sector employees and the benefits of union membership have been limited to achieving

minimal compliance with the law. Many employees, even those that were supportive of trade unions in general, believed that unions were not needed in their organisations as they were too small to benefit and they would not be effective. Other employees were also hostile to trade unions on moral or religious grounds which were a significant factor in the sector. Trade union officials recognised the importance of the need to prioritise recruitment and organisation in voluntary sector organisations as they were a particular link that affected wider resistance to the negative consequences for public service employees of public service reform and modernisation.

There was however a lack of resistance from voluntary sector employees themselves and opposition from sections within trade unions, such as UNISON, to engaging with voluntary sector members as this was seen as supporting public service reform and modernisation and undermining public sector resistance. Trade union strategies of top down political lobbying, through trade union contacts within New Labour, and bottom up incremental development in targeted larger organisations while worthy seemed not to tackle the more pressing needs of voluntary sector employees employed in the bulk of smaller voluntary sector organisations or be particularly effective in securing funding or recruiting and organising effectively to make a difference. Trade union officials recognised that there was a need to tackle hostile employers if they were to develop in voluntary sector organisations but there was little indication of this happening. While it was recognised that trade unions had let voluntary sector employees down in the past it also remained the case that organisation in the sector, largely due to complexity and time and resources issues, was difficult.

The conclusion can be drawn that there are special factors that affect trade union organisation in voluntary sector organisations and that trade unions, despite their more recent efforts, have lacked effective strategies for overcoming these factors. The key issue for union organisation rests in the structure of the sector and the tight but arms-length, often hidden, control exerted by government through regulatory and funding mechanisms. These create difficulties for employees in recognising the source of their discontents and problems for union activists and officials seeking to establish recognition and bargaining rights, which appear insurmountable in some organisations. This has implications for employees across public service delivery as the emphasis on partnership working between the public, voluntary and private sector has increased.

## **Chapter 8: The reform of voluntary sector management under New Labour: conclusions and analysis**

### **Introduction**

The development of the welfare state produced a model of welfare service provision that was tied to democratic involvement and a form of public service employment that involved employees and their professional bodies and trade unions, through collective bargaining, in determining services and pay and conditions. The welfare state and its model of employment continues to be defended by public sector professionals and trade unionists as an alternative to private sector provision. The model is defended as it was intended to meet need and to prevent a return to the inefficiency and corruption associated with private sector ownership and contracting for public services. It was also designed to end the inadequacies of charitable relief and provide a stable, secure and committed workforce capable of efficiently providing services to meet social need. The welfare state is also defended by public service employees as the nature of public service employment differs from employment in the private sector and provides some protection from the exploitation and alienation inherent in the capitalist labour process.

However, the welfare state was founded on an uneasy compromise in the particular socio-economic conditions, ideological and class relations that existed at the end of the Second World War. Public service reform is a consequence of the changing socio-economic conditions, ideological and class relations since that period. It represents an

attempt by the state to recommodify welfare services, reduce their cost and extend capitalist control over the public service labour process.

The voluntary sector historically played an intermediate and changing role in public service provision and in ideological debates on public versus private sector provision. It played a marginal role in public service delivery from 1945 until the 1980s due to the focus on the construction and maintenance of the post-war welfare state. Its marginalisation though allowed the voluntary sector to develop its own services with a relative degree of autonomy. Voluntary sector managers often rejected conventional private sector business management techniques and developed management practices that suited the nature of employment in the sector and were responsive to voluntary commitment.

Modernisation, and the use of NPM and HRM, developed from the 1980s. NPM was intended to bring the public sector labour process back in line with private sector practice and global capitalist neo-liberalism. This was extended under the New Labour government from 1997 to 2010. New Labour continued, through regulation and performance management, to seek to reduce the cost of public services and ensure that public service managers linked public service provision and the public service labour process to the needs of global neo-liberalism. The voluntary sector was mainstreamed as an alternative to the welfare state and public sector provision as part of the wider process of public service reform which sought primarily to tackle the perceived public sector labour and productivity problem.



The New Labour policy was underpinned by a faith in the superiority of market provision. The importance of the role of the voluntary sector rested in the extension of modernisation to it through partnership arrangements between the public and voluntary sectors. Changes to funding, audit and regulatory regimes helped to expand the voluntary sector, providing an alternative provider to the public sector, and empowered voluntary sector managers to embed market values in voluntary and public service delivery. The role of voluntary organisations in public service delivery was enhanced but voluntary sector managers came under increasing pressure to adopt private sector business management approaches in their management practices. This challenged the legacy of relative autonomy, voluntary values and independence in voluntary sector labour management practices.

The research has examined the changes that have taken place in management practices and the labour process in the voluntary sector with modernisation and the extension of regulation and use of NPM. It has covered a wide range of voluntary sector organisations to explore what has occurred, the extent to which change has occurred and how change has impacted on management practices and the terms and conditions of employment in the sector. It has also examined trade union responses to the growth and reform of the sector.

Modernisation and managerialisation, it is argued, has resulted in negative consequences for employees as Taylorist forms of performance management and HR practices have

spread in response to external budgetary, audit and regulatory pressures. This has supported a shift from a public administration model, based on security and the involvement of employees in determining service provision, employment protection and trust in relations between managers and employees, to an NPM approach to service delivery, that is manager led, promotes competitiveness and insecurity and is driven by remote metrics and a lack of trust in relations between managers and employees. The implications for employees can be measured by the reported increases in workloads, reductions in autonomy at work, job insecurity, reductions in pay and employment benefits and subjection to increased managerial discipline and control.

Though there has been individual and collective resistance to modernisation and managerialisation across the public services trade unions were found to be poorly organised in the voluntary sector. There was a lack of union density, bargaining agreements, organisation and activism even though voluntary sector employees experienced relatively poor employment conditions in comparison to public sector employees. There were internal divisions in the trade unions representing the sector on how to support and organise voluntary sector employees. The structure of the sector meant responsibility for poor employment conditions was placed on remote commissioning and regulatory bodies as policy and employment practices became largely dictated by government policy.

The voluntary sector has highlighted its voluntary values and autonomy but the research found that though there was resistance to a loss of autonomy the relative independence

found in the voluntary sector was eroded by funding, regulatory and managerial controls, intensified competition, contracting and commissioning and a continued drive for efficiency and performance improvements. The voluntary sector can then be seen as one element in the process of reform in the public services. This is associated with the spread of global neo-liberalism, public choice, NPM and managerialism and state involvement in the transformation of management practices to reduce provision and cheapen the cost of public service delivery.

The findings have been analysed based upon Marx and Braverman's critique of the capitalist labour process and a historical examination of the development of public sector welfare provision. This examines the contemporary extension of modernisation and public service reform across public service welfare provision from a class perspective. The thesis argues that changing class relations have led to an erosion of public support for the public sector model of service delivery and stronger pressures to reform public service delivery. Government has sought to bring labour management practices in the public and voluntary sectors in line with the capitalist market and labour process.

Criticism of the producer interest in public service delivery has allowed the widening use of NPM and change in public service management practices. The frontier of control across the public services has shifted to managers, increasingly operating in line with the capitalist labour process in a competitive and commercial environment aligned to capitalist global neo-liberalism. The first section of this final chapter presents a summary of the main conclusions from the research while the second section presents a final

analytical account of what has happened, the impact of public service reform on labour management practices and the labour process in the voluntary sector and why these changes have occurred. The thesis concludes that significant changes have occurred to the voluntary sector and its labour practices under New Labour. New Labour was, it is argued, largely successful in achieving acceptance of and compliance with its reform programme, although this has had similar negative consequences for voluntary sector employees to those found in the public sector.

However, it is uncertain whether the process of reform will continue or change following the financial crisis from 2008 and the election of the coalition government in 2010. The impact of austerity and reductions in funding for voluntary sector services could lead to a deepening of managerialism, an extension of the use of HRM and a strengthening of a compliance culture. It could lead to limited state involvement and a truly voluntary role for the voluntary sector and its employees. On the other hand austerity could lead to increased radical and campaigning action by the trade union and labour movement, potential collaboration between public and voluntary sector employees in the defence of public services and a widening of opposition to the extension of capitalist labour management practices across public service provision.

### **The main conclusions of the research**

The principal conclusion from the research is that voluntary sector organisations were supported by the New Labour government to expand their delivery of public services and modernise their service delivery. Voluntary sector managers were subjected to increasing

external and central government pressures to improve the productivity of and enhance their control over employees to reduce the cost of public service delivery.

The structural and financial dependency of voluntary organisations, management opportunism and a lack of professional and trade union organisation in the sector meant that voluntary sector managers and employees have, relative to the public sector, been unable to resist modernisation pressures. The sector lacks the professional and trade union organisation found in the public sector and the changing and uncertain relationship of the voluntary sector to the public and private sectors has allowed it to be used as a vehicle to hasten public service reform.

Modernisation pressures have resulted in changes in management behaviour and practices and the extension of management control over voluntary sector employees. Managers have extended regulation of the labour process in the voluntary sector as regulatory pressures are passed down from government to boards and through the management line to employees who are expected to comply with central government and managerial diktat. The threat and use of sanctions and disciplinary action has enforced compliance with the modernisation agenda where resistance has been met. This was evidenced in the research in the move from light touch forms of regulation to invasive and direct controls, through supervision, appointments to boards of management, the removal of leading officers, and organisational restructuring, through mentoring, merger, takeover and the formation of group structures.

Voluntary sector managers and employees were clear that they have considerably less autonomy than in the past. Policy prescription and detailed regulation, stricter monitoring, competitive commissioning processes, reviews of service provision and the threat of organisational restructuring has brought requirements for managers to demonstrate reductions in costs and improvements in productivity. It also encouraged the adoption of commercial approaches to business organisation to meet external performance management demands. Modernisation extended the use of NPM and HRM management practices to discipline voluntary sector employees and intensify management control over employees that had in the past had a relatively high degree of autonomy. It also accentuated divisions in organisations between board members and senior managers, senior managers and line managers and managers and employees.

Modernisation has in many cases damaged morale as employees were encouraged to develop instrumental approaches to work. Although this has varied across individuals, organisations, services and geographical areas it has damaged the relations found in the sector in the past. The research demonstrated manager and employee concerns that they were less able to determine appropriate levels of service delivery and influence how services were developed and were given less autonomy and control over their own services and work than in the past. Services became more centrally prescribed as financial measures of performance and quality took the place of social, professional and value based judgement.

The erosion of independence and autonomy has limited the ability of voluntary sector employees to campaign and carry out work as they would choose to do. Voluntary sector employees felt that they were not able to use and develop their skills and judgement independently as they had done in the past. They were increasingly expected to conform to central policy direction and managerial decisions. Modernisation had an impact on the nature of the work for voluntary sector employees with an emphasis on bureaucracy, standardisation, routinisation, metrics and form filling over direct and autonomous work with clients or service users.

Voluntary sector workers had historically experienced poor pay, long hours and few employment benefits, such as pensions, but had felt compensated for this by their relative autonomy at work and the relatively benign, non-commercial management structures they worked within. They were also able to work within an ethos based around a commitment to the causes that their organisations espoused.

Modernisation has resulted in work intensification and job insecurity as targets, competition, restructuring and redundancies put more on employees to deliver above and beyond what had been expected in the past and to work to service agendas that they had less input into. Work intensification was accompanied by reductions in pay and employment benefits for many employees, although this varied across individuals, organisations, services and geographical areas. Pay sacrifice and additional voluntary effort was considered the norm for the sector, such as at SITC, TFP and Cuddle Co-ops. Acceptance of poorer employment conditions was also linked to religious service, in

organisations such as Muddy Ditch, but could also be found in non-religious organisations, such as TFP and Cuddle Co-ops.

Despite the negative impacts on employment conditions and the interest of national trade unions in recruiting in a growing sector there was little evidence of growing trade union activity in the sector. There are various factors that could help explain this. The size, geographical spread and fragmentation of the sector, the hostile attitudes of many managers and employees to trade unions, the structure of funding and commissioning in the sector and the cost to unions of supporting trade union members in the voluntary sector all contributed. It was also the case that many managers and employees supported change believing this was necessary in a sector marked by sloppy management, personal conflicts and amateurishness.

The research demonstrated little resistance to change in management practices and employment conditions as there was relatively low union density in voluntary sector workplaces, limited trade union organisation in small or dispersed workplaces and recognized difficulties in organising in the sector. It found that employees and trade unions have relatively little strength to resist modernisation pressures compared to public sector employees, despite isolated examples of resistance, such as at Radical. It may be that recent attempts by trade unions to organise the sector will enable employees to develop organised resistance in the future but signs of this were not widely evidenced in the research. The structure of the sector means resistance may be hidden, as at SITC, but



there was no evidence in the research to contradict the idea that effective trade union membership and organisation was unusual in comparison to the public sector.

Trade union officials were quick to point out that growth in the sector represented a recruitment opportunity but there were few bargaining agreements in place with employers. Employees who tried to organise a union, such as at the Reformed Trust, spoke of the lack of support for them in developing workplace organisation from local, regional or national trade union officials. It was recognised that unions, such as UNISON, could be potentially hostile to members in voluntary sector organisations. This meant that trade unions were, in most voluntary sector organisations, offering only advice and support to members within the minimal protections available within the law. The research demonstrated that while trade unions have developed in the sector they tend to organise around 'soft' organisations, where they already have a presence, and bargaining agreements. There had been a relative lack of willingness to tackle, or commit significant resources, to tackling 'hard' employers, or those who were reluctant to engage with or were hostile to trade unions. Interviews with trade union officials demonstrated a lack of a co-ordinated approach within the TUC or the main unions representing public and voluntary sector employees on how to engage voluntary sector organisations in strategies for resisting public service reform. This was despite the fact that voluntary sector employees might have had every reason to combine and unite with public sector employees to resist further attacks on public services that affected employment conditions for all and had likely consequences for all public service clients.

The resistance that was identified in the research was driven by voluntary organisations board members and senior managers seeking to retain their autonomy, voluntary values and unique relationships with communities, clients and service users. The autonomy to develop distinctive approaches to managing employees and volunteers based upon co-operation and commitment was valued but increasingly this was being eroded by centralised forms of control, audit and regulatory controls. Direct central government involvement, through supervision and appointments to management boards and commissioner and regulator involvement affected manager control of the labour process. In some cases the selection and recruitment of personnel was regulated down to designating specific roles at centrally designated rates of pay.

Though many voluntary sector managers defended a voluntary ethos and established management practices they have largely been willing to modernise when under pressure to do so. Managers have supported reforms in the public sector, and the underlying critique of the producer interest, taking advantage of the opportunities this presented for them with the expansion of the voluntary sector. Though this was often argued for in terms of the focus on the needs of service users, consumers of public services or disadvantaged communities, it was clear that modernisation also enhanced manager's right to manage and could benefit them directly in their own career development. To receive government support organisations were required to change their management practices and embrace HRM and business values and reduce their emphasis on voluntary sector values. Voluntary organisation managers were largely compliant with this which offered the New Labour government a trusted alternative to the public sector and a route

through which to challenge public sector professionals and trade unions. The nature of the relationship of voluntary organisations, between the public and private sector, enabled voluntary organisations to act as a staging post in the incremental move of public services from the public to the private sector. While in the public sector managerial initiatives on public service reform continued to be contested the voluntary sector provided an alternative and a compliant route to break down resistance to privatisation, marketisation and the spread of private sector managerial values and practices.

The research found that, from the late 1990s financial dependency and reliance upon public funding had increased. Modernisation affected all voluntary sector organisations receiving public money and providing public services, from large and corporate HAs, like Refuge, to small community organisations, such as TFP. Despite evidence of dissent and an attachment to 'old' voluntary sector values, such as at Radical, the Reformed Trust and SITC, many managers and employees in voluntary organisations have either readily adopted NPM or been either unwilling or unable to resist external pressures for modernisation and change. Interviews with service commissioners, such as Supporting People, and ex-commissioners now working for voluntary organisations demonstrated that funding from commissioning bodies has been tightened tied to evidence of a willingness to comply and demonstrate the capacity for market reform. Commissioning bodies appeared willing to challenge and break resistance from managers to modernisation to encourage the adoption of new managerial approaches, for example at Radical, Philanthropy and the Reformed Trust.

Developments in technology also allowed commissioners and regulators to tackle the complexity of the sector while audit enabled comparison of unit costs between competing benchmarked organisations for specific services, see at Radical for example. Central initiatives, such as SP, and the national drug treatment programme increased resources for organisations but increasing time and resources were required to be spent on audit, monitoring and accounting activity. Comparison of unit costs between comparable benchmarked organisations, as at Refuge, Philanthropy and Radical, drove mergers which resemble commercial merger and takeover activity, and, in the case of Reformed, private sector forms of business failure. In the face of external pressure managerial resistance, at either board or senior manager level, has tended to give way to compliance, management opportunism and reorientation around the opportunities presented by modernisation.

Older, or longer serving, employees tended to be more vocal in their defence of voluntary values, such as at Radical and SITC, while newer employees appeared more willing to adapt to a modernised environment adopting instrumentalist and career based attitudes especially when employed in areas of the voluntary sector which enjoyed rapid growth, such as drug treatment work. The pressures to modernise and improve performance were manifested in internal managerial drives for efficiency improvements, as at Parents in Walsall, or external pressures for performance improvements to which local managers had little input, such as at SITC. More commonly there were a combination of external and internal pressures, as at Radical, which encouraged managerial adoption of NPM, performance management and the tightening of HR and discipline.

The attachment to a group of service users or a local community had in the past been translated into radicalism and campaigning but this now appeared to translate into working harder without reward to cover gaps in service delivery. Employers often appeared to treat commitment beyond normal employment obligations as a condition of working for a voluntary organisation. Voluntary commitment though could act as a double edged sword for while it might advantage voluntary organisations bidding for contracts in competition with public sector bodies a dependence upon voluntary effort could also be criticised for its amateurishness as service commissioners sought to develop managerialised and business oriented public services.

#### **A final analytical account of the research**

To explain the changes that have taken place in the labour process and management practices in the voluntary sector as a result of public service reform and modernisation it has been necessary to examine change in class relations in the post war period. This led to changes in the internal structure of New Labour in the period from 1999 to 2010. It also led to the erosion of support for the welfare state and the public sector employment model, the introduction of NPM and shifts in control from the producers to the managers of welfare services.

This thesis argues that public service reform and the use of NPM extended manager control as it sought to curb professional and public service employee control over the public service labour process. The extension of modernisation to the voluntary sector was

part of a process for extending the capitalist labour process and control over all employees involved in the delivery of public services. The changes that have taken place in management practices in the public sector result from the rise of global neo-liberalism and erosion of political support for the welfare state which has occurred from the 1980s. This has brought political and managerial acceptance of NPM and a shift in the frontier of control from public service employees, and the public, to public and voluntary sector managers responsive to government and incentivised to deliver and achieve the results that it wanted.

The philosophy of individualism supported the contracting out of public services. This holds that individual freedom needs to be supported by a strong state that regulates individual enterprise and competition to secure the necessary conditions for wealth creation. However, capitalist development has historically been linked to widening inequality, poverty and harsh conditions for the working class. Theorists, such as J. S. Mill, struggled to resolve the contradiction between the benefits of individualism, in terms of the growth of capital and the production of wealth, with the evidence of widening social inequality, poverty and hardship for the working class. Mill, as with other theorists since, resorted to charity as the only means to alleviate the dire consequences for the working class of capitalist growth.

Marx succeeded theoretically where Mill had failed in resolving the contradiction of capitalism by identifying the source of poverty, inequality and hardship for the working class in the exploitative capitalist labour process. For Marx the creation of wealth under

capitalism was not dependent on the invisible hand of competition and exchange but an unequal, asymmetric and hidden employment relationship. For Marx the only means to resolve the problems of poverty, exploitation and alienation and oppressive class relations resulting from capitalist development was the revolutionary overthrow of capitalism, the capitalist state and labour process.

