Managing Change in Local Authorities

– the role of Chief Executives Discretion

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Abstract

Theory identifies that UK national policies for change and service reform in the public sector have centred on the promotion of management approaches that encourage the marketisation of services and competition between service providers, referred to as New Public Management. Within this theory there is little relating to the role of Chief Executives, other than an assumption of a rigid uniformity in Chief Executive decision making. Previous research appears to assume that all public sector organisations are comparable and will react to national policies for change in similar ways. To test these assumptions, in depth interviews were conducted with local authority Chief Executives representing a range of organisational structures, service delivery models, locations and economies.

Using grounded theory, four key findings emerged which existing theory could not fully explain. Two key findings related to Chief Executives. The first found that during change local authority Chief Executives use their discretion to adapt national policies for change, sometimes to promote organisational continuance. The second found that local authority Chief Executives use their discretion to adapt performance reporting to stakeholders during change. The other two key findings were that each local authority has its own organisationally specific interpretation of national policy and political influences, and that local authorities have dissimilar organisational environments during change.

As a result of these findings, two original contributions to knowledge were found. These are that Chief Executives in the public sector and local authorities are a key initiator of organisational change and exercise their discretion to play a pivotal role in shaping its direction. Also, that public sector local authorities, are not comparable and do not respond to national policies for change in similar ways but adapt them to suit local circumstances.

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Declaration

I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

The University of York ethics committee granted ethics approval for the research described in this thesis.

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Chapter 1: Introduction

1.0 Background

Over recent decades, public sector local authorities and their Chief Executives have faced the growing challenge of meeting increasingly complex and expanding stakeholder expectations in an era of reducing funding. In response to this challenge and as an alternative to simply cutting services, national policy makers have implemented policies for change that promote commercial management practices and the marketisation of public sector and local authority services and functions. This approach is commonly referred to in theory as New Public Management (NPM), (Kolthoff, et al., 2007).

National policy makers, when promoting the principles of NPM, appear to assume that all local authorities are the same and will respond in similar ways to the policies that they endorse, and that their Chief Executives have little discretion to change how such policies are interpreted and implemented (Dunleavy and Hood 1994; Hansen and Ferlie 2016). Based on the researchers' experience of working with local authority Chief Executives and having witnessed the way their organisations respond to influences for change, such assumptions appear over-generalised. This is important, as any difference between national policy makers' expectations of a given policy, and local authorities' interpretation and implementation of it, may render it ineffective or inappropriate, and impact how performance is calculated and reported.

This observation prompted me to want to investigate through the lens of doctoral research, how national policies for change were implemented. Given my experience of change in the public sector, I chose to focus my research on the perceptions and views of public sector local authority Chief Executives, each representing a range of differing service delivery models.

To provide context for this study, this chapter examines what local authorities do, the scale of their activities and the financial influences for change they are currently facing. This chapter also provides a history of how policies have evolved to influence public sector local authorities over recent decades.

The chapter then discusses literature related to the study, to evidence why the consideration of NPM is important, and provides an overview of the role of Chief Executives in local authorities to understand their responsibilities during change.

The research aims and research questions are then stated before describing how the choice of grounded theory as a research approach for this study was influenced by the proposed data gathering process. This section also provides an overview of why complexity theory was chosen as the most appropriate theoretical orientation for the study. The chapter concludes with a synopsis of how this thesis is structured to address the research aims and questions.

To investigate policy implementation in the public sector, this study then provides a review of literature associated with the influences for change in the public sector and local authorities, and how their Chief Executives manage such influences. This research includes an examination of a range of differing theoretical orientations to investigate change in the public sector, before considering the applicability of complexity theory to examine change in public sector local authorities.

The review of literature showed that current theory pays little attention to how Chief Executives in public sector local authorities interpret national policies for change, or whether local government organisations may differ. Research aims and questions were formulated, together with an appropriate methodology, to investigate these two potential gaps in literature.

The study concludes with suggestions of how to improve the development and implementation of national policies for change in the public sector.

1.1 What is the scale of local authorities' activities and what financial influences for change are they currently facing?

Local authorities in the public sector are responsible for the management of a range of differing service models and functions, "…..*The government sets statutory duties for them to provide services, ranging from adult and social care to waste collection. Local authorities also provide discretionary services according to local priorities"* (National Audit Office, 2018, p. 5). Local authorities manage a significant level of public sector expenditure "…*Total revenue expenditure by all local authorities in England is budgeted to be £99.2 billion in 2019-20*" (Office of National Statistics, 2019, p. 4). This expenditure is split across 435 local authorities (ONS, 2019) each led by a chief executive, with an estimated total staff of 2 million employees (ONS, 2019).

Considering local authorities in more detail, "*Expenditure on services is budgeted to be £96.2 billion in 2019-20. This is £3.6 billion (3.8%) higher than the £92.6 billion budgeted for 2018-19.."* (Office of National Statistics, 2019, p. 1). To put this expenditure in context, the total government expenditure for England and Wales is in the order of £773.1 billion, thus LA's represent a significant amount of state expenditure (HMT, 2019).

Over recent decades, public sector local authorities and their Chief Executives have faced a growing challenge to fulfil their duties and meet increasingly complex and growing stakeholder expectations with reduced funding to do so (Hughes, 2017).

The National Audit Office (NAO), in their 2018 report entitled "*Financial sustainability of local authorities 2018*", drew attention to some of these challenges noting that;

"*Since 2010, successive governments have reduced funding for local government in England as part of their efforts to reduce the fiscal deficit. Changes to funding arrangements and new pressures on demand have*

created both new opportunities and further pressures for the sector" (National Audit Office, 2018, p. 5)

Considering the scale of the cuts to local authority spending over recent decades, the NAO 2018 document identifies that:

"Government funding for local authorities has fallen by an estimated 49.1% in real terms from 2010-11 to 2017-18. This equates to a 28.6 % real terms reduction in 'spending power' (government funding and council tax)..." (National Audit Office, 2018, p.7). The report does recognise that following a review of budgets in 2017, the government has provided additional funding to offset increases in social care expenditure "..*the rate of reductions has levelled off since 2016-17 for social care authorities and is predicted to remain relatively flat until 2019-20"* (National Audit Office, 2018, p.7).

In terms of increasing service demands and expectations, the same NAO 2018 report highlights that together with funding reductions local authorities are also experiencing increasing costs and a demand for greater services, for example, it identifies increases in accommodation needs of over 30% and increased demand for looked after children and care for those aged 65 and over (NAO, 2018).

However, in response to local authorities budget cuts over the six years, the NAO 2018 report notes that ; "*For the first three years authorities as a whole reduced spending on services at a rate in excess of their income reductions, allowing them to build up reserves*" (National Audit Office, 2018, p.7). The NAO 2018 report, also notes that in the subsequent three years, reductions in service spending accounted for less than half of overall the cuts. The report observes that the difference was made up by cuts in other areas, with a demarcation that appears to differentiate between statutory and non-statutory spend, for example whilst adult and children social care have seen minor reductions in spend, planning, housing, highways and transport spend, which is non statutory, has experienced significant cuts (NAO, 2018). Further outlining this change over time appendix 1 provides a table that documents

public sector general funds and their allocation between 2012 and 2018, and budgets for the period of 2018 to 2020.

One result of the reduced financial distribution to local authorities has been a reduction in the number of staff directly employed by these organisations. In September 2019, the Office for National Statistics (ONS) produced a report that focused specifically on public sector employment as at June 2019. One of the key features of the report is the recognition of a shift of roles affecting local and central government. The shift of roles has been brought about by changes in national policy that have moved funding away from local authorities, examples include education (where academies have been established), and the formation of housing associations (ONS ,2019). In terms of numbers the ONS report notes:

"*The estimated number of people employed in local government increased by 2,000 (0.1%) between March 2019 and June 2019. It is down 32,000 (1.6%) compared with June 2018..*" (Office for National Statistics, 2019, p.5).

Reduced central government funding has resulted in service reductions and local authorities having to prioritise their spending. Some national policy makers appear to assume that in the past, local authorities were inefficient or unwilling to change. To address these concerns national policy makers have sponsored organisational reforms that promote commercial management practice and the associated marketisation of the public sector and local authority functions and services. As already identified earlier in this chapter, this approach is commonly referred to in theory as New Public Management (Kolthoff, et al., 2007). To provide some rationale and context for national policy makers' reforms for change, the next sections look at the history of policy reform in public sector local authorities.

1.2 History of policy reforms in public sector local authorities

To promote change and the principles of NPM in the public sector, national policy makers over recent decades have introduced a number of policies which have had a profound effect on the public sector as a whole. One of the most significant of these policy changes was the Local Government Act. In 1999, the government introduced the Local Government Act 1999, this key piece of legislation brought into law a focus on attaining value for services delivered. To achieve this, the 1999 Act placed a duty on all public sector bodies to achieve Best Value (BV) and Value for Money (VfM), when either commissioning or procuring services. To provide further background information, appendix 2 provides a detailed overview of the 1999 Act and discusses its links to NPM. Following similar themes to the 1999 Act, in 2010 the government made an announcement entitled “Scrapping regional bureaucracies will save millions” (DCLG, 2010), within the announcement, Secretary of State for Communities and Local Government, Eric Pickles said:

“*This is another step in wresting control from the bureaucrats, stopping the top down diktats and axing unelected, ineffective quangos*”.

“*This is the nail in the coffin of the unelected, unaccountable, and unwanted Regional Assemblies*”.

“*We are unravelling this complex system, putting the community back in charge of how their area develops and saving the public purse £16m at the same time*” (DCLG, 2010).

Following on from this statement of intent, the UK government went on to introduce further legislation including the Localism Act 2011, Welfare Reform Act 2012 and Local Government Finance Act 2012. Together with pre-existing statutory duties to deliver value for money and best value set out in the 1999 Act, this legislation is now promoting an ongoing reformation / transformation agenda in the public sector.

Within this context the Institute for Fiscal Studies (IFS), noted within a press release that

"*We think total spending will fall by about £28bn over the next parliament compared with about £23bn of spending cuts which will have been implemented by the end of this parliament. We are just under halfway there*." (IFS, 2014).

Following the spending review, government pressure and public sector expectations began to centre on not only efficiency, but also on effectiveness. Solutions put forward to address these expectations included arrangements based on a range of firm and loose partnership arrangements, where local government acts as a hub to communicate and enforce policy whilst devolving actual service delivery. The challenges associated with such ways of working were not lost on policy makers, who recognised that they may require the open dissemination of information, devolved budgeting and authority, with the day-to-day management of services acting outside of the formal structures of local government (HOC, Communities and Local Government Committee, 2014). These policy changes meant that local authority leaders had the challenge of having to interpret and implement them in ways which made sense to their own local contexts.

To consider the possible implications of local authorities adopting partnership arrangements, and the significant budget savings linked to them. The National Audit Office (NAO) in a report entitled "Financial Sustainability of Local Authorities 2014", examined evidence regarding funding reductions on the Department for Communities and Local Government (the department), and noted, as part of its key findings that:

" *The Department expects local authorities to manage future funding reductions by transforming the way they deliver services, but has limited understanding of the size and timing of resulting savings*"…..it also noted that "*The Department has a limited understanding of the financial sustainability of local authorities and the extent to which they may be a risk of financial failure*" .. (National Audit Office, 2014, p. 8).

As the NAO report indicates, prior to the general election in May 2015, the government's approach to the public sector focused on reducing costs and improving financial efficiency. This was, in part, achieved by promoting the use of private sector/ manufacturing methodologies and management styles that championed innovation, and an entrepreneurial approach to the delivery of public services (OCG, 2009). At the same time, numerous spending reviews and the effects of the Localism Act 2011 had encouraged collaborative working practices without impinging on organisational or democratic independence.

Following the general election in May 2015, the government's drive for change in the public sector shifted to fully embrace localism and commerciality though the further establishment of combined authorities. The drive to establish combined authorities seem to have been embraced in England by most councils, given that many have either established or in the process of establishing them (HMT, 2015). In its initial format, constituent members of a combined authority put forward a member to represent them in what is a legally constituted body to manage agreed functions; at this stage, these functions include transport and economic development. Cities and Local Government Devolution Act 2016 sets out provisions for the further transfer of powers to combined authorities and it also provided for the establishment of directly elected mayoralty, not previously legally possible (HOC, 2015).

Considering the history of their development, national policy reforms appear to have focused on improving efficiency and value for stakeholders, by promoting the principles of commercial practice. The improvement of efficiency and promotion of commercial practice in public sector local authorities aligns with what current theory identifies as NPM.

To help set the scene as why the subject of NPM is so important to understand in relation to change in the public sector, the following section introduces some of the literature associated with it. In doing so the next

section also highlights why this study should examine further the origins and influence of NPM on change in the public sector.

1.3 Literature relating to the importance of NPM and change in public sector local authorities

Whilst existing literature recognises that forces for change in the public sector and local authorities can be messy and somewhat unpredictable, there does appear to be an underlying assumption that these organisations have a number of similarities and are isomorphic with other organisations, such as those in the private sector (Du Gay and Signe Vikkelso, 2012). Institutional theorists offer a degree of support for this view; characterising organisational change in terms of a transposition from one set of organisational rules to another (Lowndes and Roberts, 2013). This perception of change in the public sector builds on work of earlier authors such as Osborne and Brown (2005) who, referencing such key authors as Lewin (1951), describe the process of change as moving from one state to another in a number of iterative steps.

This perception of change at an institutional level aligns with the substantive body of literature that describes and in some cases supports, the core tenets of New Public Management (Dunleavy and Hood, 1994; Hansen and Ferlie, 2016). However, not all theorists support the applicability of NPM as an approach to drive change in the public sector. In their work to consider if the principles of NPM were out of date, or no longer relevant, De Vries and Nemec (2012), reflect on previous literature on the nature of NPM and argue that at its core NPM drives a reduction of state influence and participation. They also suggest that in the context of economic decline, "*people turn to their governments and demand solutions, which cannot be provided for by the market not by a minimalistic public sector*" (De Vries and Nemec, 2012 p.8).

Given that at the institutional level, public sector organisations provide a mixture of statutory and non-statutory functions, if they are all subject to the same national policies for change, it would be expected that similar structures would have developed. However public sector local authorities fulfil their functions using a number of organisational models, which can range from those that are outsourced, to those provided fully in house and all points in-between. Given this variation, it is therefore important to further examine the origins and influence that NPM has had on the public sector, and in doing so, consider how it has effected how the public sector has responded to national policies for change.

In applying policies that promote the principles of NPM, as well as appearing to suggest that public sector organisations are comparable, national policy makers also appear to assume that Chief Executives in local authorities have little local discretion to change how their policies are implemented. It is therefore important to examine the role and functions of local authority Chief Executives.

