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The Aftermath of Modernization: Examining the Impact of a Change Agenda on Local Government Employees in the UK

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IRSPM17
OBJECTIVES

• Examine the consequences of change in public sector organisations; and,

• Investigate the reactions and responses of senior and middle management employees, as key organisational stakeholders, to the modernisation change agenda.
SELECTED BACKGROUND LITERATURE

• **Paradigms of management:**
  - *New Public Governance / Public Value*: (Denhardt and Denhardt 2011; Moore 1995; Osborne 2006; Osborne 2010)

• **Discourse analysis**: (Barker 1998; Danaher et al. 2000; Fairclough 2000; 2001; 2013; Foucault and Rabinow 1984; Kendall and Wickham 1998; Talbot et al 2003)
Analysis of political forewords of four white papers on public sector reform:

- Modernising Government (1999) [Labour]
- Strong & Prosperous Communities (2006) [Labour]
- Communities in Control (2008) [Labour]
- Open Public Services (2011) [Conservative / Liberal Democrat Coalition]

- Why White Papers?
MODERNIZATION

• Core NPM group of countries: UK, Australia, New Zealand, and to lesser extent USA (Christensen and Laegrid 2011)

• New Labour’s interpretation of NPM traditions –
  • Aim was “to make local authorities more open and democratically accountable to local populations, to increase strategic thinking and planning and to substantially improve performance management” (Tichelar and Watts 2000, p.222).

• Particular tools used to frame improvement approach

• The biggest change agenda ever introduced in the UK
KEY TERMS FOUND: WHY SEARCH FOR KEY WORDS?

Government
People, communit*
Good, better, best
Public service*
Citizen
Power*
Modern*
New, recent
Reform*

Improve*
Opportunit*
Democra*
Equal*, fair*
Poor, poverty, impover*
Unequal*, unequal*, unfair*, less fair
Fail*
Change

* Denotes a wildcard search, e.g. reform* includes reform, reforms, reformed, reforming, reformation etc.
# Primary Terms in Four White Papers

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KEY DRIVERS

• Modernization set in context of service improvement (Best Value duty)
  • “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Updated in 2015 (no change to duty)

• Modernization…to individualization

• Performance management seen as proxy for NPM

• ‘Gershon’ and other efficiencies

• Differing focus emerged from across white papers
PRE-RECESSION (2009) IMPACT OF REFORMS

• Significant focus on communities, deprivation and ‘wicked’ issues
• Improvement goals coupled with additional resources
• Strong improvement infrastructure at national and regional level – marked by promotion of external intellectual capital
• Buoyant staffing, and expansion of diverse delivery models (e.g. neighbourhood management etc.)
• Strong (excessive?) regulatory control by central government, including intervention
WHAT WAS THE IMPACT ON PUBLIC SECTOR EMPLOYEES POST-2009?

Empirical data collection

• Case studies in English local authorities
• Selected by deviant case method
• Qualitative interviews and focus groups with senior representatives
• Data inductively analysed and coded through qual statements to first order codes and then to aggregated dimensions
EXPLORING THE EFFECTS OF MODERNIZATION
KEY ELEMENTS OF AFTERMATH OF MODERNIZATION

- Deregulation
- Budget reductions
- Search for efficiencies

- Austerity dominating discourse
- Deregulation of performance environment
- Increasing ‘politicisation’ of performance – pledges, manifesto commitments
- Lack of external view on performance
- Decreased transparency, accountability & assurance
- Some efficiencies made, but close to tipping point
CONSEQUENCES OF MODERNIZATION

• Staff reductions
  ▪ Loss of staff expertise (including voluntary redundancy, etc.)
  ▪ Moratorium on some hiring, training etc.
  ▪ Loss of ‘competent middle core’

• Skills deficiencies
  ▪ Reduction in capacity and capabilities to transform service
  ▪ Loss of institutional knowledge
  ▪ Leaner set of staff responsibilities

• Efficiencies driven out but…size and scale of budget cuts needed are considerable:
PERFORMANCE OUTCOMES

• Commissioning
  ▪ Including commercialization: different skills required (Lodge and Hood, 2012)
  ▪ Insourcing

• Service reduction
  ▪ Managed decline in performance
  ▪ Reducing access to services
  ▪ Reducing VFM

• Self-policing
  ▪ Lack of external validation, reductions in transparency and accountability
CONCLUSIONS FROM RESEARCH

Rhetoric and reality for public sector employees:

• Are services more ‘modern’? Undoubtedly yes, but would this have happened anyway?
• Are services more ‘customer-focused’? Probably yes
• Are communities stronger and more prosperous? Seems unlikely, but whose fault is that?
• Are communities ‘in control’? Doubtful
• Are services more ‘open’? Depends on whether this is open to competition or transparent
• Councils have responded to the challenge of austerity in ways that limit their long-term abilities – probably unsustainable, so what next?
A FEW THOUGHTS

- Reforms are not neutral – they are value-driven and embedded with implicit meaning
- Deregulation of performance may inhibit accountability, though regulation may have driven game playing: so how much regulation is ‘enough’?
- Austerity dominating discourse of public sector reform and likely to continue
- Individualistic relationship with state changes the way we (need to) think about services – private goods vs public goods, what is VFM in this context?
- Will local authorities be able to choose very different futures in terms of delivery versus commissioning? ‘Thinking the unthinkable’
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