The continuing ideological conflict between capitalism and communism dominated economic and political developments into the post war period and the late 1970s saw an intensification of debate on the capitalist labour process. Braverman's study in the 1970s restated Marx's analysis of the labour process pointing to the continuation of pressures to increase productivity and reduce costs which led to the adoption of Taylorist management practices and resulted in the negative consequences of deskilling, exploitation, alienation, stress and the erosion of autonomy at work. Braverman argued against claims that modern forms of management had transcended Taylorism and provided an emancipatory call for resistance to work intensification and job insecurity and an emphasis on administrative over professional judgement and further extensions of managerial control in the workplace.

There has been continued debate on the significance of Braverman's theories to modern capitalism and business management. It has been argued that Braverman's theories are no longer relevant and that they are not relevant to public sector employment, which operates outside of the capitalist labour process. However, it is argued here that though different organisations and sectors have at times developed different management and

employment practices, and that these have benefited public sector employees, different organisations and the public sector operate within the totality of the capitalist labour process and capitalist wealth accumulation. Public sector employees then are subject to the pressures resulting from the capitalist labour process and can be oppressed, exploited and alienated in their work. However, control by managers over the public sector labour process is not guaranteed. It is a struggle that is dependent upon political and social forces and resistance to managerial control depends on the balance of class forces in any particular period. It is argued that for this reason public sector employment has, in the contemporary period, become a central arena for class struggle and resistance.

The historical compromise that supported the development of the welfare state in the UK incorporated the concept of a good public sector employer. The concept of a good public sector employer was designed to ensure probity and efficiency in the delivery of services and to prevent the inefficiency and corruption that had been associated with the failures of private contracting and the administration of charitable relief. The post-war acceptance of Keynesianism, the welfare state, rational administration of public services and the public service employment model was however eroded as socio-economic conditions changed, the challenge of communist welfare receded and global capitalism recovered from war bringing relative affluence to the west. Economic crises and recession in the 1970s re-ignited ideological conflict around the concept of the welfare state and public service employment, as the right argued it was bureaucratic and inefficient and the left that reductions in funding for the welfare state meant it was inadequate to meet social need.



Modernisation, managerialisation and public service reform was part of an incremental process of change from the 1980s. The use of intermediate agencies and the voluntary sector led to the fragmenting and restructuring of public sector welfare service delivery and the challenging of public sector trade union power. Modernisation and managerialisation, it is argued, is primarily concerned with employee productivity, changing the public sector labour process and tackling the perceived public sector labour problem. Modernisation has sought to extend managers freedom to manage to align public sector management practices with the capitalist labour process. NPM has reasserted the importance of Taylorist management practices in challenging historic models and forms of management that developed in the public and voluntary sector.

The encouragement of organisational restructuring, role redesign and increased regulation and control of labour means managers are more able to manage in line with the demands of global neo-liberalism. For employees in the public and voluntary sector modernisation and managerialisation has produced a shift in power to managers, less employee autonomy at work and the increased use of HRM to enforce discipline. The state from the 1980s engaged in a neo-liberal attack on the welfare state, the public sector and the public sector employment model that was embedded within it. This was accompanied by class based resistance from public sector professionals, employees and trade unions and communities as beneficiaries of public welfare services.

The reassertion of Voluntaryism, self-help and the charitable delivery of public services from the 1980s was in response to the ideological critique of the public sector and the welfare state. Voluntaryism could however take diverse forms, from extreme radicalism to ultra conservatism, and there was general agreement that to be effective voluntary organisations needed to be able to develop independently in line with their voluntary values. Voluntary organisations were then able to resist conventional management approaches, developing relatively independent approaches to the management of labour that drew on their voluntary ethos and internal power relations within diverse and varied organisations.

The privatisation and modernisation of public services in the 1980s can be seen as part of an ideologically driven policy to increase contracting out and tendering for public service delivery and enhance the role of the private sector in public service delivery. Reform included privatisation and the farming out of public services but also the use of NPM to increase managerial control to reduce the scale and cost of public service provision that remained in the public sector, or was difficult to privatise due to political and industrial resistance. The development of NPM commenced in the UK under Conservative administrations but continued into the 1990s under New Labour as the spread in the use of NPM and modernisation became a global phenomenon. Public service reform was driven by an ideological commitment to control the welfare state, reduce public expenditure and curb the power of public sector trade unions and professionals seen as directing resources away from the 'productive economy'.

New Labour by 1997 had accepted the logic of and absorbed the values of neo-liberalism, NPM and the marketisation agenda within a rhetoric of community engagement, good governance and doing 'what works' to enhance public service delivery. This included a commitment to treating the public and voluntary sectors, under tightening central state control, 'as if' they were private sector enterprises and to apply market pressures to public service managers. The use of the voluntary sector to promote and extend modernisation and the reform of public service delivery was integral to the New Labour programme and included the creation of intermediate agencies and support for third or voluntary sector, provided this could be contained within state encouragements to contain costs and adopt private sector management practices. Managers in the voluntary sector under New Labour were influenced and coerced through audit, inspection, regulation, quality systems and performance management regimes to adopt the values, and extol the virtues, of market, business models and to accept increasing control over the public service labour process and the intensification and exploitation of public service labour.

The programme of modernisation and public service reform under New Labour from 1997 to 2010 highlights the internal changes within the Labour Party prior to election and the shift in class relations in the UK in this period. There had been revisionist elements in the Labour Party, from Tawney to Crosland, that rejected nationalisation and state control as an essential foundation of Labour party policy but New Labour from 1997 was built on an acceptance of Thatcherite economic neo-liberalism, a rejection of state involvement in

welfare and criticism of professional and trade union influence over the delivery of state welfare.

This change reflected not only an acceptance of the inevitability of neo-liberal globalisation, in a period where the banking system promised unbroken global growth and affluence, but the rejection of class based politics and Marxist and trade union influence in the Labour Party. The support for the voluntary sector reflected an emphasis on responsibilities over rights in the new global economy and endorsed New Labour criticisms of public sector employees, professional groups and trade unions as resisting neo-liberal reform and modernisation. Modernisation and the extension of central regulation and managerial control over public sector employees was justified by New Labour as essential to improving public service delivery to the benefit of consumers and necessary to increase the productivity and efficiency of those involved in delivering public services.

The growing promotion and involvement of the voluntary sector in delivering public services, through partnership and commissioning arrangements, extended central regulation and managerialism. This was intended to tackle the perceived problems of low productivity and efficiency in the public sector but was extended to managers in both the public and voluntary sector. Voluntary sector managers though, given the structural dependency of the voluntary sector, and lack of professional and union organisation, were less able to resist modernisation than managers in the public sector. This may help

explain the enthusiasm of New Labour to support the voluntary sector delivery of public services and modernisation of its management practices.

New Labour adopted economic neo-liberalism alongside social communitarianism to extend modernisation, NPM and the use of metrics, and shift power from the producers to the managers of public services. Managers were compelled to comply with central state direction enforced through audit, quality and the panoply of business management systems that developed through the 1990s. This represented not only a shift in the frontier of control from employees to managers but also, through the transformation and change programmes applied to public welfare services, a major shift in relations between the managerial and working class. Though there are variations in experience partnership initiatives, financial, administrative and legal reforms supported voluntary sector managerialism and encouraged the public sector to conform to private and voluntary sector managerial norms. This was part of an overall modernising process that has affected all policy areas and sectors, including the delivery of public services by religious organisations. Modernisation and the use of NPM sought to extend state power and central regulation, weaken bureaucracy, professional and trade union power not only in the public sector but across all sectors.

The argument that neo-liberalism and the pursuit of market efficiency provided the best means of meeting social need raises the central philosophical contradiction, identified by Marx, of how the collective need can be met through individualism. The continuous programme of public service reform, including structural reforms, changes in funding and

infrastructure across public service agencies, including the voluntary sector, displayed a tyranny of top down change, the extension of state power and realignment of public services in support of dominant capitalist class interests. Managers subjected to modernisation pressures have been forced to conform and to adopt Taylorist management, metrics and the remote measurement of performance output and unit costs. Employees as a result have been subjected to greater scrutiny and control and a loss of power and autonomy at work in the struggle to mould public service labour into compliance with the dominant capitalist market model.

Resistance to public service reform under New Labour was muted as the critique of the 'producer interest' in the public sector was embedded in New Labour communitarian perspectives on public service delivery. The development of NPM under New Labour reveals the importance of the state in capitalist society in extending exploitation and alienation and the capitalist labour process. Public service reform across diverse services, geographical areas, sectors and the challenges from bureaucratic, professional and managerial groups is complex. The promotion of the voluntary sector and reform of its employment practices though was intended to erode the historic forms of service provision and management practices found in the public and voluntary sectors and support incremental and wider processes of reform across social welfare provision.

The growth in the role of the voluntary sector in the delivery of public services under New Labour was based upon its flexibility and its ability to be moulded to fit changing political conditions and priorities. The voluntary sector played a more significant role in public

service reform and modernisation process than the size and scale of the sector would suggest. It has had a symbolic contribution to the marketisation agenda in setting an agenda for reducing public service labour costs, weakening arguments for the protection of public sector pay and employment conditions by offering an alternative and third way to provide welfare services.

Many in the Labour Party aggressively sought to promote the voluntary sector into ever expanding areas of welfare and public service delivery, such as education, prisons, crime, civil disobedience and health service delivery. They argued that individuals and communities should take on responsibility from the state for service provision. Where this was not possible the use of performance measurement placed pressures on voluntary sector organisations, managers and employees to think of their services in commercial terms, as services for consumers, which needed to generate surpluses and respond to demand. This required a shift from a voluntary sector based in local communities, with committed employees capable of identifying, lobbying, campaigning, influencing and providing services to meet local need to one geared to delivering a government privatisation and managerialisation agenda.

The extension of managerialisation to the voluntary sector was useful to the New Labour government in breaking down resistance to modernisation from public sector managers, professionals and trade unionists and communities. Modernisation challenged the concept of autonomy and independent employment practices in the voluntary sector. The neo-liberal assault expected all to contribute to capital growth and the capitalist labour

process. The pressure to change the approach to public service delivery and the flexibility of the voluntary sector gave the impetus for a movement, from an 'old' voluntary sector, based on voluntary sector values, to a 'new', and 'modern' voluntary sector based on compliance and obtaining the maximum value from voluntary sector employees.

Compliance with modernisation impacted negatively on voluntary sector employees as voluntary sector managers focused on meeting government performance expectations. Targets were only achievable by adapting management practices and adopting Taylorist forms of labour management to extend managerial control over employees. Through greater control over the labour process managers were able to lower unit costs for the delivery of public services and get more from employees. They also continued to take advantage of voluntary commitment which provides not only an argument for the moral superiority of voluntary provision but free labour and a competitive advantage in more openly market public service commissioning processes.

Many studies since Braverman in the 1970s have examined change in the labour process across different industries and sectors, and occupational groups. Evidence of continuing job loss, employment insecurity, work intensification and deskilling is well documented and many studies have confirmed change not only in private but also across public services, such as health, education, social work and the police. The research here has not sought to make direct comparison between change in the public and voluntary sectors but the evidence supports analysis from other sectors. This confirms Marx and Braverman's analysis of the capitalist labour process as the patterns found in private and



public service occupations correspond to the changes that took place in the voluntary sector under New Labour.

The most significant difference between the impact of reform on the public and voluntary sectors has been that voluntary sector managers and employees tended to be more flexible and compliant with modernisation and less able to organise and resist modernisation pressures. This brought acceptance of a more competitive and individualistic environment for the delivery of public welfare services. It also brought acceptance of the need for manager control to reduce the cost of welfare provision. Privatisation, public service reform and the use of NPM combined to produce compliance with capitalist state objectives and weaken the ability of public sector professionals, employees and trade unions to exert control over service delivery and their own labour process.

The state under New Labour sought to change the relationship with the voluntary sector to allow the government to set the priorities and funding for services and to establish voluntary sector managers as agents delivering specific service outcomes. Tighter regulation and financial controls were the tools by which the state could ensure that both the public and voluntary sectors acted in accordance with the logic of the neo-liberal capitalist state. NPM provided a means to obtain information to control managers and employees and restrict their ability to act independently and autonomously. The introduction of performance targets monetized previously informal, intuitive, professionalised or autonomous decision making and secured control over decisions

about service planning and delivery and the terms by which success could be measured. Voluntary sector managers were expected to and largely complied with alterations in management practices to avoid further consequences, such as increased regulation or the reduction or withdrawal of funding if they failed to comply.

The research found that there has been a transition from 'old' to 'new' voluntary sector organisations. 'Old' voluntary sector organisations could be characterised as organisations that possessed a degree of stability as they were core grant funded. Though they may have struggled with limited and insufficient resources, their core funding allowed them to operate relatively autonomously with a degree of independence, under boards of local people committed to the particular aims and objectives of the voluntary organisation, often related to the founding values of the organisation. As a result of this voluntary organisations could be radical in regard to their campaigning for services to meet needs unmet by the welfare state. Voluntary organisations had always been regulated but regulation, up until the late 1990s, was relatively light touch. Board members, managers and employees were able to defend their autonomy, and control over their own labour, and the autonomy of their organisations. Light touch regulation was possible as voluntary organisations were not mainstream providers of public services and there was a, generally supported, view that the strength of voluntary organisation lay in its independence and autonomy from the state and the private sector.

'Old' voluntary sector organisations could adopt distinctive management approaches and though these could be criticised for amateurishness or paternalism they were based upon

informal voluntary arrangements, a closeness to service users and relationships developed between volunteers, employees, managers, board members and local communities. Management practices were founded on the principle of employee autonomy and charitable commitment and many organisations had relatively flat management structures. They eschewed hierarchical or market approaches to their internal organisation and management of employees. Some 'old' voluntary organisations also had traditions of co-operative working and the direct democratic involvement of members and applied networking and pressure group principles in respect of the causes they supported.

'New' voluntary sector organisations under New Labour by contrast were mainstreamed within a modernising public service provision. They were supported with increased funding targeted on particular priority government services, such as drug services. Organisations were expected to be compliant with and responsive to central government policy prescriptions, including with regard to labour management practices. 'New' voluntary sector organisations have been expected to compete for funding on the basis of their ability to enhance service delivery and provide value for money, efficiency and improvements in productivity. Previous funding practices based on the reputation of organisations were rejected in the search for rational and efficient allocative decisions based on measurable comparisons of outputs and outcomes.

'New' voluntary sector organisations have been increasingly controlled and regulated and made accountable to external commissioners and inspectors. They are less able to make

decisions on the basis of their own manager or employees judgements of need. This has intentionally distanced voluntary organisations from service users and created a dependency, responsiveness and accountability to funders. In certain sectors, such as housing, there were drives by funders and regulators to reduce the independence of voluntary organisations to enable mergers and amalgamations. Larger organisations were seen as important to the delivering of streamlined central administration, economies of scale and the enhancement of managerial ability to deliver against centrally set programmes and objectives. Partnership arrangements have been encouraged by government to deliver more responsive services and more effective working across sectors to aid restructuring around market practices. This included the establishment of shared performance management criteria and more tightly enforced performance arrangements.

In 'old' voluntary organisations employees were steeped in 'old' management principles but 'new' managers and employees opportunistically accepted managerialism where this could benefit their own employment and career development. The pattern of change or market restructuring varies in scale and pace between different providers, geographically and across different service areas, with complex patterns of compliance and resistance and variations in management and employment practices. However, management practices in 'new' voluntary sector organisations can be seen increasingly to resemble private sector management practices. There has been a widening division between larger commercially oriented and managerialised voluntary organisations, which receive the bulk of public funding, and smaller, local and charitable voluntary sector organisations

that are, under 'modern' commissioning arrangements, less likely to receive funding to deliver services to meet locally determined needs.

There remains continuing dissatisfaction amongst voluntary sector employees at the changes taking place in their organisations but both managers and employees have proven relatively unable to resist modernisation. The autonomous campaigning voice of the voluntary sector has been muffled, and in some cases silenced, leaving service provision and development increasingly centrally directed. Trade unions and professionals in the public sector, though weakened by privatisation and marketisation in the 1980s and by modernisation from 1997, continue to argue the case for public services, the public service model and public sector employment practices. While this has not prevented privatisation, marketisation and managerialisation it has frustrated government and delayed the progress of public service reform.

The thesis presented here is that the voluntary sector was selected for special treatment under New Labour from 1997 to 2010. It offered an alternative public service provider and management that, due to funding dependency, could more easily be won over to modernisation and reform. It contained a largely compliant and poorly organised workforce with weak professional structures and trade union organisation that was unable to resist modernisation pressures. Voluntary sector employees then could be seen as a weak link in the chain of resistance to over-arching neo-liberal modernisation and public service reform. The neo-liberal reform doctrine aimed to bring all public services within the market and extend the capitalist labour process. Resistance by professional

bodies, trade unions and community groups in defence of public services and tensions around the modernisation of the voluntary sector however continues. Despite the growth in the voluntary sector delivery of public services under New Labour many organisations, such as SITC, Parents, the Reformed Trust and Cuddle Co-ops, also continue to complain that they remain under resourced and lack the skills and capacity to provide effective public services.

The reform and contracting out of public sector services was argued to be necessary to prevent the 'crowding out' of the productive or profit making economy. The public sector was criticised for reducing capitalist profitability as it responded to the producer demands of public sector workers and demands from the public for enhanced welfare services to meet social need. Neo-liberal governments since the 1980s, in response to global change and shifting class relations, have attempted to harness the public sector and align its labour management practices with the capitalist labour process. Under the umbrella of modernisation a 'tyranny of transformation' has forced compliance with the capitalist state, to attack the 'producer interest' of public sector professionals, employees and trade unions and untangle the 'uneasy compromise' of the post war welfare state.

Modernisation has been a continuous and incremental process and its extension to the voluntary sector and voluntary sector employees since 1997 was important. Though voluntary sector organisations remain relatively small in overall public service delivery they formed a significant vehicle for undermining public sector resistance to market reform and the defence of the public service ethos and public sector employment model.

Voluntary organisations, despite their social claims, remain essentially private organisations and their dependency on state funding made them flexible and responsive to the New Labour government modernisation programme.

## **Conclusion**

The research for this thesis covers the modernisation of the voluntary sector under New Labour. Significantly this research was conducted prior to the financial crisis from 2008 and the election of the Conservative and Liberal Democrat coalition government in 2010. Analysis of the changes that have taken place since 2008 would require further research but it is worth commenting on how the financial crisis of 2008 and the political programme of austerity embarked on by the coalition from 2010 may have affected the reform of the voluntary sector and its labour process.

This thesis has argued that New Labour made use of the voluntary sector to further public service reform as the result of changing class relations and development of global neo-liberalism. The internally reformed New Labour party in government made a priority of transforming the public sector, recommodifying public services and changing the nature of the labour process in the public sector and this was aided by the involvement of the voluntary sector and extension of managerialism. This formed part of a third way to transforming public service delivery and aligning public services, and the labour process and management practices in public services, with global neo-liberalism.

The thesis argues that New Labour was largely successful in achieving compliance from voluntary sector managers for its modernisation programme. This has had similar negative consequences for voluntary sector employees as it has had for public sector employees in increasing managerial control and discipline leading to a loss of autonomy and alienation, exploitation and increasing workloads and reductions in pay and benefits. While reform was not complete the changes made under New Labour continued the patterns of neo-liberal change initiated under the Conservative governments of the 1980s. In many ways New Labour rapidly accelerated neo-liberal reform viewing modernisation as a means to tackle what they perceived as harmful elements that impeded global neo-liberalism.