1.4 The role of Chief Executives in local authorities

There is very little in academic literature that describes the role and impact of Chief Executives in the public sector and local authorities. Leech, Stewart and Walsh (1994), considering the specific role of the chief executive, and referencing the Baines Committee Report, (HMSO, 1972) identified a number of common significant features roles and responsibilities which included:

- *"Head of paid services, responsible for the overseeing the performance of the organisation as a whole.*
- *Management of the interface of the political process and the management of process.*

- *Responsible for maintaining and enhancing the authority's position in regard to the wider impact on the community within which it operates.*
- *Giving the organisation leadership, vision, purpose and direction…."*

(Leech, Stewart and Walsh, 1994, p. 122).

The literature in the next chapter demonstrates that the role of Chief Executive was created to move away from that of professional administrator, to that of key actor with executive powers. This shift from administrator to executive brought with it a range of responsibilities described by Leech el al (1994), which hitherto were not part of the role of the professional administrators. In this new role, Chief Executives in the public sector, have not only the responsibilities of managing day to day activities, but also in plotting a future course of action for its strategic and operational objectives. Most notability, the introduction of these responsibilities has made Chief Executives locally accountable for their actions and choices. It has also brought them into the arenas of national and local politics, from which they were shielded as administrators.

1.5 Research aims and questions

The study will consider the views of four Chief Executives in local authorities and contrast them with current literature, to address the following research aims which are to:

- Investigate how Chief Executives in public sector local authorities apply and implement government policy during change.
- Explore the extent to which local authorities can be considered similar.

To help focus the study, the following research questions are addressed in the study:

- What is the nature of organisational change, what influences it, and what are the circumstances for it applicable to local authority service providers and the public sector?
- How comparable are public sector local authority organisations and do they experience change in similar ways?
- How did a New Public Management approach emerge across public sector local authorities?
- Has the adoption of a NPM approach, impacted organisational change in public sector local authority service providers?
- In local authority service providers, what part does the role of Chief Executive play during change?
- Do Chief Executives in public sector local authorities have any discretion about how they respond to change?

The four Chief Executives who agreed to participate in the study represent the range of differing service models in the public sector and between them have extensive experience of managing change in the public sector. A more detailed profile of the participants is provided in the methodology chapter 3.

To be able to fulfil the aims of the study, it was important to persuade the study interviewees to fully engage with the research process and for them to be as open and candid as possible. Key to any interview discussions would be to attain their views and observations about national policies for change, and to gain an understanding how, given their extensive responsibilities and executive powers, they introduce them into their respective organisations. The following section explains how this was achieved.

1.6 Research approach

The initial research participation discussions with the four Chief Executives flagged up that the prospective participants were more than willing to engage with any future research. The complexity and nuances of the public sector meant it would be all too easy to conduct a range of interviews which, because of a lack of focus, could quickly precipitate into participant disengagement, and invite significant researcher bias, thus making it difficult to identify any coherent and robust findings. To avoid this scenario, the author decided that the research needed to be based on an initial round of structured interviews with each participant to set the context for the research. These would be followed by numerous rounds of semi-structured interviews. The structured interviews would be based on a number of themes, informed by a review of relevant national policy secondary data. Using information from data gathered from the first interviews and corporate data analysis, a number of low level categories could be identified to inform how the semi-structured interviews progressed. The author chose this approach because it would ensure findings would be based on iterative consideration of the initial themes, which could then be further analysed to identify findings on which to base the development of theory. In terms of research strategy, the author chose to adopt a mostly qualitative approach. The author considered various data analysis options, but after due consideration of each, decided Grounded Theory was the most appropriate. The researcher chose Grounded Theory, because as Corbin and Strauss (2015) identify, it offers a unique form of qualitative analysis, to identify themes, and then develop core concepts to support theory development.

The following section sets out how this thesis is structured to address its research aims.

1.7 Overview of each chapter

Chapter 2 – the literature review chapter considers relevant literature associated with the research aims of this thesis and the previously identified research questions, to identify the gaps in the literature to inform a research approach to address them.

Chapter 3 – the methodology chapter provides background information relating to the research participants, and considers to what extent their relationship with their respective organisations makes them a good proxy for it. It discusses how pre research considerations were identified to inform the choice of research strategy. It also provides details of the how the research strategy was applied and data was analysed, before concluding with reflexive observations about the whole research process.

Chapter 4 – the findings chapter provides an overview and observations relating to the application of the structured and semi structured interviews, it then documents the results of the research before identifying four key findings that emerged from a grounded analysis of the interview data.

Chapter 5 – the discussion chapter contrasts and compares the findings in chapter 4 with the existing literature identified in chapter 2, to identify and then propose two contributions to knowledge.

Chapter 6 – the conclusions chapter begins with a summary of the research. The main conclusions from the research are then discussed, before moving on to consider the implications of the research and any possible limitations of the work undertaken. The chapter concludes with a number of recommendations regarding how future national policies for

change may be implemented and how further work in the research may be undertaken to support the development of theory in the subject area.

1.8 Summary

This study provides an important insight into how local authorities and their Chief Executives are responding to the challenges they face, including how they interpret and implement national policies for change. It suggests ways in which national policies may be better developed and implemented, which is important given the scale of public sector local authorities' activities, the funds that they control and the impact that the delivery of their services can have on the general public.

Chapter 2: Literature Review

2.0 Introduction

The previous chapter discussed how public sector local authorities face a complex and evolving challenge of balancing increasing demands for their services with a reduction in their financial resources to deliver them. It also showed that in response to these challenges, national policy makers have introduced new policies that promote change based on the principles of NPM and associated commercial practices. Notably, when introducing these new policies, national policy makers appear to have assumed that local authorities are homogenous and that they, and their respective Chief Executives, will respond in similar ways to these national policies for change. If such assumptions are wrong, then it could result in a disconnect between national policy makers' expectations for a given policy and how it is interpreted and implemented at a local level.

To investigate how national policies for change are interpreted and applied in public sector local authorities, the research aims of this thesis are to:

- Investigate how Chief Executives in public sector local authorities apply and implement government policy during change.
- Explore the extent to which local authorities can be considered similar.

To examine what theory has to say about change in the public sector, local authorities and the role of their Chief Executives during change, this chapter provides a wide-ranging review of literature to address the following research questions:

- What is the nature of organisational change, what influences it, and what are the circumstances for it applicable to local authority service providers and the public sector?
- How comparable are public sector local authority organisations and do they experience change in similar ways?
- How did a New Public Management (NPM) approach emerge across the public sector?
- Has the adoption of a NPM approach, impacted organisational change in public sector local authority service providers?
- In local authority service providers, what part does the role of Chief Executive play during change?
- Do Chief Executives in public sector local authorities have any discretion about how they respond to change?

Before progressing to the first section, it is worth reflecting on what is meant by the terms public sector, local authority service providers and management approach.

In a guide to the public sector, (Massey, 2002) provides a useful, encompassing definition of the public sector, suggesting;

"*The public sector, at its most extensive, could be defined as anything in which the state has an interest and on which public money is spent……"* (Massey, 2002, p.3).

Massey does go on to note that this definition brings with it "*not for profit*" (Massey, 2002, p.3) and other organisations who act in the public interest. This definition of the public sector from Massey broadly aligns with other authors' view of the public sector, and indeed that of the National Audit Office (NAO, 2018).

For the purposes of this document, the phrase *local government service providers* is used as a collective phrase to describe legally constructed local authorities and statutory local service providers collectively. The term *approach* when applied to NPM, relates to the axiomatic values and legal

statutes associated with its application by actors in the public sector and local government service provides.

There are a number of differing service delivery approaches managed by public sector local authorities which can be observed across the whole of the public sector. The following table (1) summarises four key service models that were identified from secondary public sector literature (LGG, 2011). The table also identifies the key features associated with the management approach of each model.

Table 1- Service delivery models representative of the public sector in general.

Service delivery model	**Key features of management approach**
Commissioning	Service delivered by external partners, usually procured and defined by contractual terms
In house delivery	Services delivered using internal resources, capital and infrastructure
Blended service delivery	Service delivery using a combination of own in house resources and externally commissioned services
Statutory service delivery	Service delivery provided within defined statutory limits using mostly in house capacities and resources

Note: Table 1 Adapted from Local government Group - Shared services and management report, 2011.

National government reports focused on public sector change often refer to the term ‘management’ without actually defining what is meant by it. According to Greener (2013) the definition of what is meant by public management is at best confused. Greener (2013) suggests that its most simplistic interpretation is a term that defines those that work in organisations

funded from public resources, whose objectives are to plan for and deliver public functions and services. However, Greener (2013) also observes that what constitutes a public function and service may differ from one area of governance to another, and that the simplistic explanation that aligns public management to those that are publically funded is in fact a little more nuanced, in that it may also include not for profit organisations and private sector actors, who have been sub contracted to deliver public services. Osborne and Brown (2005) introduce a subtle but differing perspective of the realities of public management, in that they link it from the post nineteen forties, to an interpretation of public service duty, derived from an extrapolation of political expediency, to provide what they described as a task based process, constituted to disseminate often limited resources in a fair and equitable way. Given the differing views, the term 'management' needs to be considered within the context of where it is being applied.

In their observations regarding public management, Osborne and Brown (2005) also identify a range of recurring general influences that effect change in the public sector. The next section investigates what theory has to say about these and other influences for change in the public sector, to examine how they may impact the way national policies for change are interpreted and implemented.

2.1 Influences for change in the public sector and local authorities

Building on the work of Osborne and Brown (2005) this section discusses how the influences of politics, the organisational environment, performance management, organisational continuance and economic theory, may impact how national policies for change are applied in the public sector and local authorities.

2.1.1 Political influence and change

The importance and pervasiveness of political influence in all its forms is considered by Thynne (2003) who, when investigating public management reform, identified three models for change, all of which have a political dimension either as a supporter, partner or driver of organisational change. Thynne (2003) suggests that in whichever role, the reasons for organisational change centre on a response to external forces that propagate a vision (usually expressed by senior leadership). Hughes (2016) proposes that leadership is about creating a vision for others to follow. Authors such as Piercy, Phillips and Lewis (2013) have noted that further research is required to understand the true role and nature of leadership during organisational change. Piercy, Phillips and Lewis (2013) suggest that such investigations should include examining if there any difference between the expectations placed on public sector leadership, compared to that of the private sector.

According to Boyne, Ashworth and Powell (2001) when considering influences for organisational change, the collective and cumulative influence of external change factors such as finances, internal and external peer pressure or local politics, may produce an effect that is organisationally pervasive rather than focused on particular individuals. They observe that this effect can in turn produce what could be ascribed to an organisational agency for change, however, they note that speculation surrounds the true influence that such agency may play in organisational change.

In terms of political influence, the very nature of public sector organisations makes them complex and such complexity is driven by a requirement to address the needs of multiple stakeholders (Williams and Lewis, 2008). In their work to consider strategic management tools and public sector management, Williams and Lewis (2008) note that organisational reputation can focus more on of the perception of service delivery, rather than its tangible delivery, a point that will also be considered later in this chapter in the section that explores theory relating to organisational continuity, and its influence as a pervading factor during change.

Investigating the complications of local government change (Haveri, 2006) brings into focus the issue of stakeholder expectations and its link to organisational complexity. Haveri (2006) notes that stakeholders from political or service user backgrounds may not clearly define what they want during change. Haveri (2006) observes that such ambiguity can be compounded by organisational circumstances that are fluid and often interdependent. In this research Haveri (2006) also examines concomitant management challenges during change (such as the requirement to have those skills and expertise to interpret political expectations), in what are fluid local political and organisational environments.

Hayes (2007) referring to the work of (Gersick, 1991) suggests that embedded political view points and differing ways of working in the public sector, can make significant innovative change not only difficult to bring about, and may even actively oppose it. Whilst there is some debate in literature about the appetite for change in the public sector, other theorists totally refute the proposition that the public sector is fundamentally opposed to change and innovation. As an example, whilst Mazzucato (2013) recognises that there is a perception that the public sector is difficult to transform due to a local political intransigence and local policy inertia, Mazzucato (2013) suggests this perception is false and posits that in reality there is nothing in the deep structure of public sector organisations that prevents innovative change, provided it is given the right support and opportunity.

Taking the two opposing theoretical positions about the public sectors willingness to change, it could therefore be argued that management's resistance to innovation in the public sector may be based on a reluctance to endanger organisational legitimacy by taking risks that could result in a loss of political support. Research by Greener (2013) found a dichotomy between national and regional service delivery, noting that national structures bring with them a unified and equal proposition. In contrast, whilst Greener's research accepts that local political constructs can imbue a certain degree of

perceived empowerment for those actors in the local region; they can also propagate feelings of disparity. Greener (2013) found that these perceptions of disparity could come from the very empowerment of local decision making, which allow such actors to contrast and compare organisational structures and services which result from their differing locally based political decisions.

As literature in this section shows, policies and politics through their application may influence how a particular type of organisational environment is formed. To examine how an organisational environment may affect how national policies for change are interpreted, the next section will examine what theory has to say about the organisational environment as an influence for change.

2.1.2 The organisational environment as an influence for change

Schmidt and Groeneveld (2019) in an examination of the influences for change, identify that is important to consider the context and environment in which change occurs. Greener (2013) notes that this is especially important when the environment in which organisations functions are being delivered, is evolving rapidly and becoming more complex. To further consider the nature of the organisational environment and the challenges it poses to managers tasked with facilitating or delivering change, it is worth reflecting for just a moment on some of Weick's observations regarding the power of perception. Taking a poets perspective, Weick's work offers an insight into how easy it is for differing influences for change, credible or otherwise, to come together to produce new and evolving organisational environments, as Weick (2011) notes,

"..Poets wrap perceptions in conceptions and in doing so attempt both to gather more flux and to preserve what has been gathered using that narrow the gap between continuous flux and discrete names. Poets talk airy nothing into existence…" (Weick, 2011, p. 9)

Demonstrating how the power of perception and interpretation can add to the complexity of the organisational environment in which change takes place, Brown and Osborne (2013) note that within the lexicon of public sector organisational change, phrases such as risk and innovation are not fully explored, especially when considered with the context of organisational governance. This Brown and Osborne (2013) observe, can make the environment in which they exist even more complex.

Within the public sector environment, risk acceptance and management has become a *must have* process based issue, viewed as a singularity that needs to be considered in terms of good practice, or an abstract that needs to be limited, rather than embraced to ensure it becomes part of the process of delivering success (Brown and Osborne, 2013). This traditional approach to risk just adds a further level of variability, or as previously referred to' *flux'* (Weick, 2011, p. 9) which plays in the nature of organisational environments.

The importance of change is non the less a constant feature in literature, as is the ability of management to deliver such change, however, when planning for and delivering change, it could often be described as reactive, based on a number of conflicting theories and operational approaches, ultimately delivering what could be assessed as failure, (Balogun and Hope Hailey, 2004; Todnem By, 2005). Reflecting on pervasive nature of change, Todnem By (2005) suggests that it has become a feature of all organisations.