The period from 2010 represents a further uncertain and challenging period for both public and voluntary sector organisations, their managers and employees. The voluntary sector was largely compliant with the New Labour modernisation programme. Historically the voluntary sector plays a changing and uncertain role. It can and has been harnessed by government to further market reform, extend voluntarism and plug the gaps from cuts in public service provision but it also can and has the potential to enhance radicalism and resistance. It is difficult to predict whether the austerity now affecting the public and voluntary sector represents a symbol of the success or failure of the neo-liberal project supported by New Labour.

Austerity may lead to a deepening of compliance with public sector reform or allow a more radical role for the voluntary sector in campaigning in opposition to further cuts in



public sector spending. As in the past this will depend on class responses, class relations and the response of public and voluntary sector employees, trade unions and communities. Their willingness to unite to resist and defend the welfare state, public services and public and voluntary sector employment will be tested. It will require a co-ordinated and comprehensive strategy from public service trade unions to organise to resist further cuts in public service welfare provision and the deepening of market reform and attacks on public service employees.

During the research one interviewee commented that it was understandable that voluntary organisations had become more like private sector organisations. He argued that any organisation which depended on government finance would respond to government pressure as ultimately he who paid the piper called the tune. The New Labour government used its control of resources to the voluntary sector to dictate what it wanted the voluntary sector to do. The voluntary sector was willing to offer itself so long as resources were forthcoming.

He advanced to the council-table:

And, "Please your honours," said he, "I'm able,

"By means of a secret charm, to draw

"All creatures living beneath the sun,

"That creep or swim or fly or run,

"After me so as you never saw!

"And I chiefly use my charm

“On creatures that do people harm,  
“The mole and toad and newt and viper;  
“And people call me the Pied Piper.”

(Browning, R. 1888 Ch. VI)

As in the pied piper story the willingness of the piper to play the tune depends on payment. When the Piper was not paid the consequences for the townsfolk were severe. The voluntary sector could play a different tune if payment is not continued.

The Conservative and Liberal Democrat coalition continue to express support for the voluntary sector and the widening of its role in civil society, under the Big Society banner, while at the same time instigating significant cuts and a squeeze across all areas of public service spending. This is part of its strategy to tackle the public spending deficit and stem the capitalist financial crisis. The Labour Party has denounced the severity of the proposed coalition cuts arguing they repeat the mistakes of the 1980s.

Funding cuts disproportionately affect the voluntary sector as local authorities seek to protect core public service spending and social needs increase. Coalition support to the voluntary sector appears to be conditional not only on the continuing marketisation and commodification of services and continuation of the productivity and efficiency gains as under New Labour but also adherence to the concept of a truly ‘voluntary’ voluntary sector, where voluntary sector workers forever deliver more for nothing. The coalition appears to view public funding and infrastructure for the voluntary sector as part of what

it perceives as the big government problem inherited from New Labour. It argues funding should be ended to support the 'income and wealth producing' private sector.

The extension of managerialism, the introduction of NPM and the strengthening of managerial control over the public service labour process accompanied shifting class relations in the 1980s. This set the scene for the further extension of capitalist control over the public and voluntary sector labour process and changed management practices. This may continue but the role of the voluntary sector could change again.

The voluntary sector, its managers and employees could unite with trade unions to forge links between disadvantaged communities and employees in the public and voluntary sectors. Public service trade unions could develop a co-ordinated and comprehensive strategy to resist market reform and further cuts in public service and welfare provision and forge links with radical employees in the voluntary sector. In the pied piper story the consequence of not keeping the promise to pay the piper was that the lure of the piper's tune was redirected. It remains to be seen whether the coalition continues to support the voluntary sector and, if it does not, what the response of the voluntary sector and its employees, and its future role in public services, will be.

## Bibliography

Ahlstrand, B. W. (1990) *The quest for productivity: a case study of Fawley after Flanders*,

Cambridge University Press, Cambridge

Alcock, P. (2003) *Social Policy in Britain*, Palgrave MacMillan, Basingstoke

Alveson, M. and Deetz, S. (2000) *Doing Critical Management Research*, Sage, London

Arrow, J. K. and Hurwicz, L. (1977) *Studies in Resource Allocation Processes*, Cambridge

University Press, Cambridge

Audit Commission (2004) Inspection Report – Sanctuary Housing Association, September

2004, <http://www.audit->

[commission.gov.uk/housing/inspection/housingassociation/reports/Pages/sanctuary](http://www.audit-commission.gov.uk/housing/inspection/housingassociation/reports/Pages/sanctuary)

[housingassociation.aspx](http://www.audit-commission.gov.uk/housing/inspection/housingassociation/reports/Pages/sanctuary) [Accessed 26 September 2010)

Bach, S., Kessler, I. and Heron P. (2008) ROLE Redesign in a modernised NHS: the case of

health care assistants, *Human Resource Management Journal*, 18, 2, pp. 171-187

Bach, S., Kessler, I. and Heron, P. (2006), 'Changing job boundaries and workforce reform:

the case of teaching assistants', *Industrial Relations Journal*, 37:1, pp. 2 – 21

Bach, S. (2002), 'Public-Sector Employment Relations Reform under Labour—Muddling through on Modernization', *British Journal of Industrial Relations*, 40, 2, pp. 319–339.

Bains, D. and Cunningham, I. (2011) Employment implications of the outsourcing of public services to voluntary, not-for-profit organisations, *International Journal of Public Sector Management*, 24, 7

Bains, M.A. (1972) *The New Local Authorities: Management and Structure*, HMSO, London.

Bales, K. (1996) 'Measuring the Propensity to Volunteer, *Social Policy and Administration*, Vol. 30, Issue 3, pp. 206-227

Balibar, E. (2002) 'Possessive Individualism' Reversed: From Locke to Derrida, *Constellations*, 9:3, pp. 299-317

Barker, K. (2004) *Review of Housing Supply, Delivering Stability: Securing our Future Housing Needs*, March 2004, HMSO, Norwich

Batstone, E., Boraston, I. and Frenkel, S. (1977) *Shop stewards in action: the organization of workplace conflict and accommodation*, Blackwell's Book Services, Oxford

Batsleer, J., Cornforth, C. and Paton, R. (1992) *Issues in Voluntary and Non-profit Management*, Addison-Wesley, Wokingham

Baumgold, D. (2005) Hobbes and Locke's Contract Theories: Political not Metaphysical, *Critical Review of International Social and Political Philosophy*, 8: 3, pp. 289-308

BBC (7 July 1999) Assinder, N. 'Blair risks row over the public sector'  
[http://news.bbc.co.uk/1/hi/uk\\_politics/388528.stm](http://news.bbc.co.uk/1/hi/uk_politics/388528.stm) [Accessed 29 September 2010]

BBC (3 December 2001) Sharp Fall in Rough Sleeper Numbers  
<http://news.bbc.co.uk/1/hi/england/1688651.stm> [Accessed 26 September 2010]

BBC (7 March 2007) Mental Health Reform 'Unproven'  
<http://news.bbc.co.uk/1/hi/health/6428229.stm> [Accessed 26 September 2010]

BBC (6 June 2010) 'David Miliband claims promises 'broken' over cuts'  
<http://www.bbc.co.uk/news/10247504> [Accessed 26 September 2010]

Bell, J. (2001) *Doing Your Research Project*, OUP, Buckingham

Bentham, J. and Harrison, W. (ed) (1948, first published 1776) *A Fragment on Government and an Introduction to the Principles of Morals and Legislation*, Basil Blackwell, Oxford

Beveridge, W. H. (Sir) (1984, first published 1942), *Social Insurance and Allied Services*, Cmd. 6404, HMSO, London

Beveridge, Lord (1949, first published 1948) *Voluntary Action*, George Allen and Unwin, London

Beynon, H. (1984) *Working for Ford*, Penguin, Harmondsworth

Radical - 1, (2005) Business Plan 2005 to 2010, April 2005

Radical - 2, (2005) Newsletters

Blackmore, A., Bush, W. and Bhutan, M. (2005) *The Reform of Public Services: The role of the Voluntary Sector*, NCVO, London

Blair, T. (2006) Speech to 21<sup>st</sup> Century Public Services Conference, 6 June 2006

Bolton, S. C. (2004), 'A Simple Matter of Control?: NHS Hospital Nurses and New Management' in *Journal of Management Studies*, March 2004, 41:2, pp. 317 – 332

Bourdillon, A. F. C. (1945) *Voluntary Social Services: Their Place in the Modern State*, Methuen, London

Bourn, J. (Sir) (2005) *Working with the Third Sector*, National Audit Office, The Stationary Office, London

Boviard, T. and Loffler, E. (2003) *Public Management and Governance*, Routledge, London

Braverman, H. (1998, first published 1974) *Labor and Monopoly Capital: The Degredation of Work on the 20<sup>th</sup> Century*, Monthly Review Press, New York

Browning, R. (1888) *The Pied Piper of Hamelin*, Frederick Warne and Co. Ltd

[www.indiana.edu/~librcsd/etext/piper/](http://www.indiana.edu/~librcsd/etext/piper/) [Accessed 20 June 2012]

Bruce, M. (1968) *The Coming of the Welfare State*, William Clowes and Sons Ltd., London

Buchan, J. (2000), 'Health sector reform and human resources: lessons from the United Kingdom' in *Health Policy and Planning*, 15:3, pp. 319-325, Oxford University Press

Bullock, I. (2009) 'The rise and fall of New Labour? A Social Democracy for 21<sup>st</sup> Century Britain', *Labour/Le Travail*, Fall 2009, 64, pp. 173-191

Cabinet Office of Information – Office for the Third Sector "Is Social Enterprise at a Crossroads – Summary presentation 17 September 2008



[http://www.cabinetoffice.gov.uk/media/cabinetoffice/third\\_sector/assets/COI%20SE%20presentation%20FINAL.pdf](http://www.cabinetoffice.gov.uk/media/cabinetoffice/third_sector/assets/COI%20SE%20presentation%20FINAL.pdf) [Accessed 22 September 2010]

Cameron, D. (14 December 2006) From 'State welfare' to 'Social Welfare', Speech by the Leader of the Conservative party to the NCVO conference, NCVO , London

Capacitybuilders, <http://www.capacitybuilders.org.uk/about-us/overview/history> [Accessed 26 September 2010]

Carpenter, M. (2000) 'Between elation and despair: Unison and the new social policy agenda' in Terry, M. (ed) *Redefining Public sector Unionism: Unison and the future of trade unions*, Routledge, London

Castells, M (2000) *The Rise of the Network Society; The Information Age: Economy, Society and Culture*, Volume 1, Second Edition, Blackwell, Malden

Charities Act 2006, <http://www.legislation.gov.uk/ukpga/2006/50/notes/contents> [accessed 26 September 2010]

Chew, C. (2009) *Strategic Positioning in Voluntary and Charitable Organizations*, Routledge, Abingdon

Chomsky, N. (1999) *Profit over People: Neoliberalism and the Global Order*, Seven Sisters Press, New York

Civil Society (18 May 2010), Mair, V., Office for Civil Society to replace Office of Third Sector, <http://www.civilsociety.co.uk/governance/news/content/6618>, [Accessed 2 December 2011]

Civil Society (18 May 2010), Mason, T., 'Bubb refuses to accept Office of Civil Society rebrand'  
[http://www.civilsociety.co.uk/governance/news/content/6625/bubb\\_refuses\\_to\\_accept\\_office\\_of\\_civil\\_society\\_rebrand](http://www.civilsociety.co.uk/governance/news/content/6625/bubb_refuses_to_accept_office_of_civil_society_rebrand) [Accessed 22 September 2010]

Civil Society (19 May 2010), Mair, V., 'Sector umbrella groups left out of government Big Society meeting'  
[http://www.civilsociety.co.uk/governance/news/content/6634/sector\\_umbrella\\_groups\\_left\\_out\\_of\\_government\\_big\\_society\\_meeting](http://www.civilsociety.co.uk/governance/news/content/6634/sector_umbrella_groups_left_out_of_government_big_society_meeting) [Accessed 22 September 2010]

Civil Society (19 May 2010), Mason, T., 'Office for Civil Society key to building Big Society, says Hurd'  
[http://www.civilsociety.co.uk/fundraising/news/content/6635/office\\_for\\_civil\\_society\\_key\\_to\\_building\\_big\\_society\\_says\\_hurd](http://www.civilsociety.co.uk/fundraising/news/content/6635/office_for_civil_society_key_to_building_big_society_says_hurd) [Accessed 22 September 2010]

Civil Society (26 May 2010), Mair, V., 'Greater service delivery role promised but cuts start to bite'

[http://www.civilsociety.co.uk/finance/news/content/6677/greater\\_service\\_delivery\\_role\\_promised\\_but\\_cuts\\_start\\_to\\_bite](http://www.civilsociety.co.uk/finance/news/content/6677/greater_service_delivery_role_promised_but_cuts_start_to_bite) [Accessed 22 September 2010]

Civil Society (19 July 2010), Mair, V., 'Maude places voluntary sector cuts on red alert'

[http://www.civilsociety.co.uk/finance/news/content/6996/maude\\_places\\_voluntary\\_sector\\_cuts\\_on\\_red\\_alert](http://www.civilsociety.co.uk/finance/news/content/6996/maude_places_voluntary_sector_cuts_on_red_alert) [Accessed 22 September 2010]

Civil Society (29 July 2010), Mair, V., 'Office for Civil Society to slash spending by £11m'

[http://www.civilsociety.co.uk/finance/news/content/7060/office\\_for\\_civil\\_society\\_to\\_slash\\_spending\\_by\\_11m](http://www.civilsociety.co.uk/finance/news/content/7060/office_for_civil_society_to_slash_spending_by_11m) [Accessed 22 September 2010]

Civil Society (16 September 2010), Young, N. M., 'Don't cut money from voluntary bodies, PM tells local authorities'

[http://www.civilsociety.co.uk/finance/news/content/7306/dont\\_cut\\_money\\_from\\_voluntary\\_bodies\\_pm\\_tells\\_local\\_authorities](http://www.civilsociety.co.uk/finance/news/content/7306/dont_cut_money_from_voluntary_bodies_pm_tells_local_authorities) [Accessed 22 September 2010]

Clarke, J. and Newman, J. (1997) *The Managerial State*, Sage, London

Clarke, J., Gewirtz, S. and McLaughlin, E. (eds) (2000) *New Managerialism, New Welfare?*, Sage, London

Clift, B. and Tomlinson, J. (2002) Tawney and the Third Way, *Journal of Political Ideologies*, 7, 3, pp. 315-331

Cockburn, C. (1980) *The Local State – Management of Cities and People*, Pluto Press, London

Common, R. K. (1998) Convergence and Transfer: a review of the globalisation of new public management, *International Journal of Public Sector Management*, 11:6, pp. 440-450

Conley, H. (2006) Modernisation or Casualisation? Numerical Flexibility in Public Services, *Capital and Class*, Summer 2006, 89: pp. 31-58

Consodine, M. (2003) 'Governance and Competition: The Role of Not-for-profit Organisations in the delivery of Public Services', *Australian Journal of Political Science*, Vol. 38, No.1, pp. 63-77

Cowell, R. and Martin, S. (2003) The Joys of Joining Up: modes of integrating the local government modernisation agenda, *Environment and Planning C*, 21:2, pp. 154-179

Crosland, C. A. R. (1956) *The Future of Socialism*, Cape, London

Cunningham, I. (1999) 'Human Resource Management in the Voluntary Sector: Challenges and Opportunities', *Public Money and Management*, April-June 1999

Cunningham, I (2000) 'Workplace Relations in the Voluntary sector – presentation of research findings – paper for the workplace relations of the 21<sup>st</sup> century – 25 January 2000

Cunningham, I. (2000 b) Prospects for union growth in the UK voluntary sector: the impact of the Employment Relations Act 1999, *Industrial Relations Journal*, 31, 3, p. 192-205

Cunningham, I. (2001) 'Sweet Charity! Managing employee commitment in the UK Voluntary sector' in *Employee Relations*, 2001, Vol.23, Issue 3

Cunningham, I. (2008) *Employment Relations in the Voluntary Sector: Struggling to Care*, Routledge, Abingdon

Cunningham, I. (2008 b) 'Mobilising Workers within Inter-Organisational Relationships in the UK Voluntary Sector', *Industrial Relations Journal*, 39, 3, pp. 191–211.

Cutler, T. and Waine, B. (1994) *Managing the Welfare State*, Berg, Oxford

Daniels, G. and McIlroy, J. (eds) (2009) *Trade Unions in a Neoliberal World: British Trade Unions under New Labour*, Routledge, London

Davies, C. (2003), *The Future Health Workforce*, Palgrave Macmillan, Basingstoke

Davies, S. (2006) *Third Sector Provision of Employment-Related Services – a report for the public and commercial services union (PCS)*, June 2006, Cardiff University

Davies, S. (2011) Outsourcing, public sector reform and the changed character of the UK state-voluntary sector relationship, *International Journal of Public Sector Management*, 24, 7, pp. 641-649

Davis Smith, J., Rochester, C. and Hedley, R. (1995) *An Introduction to the Voluntary Sector*, Routledge, London

Deakin, N. (2000) "Putting narrow-mindedness out of countenance": The UK voluntary sector in the new millennium, Civil Society Working Paper 4, January 2000, Centre for Civil Society, LSE, London

Deakin, N. (1987) *The Politics of Welfare*, Methuen, London

Department of Health (2006) *Our health, our care, our say: A new direction in community services*, Cmd. 6737, The Stationary Office

- Dinham, A. (2008) Commentary: From Faith in the City to Faithful Cities: The 'Third Way', the Church of England and Urban Regeneration, *Urban Studies* 45:10, pp. 2163-2174
- Dobkin Hall, P. (1987) 'A Historical Overview of the Private Nonprofit Sector' in Powell, W. W. (ed) (1987) *The Nonprofit Handbook*, Yale
- Doogan, K. (1997) 'The Marketisation of Local Services and the Fragmentation of Labour Markets, *International Journal of Urban and Regional Research*, 21;2, pp. 286-306
- Driver, S. and Martell, L. (1998) *New Labour: Politics after Thatcherism*, Polity, Cambridge
- Driver, S. and Martell, L. (2001) 'From Old Labour to New Labour: A Comment on Rubenstein', *Politics*, 21, 1, pp. 47-50
- Driver, S. and Martell, L. (2002) *Blair's Britain*, Polity, Cambridge
- Duncan Smith, I. (with Danny Kruger) (2005) *Good for Me, Good for my Neighbour: The Conservative way to Social Justice*, 23 May 2005, Centre for Social Justice, London
- Dundon, T. (2004) *Employment Relations in Non-Union Firms*, Routledge, Andover

- Easterby-Smith, M., Thorpe, R. and Jackson, P. R. (2008) *Management Research*, Sage, London
- Edwards, P. K. and Scullion, H. (1982) *The Social Organisation of Industrial Conflict*, Basil Blackwell, Oxford
- Edwards, P. (2006) Industrial Relations and Critical Realism: IR's Tacit Contribution, Warwick Papers in Industrial Relations, Number 80, March 2006
- Edwards, P. (2007) The State of the Labour Process Debate after 25 Years: Some Reflections from Industrial Relations and Industrial Sociology, Notes for remarks to plenary panel at the International Labour Process Conference, Amsterdam, April 2007
- Edwards, R. (1979) *Contested Terrain: The Transformation of the Workplace in the 20<sup>th</sup> Century*, Basic Books, New York
- Etzioni, A. (1993) *The Spirit of Community*, Crown, New York
- Ferlie, C., Ashburner, L., Fitzgerald, L., and Pettigrew, A. (1996) *The New Public Management in Action*, OUP



Foster, D. and Scott, P. (1998) 'Competitive Tendering of Public Services and Industrial Relations Policy: The Conservative Agenda under Thatcher and Major, 1979-81', *Historical Studies in Industrial Relations*, Autumn 1998, No. 6

Fox Piven, F. and Cloward, R. (1982) *The New Class War: Reagan's attack on the welfare state and its consequences*, Pantheon, New York

Fox Piven, F. and Cloward, R. (1992) *Regulating the Poor: The Functions of Public Welfare*, Vintage, New York.

Futurebuilders, <http://www.futurebuilders-england.org.uk/> [Accessed 29/09/10]

Gale, J. (2007) 'The Implications of Working with OASys: Staff Attitudes in Two Probation Service', Conference, paper for *Work, Employment and Society Conference*, 12-14 September 2007  
[www.abdn.ac.uk/wes2007/Full%20Papers/Stream%20H/44.%20Jennifer%20Gale%20FP.doc](http://www.abdn.ac.uk/wes2007/Full%20Papers/Stream%20H/44.%20Jennifer%20Gale%20FP.doc)

Garside, P. L. and Morris, S. (1994) *Building a Legacy: William Sutton and his Housing Trust*, The Trustees of the William Sutton Trust, Tring

Giddens, A. (1998) *The Third Way: Renewal of Social Democracy*, Polity Press, Cambridge

- Gidron, B. and Bar, M. (2010) *Policy Initiatives towards the Third Sector in International Perspective*, Springer, New York
- Gilbert, N. (2002) *Transformation of the Welfare State: The Silent Surrender of Public Responsibility*, OUP, New York
- Gill-McLure, W. (2007) Fighting Marketisation: An Analysis of Municipal Manual Labor in the United Kingdom and the United States, *Labor Studies Journal*, 32: 41, pp. 41-59
- Gill-McLure, W. and Seifert, R. (2008) Degrading the labourer: the reform of local government manual work, *Capital and Class*, 94, pp. 1-94
- Goldthorpe, J. H., Lockwood, D., Bechhofer, F. and Platt, J. (1968) *The Affluent Worker: political attitudes and behaviour*, Cambridge University Press, Cambridge
- Goodrich, C. L. (1920) *The Frontier of Control: A Study in British Workshop Politics*, Harcourt, Brace and Howe, New York
- Gough, I. (1979) *The Political Economy of Welfare*, MacMillan, London
- Gouldner, A. W. (1954) *Patterns of Industrial Bureaucracy*, New York Free Press, New York
- Gray, J. and Smith G. W. (eds) (1991), *On Liberty in Focus*, Routledge, London

Hadow, W. H. (Sir) (1934) *Report to the Minister of Health by the Departmental Committee on the Qualifications, Recruitment, training and Promotion of Local Government Officers*, HMSO, London

Harris, M. (2002) 'Civil Society and the Role of the UK Churches: an exploration', *Studies in Christian Ethics*, 15, pp. 45-59

Harrison, S. (2002) New Labour, Modernisation and the Medical Labour Process, *Journal of Social Policy*, 31:3, pp. 465-485

Harrow, J. and Mole, V. (2005) 'I want to move once I have got things straight': Voluntary sector chief executives career accounts, *Nonprofit Management and Leadership*, Fall 2005, Vol.16, Issue 1, pp. 79-100

Harvie, D. (2006) Value production and struggle in the classroom, *Capital and Class*, Spring 2006, Vol. 88, pp. 1-32

Hayek, F. (1944) *The Road to Serfdom*, Routledge, London

Himmelfarb, G. (1995) *The Demoralization of Society: From Victorian Virtues to Modern Values*, IEA, London

Hinings, C. R. and Greenwood, R. (1988) *The dynamics of strategic change*, Basil Blackwell, Oxford

HM Treasury (2007) *Aiming High for Young People: a ten year strategy for positive activity*, July 2007, Office of Public Sector Information, Norwich

HM Treasury (2002) *The role of the Voluntary and Community Sector in Service Delivery – A Cross Cutting Review*, September 2002, HM Treasury, London

Hobbes, T. (2002, first published 1651) *Leviathan*, Penguin, Harmondsworth

Hobsbawm, E. (1994) *Age of Extremes: the short twentieth century 1914-1991*, Michael Joseph, London

Hodgson, J. 'Manufactured Civil Society; Counting the Cost', *Critical Social Policy*, May 2004, Vol. 24, Issue 79

Home Office (July 2003) *Charities and Not-for-Profits: A Modern Legal Framework: The Government's response to 'Private Action, Public Benefit*, The Home Office  
[www.homeoffice.gov.uk/docs2/charitiesnotforprofits.pdf](http://www.homeoffice.gov.uk/docs2/charitiesnotforprofits.pdf)

Hood, C. (1995) 'The "New Public Management" in the 1980s: Variations on a theme', *Accounting, Organisations and Society*, 20:2,3, pp. 93-109

How, A. (2003) *Critical Theory*, Palgrave MacMillan, Basingstoke

HSJ (21 January 2008) Mark Gould, Will Community Treatment Orders Work

<http://www.hsj.co.uk/will-community-treatment-orders-work/358943.article>

[Accessed 13 August 2009]

Hudson, M. (2005) *Managing at the Leading edge: New Challenges in Managing Non-profit Organisations*, Jossey Bass

Inside Housing (27 March 2009) Those were the Days

<http://www.insidehousing.co.uk/story.aspx?storycode=6503870> [Accessed 13 August 2009]

Ironside, M. and Seifert, R. (1995) *Industrial Relations in Schools*, London, Routledge

Ironside, M. and Seifert, R. (1999) 'A critical comment on the Government's 1998 Green Paper, Teachers meeting the challenge of change', *Education and Social Justice*, 1:2, pp. 17-21

Ironside, M. and Seifert, R. (2000) *Facing up to Thatcherism – The History of NALGO*, OUP, Oxford

- Ironside, M. and Seifert, R. (2004) 'The impact of privatisation and the marketisation on employment conditions in the public services', *Radical Statistics*, Issue 86
- Jackson, J., Cunningham, I. and Dutton, A. (2001) 'The impact of the Employment relations Act 1999 on Scotland's voluntary sector' in *Employee Relations*, 2001, Vol. 23, Issue 3.
- James, P. (2011) Voluntary Sector outsourcing: A Reflection on employment-related rationales, developments and outcomes, *International Journal of Public Sector Management*, 24, 7, pp. 684-693
- Johns, N. and Ross, D. L. (1998) *Research Methods in Service Industry Management*, Thomson, London
- Johnson, C. and Osborne, S. P. (2003) Local Strategic Partnerships, Neighbourhood Renewal, and the Limits to Co-governance, *Public Money and Management*, 23:3, pp. 147-154
- Keaveney, P. and Kauffman, M. (2001) *Marketing for the Voluntary Sector*, Kogan Page, London
- Kelliher, C. and Parry, E. (2011) Voluntary sector HRM: examining the influence of government, *International Journal of Public Sector Management*, 24, 7, pp. 650-661

Kelly, J. (1998) *Rethinking Industrial Relations*, Routledge, London

Kelly, J. and Willman, P. (2004) *Union organization and activity*, Routledge, London

Kendall, J. and Knapp, M. (1996) *The Voluntary Sector in the UK*, Manchester University Press, Manchester

Kendall, J. (2000) *The mainstreaming of the third sector into public policy in England in the late 1990s: Whys and wherefores*, Civil Society Working Paper 2, Personal Social Services Research Unit and the Centre for Civil Society at the London School of Economics, London

Kendall, J. (2003) *The Voluntary Sector*, Routledge, London

Kessler, I., Bach, S. and Heron, P. (2006), 'Understanding assistant roles in social care' in *Work, Employment and Society* (2006), 20:4, pp. 667 – 684

Kessler, I., Bach, S. and Heron, P. (2007), 'Comparing assistant roles in education and social care: backgrounds, behaviours and boundaries', *International Journal of Human Resource Management*, 18: 9: pp.1648-1665

Kitay, J. and Callus, R. (1998) 'The Role and Challenge of Case Study Design in Industrial Relations Research', pp. 101-112, in Whitfield, K. and Strauss, G. (1998) (eds.)

*Researching the World of Work: Strategies and Methods in Studying Industrial Relations*, Cornell University Press, New York

Kochan, T. A. (1998) 'What is distinctive about industrial relations research', pp. 31-39, in Whitfield, K. and Strauss, G. (eds.) *Researching the World of Work: Strategies and Methods in Studying Industrial Relations*, Cornell University Press, New York.

Landry, C., Morley, D., Southwood, R. and Wright, P. (1992) 'An analysis of Radical Failure' in Batsleer, J., Cornforth, C. and Paton, R., *Issues in Voluntary and Non-profit Management*, Addison-Wesley, Wokingham

Leonard-Barton, D. (1990) A Dual Methodology for Case Studies: Synergistic Use of a Longitudinal Single Site with Replicated Multiple Sites, *Organization Science*, Vol. 1, No. 3, August 1990, pp. 248-266

Le Grand, J. and Bartlett, W. (eds) (1993) *Quasi-markets and Social Policy*, MacMillan, Basingstoke and London

Lenin, V. I. (1972, first published 1918) *The State and Revolution*, Progress Publishers, Moscow

Lewis, T. (2007) Braverman, Foucault and the labor process: framing the current high skills debate, *Journal of Education and Work*, 20:5, p.397-415



Lipset, S. M., Trow, M. A. and Coleman, J. S. (1956) *Union Democracy: the internal politics of the International Typographical Union*, New York Free Press, New York

Little, A. (2004) 'Crossing the Great Divide: Dilemmas of U.K. Voluntary Sector Leaders Who Move Into Government' in *Public Administration Review*, September/October 2004, Vol. 64, Issue 5, pp. 618-624

Locke, T. (1988, first published 1689) *Two Treatises*, Cambridge University Press, Cambridge

Loney, M. (1983) *Community Against Government: The British Community Development Project 1968-78*, Heinemann, London

Lukes, S. (2005) *Power, A Radical View*, Palgrave MacMillan, Basingstoke

Machiavelli, N. (1950, first published 1532) *The Prince and The Discourses*, The Modern Library, New York

MacPherson, C. (1962) *The Political Theory of Possessive Individualism*, OUP, Oxford.

Mailonline (10 September 2010), Becky Barrow, 'Public will rise up over spending cuts "like they did over poll tax"', claims TUC Chief'

<http://www.dailymail.co.uk/news/article-1309798/Public-rise-spending-cuts-like-did-poll-tax-claims-TUC-chief.html> [Accessed 26 September 2010]

Mallaby Committee (1967), *The Staffing of Local Government*, HMSO, London

Malpass, P. (2000) *Housing Associations and Housing Policy: A Historical Perspective*, MacMillan, Basingstoke

Malpass, P. (2001) 'The Restructuring of Social Rented Housing in Britain: Demunicipalisation and the Rise of the "Registered Social Landlords" in *European Journal of Housing Policy* 1(1) pp. 1-16

Martin, B. (2005) 'Managers after the era of organizational restructuring: towards a second managerial revolution', *Work, Employment and Society*, 19:4, pp. 747-760

Martin, P. (2004) Speech by Peter Martin, at the National Treatment Agency for Substance Misuse national Conference at the Mermaid Conference Centre, London

Marquand, D. (16 January 2006) 'Little by Little, the "social" element in social democracy has drowned out the "democratic" element. Freedom, tolerance, human rights, civil liberty and the rule of law slowly fell off the radar screen. It is time to redress the balance', *New Statesman*

Marx, K. (1957, first published 1887), *Capital Vol. 1*, J. M Dent and Sons Ltd, London

Marx, K. (1959, first published 1887), *Capital Vol.1*, Foreign Languages Publishing House,  
Moscow

Marx, K. (1961, first published 1887) *Capital: A critical analysis of capitalist production, 3 volumes*, Foreign Languages Publishing House, Moscow

Marx, K. (1962, first published 1887), *Capital Vol.1*, Foreign Languages Publishing House,  
Moscow

Marx, K. (1971, first published 1859) *A Contribution to the Critique of Political Economy*,  
Lawrence and Wishart, London

Marx, K. and Engels, F. (1974, first published 1846), C. J. Arthur (ed), *The German Ideology*, Lawrence and Wishart, London

Marx, K. and Engels, F. (1983, first published in 1872), *The Communist Manifesto*,  
Penguin, Aylesbury

Mather, K., Worrall, L. and Seifert, R. (2007) Reforming further education: the changing labour process for college lecturers, *Personnel Review*, 36: 1, pp. 109-127

- Mather, K., Worrall, L. and Seifert, R. (2009) The changing locus of workplace control in the English further education sector, *Employee Relations*, 31: 2, pp. 129-137
- Maud, J. (1967) *Committee on the Management of Local Government*, HMSO, London
- May, J., Cloke, P. and Johnsen, S. (2006) Shelter at the Margins: New Labour and the changing state of emergency accommodation for single homeless people in Britain, *Policy and Politics*, 34:4, pp. 711-725
- McBriar, A. (1987) *An Edwardian Mixed Doubles: The Bosanquets Versus the Webbs*, Clarendon Press, Oxford
- McLaughlin, K., Osborne, S, and Ferlie, W. (eds) (2002) *New Public Management*, Routledge, London
- McClintock, C. C., Brannon, D. and Maynard-Moody, S. (1979) Applying the Logic of Sample Surveys to Qualitative Case Studies: The Case Cluster Method, *Administrative Science Quarterly*, Vol. 24, No. 4, pp. 612-629
- Meredith, S. (2008) *Labour's Old and New: The Parliamentary Right of the British Labour Party 1970-79 and the Roots of New Labour*, Manchester University Press, Manchester

Merrison, A. (Sir) (1979) *Royal Commission on the Health Service*, HMSO, London

Megaw, J. (Sir) (1982) *Inquiry into the Principles and the system by which the remuneration of the non-industrial civil service should be determined*, HMSO, London

Midwinter, E. C. (1994) *The Development of Social Welfare in Britain*, Open University Press, Buckingham

Milburn, A. (21 April 2004) 'Localism: The need for a new settlement', speech given at DEMOS

Miliband, R. (1970) *The State in Capitalist Society*, Weidenfield and Nicolson, London

Miliband, R. (1974) *The State in Capitalist Society*, Quartet Books, London

Mill, J. S. (1895, first published 1863) *Utilitarianism, Liberty and Representative Government*

Mill, J. S. (1970, first published 1848) *Principles of Political Economy*, Penguin, London

Milligan, C. and Conradson, D. (eds) (2006), *Landscapes of Voluntarism: New Spaces of Health, Welfare and Governance*, Policy Press, Bristol

Milligan, C. and Fyfe, N. R. (2004) Putting the Voluntary Sector in its Place: Geographical Perspectives on Voluntary Activity and Social Welfare in Glasgow, *Journal of Social Policy*, 33:1, pp. 73-79

Mishra, R. (1986) *The Welfare State in Crisis*, OUP/Harvester, Brighton

Morrow, R. A. (1994) *Critical Theory and Methodology*, Sage, London

Murdock, A. "The Delivery of Public Services by the Third Sector: The emergence and development of contractual partnerships between the Third sector and Government", conference paper given at the 1<sup>st</sup> European Summit on Modernizing Government at the Speyer University, 24 August 2006

National School of Government (2006) Public Services Reform Conference 2006  
[http://www.nationalschool.gov.uk/news\\_events/psrc2006/index.asp](http://www.nationalschool.gov.uk/news_events/psrc2006/index.asp), [Accessed 8 August 2009]

National Audit Office (2007) *Office of the Third Sector – Implementation of Full Cost Recovery*, June 2007, National Audit Office, London

National Audit Office (2009) *Building the Capacity of the Third Sector*, The Stationery Office, London

National Treatment Agency (NTA) (2006) <http://www.nta.nhs.uk/about/default.aspx>  
[Accessed 13 August 2009]

NCVO [online] The National Council for Voluntary Organisations from 1919 to 1993  
<http://www.ncvo-vol.org.uk/about/NCVO-from-1919-to-1993> [accessed 29  
September 2010]

NCVO (2006) [online] A Briefing on the Charities Act 2006 <http://www.ncvo-vol.org.uk/policy-research-analysis/policy/charity-law-regulation/charities-act-2006-briefing> [Accessed 29 September 2010]

NCVO (2008) *The UK Civil Society Almanac: NCVO Almanac 2008*, NCVO, London

NCVO (2009) *The UK Civil Society Almanac: NCVO Almanac 2009*, NCVO London

NCVO (2010) *The Civil Society Economy: NCVO Almanac 2010*, NCVO, London

NCVO (2010 b) 13 May 2010, Nick Hurd appointed Minister for Civil Society,  
<http://www.ncvo-vol.org.uk/news/election-2010/new-government-launch-office-civil-society> [Accessed 11 July 2010]

NCVO (2010 c) 14 Sept 2010, Karl Wilding, Heard but not heeded: lessons for the UK from cutting the Canadian VCS

<http://www.ncvo-vol.org.uk/networking-discussions/blogs/209/10/09/14/heard-not-heeded-lessons-uk-cutting-canadian-vcs> [Accessed 22 September 2010]

New Local Government Network (NLGN) (2005) *New Localism in Action*, NLGN, London

Niskanen, W. (1971) *Bureaucracy and Representative Government*, Chicago, Aldine Atherton

Onslow, Lord. (1929) *Royal Commission on Local Government*, Third Report, Cmnd. 3436, HMSO, London

Osborne, S., Chew, C. and Moran, C. (2008) 'The innovative capacity of voluntary organizations: developing theory and practice, abstract for ISTR Eight International Conference "The Third Sector and Sustainable Social Change: New Frontiers for Research, University of Barcelona, Spain, July 9-12, 2008

Osborne, S. P. and McGlaughlin, K. (2004) 'The Cross-Cutting review of the Voluntary Sector: Where Next for Local Government – Voluntary Sector Relationships?' in *Regional Studies*, Jul 2004, Vol.38, Issue 5, pp. 571-580



Palmer, P. and Randall, A. (2002) *Financial Management in the Voluntary Sector*,  
Routledge, London

Panitch, L. and Leys, C. (eds) (2003) *The New Imperial Challenge*, The Merlin Press,  
London

Parry, E., Kelliher, C., Mills, T. and Tyson, S. (2005) 'Comparing HRM in the voluntary and  
public sectors' in *Personnel Review*, 2005, Vol.34, Issue 5, pp. 588-602

People's Republic of Hove, Blog by Andy Richards

<http://hoverepublic.blogspot.com/2009/08/homeless-charity-making-own-staff.html>

[Accessed 12 September 2010]

Philpot, T. (2001) Swimming Against the Tide: Civil Society, The Church and the Voluntary  
Sector, *Political Theology*, 3:1

Pollitt, C. and Bouckaert, G. (2004) *Public Management Reform: A Comparative Analysis*,  
OUP

Pollitt, C. (2001) Clarifying Convergence: Striking Similarities and Durable Differences in  
Public Management Reform, *Public Management Review*, 3:4:471-492

Pollitt, C., Burchill, J. and Putnam, K. (1998) *Decentralising public service management*,  
MacMillan

Pollitt, C., Lewis, L., Negro, J. and Patten, J. (eds) (1979) *Public Policy – in theory and  
practice*, Hodder and Stoughton, OUP

Pollock, A. (2004) *NHS plc: The Privatisation of Health Care*, Verso, London

Powell, W.W. (ed) (1987) *The Non-profit Sector*, Yale

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

Priestley, R. E (1955) *Royal Commission on the Civil Service 1953-1955*, HMSO, London.