Considering influences for change, Walshe, Harvey, Hyde and Pandit (2004) found that in organisational environment terms, the notion of potential failure may also be seen as stimulus for it. However, as (Walshe et al., 2004) observe, the definition of what actually constitutes organisational failure, is often subjective and open to challenge. As an observation, there appears to be limited amount of research relating to organisational failure in the public sector, as much of it appears to be centred on the private sector. Given the lack of research in this area, change in the public sector may posit unrealistic expectations of success, especially when its benefit can in the most part, only be considered through the lens of the private sector commercial practice

(Walshe et al., 2004). Many other academic authors such as Hood (1991) and Pollitt (2000) have also questioned the legitimacy of applying commercial principles to the public sector, implying that it is a risk to do so.

As an alternative view, Weick (2011) suggests that the understanding of organisational environments does not preclude the use of private sector codification methodologies however, Weick posits that rather than being seen as a process to produce definitive answers, it should be accepted as part of the ongoing and iterative analysis in consideration of the organisational environment. Mintzberg (1994) suggests this view goes a long way to understanding what planning can and cannot deliver during change.

Other authors propose that the completion and success of organisational change in the public sector can be directly attributed to process failures. Burnes and Jackson (2011) suggest that failure rates of organisational change are in the order of 70 %, citing poor planning, management competence, approaches taken and overall values alignment as just some of the reason for this. This observation is important because it reminds any observer of organisational change, be they politically, financially, or leadership orientated, to be minded that any assessment will always be set in the perception of what stakeholders define as success or failure. Such pessimistic views of the success rates of organisational change are not supported by all authors, Hughes (2011) questions the origins or even the validity of such observations especially given the specificity of the failure rate quoted, however, Hughes does acknowledge at least *"..five separate published instances identifying a 70 percent organisational change failure rate*".. yet there is an "…*absence of valid and reliable and empirical evidence in support the espoused 70 per cent failure rate.."* (Hughes, 2011,p. 451). According to Hughes (2011) the lack of empirical evidence makes a strong to case to call in to question some observations regarding organisational change failure rates. In a later paper, Hughes (2016) suggests that established approaches to change are potentially outdated and may in fact inhibit it.

The ambiguity of organisational environments and the influence they exert during organisational change means management in the public sector will need to accept ambiguity as a norm driven by sectoral expectations and inherent complexity (Walshe et al., 2004; Jackson and Stainsby, 2000). Jackson and Stainsby (2000), suggest that in this new environment, managers in the public sector will need to acquire new skills and as referred to earlier, adjust to embrace co-operation, co-production and networking where risk acceptance becomes a normative part of any change process, rather than trying to avoid or mitigate it. In the same vein, Campion (2018) notes that standards across organisations need to be considered to promote effective knowledge's sharing during change.

With the observations of Campion (2018) and Hughes (2016) in mind, it is reasonable to assume performance management and its application has played a key role in the assessment of national policies linked to NPM. To consider to what degree the adoption of performance management has actually influenced national policy maker's attempts to change the public sector, the next section will discuss the influence of performance management on the public sector.

2.1.3 Performance management

The effects and benefit of change are very often difficult to codify, all too often the drive for performance improvement is cited as key driver for such change. In in their work that looks at managing performance improvement Baxter and MacLeod (2008) offer a salutary warning to those with high expectations for such improvement, observing that performance measures do not constantly generate the outcomes expected and can even hold back progress (Baxter and MacLeod, 2008).

According to Jackson (2011) the drive to measure public performance can be tracked back to the late nineteen forties, which is almost co terminus with the beginnings of emergent NPM approach and the general drive to reform the

public sector (Hood, 1991). The nature of management by results associated with specifically recorded performance they suggest can be identified as beginning in the UK with Public expenditure surveys in the 1960's, which lead to the emergence of the Gershon approach in the 2000's (Jackson, 2011).

Over this period according the Jackson (2011), "*The performance of public sector organisations, even when doing well, is the subject of critical commentary"* (Jackson 2011, p13).

Furthermore, Jackson (2011) in the research to investigate how numeric measures have influenced the public sector in the past decades, identifies that upon investigation that much of such research "...*lacks adequate conceptualisation..*" and "..*few recognise the complexity in which the public sector operates.."* and *"..even fewer provide an informed critique of conclusions drawn..*" from such research (Jackson 2011, p.13)

No matter the criticisms of performance reporting, according to Andrews and Entwistle (2013) "*…every human society is faced by three fundamental questions, what commodities are produced, how these goods are made, and for whom they are produced"* (Andrews and Entwistle 2013, p. 248), it is within this context, that they observe that the use of performance reporting has emerged to be used to fulfil the fundamental questions described and as a planning tool to inform decisions regarding change. Howells, Parfitt, Robinson and Sarter (2020) suggest there is a link between judicious performance reporting and the ability to deliver social value.

Over recent years the value of performance management as a tool to support change has been open to much conjecture. According to Andrews, Boyne and Enticott (2006) negative views of performance management are not shared by all, according to them the issue is one of appropriateness. Andrews, Boyne and Enticott (2006) have suggested that instead of seeing performance management as a singular approach used in isolation, which they consider a mistake, they suggest it should be applied as an approach to

provide data that promotes success, supports stakeholder management and aids effective leadership, thus bringing overall organisational benefit.

Developing this further, Fryer, Antony and Ogden (2009) observed that even after many years of its application, there are still significant challenges facing the understanding and delivery of public sector performance. Fryer, Antony and Ogden (2009) even went so far as to suggest that (as at the time of writing), that "*value for money has not yet materialised*" (Fryer, Antony and Ogden, 2009, p. 14).

Even when performance data has been collated, some authors have highlighted concerns about its application, according to Taylor (2014) whilst ; *"Many public sector organisations collect information indicating whether their operations, programmes and policies achieve the desired performance outcomes, but often they do not use this information*" (Taylor, 2014, p. 7). Johnsen (2015) may offer a reason for the omission of performance data in future planning processes, noting that whilst performance management techniques are often used to inform change, in reality the data collected focuses on what has gone before. Concerns about the use of historic data have not always been supported, whilst acknowledging that their appears to be a dependency on such data during change, Boyne and Walker (2004) suggest that a distinction has to be drawn between planned action based on any historic analysis and its use for future service delivery. Taking a more holistic perspective as to the benefits of any performance data, Campbell (2018) proposes that it can be a useful tool to support leadership objectives.

Further examples of the criticisms of performance management over time, include Johnsen (2005) who noted that performance assessments can "*be subjective and uncertain and ambiguous*" (Johnsen 2005 p.14), however Johnsen (2005) has also suggested that the use of performance tools and reporting can provided a baseline dialogue, which through their use, can provide a baseline from which change can emerge.

According to Radnor and Osborne (2013) the link between efficiency and NPM in local government and the public sector has over recent years spawned a number of differing performance management systems to promote process improvement including but not limited to, "..*Lean Thinking, Six Sigma, Business Process Reengineering (BPR), Kaizen and Total Quality Management* " (Radnor and Osborne 2013, p. 266). According to Radnor and Osborne (2013) within the mix of differing performance management systems, 'Lean' has been the one approach most favoured by the public sector, although, as they observe, considerations as to its true value is open to challenge. As with the other systems identified, 'Lean Thinking' is worthy of investigation in its own right, but not appropriate in this section. For this section it is suffice to note the number of differing performance management systems that the public sector has considered and adapted to greater or lesser degrees, which in itself presents a challenge in terms of uniformity and assessment of the sector.

Considering performance analysis from the perspective of sustainability, Zeemering (2018) suggests that in the public sector, organisational change should take advantage of the opportunities presented from planning change from a sustainability perspective.

No matter what form of performance analysis is used to support change, Gardner (2017) observes that in English local authorities, the era of incrementalism may be at an end. Gardner (2017) reasons this is because increasing expectations and a reduction in a resistance to change will predefine a paradigm shift in the sector.

Given all the challenges associated with performance management it is worth reflecting on the work of Doering et al., (2019) who, in the context of performance management, sought to investigate issues associated with the dynamics of both internal and external performance analysis. Their work concluded that it is important to perceive any performance tools, as mutual and dynamic, exercised within a framework of possible benefit to all stakeholders, rather than something that could be used to posit failure. This

insight from Doering, Downe, Elraz and Martin (2019) appears to sum up much of the past academic research associated with performance management during change, in that it recognises the importance of organisational ambiguity, context, fluidity and defensiveness associated with the promotion of organisational continuance. This summation from Doering et al., (2019) appears to suggest that understanding how organisations respond to national policies for change is just as important as the policies for change themselves. To discuss how the promotion of organisational continuance may impact how national policies are implemented, the next section will investigate the phenomenon.

2.1.4 Organisational continuance

There is limited literature that considers organisational continuance and self-protection during change in local authorities. Johnson and Scholes (2002) considering the links between strategy and change suggest that organisational continuance can become "…*self-perpetuating*.." producing a "..*defender culture..*" , resulting in what they call "..*reinforcing cycles..*" (Johnson and Scholes, 2002, p. 238). Johnson and Scholes describe the nature of such sequences thus:

Reinforcing cycles are created by the dynamic interaction between the various factors of environment, configuration and elements of strategy; they tend to preserve the status quo.." (Johnson and Scholes, 2002, p. 462).

According to Argyris (1990) organisational self-protection is any action or practice that prevents actors from within a given organisation from experiencing any discomfort or threat. Argyris (1990) goes on to suggest that this approach also limits said actors ability to understand where such threats emanate from. The nature of self-protection can come in many forms and with differing outcomes, as an example, Argyris (1990) indicates a number of pertinent routines linked to it, including, obfuscation, message inconsistency

or non sequitur communication, which Argyris (1990) observes can become self-perpetuating both at an individual and organisational level. Doering, Downe, Elraz and Martin (2019) indicate their support for the observations of Argyris (1990) as they also suggest that understanding "*reputational threats are key to understanding public services' behaviour.*" (Doering, Downe, Elraz and Martin, 2019, p. 1). Other authors observe that "..*Change and innovation are increasingly critical to organisational survival..*" (Bligh, Kohles and Yan, 2018, p .116)

Regarding the motivations of individual actors during organisational change, according to Hayes (2007) just because individual actors within an organisation identify an issue that needs resolution, or a prospect for organisational improvement, does not mean they will adopt it. Hayes (2007) suggests that resistance to change emanates from a concern by those actors tasked with its delivery, that it may have possible negative effects on them. Such actors therefore oppose it, even though the proposed change may have organisational advantages. This effect is not unknown, in citing the work of Kotter and Schlesinger (1979), Hayes (2007) identifies the following "*four main reasons why people resist change.* Being "*Parochial self-interest*…" where "…*people… think that it will cause them to lose something of value*" and "*Misunderstanding and lack of trust"…*where *"…stakeholders.. do not understand the implications it may have for them"*. Then "*Different assessments*…" where "…*stakeholders…assess the situation differently from those initiating the change and see more costs than benefits resulting from it"* and finally a "*Low tolerance for change*…" where "…*stakeholders.. are concerned that they will not be able to develop new skills that will be required of them*" (Hayes, 2007, p. 205-207).

In an effort to understand the motivations of actors in public sector organisations to be defensive, it is worth considering the work of Bro, Andersen, Bollingtoft (2017) who indicate that very often keys actors within public sector organisations who have the greatest contact with those citizens they serve, have a greater empathy for the impact that change may produce.

Bro, Andersen, and Bollingtoft (2017) go on to suggest that there is therefore a tangible link between successful transformational leadership and employee motivations to deliver them. Taking this observation, it could be hypothesised that the self-protection identified by (Doering et al.,, 2019) may therefore, in some part, be motivated by their concerns relating to citizens' perceptions of their service.

Authors such as Fernandez-Gutierrez and Van de Walle (2018) and Clerkin, Christensen, and Woo (2017) observed a subtle but interesting difference between the attitudes of senior public and private sector managers with regard to reform agendas that promote "*..managerialism..*" (Osborne and Brown, 2005, p. 14), (such as those embraced to by NPM), over more administrative approaches noting; "…*individuals assign more similar levels of importance to the managerial, political and legal values for public than private sector jobs, thus providing support for the importance of administrators to integrate these three approaches in their work..*" . (Clerkin, Christensen, and Woo, 2017, p. 581). Given this observation of public sector managers, they also draw a link between the public service motivations (PSM) of mangers and the individuals perception of their role, noting that; "…*the higher the individual's PSM, the more likely that a political and legal frame, rather than a managerial frame , will be the individuals primary approach to management...*" (Clerkin, Christensen, and Woo, 2017, p. 581). Other authors from differing perspectives such as Ferry, Ahrens, and Khalifa (2019) and Williams et al., (2020) highlight the importance of communicating and delivering public value as part of change.

As the work of Bro, Andersen, Bollingtoft (2017) indicates, the notion of organisational self-protection in the public sector is not limited to one group of actors within it. Very often defensiveness is couched in the context as a resistance to change (Hayes, 2007). Fernandez-Gutierrez and Van de Walle, (2018) could be said to build on the observations of Bro, Andersen, Bollingtoft (2017) by suggesting that public leaders' attitudes to the balance

between organisational "..*equity –efficiency are related to the context in which they work and to their personal background. Officials at the top of the hierarchy and those with a business and economic education are more orientated towards efficiency..*" (Fernandez-Gutierrez and Van de Walle, 2018, p. 25)

It is this divergence between organisational and individual objectives that Johnson and Scholes described in their definition of '*Reinforcing Cycles'* (Johnson and Scholes, 2002). As a response the public sector has evolved and adapted to one new approach in particular, New Public Management (Hood, 1991) which other authors such as Bro, Andersen, Bollingtoft (2017) suggest has been interpreted by some leaders in the public sector as an approach to promote economic efficiency. To locate how such an interpretation of NPM aligns with relevant economic theory, the next section will investigate how economic theory may have influenced policies associated with the principles of NPM and change in the public sector.

2.1.5 Economic theory

Research published by Greener (2013) observes that the drive to measure public performance can be tracked back to the late nineteen thirties and emerged along with the expansion of the welfare state, which through its development produced significant management challenges for the sector. Greener (2013) notes that some of these challenges were brought about in no small way by two emerging differing quasi-political approaches to economic policies. In consideration of the research of Jessop (1993;1994;1999;2002) ; Greener (2013) outlines what these two differing perspectives have meant to the public sector. The first, often referred to as Keynesianism, promotes an interventionist approach where power is centrally based, managed with a national perspective and a willingness to provide social intervention (Greener 2013; Griffiths and Wall, 2013). The second, Schumpeterianism, promotes a greater reliance on the benefits of a free

market approach, with power being disaggregated and social support derived in some part from a plurality of providers, and not least as a direct result of actor generated economic activity (Greener 2013; Griffiths and Wall, 2013).

Authors, writing in the subject area of economics, provide a degree of context and timeline for these theoretical positions, for example Griffiths and Wall (2013) note that Schumpeter (1934), when postulating the theory of economic development, identified the importance of innovation and new management approaches to promote change, whereas they note that Keynes (1936) in what they describe as '*breakthrough'* (Griffiths and Wall, 2013, p. 322) work, suggests market demand, and by extension economic activity, may need to be supported by active intervention by policy makers to be optimised. Whalen (2017) draws attention to the links between public policy and the challenges brought about by differing economic circumstances, noting that future solutions may rest in blending contemporary post-Keynesian institutionalism, with the fundamentals of institutionalism. This background to economic theory is very interesting, as these renowned economists [Keynes and Schumpeter], are often referred to within the lexicon of change in the public sector, as both produced key theories in the nineteen thirties, co terminus, but not necessarily linked with, the changing landscape of the public sector (Dabic and Cvijanovic, 2011).

The influence of an adopted economic approach on national policy development cannot be understated, as Greener (2013) suggests, a given economic theory and its application is a key determinate for the way in which public sector management acts. However, on a cautionary note, contingency theorists Griffiths and Wall (2013) suggest, when considering company behaviour, the challenges may be more complex, noting:

…*"that the optimal solutions to organisational problems are derived from matching the internal structure and processes of the firm with the external environment..."* (Griffiths and Wall, 2013, p. 50).

They go on to identify that fluidity is often a feature of any organisational environment and in this regard note:

"..*that the optimum strategy for any firm will change as the prevailing environmental influences change*..." (Griffiths and Wall, 2013, p. 50).

Griffiths and Wall's note of caution regarding the mix of influences of the organisational environment is supported by the research of Mintzberg (1994) however, as Greener (2013) observes the application of a prevailing theoretical approach to economic policy cannot be overlooked, in that a given theoretical position inscribes a mind-set and therefore informs decision making.

The impact of economic theory on the management of the public sector can be seen by the choice of management approaches adopted since the nineteen thirties. In terms of chronology and prevalence for the emergence of a so called public administration approach, according to Dunsire (1999) it emerged to replace traditional public administration which he described as "… *particularistic irresponsible personal authority by a system of salaried officials appointed on merit and constrained universalistic ascertainable decision rules (conforming more or less to Weber's stereotype), in a clarified uniform system of accountable public authorities*" (Dunsire, 1999, p. 361). Greener (2013) characterises public administration as something that is standardised and controlled centrally. This interpretation of public administration is supported by other theorists, who also attribute the term to a defined government structure that is centralist in nature, which is based on a defined process and a rule based management approach employed to administer the delivery of public services (Dunleavy and Hood, 1994). Whilst ascribing the emergence of public administration, or public administration management to the same time frame as Greener (2013) and Dunleavy and Hood (1994), offering a slightly different view, Osborne (2006) suggests Public Administration Management emanated from an intention, or necessity, to deliver public services over the lifetime of recipients, and in doing so, meet

all their requirements. It could be argued that this difference of perspective is somewhat nuanced.

Osborne's interpretation of public administration (PA) as a management approach in the public sector, also offers an insight into the challenges the approach faced and the reason for its decline over time. As Osborne (2006) notes when referring to the public sector in the latter half of the nineteenth century:

"PA was to be the instrument of the brave new world. Predictably, perhaps, such a vision was doomed to failure and, in the latter days of their hegemony both the welfare state and PA came under increasing fire…." (Osborne, 2006, p. 378)

According to Greener (2013) the decline of public administration emanated from a perception that its application was unable to deliver upon the expectations and ideals of the original stakeholders that initially supported it. Put more simply, Greener (2013) observes that PA became associated with intransigence, excessive bureaucracy and inefficiency which grew out of a process based approach which paid little heed to the observation of development of progressive management practices, preferring instead to rely on a more generalised '*traditional'* (Greener, 2013, p. 54) approach to management in the public sector. This was further complicated by a growing separation between the executive and the legislature when setting goals and objectives. Dunsire (1999) suggests the beginning of the decline of public administration started in the nineteen sixties with the adoption of what he describes as more business focused techniques noting that,

" *Alongside 'traditional' values of public administration,* ***economy, effectiveness and efficiency*** *(the three E's) began to appear*" (Dunsire,1999, p. 365), (bold used to maintain emphasis of original text). As Dunsire (1999) identifies, such concepts helped produce a conflict between the original components of PA and those more readily associated with the private sector, resulting in further pressure on PA as an approach. Wilson

and Doig (2000) put the case a little more succinctly regarding the reasons for the search for new management solutions, suggesting that post 1979 government *"…..viewed local authorities with considerable hostility, generally regarding them as inefficient, unresponsive, expensive and monopolistic bureaucracies*" (Wilson and Doig, 2000, p. 58)

According to Wilson and Doig (2000) this view of local government prompted a determination to introduce a new management approach commonly referred to as New Public Management (Kolthoff, et al., 2007) to replace the outdated PA approach, one where a focus on economy, efficiency and effectiveness offer new opportunities for change and innovation. Research by Osborne (2006; 2010) observes that the change in focus of the public sector to embrace commercial concepts, rather than evoking a completely new management paradigm, may have simply produced a derivation of archetypal Weberian traditional management, namely PA. Hyndman (2018) highlights the push for marketisation in the public sector in response to changing economic times.

Given the importance of New Public Management, later sections will fully examine its lineage and its core principles as a management approach.

In terms of the influence of the emergence and evolution of New Public Management, there is substantive research that considers the complexity of the organisational environment, "*This complexity is fairly well recognised but its significance, causes and consequences have not been discussed enough, especially with regard to political and expert management. The effect of complexity on implementation of administrative reform, too, is still an open question..*" (Haveri, 2006, p. 33).

To investigate further how organisational complexity and differing change expectations may impact change in the public sector, the next section will examine theory relating to complexity of change in the public sector.

2.2 The complexity of change in the public sector

According to Sparr (2019) during change differing service expectations and perceptions of reality can co-exist in the same space and timeframe in both the public and private sector organisations, Sparr (2019) describes this complexity as a paradox. In terms of their impact on change, Shannon (2015) refers to such paradoxes as a "*conundrum of public sector reform"* (Shannon, 2015, p, 470). Whilst the effect of organisational complexity during change may be becoming more apposite to reconcile the dynamics of change, the existence of such competing forces is not altogether new. In earlier research Kan and Parry (2004) suggested that if such paradoxes are identified and resolved, then it will help those experiencing them assuage concerns relating to the change process. Conversely, they posit that a failure to accept that such complex paradoxes exist can have the effect of garnering support for resistance to any change process. In terms of the origins and conditions for differing paradoxes to exist in the public sector during change, predating the work of Kan and Parry (2004), Klob (2003) suggests that "…*an infatuation with newness*…" (Klob, 2003, p. 183) whilst trying to maintaining continuity during change, will producing a tension between past and present organisational identities. Supporting this view, later work by Graetz and Smith (2008) suggests that "…*the tensions or dualities between traditional and new forms of organizing*…." (Graetz and Smith, 2008, p. 265), will emerge over time during change. In recognition of such tensions and the complexity associated with them, Murphy , Rhodes, Meek and Denyer (2017) propose that public sector leadership needs to pay greater attention to them if such "….*actors are to cope with the complex , collaborative , cross boundary, adaptive work in which they are increasingly engaged"* (Murphy et al.,, 2017, p. 692). In terms of operational paradoxes that emerge from custom and practice during change, Murphy et al., (2017) offer a degree of congruence with Graetz and Smith (2008), in they also highlight that in the public sector there is a need for those leading change to balance existing performance

systems designed to promote efficiency, with systems that are continually adapting to the evolving dynamics that change brings. Also considering the tensions that change may bring in the public sector, Castelnovo and Sorrentino (2018) posit that they arise from the challenges which emerge from a lack of congruence between established core principles of change, and those that emerge from formal and informal cooperation.

Recognising the complexities associated with change in the public sector, Murphy et al., (2017) and Castelnovo and Sorrentino (2018) suggest that in order to succeed, public sector leaders will need to embrace complexity rather than see it as a threat, and recognise that change can evoke the formation of both formal and informal dynamic cross cooperating teams which may either oppose or support change. Castelnovo and Sorrentino (2018) also note that leaders need to pragmatically respond to such teams no matter what detached paradoxes that they may produce. Sanner (2019) puts the need to accept such ambiguity in simple and stark terms, observing that a failure of leaders to respond to, and embrace, ambiguity that emerges from nascent team working can threaten organisational survival in the public sector.

Not all authors support the view that success in the public sector can only come from an absolute acceptance of cross cooperation and co-production, suggesting instead a more rationalist approach based on quantitative analysis of defined objectives and performance goals (Ansell and Geyer, 2017). According to Ansell and Geyer (2017) whilst there has been much criticism of a rationalist approach to change based on quantitative analysis they suggest it still remains dominant in the public sector. In consideration of this persistence of quantitative analysis as a key component of change in the public sector, Ansell and Geyer (2017) propose a more pragmatic approach, which in terms of policy making and associated change recognises the ambiguity identified by Murphy et al., (2017). This view is supported by later authors such as Sanner (2019) and Graetz and Smith (2008). Further Ansell and Geyer (2017) recognise the tensions between the future and existing

environment, to settle what they identify as "*Pragmatic complexity*…" which through a conflation of the two paradoxical positions may provide "…*a positive alternative conception of the relationship between scientific knowledge and decision making and offers a way to integrate a scientific approach with democratic deliberation and values*" (Ansell and Geyer, 2017, p. 149).

To understand how differing influences, expectations and perceptions may affect how national policies are perceived and implemented, the next section examines what theory has to say about how competing ontologies relating to influences for change and service expectations can impact the delivery of change in UK Local authorities.

2.3 UK Local authorities and change

According to Wilson and Doig (2000) the way in which local governments are managed has been evolving since the 1970's, with successive national governments introducing a range of political and managerial reforms including the promotion of co-production, which promotes collaboration between stakeholders and service providers and the introduction of market forces through the disaggregation of dedicated service providers. Wilson and Doig (2000) observe that all such reforms were each introduced with notions of achieving '*best value'* (Wilson and Doig, 2000, p. 57) for users and stakeholders alike. However, Wilson and Doig (2000) cite earlier work of key authors such as Dunleavy and Hood (1994) in the field of public sector reform, highlight how such reforms were greeted with a degree of caution as they evolved,

" Like all roads paved with good intentions, the route to market-style public management reform may end in unexpected and distressing places..." "..If so, we ought to be comparing the strengths and weaknesses of ***those***

outcomes against the strengths and weaknesses' of the Public Bureaucracy State Model…." (Dunleavey and Hood,1994, p. 15).

It could be argued that these earlier sceptical academic observations regarding the reforms of local government were based on observations of its initial instigation, and therefore as with any new approach unpredictable until given time to settle in, however, subsequent literature does not support this.

Higgins (2005) when investigating UK local government user satisfaction and overall performance in the context of '*best value'* (Higgins, 2005, p. 445), suggests that such matrix measures are potentially incompatible and very often unreliable in the data they report. Higgins (2005) goes on to the propose that this unreliability can arise from the complexity of the sector and number of variables that exist, citing, for example, changes in service user expectations over time, or changing stakeholder evaluations of any chosen measures which they may or may not agree are apposite to address their particular expectations. As a further observation, Higgins (2005) observes that a multiplicity of perceptions of value can create a complex interdependency between those measuring a given service they provide and those that receive it, especially when such measurements may actually conflict in terms of their purpose and worth if not properly aligned.

Issues of complexity and constantly changing interdependencies are not limited to UK local government. Haveri (2006) in work to investigate local government in Finland, observed the same issues that Higgins (2005) noted regarding the effect that changing stakeholder expectations can have on policy change agendas. Haveri (2006) suggests that in the local government context, the nature of the organisation can set up tensions that are complex and contradictory in their expectations for any given change process. Haveri (2006) suggests that these contradictions and tensions can occur for a number of reasons, including when political and executive stakeholders withhold their true change preferences, or when intra and inter organisational influences make the goals and vision for any change at best ambiguous. As an antidote to such tensions, Haveri (2006) posits that in such ambiguous

situations, it is important for political leaders to take ownership and provide direction for any organisational change.

The observation of Haveri (2006) raises an interesting question regarding the separation of political leadership and the executive in UK local government, especially given their interdependency in terms of the perception of organisational performance and service delivery. Andrews and Van de Walle (2013) investigating the relationship between citizen service perceptions and the application of performance management in UK local government suggests that, rather than being a hindrance to be resisted, performance management reporting can be embraced and used as a communication tool to demonstrate agreed organisational achievements. It is interesting to note that Andrews and Van de Walle (2013) observations appears to run contrary to the principles of the much promoted co-production approach, which casts doubt on performance management as an effective tool for change (Higgins, 2005). However, when viewed in the context as a tool of communication for the benefit of both the executive and political leadership, as Andrews and Van de Walle (2013) suggest, it offers a solution to the dilemma of stakeholder perceptions. Given the differing academic views, the use of performance measurement clearly does not offer a panacea to the challenges of stakeholder perception, and highlights the importance of which measures are used and in what context. In this regard Andrews and Van de Walle (2013) identify a further paradox of the public sector, noting that applying what would be considered measures of performance by results associated with the core tenets of New Public Management can produce poor perceptions of productivity, awareness, fairness and efficiency, yet when such measures are considered through the lens of entrepreneurial approach they produce the opposite effect. It is worth noting that overall Andrews and Van de Walle (2013) do posit that holistically the use of performance management will probably be viewed positively by citizens when used to assess and report service delivery. To add to the complexity of communicating and delivering improved services in differing circumstances, Andrews and Van de Walle, (2013) also acknowledged in the same study

that; "…*the impact of NPM practices varies according to the level of socio-economic disadvantage confronted by local government*" (Andrews and Van de Walle, 2013, p. 762).

Notwithstanding the managerial approach of a given executive and political leadership in a local authority, there are a number of determinates that will influence the ability of a local authority to deliver services, primarily its financial budget. Gardner (2017) suggests that in the context of financial austerity, the impact of budget cuts to UK local government authorities have in some cases been mitigated by changes to the nature of services delivered. However Gardner (2017) goes on to propose that the resultant perceptions of mitigated incremental change may be limited over time, and that such austerity will require a substantive shift in the expectations placed upon local government and its ability to deliver them.