Punch, K. F. (1998) *Introduction to Social Research*, Sage, London

Redcliffe-Maud, Lord (1969) *Royal Commission on Local Government in England 1966-69*,  
HMSO, London.

Room, R. (2004) Disabling the public interest: alcohol strategies and policies for England,  
*Addiction*, 99:1083-1089

- Rousseau, J. J. (1994, first published 1762) *The Social Contract*, Oxford World Classics, OUP
- Rubenstein, D. (2000) A New Look at New Labour, *Politics*, 2, 3, pp. 161-167
- Salaman, L. M. and Anheier, H. (1997) *Defining the non-profit sector – A cross-national analysis*, Manchester University Press, Manchester
- Schwabenland, C. (2006) *Stories, Visions and Values in Voluntary Organisations*, Ashgate, Aldershot
- Seebohm F. Esq. (1967) *Report of the Committee on Local Authority and Allied Personal Services*, HMSO, London
- Seifert, R. and Sibley, T. (2005) *United they Stood; the UK firefighters dispute 2002-2004*, Lawrence and Wishart, London
- Seifert, R. (2006), 'Falling into the gap' in *Police – The Voice of the Service*, February (2006), pp. 14-15
- Seldon, A. (ed) (2007) *Blair's Britain 1997-2007*, Cambridge University Press, Cambridge

Smerdon, M. (ed) (2009) *The First Principle of Voluntary Action*, Working Paper 3, The Baring Foundation: Strengthening the Voluntary Sector Programme

Smith, A. (1962, first published 1776) *The Wealth of Nations*, Penguin, Harmondsworth.

Smith, C. (2009) The short overview of the labour process perspective and history of the International Labour Process Conference  
<http://www.ilpc.org.uk/Portals/56/ilpc-docs/ILPC-Background.pdf> [Accessed online 20 October 2011]

Smith, P. and Morton, G. (2006) 'Nine Year of New Labour: Neoliberalism and Workers Rights', *British Journal of Industrial Relations*, September 2006, 44:3: pp. 401-420

Socialenterpriselive.com (15/09/10) 'Angry heckles disrupt government priority speech'  
[http://www.socialenterpriselive.com/section/news/policy/20100915/angry-heckles-disrupt-government-priority-speech?utm\\_source=LIVEWIRE&utm\\_medium=EMAIL&utm\\_content=NEWS1&utm\\_campaign=SELIVE\\_LIVEWIRE\\_SEP15\\_10](http://www.socialenterpriselive.com/section/news/policy/20100915/angry-heckles-disrupt-government-priority-speech?utm_source=LIVEWIRE&utm_medium=EMAIL&utm_content=NEWS1&utm_campaign=SELIVE_LIVEWIRE_SEP15_10) [Accessed online 22 September 2010]

Spencer, D. (2000) Braverman and the Contribution of Labour Process Analysis to the Critique of Capitalist Production – Twenty Five Years on, *Work, Employment and Society*, 14, pp. 223-243

Staffordshire Newsletter 4/03/04

Staffordshire Supporting People (2005a), Strategy Document 2005-10

Staffordshire Supporting People (2005b), Newsletter, June 2005

Stewart, J. and Kringas, P. (2003) Change management – Strategy and values in six agencies from the Australian public service, *Public Administration Review*, Vol. 63, No. 6, pp 675-688

Stiglitz, J. E. (1988) *Economics of the Public Sector*, W. W. Norton and Company, Inc., New York

Stoker, G. (2005) *What is Local Government for? Refocusing local governance to meet the challenge of the 21<sup>st</sup> century*, New Local Government Network, London

Storey, J. (2007) *Human Resource Management: A Critical Text*, 3<sup>rd</sup> Edition, Thomson, London

Supporting People, Service Review Report

Tawney, R. H. (1921) *The Acquisitive Society*, Bell, London

Taylor, D. and Balloch, S. (eds) (2005) *The Politics of Evaluation: Participation and Policy Implementation*, Policy Press, Bristol

Terry, M. (ed) (2001) *Redefining Public Sector Unionism: Unison and the future of trade unions*, Routledge, London

The Argus (27 October 2005) Brinicombe, L. 'Key youth worker's fine legacy'

The Argus (19 August 2009) Brighton Workers Strike Over Pay by Andy Chiles

[http://www.theargus.co.uk/news/4554752.Brighton\\_workers\\_strike\\_over\\_pay/](http://www.theargus.co.uk/news/4554752.Brighton_workers_strike_over_pay/),

[Accessed 26 October 2010]

The Compact (16 December 2009) Refreshed Compact is Published, thecompact.org,

[http://www.thecompact.org.uk/information/100016/140470/refreshedcompactispu](http://www.thecompact.org.uk/information/100016/140470/refreshedcompactispublished/)

[blished/](http://www.thecompact.org.uk/information/100016/140470/refreshedcompactispublished/), [Accessed 26 September 2010]

The Guardian (28 April 2006) Call Time on privatisation by Mark Serwotka, General Secretary, PCS

The Guardian (9 May 2006) Response: Making public services better for users is what really matters by Stephen Bubb, CEO, acevo and Debbie Scott, CEO, Tomorrow's People and Chair, Employment Related Services Association

The Guardian (7 November 2006) Travis, A., Home Affairs Editor, It's never too late to start again: Reid's message to prisoners

The Guardian (5 March 2008) Butler, P. 'Shelter's hard choices will strike others'

<http://www.guardian.co.uk/society/2008/mar/05/voluntarysector.housing>

The Guardian (24 June 2008), Hencke, D. and Milner, M. '600,000 public sector workers threaten to strike'

<http://www.guardian.co.uk/society/2008/jun/24/localgovernment.localgovernment>

[26 September 2010]

The Guardian (15 July 2009) Amelia Gentleman, Youth Services: Lost in Nowhere Land

<http://www.guardian.co.uk/society/2009/jul/15/youth-services-funding> [Accessed 26

September 2009]

The Guardian (19 September 2010) 'Lib Dem conference: Unions protest over 'assassination' of public services'

<http://www.guardian.co.uk/politics/2010/sep/19/lib-dem-conference-unions-protest>

[Accessed 26 September 2009]

The Guardian (26 October 2011) Steve McKay, 'Research suggests employment figures in the third sector are on the decline, <http://www.guardian.co.uk/voluntary-sector-network/2011/oct/26/number-employed-third-sector-decline> [Accessed 2 December 2011]

The Guardian (3 March 2012) Boffey, D. 'Charity funding cuts hit deprived areas hardest' <http://www.guardian.co.uk/society/2012/mar/03/charity-funding-cuts-deprived-areas>

The Morning Star (10 March 2006) Unions slam Tory calls for 'Victorian' welfare

Thompson, P. (1989) *The nature of work: an introduction to debates on the labour Process or organisational misbehaviour*, MacMillan, Basingstoke

Thompson, P. (2010) The capitalist labour process: concepts and connections, *Capital and Class*, 34:1, pp. 7-14

Thornley, C. (1998), 'Contesting Local Pay: The Decentralization of Collective Bargaining in the NHS', in *British Journal of Industrial Relations*, 36:3, September 1998, pp. 413-434



Thornley, C. (2003), 'What Future for Health Care Assistants: High Road or Low Road?' in

Davies, C. (2003), *The Future Health Workforce*, Basingstoke, Palgrave Macmillan

Thornley, C. (2005) Still Waiting? Non-registered nurses in the NHS – An Update,

UNISON/Keele University

Thornley, C., Ironside, M. and Seifert, R. (2000) 'Unison and changes in collective

bargaining in Health and Local Government' in Terry, M. *Redefining Public sector*

*Unionism*, Routledge, London

Tinker, T. (2002) Spectres of Marx and Braverman in the Twilight of Postmodernist

Labour Process Research, *Work, Employment and Society*, 16, pp. 251-281

Travers, M. (2007), *The New Bureaucracy: Quality Assurance and Its Critics*, Policy

Press, Bristol.

Turner, C. (2005) 'Managing in the Public Sector – A critical analysis of care co-operatives

a Voluntary social care providers; it's implementation of the liP Standard with

reference to theories of "New Public Management" and the impact of new

management forms and functions in performing its role within the public sector,

paper prepared for MA in Management (Health and Social Care services) Managerial

Effectiveness

Twombly, E. C. (2002) Religion Versus Secular Human Services Organizations: Implications for Public Policy, *Social Science Quarterly*, 83:4, pp. 947-961

Wallace T. (2003) 'NGO Dilemmas: Trojan Horses for Global Neo-liberalism' in L. Panitch, and C. Leys, (eds) *The New Imperial Challenge*, The Merlin Press, London

Walsh, K., Deakin, N., Smith, P., Spurgeon, P. and Thomas, N. (1997) *Contracting for Change: Contracts in Health, Social Care and other Local Government Services*, OUP, Oxford

Ware, A. (1989) *Between Profit and the State*, Polity, Oxford

Webb, R. and Vulliamy, G. (1999), 'Managing curriculum policy changes: a comparative analysis of primary schools in England and Finland', in *Journal of Education Policy*, 1999, 14:2, pp. 117 – 137

Webb, R. and Vulliamy, G. (2006) The Impact of New Labour's Education Policy on Teachers and Teaching at Key Stage 2, *Forum*, 48, 2, pp. 145-157

Webb, S. and Webb, B. (1922), *English Local Government: Statutory Authorities for Special Purposes*, Longmans, Green and Co., London

- Whitfield, K. and Strauss, G. (1998) (eds.) *Researching the World of Work: Strategies and Methods in Studying Industrial Relations*, Cornell University Press, New York
- Whittington, R., McNulty, T. and Whipp, R. (1994) 'Market-driven change in professional services: problems and processes', *Journal of Management Studies*, 31:6, pp. 829-845
- Wilding, K., Collins, G., Jochum, V. and Wainwright, S. (2004) *The UK Voluntary Sector Almanac*, NCVO Publications, London
- Winchester, D. and Bach, S., 'The State: The Public Sector' in Edwards, P. (1999) *Industrial Relations*, Blackwell, Oxford
- Wolch, J. (1990) *Government and Voluntary Sector in Transition*, The Foundation Centre, New York
- Wolfenden, J. F (Sir) (1978) *The Future of Voluntary Organisations*, Crook Helm, London.
- Worrall, L., Mather, K. and Seifert, R. (2010) Solving the Labour Problem Among Professional Workers in the UK Public Sector, Organisation Change and Performance Management, *Public Organization Review*, 10, pp. 117-137
- Worth, O. (2010) Introduction: Capital and Class at 100, *Capital and Class*, 34:1, pp. 3-6

Wright, S. (1994) *Anthropology of Organizations*, Routledge, London

Yates, R. (2002) A Brief History of British Drug Policy; 1950 – 2001, *Drugs, Education, Prevention and Policy*, 9:2, pp. 113-124.

Yin, R. K. (2009) *Case Study Research: design and methods*, Sage, London

## Appendices

## **Appendix 1: Area profiles**

### **a) Brighton and Hove**

Brighton was a small south coast fishing village until the eighteenth century but helped by its proximity to London it developed to become a popular, lively, and cosmopolitan seaside town with a significant tourism and conference industry and a progressive political and cultural fringe.

Brighton and Hove form a single conurbation and the boroughs of Brighton and Hove joined in 1997 to create a unitary authority that was granted city status in 2000.

Labour gained control of the former Conservative stronghold of Brighton council in 1986. 3 Labour MP's were also elected to its parliamentary constituencies in 1997 and Brighton and Hove has been seen as supportive of New Labour. The Conservatives regained strength and in 2003 the council moved from Labour to no overall control. In the 2005 general election Labour retained MPs in the 3 Brighton and Hove seats but its proportion of the vote was reduced in all and in the 2010 election the Conservatives gained control of Hove and Kemptown while Pavilion elected Caroline Lucas as the first Green MP.

From 2001 Brighton received New Deal for Communities and NR Funding for despite its apparent prosperity and the affluence of the South-East region it suffered from poor infrastructure, high prices, especially for housing, homelessness and poverty. Brighton

and Hove council had 13,000 council house properties, 11% of housing in the city, and proposals for stock transfer were hard fought and subject of legal challenge.

Brighton and Hove, under the 2020 Community Partnership, was advanced in developing the LSP model and moved to LAAs and public service boards and the council was active in promoting community and voluntary organisations involvement in the provision of services.

#### b) Stafford

Stafford has historic roots dating to Iron Age and roman settlements and was an important military base due to its dry location in marshland. In the 19<sup>th</sup> century its principal trades were linked to the pottery industry and shoe production. In the 20<sup>th</sup> century this was replaced by large-scale electrical engineering and glue production. Currently it balances support for established industries with attracting hi-tec, distribution and warehousing development to greenfield sites. This is linked to its central location and good transport links and this has also supported the growth of market led private housing developments on redundant former industrial sites.

Stafford Borough Council was formed in 1974 and had a population of 120,653 in 2001. The population is contained in Stafford, Stone and numerous other small towns and rural villages. The council had been Labour, with a majority of 6 in 1999, but there was a large swing to a Conservative majority of 26 at the 2003 elections. The Borough had 1 Labour

and 1 Conservative MP. The Labour MP retained his seat on a slim majority in 2005 and was ousted in 2010 by the Conservative candidate. Stafford Borough receives no specific social funding although there are areas of deprivation, principally within Stafford town. In 2003 the council transferred its 5,700 council homes to a newly created HA, Stafford and Rural Homes. There was at that time no compact with the voluntary sector.

Stafford is a two-tier authority and the base for Staffordshire County Council. This covers a population of 800,000 and is the 7<sup>th</sup> largest shire county. It has 30,000 staff and is the largest employer in Staffordshire. It is a diverse county with a mix of urban and rural, affluent and deprived areas, with concentrations of deprivation in Burton, Cannock, Newcastle and Tamworth. Located between Birmingham and Manchester it is stretched between the larger conurbations of Wolverhampton and Stoke. It has a voluntary sector compact and is committed to moving to a LAA but does not have a clear strategy for the development of voluntary sector involvement. The council was a Labour council with Labour MPs in the majority in the county council area until the 2010 election when there was a shift to the Conservatives.



## **Appendix 2: List of organisations**

### **The vertical slice organisations**

1. Philanthropy – housing association
2. The Reformed Trust (included former employees) – homelessness organisation
3. The Radical Trust (included former employees) – homelessness organisation
4. Parents – drug and alcohol service
5. Support in the Community – drug and alcohol service
6. The Families Project – mental health service
7. Cuddle-Co-ops – mental health service
8. ChurchGate Projects – Religious organisation
9. Muddy Ditch Baptist Church – Religious organisation

### **Trade unions**

10. TUC
11. UNISON
12. Amicus
13. TGWU
14. Community
15. GMB

### **Other individuals, organisations and representative Bodies**

16. The Young Persons Project (YPP) – youth project
17. Partnership at Work
18. Brighton LSP
19. Stafford LSP/SDVS
20. Croydon YMCA
21. Birmingham Citizens
22. NCVO
23. Staffordshire Supporting People

Refuge Housing Association – a former employee in this organisation was interviewed as part of the research

### **Organisations that were invited but did not participate in the research**

*CDHA*

*Beth Johnson*

*Focus Futures*

*The Big Issue*

*St. Patrick's*

### **Appendix 3: The vertical slice organisation profiles**

#### **1) Philanthropy Housing Association**

Philanthropy was founded as a charitable Trust in 1900 with a bequest of £1.5m by a wealthy industrialist and alcohol retailer to provide 'model dwellings' for the poor. The philanthropist showed little interest in philanthropic activity in his lifetime but his legacy dwarfed those that founded other philanthropic trusts, such as Peabody, Guinness and Samuel Lewis, and was initially controlled due to concerns for profits, rents and markets in the areas in which it operated. The Trustees only achieved full autonomy in 1927.

The Trust was unusual in that it was national while others were largely London based. It also had a distinctive approach that included on-site management and resisted the influence of mission and moral reform movements. It grew to house 32,100 people by the beginning of World War 2 and though it developed little in the post-war period, as the priority shifted to council housebuilding, growth resumed with its registration as a HA under the 1974 Housing Act. Philanthropy Housing Trust, as it became, owned and managed 14,500 homes in 40 towns by 1994.

Merger has dominated Trust activity since 1994. In 2001 the Trust formed an 'alliance' with smaller HAs, including the Radical Trust. In 2004 the Trust was incorporated as a charitable Industrial and Provident Society as Philanthropy and formed a group structure,

with subsidiaries including a 5,200 council home transfer, a 3,000 council home transfer, and a 100 home Asian led organisation.

At the time of the research in 2005 the group owned and managed 24,000 homes, had 900 employees and had a turnover of around £75m. Though Philanthropy has a maximum Audit Commission rating and HC preferred partner status for new development it was criticised by inspectors for its low profitability and came under pressure to introduce rent increases, meet decent homes standards, introduce efficiencies and economies of scale and reduce expenditure.

A group management board and three standing committees managed it at the time of the study. Group members were represented on the group management board but retained their own management structures. The CEO was one of the highest paid HA CEOs, and led the chief officers group, which had regional chief officer representation, from the head office based in Tring.

Radical, an alliance member, announced in September 2005 that it was to join the Philanthropy group as a subsidiary in Summer 2006. At the same time another organisation announced that it was to leave the Alliance to join another Trust in Spring 2006 leaving only remaining member of the Alliance.

Philanthropy subsequently in 2007 merged with another large Housing Group formed from council stock transfers and traditional HAs. This has resulted in the formation of the

largest housing group in the country and an organisation that owns and manages 52,000 homes, has 1,600 employees and a turnover of £150m.

At the end of December 2005 the CEO left Philanthropy ahead of the proposed merger and his successor appointed in February 2006 was ousted in a boardroom dispute in 2007.

Philanthropy did not recognise a union but operated an ECC.

## 2) The Reformed Trust

Church Volunteers formed the registered charity The Reformed Trust in 1991 to provide a winter shelter for people sleeping rough in Stafford.

Following a succession of temporary shelters Staffordshire County Council provided a permanent, though dilapidated building, for a direct access hostel in 1993 and the Trust received lottery and statutory funding that allowed it to employ paid workers.

The Trust operated under a management committee but was led by its Chief Officer who was appointed in 1996. At 2005 the organisation housed 33 residents in the direct access hostel, employing 17 workers, 12 residents in a young person's hostel, owned by Focus Housing Association, employing 9 workers and 12 residents in 1-bed flats, owned by

Focus Housing Association, supervised by staff from the young person's hostel.

Administrative workers brought the total number of workers to 29.

In 2001 the Trust became involved in proposals for the provision of a new homeless persons hostel that were linked to property development plans for a supermarket and the demolition of a neighbouring listed building. In 2003 it came under public criticism for its management practices, its treatment of workers and the impact of its direct access hostel on crime and the local community. It came under the scrutiny of the newly established SP team who threatened to withdraw funding as the result of a poor audit inspection.

The Reformed Hostel and homelessness became an issue in the 2005 general election campaign. Following this the Trust countered criticism of the project with a public campaign in defence of its funding and the need for provision for homeless people in the area. SP funding was however eventually withdrawn forcing the Trust into liquidation.

Prior to liquidation the workers at the direct access hostel were transferred to a Derby based homelessness charity that ran the project temporarily. Following liquidation SP awarded a temporary contract to run the hostel to another Housing Association. The building was however subsequently destroyed in an arson attack carried out by a resident leaving the housing association and Stafford Borough council to house remaining residents in bed-and-breakfast and other accommodation.

The need for and management of homelessness provision in Stafford continues to be an issue and Stafford Council, the housing association and Staffordshire Supporting People have now replaced the Direct Access hostel with a new facility on the same site as the original hostel building, although there was no facility for a number of years.

The Reformed Trust did not recognise a trade union.

### 3) The Radical Housing Trust

Radical was established, from its roots in the squatter movement, as a registered charity in 1968 to campaign on behalf of and to organise a soup run and hostel for homeless people. It registered with the HC in 1976 becoming Radical in 1977. It appointed a full time Director in 1984 and grew to develop self-contained housing, hostels and advice and day centre services in Brighton and Eastbourne. It expanded from 8 employees in 1981 to 80 by 1987. It also adopted a radical, national campaigning role until the late 1990's.

In 2002 the HC classified the Trust as a Supervision Enforcement Case following a poor audit inspection. A CEO replaced the Director and appointments were made and new members recruited to its board of management. Since that time, in recognition of compliance, the appointees to the board have been withdrawn and its supervision level has been reduced. At 2005 the Trust had 200 employees. Under supervision it has grown and its turnover rose from £4.2m in 2003 to £9.2m in 2005, although this was planned to

reduce to £8.8m by 2006. The Trusts projects are funded from multiple sources but the Trust is significantly engaged with the SP programme, holding £4m worth of contracts.

Radical announced in September 2005 that it intended to join Philanthropy as a subsidiary in Summer 2006 and has subsequently become part of the merged group.

UNISON has been the recognised union at Radical since 1986. The employees took strike action in August 2009 in protest at the introduction of new contracts that reduced sick pay and maternity leave and other terms and conditions and imposed severe cuts in pay for employees of up to £6,000 p. a.

#### 4) Parents

Parents was founded as a registered charity in 1967 and changed its name to Parents in 1998. From 2000 it expanded from its base in the Midlands, London and the South East to become a national charity in England and established Parents Scotland in Glasgow. It operates over 70 treatment services in 46 locations and is involved in providing prison and community based alcohol counselling, residential alcohol projects, drug treatment and testing, youth programmes, arrest referral and harm reduction services, including needle exchange.



Drug services have and are expected to expand as part of the national drug treatment strategy and Parents has rapidly expanded as part of this programme. It is one of the largest providers of drug services with over 700 employees and a turnover of £22m.

Though it receives funding for additional services from the National Lottery, Trusts, companies and individuals it is largely dependent on NTA via local DAT contracts for its funding.

Parents has been critical of government drug and alcohol policy and has experienced difficulties with its rapid expansion. It is managed by a board of trustees and its chief officer group, based in London, and has a regional management structure. Its chief executive resigned in September 2005 citing the demands brought by funding problems and public service reform.

Parents recognises a union in Cornwall following the takeover of a smaller organisation with an existing union recognition agreement but has no national or other regional union recognition agreements.

#### 5) SITC (Support in the Community)

SITC (Support in the Community) operated from 1983-1993 as part of Stafford Citizen's Advice Bureau. It was established as an independent registered charity in 1993 at which time it had 5 employees.

It provides drug and alcohol prevention and advice services, including a needle exchange service, and carries out targeted work with offenders, young people and rural communities. It provides services across Staffordshire and operates from 3 centres in Stafford, Hanley and Burton.

Although primarily an alcohol specialist organisation it has grown rapidly since 1993 as a result of the national drug treatment strategy and is funded largely through the NTA via local Drug Action Teams although it holds smaller contracts with Probation and the Police. It has continued to expand its services into areas such as gambling addiction.

SITC is managed through an executive committee, with Quality, Performance and Personnel and PR, Marketing, Funding and Finance sub-committees. The Strategic Management Group is led by the Chief Executive, and includes the Director of Operations, Administrative Manager, Finance and Contracts Manager and 3 Development Managers.

At 2005 the organisation had 65 employees.

There is no recognised union at SITC.

#### 6) The Families Project (TFP)

TFP was a local project of a large mental health organisation, incorporated as a charitable company limited by guarantee in 1955, and one of the largest learning disability and campaigning charities in the UK. Its role is to provide advice and support to people with and the families and carers of people with learning disabilities. It nationally undertakes advice, information and campaigning activity and provides direct services, such as housing, education and employment, and has 4,500 employees and a turnover of £157m.

It is a membership-based organisation managed by a Board of Trustees, elected by a National Assembly of its members. In addition to its national campaigns and services it operates on a district basis to provide services and offer support to its client group in local areas. Local groups are separate charities formed from those with an interest in learning disabilities. They may or may not be affiliated to the national organisation. There has been controversy over this structure and the levels of independence that local groups should have from the national organisation.

The Staffordshire local group was established in 1975 and is affiliated to the national organisation. It operated as the Families Project on a volunteer basis until 2002 when it employed a worker to provide a family adviser support service. At 2005 it had 5 workers and was funded by lottery and social services grants. It is currently seeking new sources of funding to expand its services.

The national organisation has a partnership but no recognition agreement with UNISON and consults with workers through business unit employee forums. It has been involved in a recognition dispute with UNISON. TFP has no union recognition agreement.

#### 7) Cuddle Co-operatives

Cuddle Co-ops was established in 1989 and provides day care, employment, training, and housing support services to people with mental health problems, those with learning difficulties and the unemployed.

It operates under a management committee and Chief Executive and has four sections, housing, employment and training, administration and community farm. It also has a separate trading arm. It receives funding from a range of sources, including the Department of Employment, the European Social Fund and the Learning and Skills Council.

It has 22 employees who are mainly part-time (12 full-time equivalent).

UNISON has been the recognised union since 2002.

#### 8) ChurchGate Centre and Community Projects (including Pre-School and Food Share)

ChurchGate Centre is a community centre that was opened by ChurchGate Church in 1992. It provides conference facilities and houses pre-school play, parent and toddler and youth groups. The Centre also operates Food Share, a project developed out of CRISIS, that distributes non-saleable donated food to homelessness projects.

ChurchGate Church is part of the Evangelical Alliance UK, formed in 1846, which is linked to the World Evangelical Alliance. Evangelical churches have grown in recent years despite their theological and practical divisions. ChurchGate centre and projects is managed through the church governmental structure. It is involved in the wider Christian alliance, Churches Together in Sussex, which seeks to influence voluntary service provision in the county.

ChurchGate employs 13 people and receives lottery funding but relies largely on fundraising and individual donations to operate its projects. It has sought public funding to support its projects, in particular Fare Share, but has not been successful in receiving state funding to date.

ChurchGate does not recognise a trade union.

#### 9) Muddy Ditch Baptist Church

Muddy Ditch Baptist Church built a large church building in 1999 that comprised a large hall, café, social and activity rooms. It employed 1 minister but the expansion of the

church building meant that it had grown by 2005 to have 21 employees, including 5 ministers, cleaners, caretakers and hosting staff. In addition to its role as a church the building is used to host conferences and to provide services, such as support groups for parents and toddlers, youth, and the elderly and to host other organisations, including mental health and community safety groups. The church is currently involved in expansion of its youth and financial advice services to the local Highfields estate, one of the most deprived areas in Stafford.

The Baptist Church was founded in the 16<sup>th</sup> Century and has a background of radical dissent that emphasises personal faith and sacrifice, prophetic vision, missionary zeal, institutional independence, social justice and community engagement. The Baptist Union, along with other Christian churches, experienced decline at the beginning of the 20<sup>th</sup> century but has seen growth since the 1980s with the establishment of 2150 churches and 140,000 members.

Baptist churches operate independently, under the supervision of church elders, with ministers and members having only loose connections to the Baptist Union. RBBC manages its own resources, which are drawn largely from individual contributions and rents and charges for the building, although it plans to bid for government funding to expand service provision.

The church does not recognise a trade union.

## **Appendix 4: Trade union profiles**

### **10) TUC**

The TUC (Trades Union Congress) was formed in 1868 and is the representative body of trade unions in the UK. In 2005 it had 67 affiliated trade unions representing some 6.5m trade union members but this had reduced by 2010 to 58 unions, representing around 6.5m people.

It is organised through a Congress that meets 4 times a year to which affiliated unions send delegates to decide on motions that form TUC policy. Between Congresses the TUC functions through its General Council, President, paid staff and committees. The TUC exists to represent trade unions and their member's interests and engages in policy development, political lobbying, research and training, mediation between unions and international development activities.

The TUC was involved in the Workforce Development Hub of the Change Up programme for VCOs. Change Up was initiated following a treasury review of the working of the Voluntary and Community Sector in 2002. It was developed by the Active Communities Unit and received £80m in 2002 and an additional £70m in 2005 to fund its activities. Its purpose was to assist the infrastructural development of the Voluntary and Community Sector through the development of hubs of expertise in governance, ICT, performance improvement, financing, volunteering and workforce development.

The Workforce Development Hub sought to improve VCOs as places to work, to encourage good employers and improve education and training within voluntary organisations. Its objectives were to improve management, education and training and recruitment in voluntary sector organisations. The hub has now closed and its work was transferred to the Workforce Development team at NCVO and the sector skills body, Skills – Third Sector.

#### 11) UNISON

UNISON was one of the largest unions in the UK at 2005. It was formed in 1993 from the merger of NALGO, COHSE and NUPE. It claimed over 1.3m members nationally at 2005 and represented workers engaged in public service work, across the public, private and voluntary sectors, in local government, health care, the water, gas and electricity industries, further and higher education, schools, transport, the voluntary sector, HAs and police support.

UNISON had a branch, region and national structure and operates through 6 service groups, the Voluntary and Community Sector, Health, Local Government, Business and Environment, Education and Police Staff. UNISON claims to be the largest union in the community and voluntary sector with 51,000 members in its Voluntary and Community Sector service group. It represented housing workers at large HAs, such as Home, Paddington Churches, Knightstone and South Staffordshire as well as in many smaller



organisations. It also represented workers in large and small charities having sole representation at organisations, such as Barnardos and MACA, and joint recognition at organisations, such as NCH and Scope.

The core issues for UNISON in its community and voluntary sector section were pay and funding insecurity, the extension of BV and the two-tier workforce, TUPE transfer issues and poor employment conditions which are linked to national campaigns on defending and promoting public services and public service pensions and opposing transfers of public housing.

The union recognised that there are problems of insecure funding, pressures and demands on staff from clients, inadequate staffing and inexperienced and unsupportive management in the sector. It also recognised difficulties in recruiting and organising in the Voluntary and Community Sector with low percentage densities, organising problems associated with the high turnover of staff and recognition problems due to the large number of small workplaces, especially in the non-housing association sector. Even in organisations where UNISON has recognition member numbers are low, 800 of 4,300 at Barnardos and 345 of 2,700 at Methodist Homes for the Aged. UNISON has also been engaged in difficult struggles, as a result of employer resistance, for recognition in target organisations, such as Mencap where it has significant membership. Industrial action and strike activity are relatively rare within the sector, although there was a UNISON strike at the Simon Community in Northern Ireland in 2004.

UNISON remains one of the largest unions affiliated to the TUC and has a General Political Fund and Affiliated Political Fund to allow general political campaigning and campaigning within the Labour Party but has been publicly critical of privatisation and the underfunding of public services. UNISON has also been involved in local Citizen's initiatives, particularly TELCO, although attitudes to both organising within the Voluntary and Community Sector and working with voluntary organisations and faith based groups in broader coalitions remains controversial within and across the union.

## 12) amicus

amicus was one of the largest unions in the UK at 2005 and claimed to be the largest manufacturing union with over 1m members in the public and private sectors. It was formed in 2001 from the merger of AEEU and MSF, themselves the product of mergers. amicus is effectively an amalgam of diverse historic and specialised unions, representing electricians, plumbers, engineers, scientific, print, banking, managerial and supervisory workers.

amicus organises in workplaces that are linked to industrial sectors and has a regional and national structure. It had at 2005 23 sectors, comprising aerospace and shipbuilding, chemicals and pharmaceuticals, construction and contracting, energy, finance, FPA, CMA and manufacturing staff, government departments, health, local authorities, motor vehicles, steel, metals and foundry, voluntary and not-for-profit, business services, civil air transport, electrical, engineering, electronic and IT, equal rights, food, drink and tobacco,

general industries, graphical, paper and media, higher education, motor components, servicing and transport.

amicus claimed to have 25,000 members in its Voluntary and Not-for-Profit sector covering advice, tourism, faith, translation, arts, disability, housing and training workers. It represents housing workers at large and medium HAs, such as Anchor and Mercian, and has sole recognition agreements at large charities, such as Save the Children and the Samaritans, as well as representing workers in medium and smaller charities. It has joint recognition agreements at larger charities such as NCH and Scope. Its primary recruitment focus has been on HAs and CABs where amicus already has a significant presence.

amicus have been supportive of the modernisation of the Voluntary and Not-for-profit sector and has prioritised recruitment and recognition in the sector and has addressed pay and funding problems that it argues compromise the independence of Voluntary organisations and limits the adequacy of training and development opportunities for voluntary sector workers. This is linked to a national campaigning focus on employment rights, pensions, welfare reform and modernisation of the public services 'to get the balance right on how the public sector engages with the private and voluntary sectors to ensure that workers, the public and the tax payer receive the best possible deal through well funded, publicly owned, publicly accountable, modern public services' (Industrial Report from website).

The union recognises the impact that poor funding arrangements have on workers in terms of low pay, employee insecurity and stress and poor services to clients (Short term funding, Short term thinking report). It is also conscious of the potential for growth in this 'the fastest growing part of the union' given historic low union density and the rapid growth in the sector. It acknowledges the costs and problems of recruiting in small workplaces, employer hostility to unions within the sector and the need for 'more hearts and minds to be won' but is committed to the ChangeUp agenda to produce a better-planned, more strategic sector. It has been involved in little industrial action in the sector, although a ballot for strike was held at the Independent Housing Ombudsman but was subsequently averted.

amicus is affiliated to the TUC, has a political fund and is supportive of the Labour Party link, TULU, and Partnership in Power. It presents itself as a moderate, sensible voice between the hard-left of the Labour Party, which opposes the link to New Labour, and ultra-right modernisers. amicus has supported community unionism and the notion of the 'community branch' in the past but is not actively involved in broader community coalitions at present.

amicus members voted to merge with the TGWU in 2007 to form the 'Unite' union.

13) T and G (Transport and General Workers Union)

The T and G formed in 1922 and had its roots in the foundation of the trade union movement. It had at 2205 835,000 members working in a wide range of workplaces and described itself as the biggest general union in the UK.

The T and G had a branch/workplace, region and national structure and is organised into 4 industrial sectors, comprising Food and agriculture, Manufacturing, Services and Transport. The Services sub-sector comprises Construction, General Workers, Public Services and the ACTS (Administrative, Clerical, Technical and Supervisory)/ Voluntary Sector grouping. There were 14 trade groups in total and the trade groups in the ACTS/Voluntary Sector are Betting and Gaming, Legal Services, Commercial Services, Public Sector, Manufacturing and Transport.

The T and G voluntary sector/social economy grouping had some 25,000 members at 2005 and represented workers in large, medium and small housing organisations, such as English Churches HA and Carr-Gomm, and charitable organisations, such as Child Poverty Action Group, CAB and Turning Point.

The principal campaign issues for the T and G voluntary sector group were pay and funding, working hours, pension provision, stress, discrimination and health and safety. It raised the profile of its work in the voluntary sector through the launch of the 'Valuing the Voluntary Sector' campaign at its 2005 annual conference. Development of membership in the voluntary sector was seen as a key priority for the ACTS/Voluntary Sector group. The T and G recognised the problems of recruiting and organising in the sector associated

with the funding regime, poor organisation, high turnover of staff, the growth of large organisations and employer hostility to unionisation but the union has been involved in industrial action within the sector, most recently at CPAG.

The T and G was affiliated to the TUC and Labour Party and had extensive links with the Labour Party and wider labour movement and holds a political fund for its campaign work. It campaigned on wider social issues and builds its links to the community upon an extensive local branch structure and local activism.

The T and G merged with amicus to form the largest UK trade union unite in 2007 forming a voluntary sector section of over 50,000 members. The union also merged with the CYWU (Community and Youth Workers Union), a union with 5,000 members and an extensive network of lay member committees and community links, in 2006.

#### 14) Community

The Community union was a new union formed from a number of old established unions in declining trades, such as ISTC, the iron Steel and Trades Confederation, and KFAT, the National Union of Knitwear, Footwear and Apparel Trades. ISTC had merged with numerous diverse unions to create a broad based union, founded on ideas of community unionism. The union combines traditional trade union collective bargaining with education and training and services for retired employees within their community base.

## 15. GMB

GMB is a general union affiliated to the Labour Party with some 610,000 members working in occupations across the economy. Its origins date to the Gas Workers and General Union founded in 1889. It has a regional and branch structure with three sections, commercial services, manufacturing and public services. The public services section represents members employed in the voluntary sector and the union campaigns against cuts in public services and their pay and conditions.

## **Appendix 5: Other organisation and representative body profiles**

### **16) Partnership at Work – CYWU**

The CYWU formed the Partnership at Work project in 2000. This aimed to offer training and support to people working with children, young people and communities and address the disproportionate industrial tribunal cases involving voluntary sector workers and encourage good employment practice through workplace partnerships. This work was funded through the National Lottery and it employed 5 people but the project funding ended and the project closed in May 2005.

### **17) The Young Person's Project (YPP)**

YPP is one of the largest Christian charities supporting and providing services for young people. It was founded in 1844 and spread to become one of the largest worldwide Christian movements with 30m members. YPP England is a national representative and support body for the 150 autonomous and locally managed YPPs.

The YPP was established in 1919 but has grown rapidly since 1995 to provide youth advice and counselling, housing and sports development services. It also has a trading arm. It had grown in 3 years from 70 workers in 2002 to 130 in 2005.

### **18) Brighton and Hove LSP**



Brighton and Hove Local Strategic Partnership, or 2020 Community Partnership, was established in 2000 to bring together the main players from the council, public and business sectors. LSPs were established initially in the most deprived local authority areas, generally with Neighbourhood Renewal Funding. The LSP was intended to involve the community in the running of public and community services and to reduce 'silo' working on common problems by different organisations. Brighton and Hove developed from the LSP a Local Area Agreement which extends partnership working so that strategic planning, budgets and spending priorities are controlled not by local authority or primary care trusts etc. but under the local partnership agreement. This was seen as a new form of local governance and Brighton and Hove have extended its partnership of partnerships and is seeking to extend the partnership to cover more strategic local priority areas, such as under the sustainable community strategy.

#### 19) Stafford LSP/SDVS

Stafford District Voluntary Services was established in 1953 with the development of local Councils of Voluntary Services, to bring together charities and business organisations and to promote and support the development of voluntary and community organisations in the local area. SDVS provides support services, such as meeting rooms and payroll, to local organisations and also manages services, such as the Volunteer Centre and Rural Support Network and increasingly works with statutory and private sector bodies under new partnership arrangements.

## 21) Birmingham Citizen's

Birmingham Citizen's is a broad based community organisation comprising 25 fee-paying members that includes Islamic, Hindu, Jewish, Methodist, Evangelical, Catholic and Anglican religious groups, the Community Union and some Community organisations in the Birmingham area. It exists to organise and train citizens to provide pressure within civil society institutions.

Birmingham Citizen's is linked to the Citizen's Organising Foundation, a national charity that promotes Citizen's organisations and networks. There are Citizen's groups in London as well as Birmingham.

## 22) NCVO

NCVO was founded in 1919 as the National Council of Social Services, later changing its name to National Council for Voluntary Organisations. Its purpose was to bring together voluntary agencies, to coordinate their activity and to work more closely with government.

The NCVO is a membership based organisation and has 4206, mainly smaller member voluntary organisations. It provides a range of information, advice and support services to members, produces publications and briefing papers and organises conferences for member organisations on issues that affect them. It also has a research, campaign and

lobbying function and seeks to influence government and other bodies on the issues affecting voluntary agencies. Its aims are to protect the independence and innovative approach of voluntary organisations while working more collaboratively with government and retaining the distinctive contribution made by the individuals involved in voluntary agencies.