According to Oulasvirta and Anttiroiko (2017) the ability to respond, or not respond, to public expectations represents a reputational risk to local authority stakeholders. This, together with increased awareness of private sector organisational failure, has promoted many public sector bodies to adopt and improve their risk management approach. According to Bello, Downe, Andrews and Martin (2018) one approach being adopted by local authorities in the UK to mitigate organisational risks and budgetary cuts is the adoption of a shared resource approach with other public sector bodies. Bello et al., (2018) suggest that in UK local authorities there is an expectation that such coalitions will bring with them benefits of improved efficiency and effectiveness without the need to confront the challenges associated with full integration, such as with the formation of combined authorities. Bello et al., (2018) observe that smaller councils are advocates for this approach, as it offers them the opportunity to remain independent, locally focused and realise cost savings, whilst maintaining what are deemed to be key services. Bello et al., (2018) also identify a number of key determinates for this approach to work in practice, such as strong leadership, the identification of defined and agreed expectations, clear and inclusive communication

channels, and the promotion of a co productive management approach, where the exchange of skills and resources is embraced and facilitated by leaders.

The co-production approach in local government is often extoled as beneficial, but according to Brix, Krogstrup and Mortensen (2020) there are a number of untested assumptions regarding the approach and there are very few detailed studies to ascertain its true benefit. According to Brix, Krogstrup and Mortensen (2020) co-production is not simply a case of working together, rather it is "…*a complex, social phenomenon, which implies that their cannot be a clear cause-effect relationship between co-production activities and there outcome.."* (Brix, Krogstrup and Mortensen, 2020, p. 169). Given the importance of the co-production approach, and the lack of empirical data on the subject, Brix, Krogstrup and Mortensen (2020) do not offer definitive answers to questions relating to the benefit of co-production in local government, rather in recognition of the complexity of the approach, they propose that further research should be undertaken to investigate its veracity.

In terms of change, as Gardner (2017) observes, local government faces a number of challenges born out of unprecedented conditions, including substantial periods of financial austerity. Within this paradigm of change, Barnett (2020) suggests that local authorities promoting change approaches that are punctuated with assumptions, risk falling into what Barnett (2020) describes as a "*local trap*" (Barnett, 2020, p. 616), which in conceptual terms suggests that true change can be hampered by overtaking local objectives, as they observe; " *…the fundamental pillars of the local trap continue to constrain discourse concerning local government future. The two main options currently in circulation in the English context as the best hopes for meeting current challenges are Muscular Localism, or the municipalist movement". However both of these remain trapped , one resisting on natural , self-identifying communities, the other valorising proximity , and in some cases , being informed by a state phobia which sees local government as more a problem than a solution* "(Barnett, 2020, p. 616).

Barnett (2020) suggests such assumptions include presumptions about just what is meant and understood by the term *local,* the value and representative nature of a given democratic process, and an obsession with scale over direction. In terms of a solution to the *trap* Barnett (2020) posits;

"…*An escape from the trap could start with a more explicit foregrounding/ remembering of the tools which are already to hand which point to the tensions and paradoxes involved in making the case for local government"* (Barnett, 2020, p. 617).

Recognition of cuts in UK government funding in recent years, coupled with increased public expectations, is recognised by De Widt (2021). In a slightly different context, but non the less important, De Widt (2021) suggests that in response to such pressures, most recently available data indicates that local authorities and other public sector bodies have increased their financial reserves, noting : "*Findings show that local governments actively act upon financial uncertainty by expanding their reserves through implementing changes both in their income and expenditure structures, including revenue generation through alternative sources such as capital investment*" (Dennis de Widt, 2021, p.1). However, De Widt, (2021) does also recognise that "*The potential, however, to expend reserves differs significantly between local governments and has reduced due to growing demand for social services*". (De Widt, 2021, p. 1)

The response from local authorities to budget cuts at first appears to be counter intuitive however, as De Widt (2021) observes, councils and other public sector bodies have statutory duties relating to financial prudence and in some cases relating to certain types of service provision, thus the response to increase reserves needs to considered in the context of volatility of not only future funding, but also service demand expectations. De Widt (2021) proposes that further research should be undertaken to understand the relationship between public service funding and local service provider's financial planning responses.

In terms of how organisational change is shaped in local government, Johnson and Watt (2021) suggest it occurs at the institutional level, and as such institutional theory offers an "…*understanding of how restructuring practices are shaped by the organisational and institutional context and the concerns for legitimacy*" (Johnson and Watt, 2021,p. 1). Johnson and Watt (2021) go on to posit that in the context of austerity, institutions drive for efficiencies, propagate an ongoing acceptance of change "…*legitimised through a narrative of continuous improvement*"(Johnson and Watt, 2021,p. 1),

As the previous sections in this chapter show, the interpretation and implementation of national policies for change in the public sector and local authorities has been affected by a number of general influences. As the literature shows, each of these influences is associated with a range of differing theoretical perspectives. To be able to investigate in more detail how NPM, leadership influences and the role of chief has impacted the way national policies for change have been interpreted and implemented, it is important to theoretically orient such discussions. To inform this choice, the next section will discuss a theoretical orientation for this study.

2.4 Theoretical orientation

This section proposes an appropriate theoretical orientation to fulfil the research aims identified earlier in this chapter. It begins with a review of theories that have been associated with NPM and change in the public sector. This section then examines how useful complexity theory is to bring together a range of theories to better understand how national policies for change are interpreted and implemented.

2.4.1 Differing theoretical perspectives

Literature offers a range of different theoretical perspectives relating to public sector change. Hansen and Ferlie (2016) suggest that public service reform has been universally embraced as a political goal for many decades and one which has also been universally embraced by key actors in the sector (Radnor and Osborne, 2013). To examine this phenomenon from a theoretical perspective, Osborne and Brown (2005) indicate that Contingency Theory offers a good ontological stand point because it suggests that over time, differing influences and experiences will inevitably come together to produce a convergent view. This view of convergence between actors and policy during organisational reform is also supported by Hansen and Ferlie (2016). Authors such as Donaldson (2008) indicate that given the complexity of organisational reform in the public sector, Contingency Theory is better placed to provide a framework for other concomitant theories, so that wider causalities between the external and internal influences that organisations experience can be considered. Donaldson (2008) includes in this suggestion concomitant theories such as Classic Management Theory, (that suggests that formal, scientific and structured business processes deliver maximum performance) and Human Relations Theory, (that considers how less formal structures and a reliance on employee autonomy deliver maximum benefit).

The use of scientific frameworks and models to understand the realities of a given organisational position, and then respond to it, has not gone without challenge. Authors such as Nadler and Tushman (1980) whilst accepting that such frameworks and models are useful tools express concerns about accuracy and applicability. As an alternative Nadler and Tushman (1980) endorse models such as those used by Open- Systems theorists, which ascribe a holistic approach to organisational analysis (Hayes, 2007).

From a theoretical perspective some authors support a deterministic view point. This positive position emphasises the controlling influence of external factors which limit leaders' ability to effect change. In contrast, voluntarists

argue that leaders are not so constrained and have the ability to influence change through their own actions (Hayes, 2007).

Theoretical positions that recognise the voluntarist position include Institutional Theory; which according to Scott (2004) considers the processes that inform the way an organisation and institution behave. More specifically, Lewin and Volberda, (2003) suggest that: "*The central concern of institutional theories is on answering the question 'Why is there such a startling homogeneity of organisational forms and practices?'…The emphasis is on the causes and sources of similarity (not variation) in organization forms and practices."* (Lewin and Volberda, 2003, p. 571)

One relevant key aspect of Institutional Theory relates to the question of institutional legitimacy and independence (Scott, 2004). According to Greenwood and Hinings (1996) such independence can result in actions that are not necessarily motivated by competitive advantage or in response to a specific need. Lewin and Volberda (2003) suggest that Institutional Theory offers an explanation of the phenomenon of organisational resistance to change, noting, "*The more organisations are coupled to a prevailing organisational template in a highly structured context, the higher the resistance to change*" (Lewin and Volberda, 2003, p. 571)

Given the question of individual versus organisational legitimacy, it is interesting to explore how (during a change process), the difference between how an organisation protects itself (potentially in an effort to self-preserve), is balanced with the demands placed upon it to improve, especially as these two goals may not always be congruent.

Whilst theoretical perspectives do provide some insight into organisational change, their theoretical influence is contingent on assessing the impact of decisions associated with functional organisational activities, once organisational change has taken place. It could be argued that in order to deliver change, structure and process are key elements, however, in

headline terms they do appear to be subsets of the issues associated with organisational complexity and associated networks.

The associated dynamics and process complexity associated with organisational functions, including change, are encompassed in Complexity Theory and Actor Network Theory; they are both derived from scientific research. In considering Complexity Theory, the work of Black (2000) highlights its increased use to understand organisational change. Tourish (2019) proposes that Complexity Theory is increasingly being used to explore the dynamic of the impact of leadership. One of the key tenets of the theory recognises that in dynamic systems, organisational disequilibrium happens during a change process, sometimes described as chaos (Burnes, 2005). MacLean and MacIntosh (2008) suggest that Complexity Theory rests on the "*emergence of order in so called complex adaptive systems which exist far from equilibrium*", also "*such order manifests itself through emergent self-organisation as a densely interconnected network of interacting elements selectively amplifies certain random events*" and that while results of such interconnectivity are difficult to predict, "…*the range of broad possibilities is to some extent contained within the configuration and structure of the structure*…"(MacLean and MacIntosh, 2008, p. 49).

MacLean and MacIntosh (2008) indicate that there are a broad range of possible outcomes that differing structures may produce. Boulton (2010) suggests that Complexity Theory offers the opportunity to consider organisations in terms of a series of interconnected systems, *"..where the future emerges and cannot be predicted..."* (Boulton, 2010, p. 31)

With regard to Actor Network Theory, according to Hassard (2008) its popularity, which "*Originated in studies of science, technology and society*" (Hassard, 2008, p. 22) as a method to consider issues associated with social constructs has increased. At the core of the theory is its consideration of the relationship between the creation and maintenance of power, through the "*production and reproduction of a network of heterogeneous 'actants', this*

term being employed to suggest that both human and non-humans be included in the analysis" (Hassard, 2008, p. 22).

Hassard (2008) also observes that links can be drawn between Actor Network Theory and Critical Theory, in that the latter also considers, through introspection, the phenomenon of change. However, as Scherer (2003) observes, Critical Theory adds a further layer of discourse to that based on an accepted meaning of observed phenomenon. Scherer (2003) suggests it does so by offering a challenge to such meaning, instead "*identifying truth and legitimacy through a relational dialogue*" (Scherer, 2003, p. 321-322) between the observer and observed.

The study of organisational change can therefore be linked to various theoretical perspectives, however, in some sense, given the wide range of associated theories, it is important to consider key theories that have emerged from literature to bring a degree of focus and signposting to concepts and ideas commensurate with these perspectives (Moule and Hek 2011).

Taking a steer from Moule and Hek (2011) in terms of theoretical orientation of this research, to disregard one or a number of theoretical standpoints is difficult, as each offers an insight and perspective regarding organisational change. It could be argued that the afore mentioned theoretical positions fall into two distinct categories the first being, subjective, and the second, those derived from scientific research that has been applied to organisational phenomena.

This theoretical divergence does not make either philosophical position any less credible when comparing them to each other in the context of the phenomena of organisational change. However, a key consideration of this research is the understanding of how networks are formed and ultimately influence outcomes in what are complex, messy and changing environments (Hassard, 2008). Taking into consideration the messiness of the public sector and local government, Complexity Theory appears best placed as a

theoretical perspective to investigate change in the public sector and local government. It is chosen because it brings together elements from both a deterministic and voluntarist standpoint linked to a range of previously identified theories, and encompasses both subjective and scientific observation to consider how such complexity can produce both self-determining and measurable events at the same time. To consider what theory has to say about the applicability of Complexity Theory to examine the results of a study focused on how local authorities and their respective Chief Executives respond to national policies for change. The next section will discuss in more detail the origins and benefits of it to this study.

2.4.2 The applicability of complexity theory to examine change in public sector local authorities

According to Teisman and Klijn (2008) key actors and academics agree that the processes, management and development of policy in local government and the public sector are by their very nature complex, messy and challenging. Teisman and Klijn (2008) indicate that public policy development often relies on a hierarchal and mechanistic approach, when in fact the messy nature of public entities can often result in unforeseen self-determination, and therefore consider "…*self-organisation is one of the most intriguing concepts in complexity theory for public administration"* (Teisman and Klijn, 2008, p. 287). However, given this proposition they also observe, "..*Insights from theories on complexity however, have hardly ever been used in public administration and management..*" (Teisman and Klijn, 2008, p. 287).

Notwithstanding this recognition of the developing nature of Complexity Theory described in the previous section, Teisman and Klijn, (2008) also suggest that the consideration of self-organisation as a concept in Complexity Theory may be one that is most apposite for investigating the

public sector, given the tensions, unpredictability and complexity of interactions that occur in the public sector.

In terms of the history of Complexity Theory, its emergence is a little vague, Boulton (2010) suggests that the origins of the theory can be traced back to the writings of Greek philosophical scholars, which through the ages have been developed to understand how " *Things inter-relate, affect each other in a messy , complex, systematic fashion*" (Boulton, 2010, p. 33). As an example, according to Boulton (2010) since the eighteen hundreds the philosophical perspective has been applied to research focused on evolutionary economics, although Boulton (2010) does acknowledge that over the centuries, the theory has been challenged by those who support a more deterministic view point. Alternatively as a theoretical viewpoint Tenbensel (2017) suggests Complexity Theory; "*is highly compatible with institutionalist approaches to analysing governance..*", given that can bring together "..*a wide range of influences to understand their impact."* (Tenbensel, 2017, p. 1032)

In terms of the prominence of Complexity Theory in the public policy literature, Gerrits and Marks (2015) indicate that it emerged in a recognisable form from the roots of systems theorists in the nineteen eighties, noting, "*Ideas concepts and theories from the complexity sciences have slowly but steadily gained popularity in the social sciences in general, and in the domains of public administration, public policy and public management…*" (Gerrits and Marks, 2015, p. 539).

According to Cairney (2012) supporters of Complexity Theory in the public sector arena suggest it offers a new scientific standard, as it has evolved to recognise a link between the instability and disorder associated with policy development, politics and complex systems. To do this Cairney (2012) notes that rather than viewing specific parts of an organisational system, Complexity Theory has shifted to one that considers organisational systems holistically, and in which it is recognised that individual elements will interact

to produce what Cairney describes as "…*systematic behaviour*" (Cairney , 2012, p. 346).

To examine how complexity theory offers a new view regarding NPM, the following sections examines what theory has to say about the emergence, application and success of NPM. The next section then examines how complexity theory may offer some further insight into how the public sector and local authorities apply national policies for change.

2.5 New Public Management

2.5.1 Overview

Literature in the previous sections of this chapter demonstrates how a number of influences for change have encouraged national policy makers to introduce policies that promote commercial management practices and the marketisation of public sector and local authority services and functions. This approach is commonly referred to in theory as New Public Management (Kolthoff, et al.,, 2007). It is therefore important to investigate NPM, its key features and perceptions of success and universality, to examine if the core principles of NPM when applied are experienced in similar ways.