### 23) Staffordshire Supporting People

Staffordshire Supporting People is the Staffordshire County Council section of the national Supporting People programme that provides funding and resources to and monitors and regulates organisations that provide housing related support services. Supporting People was a central initiative organised locally to consolidate within a strategic framework a range of housing related service provision.

### Refuge Housing Association

Refuge Housing was founded in 1969 and has grown to become one of the largest HAs in England. It develops, owns and manages a diverse range of social and commercial housing provision and has some 43,000 homes in management.

It has a group structure with the subsidiaries that formed in 1993 from the transfer of 4,000 homes and joined the group in 2005, a 'purely commercial' market rent organisation, formed in 1999, a care organisation formed in 1995 to provide residential

and community elderly care services and a Management organisation formed in 2001 to undertake PFI, NHS and student facilities housing development and management, a regional provider formed in 1996 with 1,200 properties and a commercial development company.

Refuge has moved from its base as a not-for-profit social landlord to diversify into more commercial activity. It has a 2 star audit rating and is a large housing developer. It is financially strong with a turnover of £134m and substantial assets and reserves of £150m. It has approximately 2,000 employees and is actively involved in LSVT and other acquisitions, most recently winning a large LSVT contract to take over part of a large City Council stock.

In 2006 two Midlands based HAs joined the group and a national supported housing provider joined the group in July 2010.

The group MD was the highest paid HA senior officer, as at 2003, with a salary of £213,000.

Refuge has no recognised union.

## **Appendix 6: Sample interview questions for voluntary sector managers**

a) Regional Director, Philanthropy

Pre-amble

Permission to record/ Ethics/ Transcripts/ Quotes

Request for further assistance – Interviews with line managers – area managers – West Midlands – Mersey-Stoke then estate managers – Stafford – Stoke – Abbey Hutton – survey of all workers below Senior Management level – take draft form to show

My background – government policy/HRM/IR

The research - Historic development of NFP/Community/Voluntary Sector in provision of housing and welfare services and contemporary changes – HR/IR perspective - impact on managers and workers – welfare provision and public services.

The method – Vertical slice – government policy – agency responses –

Growth of NFP/Comm/Vol Sector – Lack of HR/IR research – 6 in-depth case studies of manager/worker responses – large HA, large VO small VO.

The interview - Semi-structured – 4 areas – government policy, management practices, employee relations, employee consultation/involvement

Time – 1 hour (then half an hour on arrangements for further research)

Short biography – history – positions – current role

Details of organisation – areas covered, no. of employees, management structure

Welfare – Government policy

How has government policy changed towards your organisation over your time in post and what are the significant changes that affect you, or keep you awake at night?

How has the organisation changed?

What has changed and why?

How does the organisation interpret and respond to government policy?

What pressures does government apply to the organisation and what are your responses?

What problems do you experience with the funding and monitoring arrangements that your organisation faces

What is your financial position? There have been announcements in the trade press about increased lending to HAs. Are you involved in this and what is it for?

What involvement has your organisation had in LSPs and what is your view of them?

Who are you most accountable to?

What is your involvement in mergers/takeovers/LSVT and ALMOs. How is your organisation involved in and how does it view such changes?

Have relations with local government and other voluntary organisations altered?

Are you in partnership or competition with other service providers?

Do you need or receive any external support in relation to HRM matters? Are you able to provide such help to other (smaller) organisations?

Do you feel that you belong to a distinct voluntary, community or Not-for-profit sector?

Is your organisation a private, public or independent organisation?

## Management Practices

Performance Management - How do you measure and monitor performance?

Workforce Management – What are the main HRM issues you face?

What issues concern you regarding the quality of the workforce?

Is recruitment and retention a concern?

How is discipline maintained?

What impact have changes in the policy had on management practices?

How has the management structure changed?

## Employment Relations

What problems do the workforce experience or do you experience in relation to them?

Has restructuring affected the workforce?



Do funding problems affect employee security?

What are the main employee grievances and how have these been addressed? Are pay, promotion, workload and stress issues in your workplaces?

Employee Consultation

What structures do you have for employee representation?

Do you have a union agreement and what are your views on union involvement in the voluntary sector?

MAKE ARRANGEMENTS FOR FURTHER INTERVIEWS AND SURVEY

b) Estate Manager, Philanthropy on 23/06/05

Pre-amble

Discuss correspondence re. recording/note-taking

My background – government policy/HRM/IR

The research - Historic development of NFP/Community/Voluntary Sector in provision of housing and welfare services and contemporary changes – HR/IR perspective - impact on managers and workers – welfare provision and public services.

The method – Vertical slice – government policy – agency responses –

Growth of NFP/Comm/Vol Sector – Lack of HR/IR research – 6 in-depth case studies of manager/worker responses – large HA, large VO small VO.

The interview - Semi-structured – 4 areas – government policy, management practices, employee relations, employee consultation/involvement

Time – 1 hour (then half an hour on arrangements for further research)

You

Short biography – history – positions – current role

Details of organisation – areas covered, no. of employees, management structure

Welfare – Government policy

Has the organisation changed?

What has changed and why?

Do you experience problems with the funding and monitoring arrangements that your organisation faces?

Do you feel your job is secure?

Is your job demanding, difficult, busy or stressful?

What problems do you experience in your work?

What is your involvement in local community issues?

What involvement have you had with LSPs and what is your view of them?

Who are you most accountable to?

What is your involvement in mergers and takeovers and how does this affect you?

Management Practices

How are you treated as an employee?

Is the measurement and monitoring of your performance by management light or demanding?

Is your management of staff and contractor's light or demanding?

Workforce Management – What are the main HRM issues you face i.e. recruitment, retention, skills, training etc.?

Do you have issues around staff discipline?

Employment Relations

What are the main employee grievances?

Are pay, promotion, workload and stress issues in your workplaces?

## Employee Consultation

Do you feel you are well consulted on issues that affect you?

Are communications good within the organisation?

Are the current forms of employee representation adequate?

What are your views on the staff representative committee?

There is no recognised union agreement at Philanthropy. ACEVO argue this is needed as the voluntary sector grows. Many employers oppose this. Do staff at Philanthropy belong or want to belong to trade unions?

Would staff prefer trade unions to represent them?

What are your views on union involvement in the voluntary sector?

## **Appendix 7: Sample interview questions for trade union officials**

a) Interview with National Officer, Non-profit Sector, Amicus

Pre-amble

Permission to record/ Ethics/Transcripts/ Quotes

Request for further assistance – Access to a large unionised HA in Brighton or Stafford/  
Members and activists in Brighton and Stafford/Activists in other unions representing the  
sector

My background – worker and union activist/Housing and Voluntary Sector – Keele  
Certificate/MA/PhD – government policy – HRM/IR perspective

The research - Historic development of NFP/Community/Voluntary Sector in provision of  
housing and welfare services and contemporary changes – impact on managers, workers  
and unions – welfare provision and public services.

The method – Vertical slice – government policy – agency responses

Growth of NFP/Comm/Vol Sector – Lack of HR/IR research – 6 in-depth case studies of manager/worker responses – large HA, large VO small VO – 2 unions – workplace issues, bargaining arrangements, relations with other organisations, government policy

The interview - Semi-structured

Time – 1 hour (then half an hour on arrangements for further research)

You and amicus

Short biography – history – positions – current role

How did you come to be involved in it?

What is the amicus view of the housing association/voluntary/not-for-profit/ community sector?

What is the amicus strategy for developing in the housing association/ voluntary/not-for-profit/community sector?

Workplace Issues

What are terms and conditions like for people working in the sector?

What are the union issues for the sector?

Recognition/representation/ pay/insecure

funding/merger/LSVT/redundancy/recruitment and retention/pressures on workers/poor  
management/training/workload/staffing

What issues exist around management in the sector?

How does amicus currently organise in the sector?

What problems are there with amicus and its current methods and how would you like to  
see them changed?

Is it cost effective for unions, such as amicus, to service voluntary sector workers?

Bargaining

How many bargaining agreements does amicus have in the sector?

What is the potential for developing recognition and bargaining rights for workers in the  
sector?



What are the main bargaining issues in the sector?

What are the main barriers amicus faces in developing recognition and bargaining in the voluntary sector?

Will the consultation directive affect recognition and bargaining in the sector?

Relations with other organisations

Does amicus and its representation of workers in the voluntary sector conflict with representation of public, and private, sector workers?

Is there competition or partnership between the unions that represent the sector?

What are relations like between amicus and other unions representing the sector?

What are relations like between amicus and voluntary sector employers?

What are relations like between amicus and central and local government in respect of the voluntary sector?

Which other interested organisations, i.e. NCVO, ACEVO, NHF, Defend Council Housing, does amicus work with?

Which of those organisations support or obstruct the amicus approach?

## Government Policy

What is your view of government policy towards the sector?

Where does amicus place the voluntary sector in regard to broader public sector issues, such as housing, welfare and community campaigns?

Is the voluntary sector important to the Warwick issues and broader union campaigns such as two-tier pay, agenda for change and equal pay?

Are the changes in the voluntary sector part of community based public welfare service development or is it a form of privatisation?

b) Service and Conditions Officer?, Brighton UNISON on 4/07/05

Pre-amble

Permission to record/ Ethics/ Transcripts/ Quotes

PhD expanding MA – same topic - covering more organisations – different aspects of welfare, housing, drug prevention, mental health, community/faith – different areas of the country – different unions representing sector – different organisations/unions at different levels – national study

The research - Historic development of NFP/Community/Voluntary Sector in provision of housing and welfare services and contemporary changes – HR/IR perspective - impact on managers and workers – welfare provision and public services.

The method – Vertical slice – government policy – agency responses –

Growth of NFP/Comm/Vol Sector – Lack of HR/IR research – 6 in-depth case studies of manager/worker responses – large HA, large VO small VO. Interest in church based organisations and their involvement/responses.

The interview - Semi-structured – based on previous interview and research since then

Time – 1 hour (then half an hour on arrangements for further research)

## Previous interview

Radical – It had become more unionised and moved from an anti-union culture to where active bargaining took place despite the personality of the then leader. You talked about future prospects and felt it was dependent on the personality of the leader. You felt Radical could improve if the new CEO took over, with some reservations.

Voluntary sector – You felt Brighton had done a very good job in organising the voluntary sector despite political and personality problems and led the way in the SE. It had good recruitment at 300 in 2003. You dealt with very diverse organisations, some a mess, some dictatorial, some democratic, and had limited resources to service these organisations. You aimed to set up active union groups in the organisations. Audit could be a double-edged sword placing pressures on staff to perform but allowed bargaining and criticism of management.

## Questions

The organisations I approached in Brighton for my PhD were:

LSP

Refuge

CDHA

Philanthropy

Radical

Parents

Big Issue

PACT/CityGate Projects

St. Patricks

YMCA

Cuddle Co-ops

Some have co-operated, some haven't. A good few have UNISON membership/recognition. Without giving away secrets how do you view those organisations and what contacts have you had with them?

Radical – how has that changed since we last spoke? Has union organisation become easier or more difficult? What are the issues?

The Voluntary Sector – more political focus on the sector? What changes have you seen in government policy to the sector? What changes have you seen in the management of the organisations? Are they becoming more dictatorial or democratic?

Has the role of audit, HC, Ofsted, SP, affected them and your involvement with them?

Has UNISON recruitment and recognition in the sector grown or fallen? Other unions are taking an interest in the sector? What competition is there at a local level? How do you get on with the other unions (amicus, T and G, GMB, CYWU) at a local/national level?

Do you have any central strategy or resources to expand your activity in the voluntary sector?

What is organisation in the sector like currently?

What are the main issues for the sector locally at present? Are organisations abandoning or developing NJC scales?

Is the moving of services to the voluntary sector a privatisation issue?

What are your views of housing and the ALMO/eb4u issues?

What are your views on TELCO/Community Unionism?

What are the different views held to the voluntary sector within UNISON?

## **Appendix 8: Sample interview questions for other organisations**

a) LSP Co-ordinator – Brighton and Hove LSP

Pre-amble

Permission to record/ Ethics/ Transcripts/ Quotes

Request for further assistance – Contacts for in-depth study organisations in Brighton –

Discuss at end

My background – government policy/HRM/IR

The research - Historic development of NFP/Community/Voluntary Sector in provision of housing and welfare services and contemporary changes – HR/IR perspective - impact on managers and workers – welfare provision and public services.

The method – Vertical slice – government policy – agency responses –

Growth of NFP/Comm/Vol Sector – Lack of HR/IR research – 6 in-depth case studies of manager/worker responses – large HA, large VO small VO.

The interview - Semi-structured – 4 areas – government policy, management practices, employee relations, employee consultation/involvement

Time – 1 hour (then half an hour on arrangements for further research)

Short biography – history – positions – current role

Welfare – Government policy

Further to my telephone call I read about LSP scoring and LSPBs. This is interesting. Fill me in on what is happening in Brighton and where you are at with all of this?

Given the context of historical change in the provision of public welfare services what do you think is happening now and where does the NFP/Comm/Vol sector fit in?

In terms of the LSP/LSPB model what are the problems caused by administrative/organisational boundaries and what should be done about this?

Is the LSP/LSPB model democratic and accountable? What have you achieved to improve accountability and democracy?

What is the role of local government in delivering public services? Why do we not just develop local government?

Who are the 'key players' in the local community? What conflicts exist between 'key players'? Do organisations work in partnership or competition? How do you resolve this?



Streamlining and efficiency – How will this affect organisations, managers and workers?

How could current funding arrangements be improved?

Do you feel that there is a distinct voluntary, community or Not-for-profit sector and is it a private, public or independent sector?

What is your view of the NFP/Comm/Vol sector? What incentives and pressures does government apply to NFP/Comm/Vol organisations and how do they respond?

How have relations between local government and voluntary organisations altered?

### Management Practices

Do you consider HR/IR issues, such as recruitment and retention quality of staff, management capability and employee involvement when formulating strategy?

Performance Management - How do you measure and monitor performance?

Workforce Management – What are the main HRM issues organisations face?

What issues concern you regarding the quality of the workforce, recruitment and retention and staff discipline?

What impact have changes in policy had on management practices and management structures?

### Employment Relations

What problems do the workforce experience?

Has restructuring affected the workforce?

Do funding problems affect employee security?

What are the main employee grievances and how have these been addressed?

### Employee Consultation

What structures are there for employee representation?

What structures are there for union involvement both in developing public service strategy and within NFP/Comm/Vol organisations?

b) Head of Research, NCVO on 19/07/05

Pre-amble

Permission to record/ Ethics/ Transcripts/ Quotes

My background – government policy/HRM/IR

Further assistance – talk about what activity/research the NCVO has undertaken in looking at workforce issues!

The research - Historic development of NFP/Community/Voluntary Sector in provision of housing and welfare services and contemporary changes – HR/IR perspective - impact on managers and workers – welfare provision and public services.

The method – Vertical slice – government policy – agency responses –

Growth of NFP/Comm/Vol Sector – Lack of HR/IR research – 9 in-depth case studies of manager/worker responses – large HA, large VO small VO.

The interview - Semi-structured – 4 areas – government policy, management practices, employee relations, employee consultation/involvement

Time – 1 hour (then half an hour on arrangements for further research)

Short biography – history – positions – current role

Welfare – Government policy

Given the context of historical change in the provision of public welfare services what do you think is happening now and where does the NFP/Comm/Vol sector fit in?

What is the NCVO view of government policy towards the sector?

What is your view of the 'change up' agenda?

NCVO seems now to be championing small voluntary organisations. The growth of large, corporate bodies, like HA's and national agencies and control of new organisations seems to squeeze out traditional voluntary organisations. What is your view on this? Will NCVO be squeezed out?

What is the role of local government in delivering public services? Why do we not just develop local government?

Who are the 'key players' in the local community? What conflicts exist between 'key players'? Do organisations work in partnership or competition? How do you resolve this?

Streamlining and efficiency – How will this affect organisations, managers and workers?

How could current funding arrangements be improved?

Do you feel that there is a distinct voluntary, community or Not-for-profit sector and is it a private, public or independent sector?

What is your view of the NFP/Comm/Vol sector? What incentives and pressures does government apply to NFP/Comm/Vol organisations and how do they respond?

How have relations between local, central government and voluntary organisations altered?

#### Management Practices

Do you consider HR/IR issues, such as recruitment and retention, quality of staff, management capability and employee involvement when formulating your strategy?

Performance Management – What is your view of increasing measurement and monitoring of performance?

Workforce Management – What is your view of what is happening in terms of workforce management in the sector?

What issues concern you regarding the quality of the workforce, recruitment and retention and staff discipline in voluntary organisations?

What impact have changes in government policy had on management practices and management structures?

#### Employment Relations

What problems do you feel workers in voluntary organisations experience?

How do you feel funding problems affect employee security?

What do you think are the main employee grievances and how have these been addressed?

#### Employee Consultation

Do you feel that the structures for employee representation are adequate?

Do you feel that trade unions have a positive role to play in voluntary organisations?

Do you feel that there is a role for trade union involvement either in developing public service strategy or working within NFP/Comm/Vol organisations?

## Appendix 9: List of interviews completed

1	Co-ordinator	Brighton LSP	14/01/05	Recording Available
2	Group Manager	Croydon YMCA	3/03/05	Recording Available
3	HR Manager	Parents	13/12/04	Notes only
4	HR Manager	YMCA	13/01/05	Recording Available
5	Co-ordinator	ChurchGate Projects	12/01/05	Recording Available
6	Former Chair/Chief Officer	Stafford LSP/SDVS	2/02/05	Recording Available
7	Operational HR Manager	Philanthropy	10/02/05	Recording Available
8	Chief Executive	Support in the Community	17/01/05	Recording Available
9	Arrest Referral Co-ordinator	Support in the Community	25/04/05	Recording Available
10	YP Services Senior Practitioner	Support in the Community	11/05/05	Notes from Recording only
11	Family Advisor	The Families Project	2/02/05	Recording Available
12	PT Service Manager	The Families Project	2/02/05	Recording Available



13	Service Development Officer	The Families Project	2/02/05	Recording Available
14	Senior Minister	Muddy Ditch Baptist Church	17/01/05	Recording Available
15	Former Project Manager	Muddy Ditch Baptist Church	28/04/05	Recording Available
16	Chief Officer	Reformed Project	4/02/05	Recording Available
17	Hostel Manager	Reformed Project	5/05/05	Notes from Recording only
18	Manager	Partnership at work	26/11/04	Notes only
19	Voluntary and Community Organiser	UNISON	18/03/05	Recording Available
20	Bargaining Agreements	UNISON	18/04/05	Recording Available
21	Director of Complex Needs	The Radical Trust	16/05/05	Recording Available
22	Project Manager	Parents	16/05/05	Recording Available
23	Supported Housing Manager	The Radical Trust	16/05/05	Recording Available
24	Project Manager	ChurchGate Project	16/05/05	Recording Available
25	CEO	The Radical Trust	17/05/05	Recording Available
26	Administrator	Cuddle Co-	17/05/05	Recording

		ops		Available
27	CEO	Cuddle Co-ops	17/05/05	Recording Available
28	Regional Director	Philanthropy	27/06/05	Recording Available
29	Interim Area Manager	Parents	31/05/05	Recording Available
30	Organiser	Birmingham Citizen's	9/06/05	Recording Available
31	Assistant Manager, Hanley CAB and Amicus local Representative	Amicus	13/06/05	Recording Available
32	Housing support Worker	The Reformed Project	22/06/05	Recording Available
33	Estate Manager	Philanthropy	23/06/05	Notes from interview only
34	Organiser	Community	27/06/05	Notes from interview only
35	Minister	Muddy Ditch Baptist Church	30/06/05	Recording Available
36	Services and Conditions Officer	UNISON (Brighton and Hove Branch)	4/07/05	Recording Available
37	Former	The Radical	4/07/05	Recording

	Resettlement Manager	Trust		Available
38	Team Leader	Parents (Brighton)	4/07/05	Recording Available
39	Criminal; Justice Services Manager	Parents (Walsall)	11/07/05	Recording Available
40	Estate Manager	Philanthropy (Abbey Hulton)	13/07/05	Recording Available
41	Assistant Resource Manager and ECC Representative	Philanthropy	14/07/05	Recording Available
42	Former worker	The Reformed Trust Project	24/06/05	Recording Available
43	Area Director, Merseyside/Stoke area	Philanthropy	28/07/05	Recording Available
44	Former Chair	The Reformed Trust	4/08/05	Recording Available
45	National Officer – Non-Profit Sector	Amicus	8/06/05	Recording Available
46	Acting National Secretary of ACTS	T and G	19/07/05	Recording Available
47	Head of Research	NCVO	19/07/05	Recording Available
48	Policy Officer – Public Services and Voluntary Sector	TUC	11/08/05	Recording Available

49	Principal Officer	Staffordshire Supporting People	9/08/05	Recording Available
50	Strategy and Development Manager	Staffordshire Supporting People	9/08/05	Recording Available
51	Officer – Title Unknown	Staffordshire Supporting People	9/08/05	Recording Available
52	Former Worker	The Reformed Trust Project	16/09/05	Recording Available
53	Former Worker	The Reformed Trust Project	16/09/05	Recording Available
54	Former Worker	The Reformed Trust Project	16/09/05	Recording Available

## **Appendix 10: Sample survey form**

### **EMPLOYEE WORKPLACE SURVEY**

This survey forms part of a PhD research project at Keele University. The project looks at the current changes taking place in the Not-for-profit and Voluntary sector and the impact of change on organisations, management practices and the experience of workers.

**PLEASE READ ALL INSTRUCTIONS WHEN COMPLETING THE FORM**

The survey form should take no more than 10 minutes to complete.

It is best if you complete the form as quickly as you can. Do not pause over individual questions.

If the question is not applicable to you leave it blank and go to the next question. Otherwise please complete all questions.

### **ISSUES IN YOUR WORKPLACE**

How important are the following issues to you?

Please answer by drawing a circle round the appropriate number on the line

	Very Important	Important	Not Very Important	Unimportant
Better Pay	1	2	3	4
Improved Pensions	1	2	3	4
Longer Holidays	1	2	3	4
Shorter Hours	1	2	3	4
Improved Job Security	1	2	3	4
Fairer Promotion	1	2	3	4
Improved Training	1	2	3	4
Better Career Prospects	1	2	3	4

	Very Important	Important	Not Very Important	Unimportant
More Union Influence	1	2	3	4
Better Part-time Workers Rights	1	2	3	4
More Consultation	1	2	3	4
Better Communication	1	2	3	4
More Influence Over Services	1	2	3	4
Better Work-life Balance	1	2	3	4
Less Discrimination	1	2	3	4
Improved Health and Safety	1	2	3	4
Protection from Bullying	1	2	3	4
Protection from Assault or Injury	1	2	3	4

Improved Patterns of Work	1	2	3	4
---------------------------	---	---	---	---

Improved Maternity Pay and Leave	1	2	3	4
-------------------------------------	---	---	---	---

Improved Paternity Pay and Leave	1	2	3	4
-------------------------------------	---	---	---	---

ABOUT YOUR ORGANISATION, MANAGEMENT PRACTICES, WORKING CONDITIONS AND YOUR  
REPRESENTATION AND INVOLVEMENT

To what extent do you agree or disagree with the following statements?

Please answer by drawing a circle round the appropriate number on each line.

YOUR ORGANISATION



	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
My organisation is well funded	1	2	3	4	5
I feel secure in my job	1	2	3	4	5
My organisation is a good employer	1	2	3	4	5
My management committee leads the organisation well	1	2	3	4	5
My management committee acts independently of government	1	2	3	4	5
My management committee members work well with senior management in running the organisation	1	2	3	4	5
My management committee is responsive to staff needs	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
Voluntary organisations are becoming more like private businesses	1	2	3	4	5
It has been good for me that my organisation has adopted a more commercial approach to its work	1	2	3	4	5
Voluntary organisations are working more closely with each other	1	2	3	4	5
Merger with another organisation would be or has been good for me	1	2	3	4	5
Restructuring would be or has been good for me	1	2	3	4	5
The pace of change in my organisation has been too fast for me	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
My organisation needs to change more to compete effectively with other organisations	1	2	3	4	5
It has been good for me that my organisation now works in a more competitive environment	1	2	3	4	5
My organisation has a good reputation with people outside the organisation	1	2	3	4	5
My organisation is well managed	1	2	3	4	5
I have benefited from improvements in my organisations efficiency	1	2	3	4	5

#### MANAGEMENT IN YOUR ORGANISATION

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
Senior Managers are under too much external pressure	1	2	3	4	5
I rarely have contact with Senior Managers	1	2	3	4	5
In general Senior Managers are accessible to staff	1	2	3	4	5
Senior managers manage the organisation well	1	2	3	4	5
Senior managers respond well to concerns raised by staff	1	2	3	4	5
Senior managers are out of touch with staff	1	2	3	4	5
My line manager is under too much external pressure	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
I get on well with my line manager	1	2	3	4	5
My line manager is supportive of me in my work	1	2	3	4	5
My line manager manages problems at work professionally	1	2	3	4	5
My line manager protects me from excessive workload	1	2	3	4	5
I sometimes feel harassed by my line manager	1	2	3	4	5
Management requires me to do my job in a way that increases my workload	1	2	3	4	5
Management requires me to do my job in a way that reduces my job satisfaction	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
Management supervision systems are used to help me manage my work well	1	2	3	4	5
Management supervision systems are used to meet my needs as a worker	1	2	3	4	5
Management supervision systems place too many extra pressures on me	1	2	3	4	5
I would like to have more frequent supervision	1	2	3	4	5
Appraisal is used to help me manage my work well	1	2	3	4	5
Appraisal is used to meet my needs as a worker	1	2	3	4	5
Appraisal places too many extra pressures on me	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
Team meetings help me to work better	1	2	3	4	5
Team meetings are used to meet my needs as a worker	1	2	3	4	5
Team meetings are supportive	1	2	3	4	5
Team meetings place extra pressures on me	1	2	3	4	5
Pay bonuses have encouraged me to work harder	1	2	3	4	5
Promotion has encouraged me to work harder	1	2	3	4	5
Performance expectations encourage me to work harder	1	2	3	4	5
Targets encourage me to work harder	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
Targets have a significant impact on my day-to-day work	1	2	3	4	5
There is too much emphasis on meeting performance targets	1	2	3	4	5
The targets set are appropriate to the work that I do	1	2	3	4	5
The performance expected of me is appropriate to the work that I do	1	2	3	4	5
There is too much favouritism in how the work different people do is rewarded	1	2	3	4	5

WORKING CONDITIONS IN YOUR  
ORGANISATION



	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
My workplace is a calm and settled place to work	1	2	3	4	5
Staff morale is good	1	2	3	4	5
There is too much conflict in my workplace	1	2	3	4	5
Pressures from government affect relations between managers and staff in my organisation	1	2	3	4	5
I am largely free to decide how I do my job	1	2	3	4	5
I spend far too much time completing paperwork	1	2	3	4	5
I would like to spend more time working with service users	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
I am under too much pressure to meet tight performance targets	1	2	3	4	5
I am satisfied in my work	1	2	3	4	5
I am happy with the pay I receive for what I do	1	2	3	4	5
There are problems in my workplace caused by sickness absence	1	2	3	4	5
There are problems in my workplace caused by staff shortages	1	2	3	4	5
There are problems in my workplace caused by high staff turnover	1	2	3	4	5
I am prepared to work long hours when this is necessary	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
I get sufficient time off work	1	2	3	4	5
I have adequate training opportunities	1	2	3	4	5
I have adequate opportunities for career development	1	2	3	4	5
I am happy with my pension arrangements	1	2	3	4	5
I work in a safe environment	1	2	3	4	5
I have too much work to do	1	2	3	4	5
I am stressed about my work	1	2	3	4	5
I worry about my work	1	2	3	4	5
I take work problems home with me	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
I often witness harassment at work	1	2	3	4	5
I often experience harassment at work	1	2	3	4	5
I often witness bullying at work	1	2	3	4	5
I often experience bullying at work	1	2	3	4	5

#### EMPLOYEE REPRESENTATION IN YOUR ORGANISATION

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
My organisation consults well with staff about changes at work	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
Management deal with complaints against them appropriately and fairly	1	2	3	4	5
Management deal with disciplinary issues appropriately and fairly	1	2	3	4	5
I would question how fair the disciplinary procedure would be if it was ever used against me	1	2	3	4	5
I would be happy to approach my line manager if I had a problem at work	1	2	3	4	5
I would prefer to approach a senior manager or management committee member if I had a problem at work	1	2	3	4	5
I would prefer to use the grievance procedure if I had a problem at work	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
I would be concerned about management reactions if I took out a formal grievance over a problem I had at work	1	2	3	4	5
I would prefer to contact a solicitor or advice agency if I had a problem at work	1	2	3	4	5
I am able to sort out my own problems at work	1	2	3	4	5
There is nobody who could help me with the problems I experience at work	1	2	3	4	5
I believe managers make decisions that are in my best interests	1	2	3	4	5
Staff associations are the best way to protect my interests as a worker	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
Staff associations have made things better for me at work	1	2	3	4	5
Trade unions are the best way to protect my interests as a worker	1	2	3	4	5
Trade unions have made things better for me at work	1	2	3	4	5
My organisation supports partnership with staff to improve working conditions	1	2	3	4	5
My organisation supports partnership with trade unions to improve working conditions	1	2	3	4	5
My organisation is hostile to trade union activity at my workplace	1	2	3	4	5

	Agree Strongly	Agree	Neither Agree Nor Disagree	Disagree	Disagree Strongly
It would be better for me if workers had a greater say in what happens at work	1	2	3	4	5
It would be better for me if trade unions had a greater say in what happens at work	1	2	3	4	5

#### FINALLY, ABOUT YOURSELF

Are you Male or Female?

Male ☐

Female ☐

How old are you?

Under 30 ☐

30-50 ☐

Over 50 ☐



Are you in Full Time or Part Time Work

Full Time ☐

Part Time ☐

Are you in a Temporary, Fixed Term or Permanent post?

Temporary ☐

Fixed Term ☐

Permanent ☐

Are you a representative on a staff consultation committee?

Yes ☐

No ☐

Are you a member of a trade union?

Yes ☐

No ☐

If so, which union?

UNISON ☐

Amicus ☐

GMB ☐

T and G ☐

CYWU ☐

Community ☐

Other, please name

.....

Are you a representative for your trade union?

Yes ☐

No ☐

It will help the research if you give your personal details below.

You may then be contacted for further research.

Completion of your personal details is optional but if you do give your details you can be assured that your anonymity and confidentiality will remain protected

Name .....

Employer .....

Place of Work .....

Job Title .....

Phone Number .....

e-mail .....

Thank you for your help in completing this form. Please return the form in the freepost envelope provided.

It would be helpful if you could return the completed questionnaire in the next two weeks. Please use the space below to make any additional comments you wish to make.

-----

## **Appendix 11**

### **Details on organisations that were approached but did not take part in the research project**

A number of RSLs or HAs that were approached did not provide access. The first was Refuge Housing Association (see Appendix 3b). They were a large national HA/RSL working in Brighton but not Stafford. They were expanding, forming a group structure and bidding for LSVT of council housing at the time of the study. Access was refused on the grounds that they were 'going through a period of exceptional change and development'. Senior managers actively prevented all attempts to make contact, formally and informally, with local managers and employees and during the course of the study pressure was applied on employees not to assist in the research. While this may have been part of the general policy of the organisation local managers did not understand why HR were so vigorous in denying access and this may have been due to their concerns at the content of the research. Eventually a former Brighton Refuge employee was willing to speak about their employment conditions as he no longer worked for Refuge informal contact with employees who were not willing to be formally interviewed due to the pressures placed on them continued and their views have been incorporated into the research findings anonymously.

The second HA/RSL approached was CDHA (Chichester Diocesan Housing Association). They were a South East regional HA/RSL, actively involved in LSVT bids and New Deal in Brighton. They became part of the Hyde HA national group structure and refused access citing the burden on employees of internal and external audit and Investor in People survey and inspection at the time of the study. Attempts to gain access informally through trade unions and employees were

unsuccessful due to a lack of trade union membership and organisation in the organisation at the local level.

The third HA/RSL approached was Beth Johnson HA, a regional West Midlands HA/RSL and the main provider of HA/RSL housing in the Stafford area. Despite persistent attempts access proved impossible and informal contacts suggested there were problems in the management of the organisation at the time of the study and this may have been related to the subsequent merger of the organisation within the Sanctuary group. Again access via the union route proved impossible. A fourth HA/RSL was approached during the course of the study as a result of their involvement in the transfer of employees from another case study organisation, The Reformed Trust. They refused all requests for access. While it would have been preferable to gain access to more HA/RSLs one HA/RSL was considered sufficient for the purposes of the study given the links between the housing, homelessness and other organisations, the number of studies and the supporting informal contacts and documentary evidence. There is however a need for more research into employment relations in these significant organisations.

The second homelessness organisation approached was The Big Issue. They were a national homelessness organisation that worked in Brighton and though initially keen to be involved they later withdrew. This may have been connected to problems they experienced in Brighton at the time of the research over the operation of the local connections policy. The third organisation to be approached was St. Patrick's. This was a small, local, Brighton based homelessness organisation. They were also initially keen to provide access but later cited staff pressures as a reason for why they could not be involved. At the time of the research their funding was also

under threat and this may have affected their decision not to take part in the research. Radical were added through the contact with Philanthropy as a vertical slice homelessness organisation (see Appendix 3d)

The GMB trade union was approached but did not take part in the study

Other organisations and representative bodies, including the National Federation of Housing Associations (NFHA), NCVO and acevo, were contacted for interviews but only NCVO eventually agreed to interview.

## Appendix 12

*Table 7: 1: Employee attitudes on modernisation*

	Philanthropy n = 31		Radcial n = 48		Parents n = 22		SITC n = 15		Cuddle Co-ops n = 6		The Families Project n = 4	
	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree
My organisation is well funded	13	6	7	35	16	3	3	7	0	6	2	2
My organisation is well managed	12	9	22	12	12	1	6	5	3	2	2	1
I feel secure in my job	14	14	11	29	15	2	5	6	1	3	1	33
My organisation is a good employer	19	2	28	3	17	0	8	3	0	2	0	0
Senior Managers are out of touch with staff	11	12	13	16	5	6	5	7	3	2	0	2
Staff morale is good	15	12	21	16	13	3	4	8	1	4	3	1
It has been good for me that my organisation has adopted a more commercial approach to its work	10	8	13	17	5	0	5	1	1	1	2	0
Voluntary organisations are becoming more like private businesses	23	0	35	5	14	0	6	4	5	0	0	1
My organisation needs to change to compete effectively with other organizations	12	5	28	8	8	4	9	1	6	0	2	1
Merger with another organisation would be or has been good for me	3	10	4	13	1	5	6	2	1	1	0	2
Restructuring would be or has been good for me	5	12	6	9	3	3	3	3	0	3	0	2



Table 7:2

*Employee attitudes on work,  
workload and work intensity*

	Philanthropy n = 31		Radical n = 48		Parents n = 22		SITC n = 15		Cuddle Co-ops n = 6		The Families Project n = 4	
	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree
Senior Managers are under too much external pressure	9	9	27	4	6	0	6	1	3	0	2	1
Management requires me to do my job in a way that increases my workload	17	7	15	12	3	6	6	5	5	0	1	2
Management requires me to do my job in a way that reduces my job satisfaction	17	11	16	17	3	7	3	9	4	1	0	3

*Table 7: 3 Employee attitudes  
on performance  
management*

	Philanthropy n = 31		Radcial n = 48		Parents n = 22		SITC n = 15		Cuddle Co-ops n = 6		The Familles Project n = 4	
	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree
My workplace is a calm and settled place to work	15	10	21	16	15	2	4	8	1	5	3	1
There is too much conflict in my workplace	9	15	13	20	4	13	4	8	4	1	1	3
I rearely have contact with Senior Managers	25	3	20	19	8	8	8	5	2	4	0	4
Senior managers respond well to concerns raised by staff	9	13	18	8	6	1	6	5	7	3	0	2
Senior Managers are out of touch with staff	11	12	13	16	5	6	5	7	3	2	0	2
There is too much emphasis on meeting performance targets	20	2	17	6	10	5	7	2	1	3	0	2
Targets have a significant impact on my day-to-day work	12	5	20	8	11	4	7	3	3	3	2	1
I would like to spend more time working with service users	14	4	23	7	13	2	10	2	5	1	3	1
I am under too much pressure to meet tight performance targets	13	10	31	7	20	0	10	1	4	1	1	2
I spend far too much time completing paperwork	17	5	22	12	14	3	7	3	5	1	2	1

*Table 7: 4 Employee attitudes on pay and conditions*

	Philanthropy n = 31		Radcial n = 48		Parents n = 22		SITC n = 15		Cuddle Co-ops n = 6		The Families Project n = 4	
	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree
There is too much favoritism in how the work different people do is rewarded	10	12	11	16	3	5	6	6	1	3	1	3
I am happy with the pay I receive for what I do	12	15	23	15	10	7	10	1	2	3	3	1
I have adequate opportunities for career development	2	14	25	13	9	6	6	4	1	2	1	1
There are problems in my workplace caused by sickness absence	7	16	30	10	2	10	9	1	4	1	0	3
There are problems in my workplace caused by staff shortage	18	9	27	12	7	7	9	0	4	2	3	1
There are problems in my workplace caused by high staff turnover	6	16	14	20	8	8	6	2	0	3	0	2
I am prepared to work long hours when this is necessary	17	11	25	17	14	5	11	1	5	1	4	0

Table 7: 5

*Employee attitudes on  
representation and trade  
union organisation*

	Philanthropy n = 31		Radical n = 48		Parents n = 22		SITC n = 15		Cuddle Co-ops n = 6		The Families Project n = 4	
	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree	agree	disagree
Staff associations are the best way to protect my interests as a worker	5	7	7	9	1	5	3	0	2	2	3	1
Staff associations have made things better for me at work	4	11	4	9	1	2	1	1	1	2	1	1
Trade unions are the best way to protect my interests as a worker	10	4	23	11	0	7	1	3	5	0	1	2
Trade unions have made things better for me at work	1	7	17	10	0	5	1	4	1	1	0	2
My organisation is hostile to trade union activity at my workplace	8	9	5	20	3	3	2	0	1	3	2	1
My organisation supports partnership with trade unions to improve working conditions	6	6	21	10	0	9	0	4	2	2	0	4
It would be better for me if workers had a greater say in what happens at work	19	0	24	5	11	0	8	3	4	0	3	1
It would be better for me if trade unions had a greater say in what happens at work	9	4	19	10	0	4	4	2	1	1	2	1
I often witness harassment at work	6	21	2	36	2	17	3	9	1	4	0	4
I often experience harassment at work	5	22	1	36	1	18	5	9	0	5	0	4
I often witness bullying at work	4	24	3	39	1	19	4	9	0	4	0	4
I often experience bullying at work	4	25	1	40	1	18	5	9	0	5	0	4