2.5.2 Core principles of NPM

According to Dunleavy and Hood (1994) citing the work of Douglas (1982), the adoption of NPM in the public sector involves two significant changes in organisational structure and cultural perspective. Dunleavy and Hood (1994) note the first change driven by NPM involves the dissolving of a past Keynesian, interventionist approach (exemplified by PA management), to one

which embraces the principles of the free market and by derivation, the facilitation of which, promotes the second change, namely the adoption of a less hierarchal organisational structure, which also supports more localised decision making, and which by extension aligns with Schumpeterianism, and the market principles of economist Friedman (Griffiths and Wall, 2012).

To further investigate the apparent change of approach in public sector management that came with NPM, it is important to reflect on theorists' observations of the core components of NPM. In this regard there can be no better starting point than the research of Hood (1991;1995) whose work is often referenced and is therefore important to consider in greater detail.

According to Hood (1991) the interpretation of the practical implications of the adoption of NPM can vary from one jurisdiction to another, however, the core principles of "…*professional management….standards of measurement and performance …output controls …disaggregation...competition....private sector styles of management and practice…discipline and parsimony..*" (Hood, 1991, p. 4-5), remain consistent features, no matter where it is applied.

Whilst the core principles of NPM described by Hood (1991) set out a vision for NPM they do not offer a detailed descriptor for practical action. Hood in collaboration with Dunleavy addresses this by considering in practical terms what the shift from traditional administrative approach to a new *'progressive'* (Dunleavy and Hood, 1994, p. 6) one entails, according to Dunleavy and Hood (1994) in order to facilitate a change from PA to NPM thinking requires: "…*budgets to be transparent….with costs attributed to outputs not inputs…measured by quantitative performance indicators*" and in terms of organisational constructs, that they should adjust to become "…*a chain of low trust principal / agent relationships (rather than fiduciary or trustee – beneficiary ones).."* based on "..*a network of contracts linking incentives to performance*" (Dunleavy and Hood, 1994, p. 6).

To facilitate the change from PA to NPM approach, Dunlevy and Hood (1994) suggest that functions can be segregated into distinct contractual departments based on commercial derivations, and that such disaggregation offers the opportunity to create a competitive paradigm, one where not only commercial entities can bid to deliver functions that were once only considered to be in the purview of regionally or nationally controlled public sector bodies, but that such bodies could themselves bid against other public bodies to deliver such functions, out with their previous field of operations, and in doing so create a quasi -competitive market.

As research on NPM has evolved, it is clear that Hood's identified impetus for change and components of NPM have become accepted and are often subject to tautology by other theorists.

Osborne and Brown (2005) in consideration of managing change and innovation in the public sector, postulated that the adoption of a NPM approach would result in a number of requirements,

> " *to develop managerial skills , as opposed to professional ones:*
> *to develop new organisational forms both in the government and in the non- profit and business sectors: and*
> *to promote a change of culture towards using markets to allocate scarce resources rather than a hierarchical line management"*

(Osborne and Brown, 2005, p. 14)

According the Greener (2013), from the nineteen eighties the public sector transitioned from a structured, closed translator of public funding for public service provision, delivered by in house functions, to one which, whenever possible, embraced the out-sourcing of functions, to either commercial entities, or other competitor public service providers. In this paradigm Greener (2013) observes that public service providers have become cost

focused, rather than function at any cost oriented, and in doing so have adopted commercial / private sector cost benefit financial controls, underpinned with revised audit and performance reporting practices. Over recent decades, investigations from differing research perspectives also support this view, Pollitt (2000); Brown (2004); Osborne (2006); Downe et al., (2010); Hansen & Ferlie (2016) and Doering et al., (2019).

There are theorists that whilst accepting the academic credence for the use of the phrase NPM, to describe a general management practice (as described in earlier) (Kolthoff, et al., 2007), others question its use as a definitive descriptor for change in the public sector, noting that there are also other influences (Osborne and Brown, 2005). They posit that NPM is more a constituent part of evolutionary strategy development in the public sector. Some theorists argue that NPM emerged as an adjunct practice to strategic planning in the public sector, which in itself was evolving as part of its' response to a changing political and financial landscape (Johnsen ,2015). To consider the question of subsidiarity or duality between strategic planning and NPM, it therefore important to revisit the chronology of the emergence of PA and NPM compared to that of the evolution of strategy over the same time, to try to identify precedence.

According to Johnson, Scholes and Whittington (2008) before the 1960's, strategy in management (just as in PA), could also be considered to be task oriented. They note that over time academic research evolved into two key areas of strategy development theory, these being a resource and a process based strategy. The former is exemplified by Michael Porter and the latter Henry Mintzberg and Andrew Pettigrew. Resource theorists such as Porter (1985) have produced substantial research that is linked to the formulation of strategy informed by the consideration of the organisational environment, and grounded in economic theory linked to performance delivery. Process based theorists such as Mintzberg (1994) postulate that organisational complexity and policy evolution makes it difficult to define strategy purely by analysis;

therefore it may be better to work with the complexity. The dualism of strategy development and management practice such as NPM therefore becomes a question of perception of subsidiarity. In consideration of the subsidiarity Andrews & Entwistle (2013) observe that when considering strategic responses to change, leaders in the public sector seem to rely on developed policy and then often move quickly from a strategic position to one based on operational or process based outcomes. Andrews & Entwistle (2013) identify that the challenges and limitations of a central strategy development approach are often resolved by the translation of them into definable practice, such as PA and latterly NPM. According to Johnsen (2015) this ambiguity between strategic thinking and practice in the public sector, is an ongoing issue. Johnsen (2015) notes that despite the emergence of academic thinking that recognises ambiguity, "*The analysis indicates that strategic management in the public sector extensively uses strategic planning bundled with certain other schools of thought…..*" (Johnsen, 2015, p. 243).

Having considered the core principles that underpin NPM, the next section will examine how they emerged to produce a change in management approach in the public sector.

2.5.3 The emergence of NPM

According to Hood (1991) a New Public Management approach has been adopted almost uniformly in the public sector, not only within the UK but also in many other jurisdictions. In terms of chronology, Hood (1991) in research to consider the application of NPM notes: "*The rise of 'new public management' (hereafter NPM) over the past 15 years is one of the most striking international trends in public administration"* (Hood, 1991, p. 3). Hood's observation therefore places the emergence of NPM sometime in the mid nineteen eighties a view which is supported by other theorists such as Ferlie, McLaughlin and Osborne (2002) who, in research to understand

trends in management, postulated a causal link between the emergence of NPM in the nineteen eighties and the changing dynamics of stakeholder expectations and associated increased pressure on the equitable allocation of resources in the public sector. The changing stakeholder expectations identified by Osborne et al., (2002), whist being a significant influence for change, was not the only one. In citing the work of Kickert et al., (1997),Osborne and Brown (2005) recognise a shift in the approach to the delivery of public service that began even before the nineteen eighties, which appears to align with notable authors such as Henry Mintzberg, Peter Drucker and Michael Porter whose viewpoint was more commercially focused, and appear to have been embraced by the tenets of the 1999 Local Government Act.

According to Osborne and Brown (2005) this transition to NPM also encompassed a transition to a new approach to practice which they describe as '*managerialism'* (Osborne and Brown, 2005, p. 14). Osborne and Brown (2005) further encapsulated the new approach to management as one which aligns with an economic theory which emerged in the late nineteen thirties and evolved in the nineteen eighties, being Schumpeterianism, (described earlier in the chapter), and the view of economist Milton Friedman who also focused on the benefits of commerciality and the development of shareholder value (Griffiths and Wall, 2012).

In consideration of such economic theory, Osborne and Brown (2005) note that when considered through the same prism of NPM opportunities presented by the commodification of the public sector, that to some they could offer a panacea to address the previous limitations of the traditional public administration approach, a change they observe in terms of its impact as a, "..*discontinuous change marking a break with the past.."* (Osborne and Brown, 2005, p. 14).
Hood (1991) in research to investigate the universality of NPM identified four key (what Hood labelled as) '*megatrends'* (Hood, 1991, p. 3), to describe

influences for change in the public sector, Hood (1991)articulated them as follows:

"(i) attempts to *slow down or reverse government growth* in terms of overt public spending and staffing (Dunsire and Hood 1989);

(ii) the shift towards *privatisation and quasi-privatisation* and away from core government institutions, with renewed emphasis on 'subsidiarity' in service provision (cf. Hood and Schuppert 1988; Dunleavy 1989)

(iii) the development of *automation***,** particularly in information technology, in the production and distribution of public services; and

(iv) the development of a more *international* agenda , increasingly focused on general issues of public management, policy design, decisions styles and inter- governmental cooperation, on top of the of individual country specialisms in public administration"

(Hood, 1991, p. 3) (Note: Extract not in full italics in order to preserve authors use of italics for emphasis).

According to Hood (1991) the afore listed '*megatrends*' (Hood, 1991, p. 3), provided an organisational environment conducive to, or at least formative in, the emergence of NPM from PA as an approach. This has been supported by many other theorists over recent decades through work that covers a wide range of perspectives, regarding not only the ontology of NPM, but also its associated epistemology, these include but are not limited to Dunleavy & Hood 1994; Kooiman 1996; Hood, James & Jones et al., 1998; Pollitt 2000; Brown 2004; Osborne 2006; Downe et al., 2010; Hansen & Ferlie 2016; Doering et al., 2019.

Theorists' convergence of views regarding the existence and chronological emergence of a recognisable phenomenon in the public sector labelled NPM is therefore axiomatic. This convergence of views continues with research that describes the practical application of the approach, although such

descriptions could be described as nuanced by philosophical research perspectives. To examine this, the next section will investigate the efficiency of NPM.

2.5.4 Efficiency and NPM

Building on the influences of economic theory identified in the last section, according to Kolthoff, Huberts and van den Heuvel (2007) the dynamics created by NPM promote both positive and negative influences on public ethics and integrity which in turn will have an impact on overall service delivery. De Vries and Nemec (2012) in their work to consider if the principles of NPM are out dated or no longer relevant, argue that at its core NPM drives a reduction of state influence and participation. De Vries and Nemec (2012) go on to offer a critical observation of the core components of NPM in times of austerity, noting that "..*people turn to their governments and demand solutions, which cannot be provided for by the market nor by a minimalistic public sector*" (De Vries and Nemec 2012 p.8).

Andrews and Entwistle (2013) posits that there are four main dimensions to public efficiency and the core components of NPM that are relevant to both theorists and practitioners alike, these are: *productive, allocative, distributive and dynamic* efficiency. According to Andrews and Entwistle (2013) it is through this dialectic of *productive, allocative, distributive and dynamic* efficiency (Andrews and Entwistle, 2013, p. 246) that an understanding of just what is meant by public sector efficiency can be gained; with regard to a definition of the terms they can be summarises as follows:

'Productive Efficiency' (Andrews and Entwistle, 2013, p. 251) - Productivity based on cost reduction and maximisation of process outcomes (Andrews and Entwistle, 2013).

'*Allocative Efficiency'* (Andrews and Entwistle, 2013, p. 253) - Consideration of how efficiently the public sector balances supply with demand (Andrews and Entwistle, 2013).

Note: Andrews and Entwistle (2013) acknowledge that quantification of efficiency in a service environment is often difficult to ascertain, and public bodies often rely on customer feedback to understand if a service could be described as efficiently delivered.

'*Distributive Efficiency'* (Andrews and Entwistle, 2013, p. 254) – Measurement of services to ascertain if they are being distributed evenly and fairly (Andrews and Entwistle, 2013).

'Dynamic Efficiency' (Andrews and Entwistle, 2013, p. 256) – Dissemination of funding to balance current funding demands with possible future expenditure (Andrews and Entwistle, 2013).

Citing the work of Samuelson and Nordhaus (2007), according to Andrews & Entwistle (2013) there needs to be a degree of practicality and politics added to the subject of NPM and efficiency. Andrews & Entwistle (2013) note that whilst: *"New Public Management type reforms tend however to focus almost entirely on a single dimension of efficiency*" (Andrews & Entwistle, 2013, p. 250), they suggest that in reporting performance in terms of efficiency other aspects need to be considered such as understanding what is being produced, at what quality and for which stakeholders. This wider expectation placed on public services providers is identified by Gillett (2012) who in consideration of Wilson and Game (2006) and publications from DCLG (2003); note that over time the statutory duty to deliver best value placed on public service providers, as well as efficiency, also prompts providers to "*engage in partnerships and collaboration, stimulate markets and achieve community benefits*" (Gillett, 2012, p. 31).

Other theorists suggest the picture regarding performance reporting and NPM is not as sequential as some academics suggest. According to Ammons and Roenigk (2015) rather than NPM being shaped by performance reporting, they suggest it is actually the other way around. Ammons and Roenigk (2015) suggest that NPM has, through its core objectives become an influence in its own right on such reporting, which emanates from

stakeholders objectives to manage organisational reputations. Citing the work of Busuioc and Lodge (2017), Doering et al., (2019) also identifies " ..*an explicit acknowledgement of performance as a key to organisational reputation*". (Doering et al.,, 2019, p. 3)

According to Greener (2013) the application of market based economic theory whilst maintaining democratic accountability and service delivery can produce a paradox that results in significant organisational tension, noting: "*The biggest problem with the NPM movement is that its advocates often define the term in many different ways*" (Greener , 2013, p. 64) , expanding on the issue further Greener (2013) suggest that the contradictions of NPM centre around the tensions between traditional objectives of PA (supported by Keynesian economic theorists), and the political drive to promote efficiency in the public sector (supported by Schumpeterian economic theorists). This tension between quasi marketisation and public service delivery is further exacerbated as "*There are additional difficulties in getting markets mechanisms to work in the public settings*" as an example "…*providers organizing themselves into collaborative relationships* " (Greener , 2013, p. 174)

The key challenge for NPM and the application of its associated economic theory, no matter how well measured and reported is:

"Public services are public because they operate in areas where we either suspect market failure might occur, or where it has actually comprehensively in the past " (Greener, 2013, p. 178).

Consideration of NPM and its influence on efficiency, does not address how successful NPM has been in a public sector setting. This subtle but key difference and will be investigated in the next section.

2.5.5 The success of NPM

From the late nineteen eighties onwards, there has been much academic debate as to the success, or otherwise, of NPM in the public sector. The deliberations regarding NPM centre around two key issues, the first relates to the efficacy of NPM as an approach for change, and the second focuses on the search for credible evidence for its influence in prompting a change in management practice. Theorists' perception of NPM regarding the advantages or possible disadvantages of the adoption of it vary, from those that consider it to be positive and game changing (Hansen and Ferlie, 2016), to those that question the suitability and rationality of the implementation of its' core components in a publicly funded setting (Mazzucato, 2013). Other authors also express concerns about the use NPM in the public sector, suggesting that its use could potentially disempower mangers in the sector (Heald & Steel, 2017).

The challenge for NPM appears to be that over time, the evidence for its success depends on perspective (Andrews and Entwistle, 2013). Addressing the issue of perspective, according to Alonso, Clifton and Diaz-Fuentes (2015) even though NPM has been the focus of substantial research, they observe that very little of it considers if its quasi-commercial approach has resulted in a reduction of the sector, or has it fulfilled its intended aims. Notwithstanding that Alonso, Clifton and Diaz-Fuentes (2015) do observe that the quantification of success in such terms is difficult, and indicate, "..*that government outsourcing did not reduce public sector size, though decentralization policies resulted in a smaller public sector, particularity with regard to government expenditure*.." (Alonso, Clifton and Diaz-Fuentes, 2015, p. 643).

The impact on the public sector of NPM reforms is considered by Hughes (2017), who observes that in the public sector " …*the substitution of management for administration may not seem like a big idea, but it has been a significant one.* In terms of the perception of success Hughes (2017) goes on to suggest that; *"Thirty years of reform has arguable left public*

management in a better position than it was" (Hughes, 2017, p. 547). Whilst Hughes's (2017) observations regarding the success of NPM leave room for conjecture, Hughes (2017) is far more definitive in terms of the impact the reforms have had on those working in the sector noting that they "…*are under ever increasing pressure to do even more with fewer resources and the only way to do this in a sustained way is to undertake further management reform,* which therefore becomes *"…a continuous process and not a programme, not a single way of looking at the world…"* and one where *"Public mangers may be collateral damage in this noise, rather than the direct contributor…"*(Hughes, 2017, p. 547).

Pick and Teo (2017) also identify that NPM reforms can result in additional challenges for those actors in the sector tasked with delivering services, noting that if the impact of such changes are not clearly identified and then communicated, then this can result in additional stresses and job dissatisfaction.

Observations regarding NPM reforms from Hughes (2017) and Pick and Teo (2017) compared to that of earlier authors Dunleavy and Hood (1994) highlights two key issues. The first is that from the inception of NPM, little has changed from an academic perspective. Secondly, across the decades, authors have identified the differential impact of NPM reforms on those actors leading and manging change in the public sector in response to political and stakeholder expectations, compared to those required to deliver statutory duties, especially if the sector is *" …to maintain a valued role in society* (Hughes, 2017, p. 547).

Given the controversial nature of NPM reforms, the question of its success is therefore a difficult one to evidence. However, given the extensive research on the subject over the decades, the question is maybe best addressed with the benefit of hindsight, to reflect on the range of research and practitioners experiences of it. One such observation comes from Lapuente and Van de Walle (2020) who characterise NPM reform as "..*a style of organising public services towards efficiency and efficacy of outputs*…", they go on to note

regarding such reforms that: "*They have been accused of importing practices and norms of from the private sector that could collide with core public values such as impartiality and equity"* (Lapuente and Van de Walle, 2020, p. 461). Despite this, Lapuente and Van de Walle, (2020), observe there is little empirical data to validate the effect of their introduction on the sector. With regard to the question of the success of NPM reforms, Lapuente and Van de Walle (2020) observations appear to provide the most apposite summary noting; "*Overall we find neither catastrophic nor the balsamic effects of NPM reforms are confirmed, but success or failure depends on the administrative, political and policy context that those reforms take place.*" (Lapuente and Van de Walle, 2020, p. 461)

As a final note, but non the less pertinent for the public sector and local government, Marchand and Brunet (2017) indicate that the complexity, tensions and questions of success, that Hughes (2017); Pick and Teo, (2017) and Lapuente and Van de Walle (2020) identify relating to NPM reforms are not going disappear any time soon. They note that as no matter the criticism of NPM, it is an approach that continues to persist almost universally across the public sector and local government, a feature that will be explored in the next section.

2.5.6 Neoclassical perceptions of the postmodern universality of NPM

Neoclassical management theory perceptions regarding NPM as a management approach indicate it has encouraged a degree of modernisation and flexibility, and proved resilient to any deviation from the efforts of its supporters to promote its core components for reform (Hughes 2017; Pick and Teo, 2017 and Lapuente and Van de Walle, 2020). It is however interesting to note from its inception, key authors such as Dunleavy and Hood (1994) have drawn attention to the subtle but important difference between its adoption, and a perceived postmodern singular universality.

Contrary to the research of theorists such as Osborne and Gaebler (1992) who postulate that there is an unavoidable and intentional effort to promote a universal version of NPM, Dunleavy and Hood (1994) suggest that there are other NPM models in the sector not necessarily routed in "*Simple dichotomies between state and the market or between traditional and modern styles of public management have their uses*" (Dunleavy and Hood, 1994, p.13). Subsequent research from Osborne and Brown (2005) considers the benefits of some components of NPM such as "..*the use of contracts and market mechanisms, rather than hierarchical line management for the governance of services."* (Osborne and Brown, 2005, p. 14), also observe that they: *"..were genuine examples of innovation as discontinuous change marking a break from the past*"; (Osborne and Brown, 2005, p. 14). Osborne and Brown (2005) also consider of one of the often cited successes of NPM, namely to promote what they refer to as '*community governance*' note that: "…*the debate continues as to the extent to which this approach was rather more rhetoric than real.."* (Osborne and Brown, 2005, p. 14). Such differing perspectives from the same authors highlight dichotomies surrounding the universality of NPM as an effective approach for change.

Downe et al., (2010) provides no clarity between the dichotomy of the academic acceptance of the universal adoption of NPM, and its universality. In their research to investigate public service improvement they accept that almost all UK public sector reform centres on NPM, however in terms of the universality of its performance related approach, they observe that:

"… *the last decade has witnessed the emergence of quite different reform trajectories and distinctive approaches to assessing the performance of local authorities. This poses obvious questions for policy makers and practitioners about which approach is likely to be most successful*." (Downe, Grace, Martin and Nutley, 2010, p. 674)

In consideration of more recent literature to understand if the debate has moved on, or evolved, Hansen and Ferlie (2016) offer an explanation for the lack of clarity regarding the efficacy of NPM in the public sector which

benefits from data accumulated over a significant number of years, obtained in differing circumstances. They start from a position that acknowledges the almost universal adoption of NPM as an approach in many public sector organisations. According to Hansen and Ferlie (2016) in many organisations, a NPM approach has driven an identifiable change from an internally focused sector, to one which they list as having embraced: "….*Autonomized Agencies… Quasi – Markets and Quasi- Firms….Sectoral Blurring and Public- Private Hybrids…Strengthened Corporate Core.."* (Hansen and Ferlie, 2016, p. 2-3)

However, according to Hansen and Ferlie (2016) there is a caveat as to the efficacy of NPM, which comes in the form of an observation which notes that no matter what organisational approach is undertaken, they are: "..*more relevant in autonomized and market like service delivery organisations*" they further posit, "…"*that their increased applicability depends on three specific conditions: the degree of autonomy, performance-based budgeting and market-like competition"*

(Hansen and Farlie, 2016, p.1)

The observation of "..*performance-based budgeting*.." and "…*Sectoral Blurring and Public- Private Hybrids…"* made by (Hansen and Ferlie, 2016, p. 1-3), is recast by Doering et al., (2019), who suggest that performance assessment can have a role to play in supporting an organisational identity and reputational management noting: "*..Engaging proactively with new voluntary assessments becomes an essential tool for active reputation management. We find that reputation does not only shape the responses to external performance assessment but the external performance assessment itself."* (Doering, Downe, Elraz and Martin, 2019, p. 1)

According to Doering et al., (2019) there is a causal link between organisational conduct and reputation, one which they suggest requires further investigation and may help to further inform the debate regarding the adoption of NPM in the public sector.

Some theorists consider that the debate regarding NPM has moved on, and suggest that NPM is no longer relevant as it has been superseded by what they describe as New Public Governance (NPG). Hansen and Ferlie (2016), citing research from the early two thousands onwards, regarding possible objections to their own work (Newman 2001; Osborne, 2009) observe that "*..the NPM era is dated and has now been succeeded by post- NPM models of New Public Governance..*" (Hansen and Ferlie, 2016, p. 15).

With regard to the core tenets of NPG, in earlier research according to Osborne (2006) NPG promotes (when appropriate), a co- production approach, which is based more on the development of relationships for the promotion of social capital, rather than a more commercial transactional approach, one where it promotes;

" *..an alternative discourse in its own right.* And, "…*is predicated upon the existence of a* ***plural state*** *and* ***pluralist state*** *and it seeks to understand the development and implementation of public policy in this context*" (Osborne, 2006, p.381-382), (bold use to maintain original text emphasis). This description by Osborne (2006) appears to suggest that NPG brings together differing public bodies with differing interests that co-exist to produce an holistic approach to the development and implementation of public policy.

This pluralist view of even the existence of a New Public Governance (NPG) is still not supported by all authors and remains open to further conjecture. In the future it may be one route which may be taken to unpick the dichotomies surrounding the efficacy of NPM, however, "*..recent work suggests that NPM logic remains embedded in NPM jurisdictions….even if sometimes dysfunctionally so.*" (Hansen and Ferlie, 2016, p. 15).

Notwithstanding the pervasiveness of NPM identified by Hansen and Ferlie, (2016), according to Casady et al., (2020) the principles of NPG are not totally untested. Casady et al., (2020) cite the case of the formation of Public Private Partnerships, where the public and private sector come together (usually through some form of legally constructed partnership), to deliver

infrastructure and in some cases functions and services. However, just as with NPM, Casady et al.,., (2020) do acknowledge that *"…the effects of institutional maturity on PPP utilisation remain within this domain remain understudied*.." (Casady, Eriksson, Levitt and Scott, 2020, p. 177)

Hansen and Ferlie (2016) consider NPM has been an advantageous game changer. Other notable authors, prior to Hansen and Ferlie (2016), have suggested it's application is contentious, and in reality identify NPM as an appellation for what is in effect commercial practice applied to the public sector (Dunleavy and Hood, 1994). There is an emerging realisation that proof of its universality , as a one size fits all panacea, to be applied across all the public sector, is at best limited (De Vries and Nemec 2012).

Being a little less contentious, but still somewhat sceptical, Reiter and Klenk (2018) summarise the emergence of NPM as a term that denotes 30 years of popular public sector reforms and 15 years of substantive criticism, which they suggest is gaining more traction through the promotion of alternative approaches, such as those described by (Ferlie, 2016; and Casady et al., 2020) regarding NPG. Reiter and Klenk (2018) also agree that the efficacy of such a change still needs to be tested and developed, if it is to supersede NPM.

As with the consideration of the success of NPM, a degree of hindsight is required to consider its postmodern universality. To do this, a holistic and neoclassical review of relevant literature is required. Funck and Karlsson, (2019), offer just such a review, having considered "..*299 articles published between 1991 and 2016*…" they identify four key themes relating to NPM reforms which they characterise as; *"…(a) a reform with a vague intention, (b) the limping concept, (c) the one-sided perspective, and (d) NPM as the new norm"* (Elin K. Funck and Tom S. Karlsson, 2019, p.347)

Taking (Funck and Karlsson, 2019) together with the other authors discussed in this section, the literature demonstrates that much of the research conducted into the efficacy of NPM seems to focus on its practical

application, or associated performance reporting. As has been demonstrated in the previous sections, whilst some theorists do consider NPM in terms of evolving economic theory, such considerations are almost cursory, as are those associated with organisational flux.

It is in this context of differing management approaches, internal tensions, complexity and organisational paradoxes, that complexity theory offers an alternative lens through which to judge NPM in the public sector, an issue that will be investigated in the next section.

2.5.7 Complexity Theory and NPM

NPM literature has to date assumed a homogenous application with no differentiation between its applicability to central or local government (Downe et al., 2010). A range of theorists have over recent decades sought to explain how and why this homogeneity has occurred (Hansen and Ferlie 2016; Funck and Karlsson, 2019).

Ansell and Geyer (2017) observe that the New Public Management (NPM) deterministic approach is being challenged over time. As a solution to some of the dissatisfaction expressed regarding NPM's mathematical approaches to organisational development, Ansell and Geyer (2017) suggest the adoption of more flexible models that blend deterministic and voluntarist's theoretical positions. These flexible models, Ansell and Geyer (2017) suggest will add pragmatism to complexity, so as to

"..*provide a positive alternative conception of the relationship between scientific knowledge and decision making and offers a way to integrate a scientific approach with democratic deliberation and values*" (Ansell and Geyer, 2017, p. 149)

Cairney (2012) observes that one of the challenges for advocates of Complexity Theory, is that all too often in literature, its concepts are applied too loosely so at to make a clear definition of the theory difficult. According to

Ansell and Geyer (2017) one other challenge that proponents of Complexity theory face is that: "*Despite a range of criticism, the realm of policy still remains dominated by the rational, positivist and quantitative approaches of New Public Management, evidence based approaches and target accountancy oriented scientific management*" (Ansell and Geyer, 2017, p. 149).

This pragmatic approach to complexity theory is supported by other authors such as Eppel (2017), given that Complexity Theory is currently not seen as a "..*unified homogenous perspective"* (Teisman and Klijn, 2008, p. 288). In recognition that the theory is still evolving (in terms of public policy and administration analysis), Eppel (2017), indicates that Complexity Theory still requires further work to fully attest as to its value. To do this, Eppel (2017) suggests Complexity Theory should be compared to other theories to ascertain their compatibility and to determine the future contributions Complexity Theory may offer to aid the understanding of observable phenomenon in the public sector and local government research, noting : "..*that understanding the complexity friendliness of extant theories will both facilitate the greater use of complexity theory in public administration and extend the exploratory capacity of the existing compatible theories*." (Eppel, 2017,p. 845)

Eppel and Rhodes (2018) note that over recent decades there has been a growing discontent with deterministic mathematical models and their failure to address the complexity that arises in the public sector in general. A NPM "*rational positivist and quantitative approach…"* (Ansell and Geyer, 2017, p. 149), has persisted in local government and the public sector in general (Ansell and Geyer, 2017). Eppel and Rhodes (2018) observe that this discontent has led to the development of ever more complex models, which while better at explaining organisational responses, ultimately point to an ontological position that suggests; "*that there are recursive, ongoing non-linear interactions between the elements that make up the whole and these elements adapt to each other in non-linear ways"* (Eppel and Rhodes, 2018,

p. 949). Turner and Baker (2019) concur with the views of Eppel and Rhodes (2018), noting systematic analysis, such as that used by system theorists, has prompted a discontent with the approach. Further Turner and Baker (2019) suggest it is no longer appropriate to investigate social sciences using system analysis, as this reductionist approach is not capable of fully exploring complex social interactions, including those between actors and respective institutions. Turner and Baker (2019) observe that Complexity Theory offers a perspective that can sit at the interface between such interactions and "…*to address the complexity associated with advanced technology, globalization, intricate markets, cultural change, and the Myriad of challenges and opportunities to come*" (Turner and Baker, 2019, p.1). Supporting this view, Eppel and Rhodes (2018) do not suggest that the acknowledgment of self-determination and the messiness of organisational influences in the public sector (and local government), means that Complexity Theory is a panacea to understand the sector, rather they see it as; "..*a becoming field*" (Eppel and Rhodes, 2018, p. 949), and an opportunity to add to the current literature's interpretation of NPM.

In summary, Complexity Theory therefore challenges existing theory relating to the homogenous application of NPM in the public sector and local government. Complexity Theory offers a theoretical perspective which suggests inconsistency, changing expectations and influences based on the differing dynamics of organisational and individual actors motivations are a constant feature of all change in the public sector. Challenging existing current NPM theory, which suggests that throughout the public sector there has been one homogenous application of a NPM doctrine to promote efficiency through competition and commercial practice, Complexity Theory suggests that NPM is in itself constantly evolving in response to changing circumstances. Given that Complexity Theory is an evolving field in the area of change in the public sector, this consideration of NPM represents a gap in the theory which may be addressed by the research aims of this thesis.

It is also interesting to note that many authors consider the motivations for organisational change from an institutional perspective, almost dismissing or playing down the purpose, discretion and the role of individual Chief Executives in the public sector and local authorities. The next section will investigate leadership, its application in the public sector and the role of local authority Chief Executives during change.

2.6 Leadership and the role of local authority Chief Executives during change

As the background information in chapter one showed, the role and responsibilities of public sector and local authority executive leadership has been transformed from that of a professional administrator (town clerk), to one where they are empowered to manage and control functions (chief executive). Along with increased powers to act, the role of Chief Executive has brought with it a greater degree of accountability for any actions they may take.

To fully examine what theory has to say about leadership and the public sector, this section is divided into three subsections, the first examines theory relating to leadership in general, and it then progresses to examine leadership in the public sector before specifically considering the role of local authority Chief Executives.

2.6.1 Leadership

The role of organisational leadership cannot be considered in isolation. Boyne Ashworth and Powell (2001) suggest that whilst leadership supports organisational change, they postulate that the approach and style of leadership is more as a result of the overall influence of the organisational

environment, rather than the other way around. According to Boyne, Ashworth and Powell (2001) perspectives in literature regarding the free will of senior managers to act in response to influences for change, offer two differing perspectives. Boyne, Ashworth and Powell (2001) observe that the first focuses on the importance of external influences and related comparative effects of internal actions, which produce constraints which limit possible actions of senior leaders to enact change. Citing the work of (Whittington 1988) they observe that such forces produce circumstances where: "*Little real strategic choice is exercised and organisations are swept along by a tide of events that is beyond their control..*" (Boyne Ashworth and Powell, 2001, p. 860). The second perspective, that Boyne, Ashworth and Powell (2001) offer, citing research from voluntarists Hambrick and Finkelstien (1987) and Hambrick and Mason (1984), postulates that rather than being limited by external forces, senior leaders have a greater degree of free will to shape a given response to external and internal forces which they may encounter.

The two differing perspectives lead Boyne, Ashworth and Powell (2001) to identify a key point, which is: *"If organisations have discretion to choose between a variety of strategic options, then the issue of* ***who*** *makes such choices is raised*" (Boyne Ashworth and Powell, 2001, p. 860). (Note: Bold used to maintain quote emphasis)

The question of *who,* decides on a course of action, is further complicated by the nature of change. There are two recognised forms of change in literature, the first occurs over time and is iterative in nature, the second is usually significant, occurs over a relatively short period of time as a result of a destabilizing influence (Hayes, 2007). According to By (2005) in terms of the best leadership approach to managing change, there are a range of views expressed by academic writers, By's (2005) examples include such as Kotter (1993) and Luecke (2003) who offer systematic solutions; and others such as Pettigrew and Whipp (1993) who suggest that there are no definitive approaches to managing change.

Considering the issues of change and management, By (2005) proposes an implicit link between the two issues, postulating that in order to survive it is vitally important for organisations to continually change. However, in his earlier research, By (2005) also suggests that there are conflicting views regarding differing management approaches and theories which have often not been empirically tested as to which is the most effective. In more recent research, citing the work of Carlyle (1841) and Mouton (2019), By (2021) suggests that while the language of change may have evolved to describe various traits, in practical terms little has changed, which is why it is important to consider earlier research in the debate.

Schmidt and Groeneveld (2019) investigating types of leadership during cutbacks in the public sector, take a slightly differing view and identify that during such change differing leadership needs to be considered through the lens of the context any observation or indeed theory is made. Their work recognises similarities of response to cutbacks at the most senior level and also through the stratified layers of management. By (2021) observes that current management trends and related facets of leadership risk being outmoded as they are often centred on the role of the individual leader, rather than considering the overall purpose of leadership.

From a slightly different perspective, research by Learmonth and Morrell (2016) highlights anomalies between traditional academic traits regarding organisational hierarchy, and the reality of what is happening in practical terms at an organisational level. Learmonth and Morrell (2016) suggest this divergence is exemplified by language that has changed over recent years. Learmonth and Morrell (2016) point to often used terms that amalgamate terms that reinforce the perception of seniority of mangers and of leadership, "*For example, what was once 'management development' have often morphed into 'senior leadership team' …."* (Learmonth and Morrell, 2016, p. 257). The key message from Learmonth and Morrell (2016) aligns with the work of By (2021) in that they both identify language to describe the

relationship between those tasked with leading and their work colleagues that may no longer represent reality.

Exploring the issue further, Learmonth and Morrell (2016) suggest that in both academic and practical terms, the use of hieratical terms can inadvertently end up supporting leadership styles that are becoming outmoded. More and more leadership relies on a co- production approach, where success is based on a coalition of objectives, ideas and values, (Kirrane et al., 2017) rather than the traditional strictly hieratical command and control models.

Current theory recognises a significant link between organisational success, change and leadership (Arnaboldi and Lapsley, 2003; By 2005). In this regard some recent authors suggest organisational change and leadership should be considered as a distinct area of research (Hughes, 2018). Hughes (2018) suggests that whilst there is a significant amount of research that considers discreet issues relating to leadership and change, (each viewed through the lens of a pre-existing theoretical discipline), there is very little focus on the points of convergence or that take into account the fluid nature of the subject being investigated. Whilst there is little evidence to dispute this position directly, it could be argued that the work of (Caillier, 2020) and others does seek to consider areas of convergence, as and when they are identified. According to Caillier (2020) the characteristics of leadership is an issue that has been the subject of much academic discussion, often with a focus that considers how its employment and (in practical terms), deployment, can significantly impact organisational effectiveness. Such characteristics of leadership (and by extension management), are often stated through the lens of what a given writer considers the most theoretically appropriate. Caillier's (2020) observations regarding perceptions of leadership effectiveness, warns that differing theoretical perspectives and views regarding style can promote a degree of bias based on a given theoretical position and related established expectations of it.

To add to the complexity of the interpretation of leadership and change theoretical traits, when considered in relation to the public sector, Nielsen et al., (2020) identifies that "….*management concepts are modified when they enter the public sector*." (Nielsen et al., 2020, p. 234), a subject that will be considered in greater detail in the next section that looks at leadership in the public sector.

2.6.2 Leadership in the public sector

When considering the question of leadership in the public sector, early theorists suggest that those leading organisations play a key role in shaping critical decisions usually expressed through the role of Chief Executive in the public sector organisations (Dargie,1998). This view is contrary to authors that see the role Chief Executive in more traditional terms, and view the role as one of a senior administrator (Boyne, Ashworth and Powell, 2001). This traditional view suggests senior management are enablers of change rather than drivers of it. Greer and Hogget (2000) see the leadership role as an enabler of change whereas others such as Douglas, Jenkins and Kennedy (2010) consider it pivotal to the formation of strategy which results in change or gives a framework for change to happen. In their work to investigate governance and local public bodies, Greer and Hoggett (2000) do support the notion that executives play a significant role in setting policy and the development of organisational strategy. Taking a more conciliatory approach Hayes (2007) expresses a view that recognises the duality of senior managements' role in stakeholder management and engagement with those tasked with delivering change, which Hayes (2007) goes on to suggest they bridge by fashioning a vision for all stakeholders to follow. Esteve et al., (2012) suggests that Chief Executives can add value when it comes to the formulation of strategy and developing links between wider stakeholders.

Literature relating to public sector leadership and management, whilst not as prevalent as that associated with the general topic of leadership, has over

recent years (post 2016) still been the subject of academic investigation. Such considerations are often couched within the purview of the facilitation of efficiency, response to stakeholder expectations or demonstrable performance within the context of reducing financial and operational capacity (Newcomer, Caudle, 2011; Pollitt and Bouckaert, 2011).

The agenda of cost cutting and its effects on the delivery of public value are still open to much conjecture. According to Schmidt et al., (2017) the drive to cut costs within the public sector may produce a particular type of cost focused organisational change. Schmidt et al., (2017) indicate that the effects of placing public sector managers at the juncture of competing forces for financial resource are unknown and will require further investigation to understand the effects of differing demands. Schmidt et al., (2017) also suggest it is also important to investigate if the approach of the often quoted '*more with less'* (Schmidt et al.,, 2017, p. 1549) agenda has resulted in improved performance.

Before investigating some of the more specific dynamics that influence leadership in the public sector, it is worth considering the notions of success and complexity. A clear definition of successful leadership and management in the public sector is open to much conjecture. In its simplest form it could be judged through the lens of statute, as expressed by the 1999 Local Government Act to deliver value for money, and best value, (HMG, 1999; Flynn and Asquer, 2017). In terms of success, others authors have investigated the abilities of a leader in a public work setting, to be '*transformational'* (Learmonth and Morrell, 2019, p. 68). According to Joyce (2017) reflecting on the early ideas of Osborne and Gaebler (1992) regarding the impact of public sector reforms:

"… *leaders might have to bring about and sustain: competition between public service providers; moving control out of the bureaucracy and into the community (public empowerment); and catalysing actions by all sectors (public, private and voluntary) to solve the public's problems".* (Joyce, 2017, p. 23).

Joyce's quote alludes to the complex nature of the public sector in general. In terms of theoretical perspective, one that is more recently referred to relating to organisational change is Complexity Theory, which some authors suggest offers a perspective to deconstruct and understand the interrelationships of competing forces in the public sector (Gerrits and Marks, 2015). In the context of this research, according to Eppel and Rhodes (2018) there is an acceptance that organisations are complex entities which often experience differing exchanges across numerous organisational intersections which produce a given response or condition. Eppel and Rhodes (2018) also observe that whilst such responses and complexity could be interpreted as a pattern, they note that these patterns are themselves subject to change propagated by changing environmental factors, which can often produce conflicting objectives and leadership goals.

According to Burnes, Hughes and By (2016) "*Despite three decades of transformation and organisational change leadership discourse, leadership is still in crisis*" (Burnes, Hughes and By, 2016, p. 141). Burnes, Hughes and By (2016), suggest the influential work of key change authors such as Kurt Lewin and James M Burns, was *"…often misinterpreted, misunderstood and even misrepresented, their true recommendations were largely ignored*" (Burnes, Hughes and By, 2016, p. 141). Burnes, Hughes and By (2016) suggest if reconsidered, such work recasts "…*change leadership as a utilitarian consequentialist process*" (Burnes, Hughes and By, 2016, p. 141), rather than one focused on the individual.

Academic discourse that plays down the role of the 'leader' during change is not supported by all. With regard to the public sector, Van der Voet (2016) acknowledges that "*The implementation of organisational change is a considerable challenge for public organisations*" and suggests that "*Recent studies have highlighted the importance of leadership in change processes in public organisations*,..". However Van der Voet (2016) does accept that in this regard "…*limited empirical evidence exists…*" to support this and "*Moreover, the contribution of change leadership in organisational change is*

likely to be dependent on the particular characteristics of public organizations.." (Van der Voet, 2016, p. 660). Van der Voet (2016) posits that; " …*change leadership contributes to change recipients' commitment to change by providing high-quality change communication and stimulating employee participation in the implementation of change*". (Van der Voet, 2016, p. 660)

Bohl, (2019) takes the middle ground between the inspirational and socially constructed leadership positions, suggesting leadership considerations should change *"… the frame of reference from leadership as exclusively facilitated through a single inspired leader to one that includes the view of leadership as an emergent and complex social phenomenon.*." (Bohl, 2019, p. 273). Bohl (2019) posits that over recent decades much of the research associated with leadership has been too individually focused, and that from an ontological and epistemological perspective, this approach does not reflect enough leadership as a social construct.

According to Hostrup and Andersen (2020) to be able to respond to the challenges of changing environments and complexity in the public sector described by Van der Voet (2016), leaders in the sector need to engage with and promote a shared vision which in turn they suggest will promote and support service delivery. Hostrup and Andersen (2020) go on to posit that such an approach also helps mitigate internal actors' *self-interest* (Hostrup and Andersen, 2020, p. 1) during change.

As mentioned in the previous section, the perception of attaining successful leadership based on the type of shared vision approach outlined by Hostrup and Andersen (2020) is shared by other authors such as Caillier (2020) who proposes that a democratic approach to leadership can be directly beneficial in terms of performance, and that autocratic styles will have the opposite effect in the sector. Caillier (2020) expands on the proposition of the advantages of co-production to include the perception of service delivery by those experiencing it, suggesting more positive responses are attained by those leaders who adopt a more democratic style. What Caillier (2020) and

other authors do not appear to have tested is the effects of self-selection, or indeed the physiological bias that consultation brings to qualitative analysis of any function or service. Put simply, it could be axiomatic that service users preferred to be asked or included in service discussions, as opposed to not being, without testing if such consultation actually changes pre-established objectives and behaviour (By, 2021). As an example of such bias Desmidt and Meyfroodt (2020) draw attention to the role of strategic planning during organisational change in the public sector. Set in the context of NPM applicable to the UK reforms, their study looked at the use of strategic planning in a range of European local authorities. Building on planned behaviour theory, they observe that during change, local authority politicians are often asked to approve and even engage with strategic planning but note, in reality, little is known about the impact of such plans on politician's behaviour. Significantly, as part of their study into the issue, they also observed that; " ..*a large proportion of politicians reported to be doubtful about their capabilities to correctly interpret their local authorities' strategic plans*" (Desmidt and Meyfroodt , 2020, p. 21). As it could be with the issue of leadership style, Desmidt and Meyfroodt (2020) posit that support for and the regular use of strategic plans may produce what they identify as a "..*self-efficacy..*" (Desmidt and Meyfroodt, 2020, p. 1) for their use. Whilst the work of Desmidt and Meyfroodt (2020) does not provide a causal link, or indeed solution, to questions relating to leadership style and bias, it does explore another form of paradoxical bias within political leadership. This time the bias is based on a willingness to fit in, and follow process, even if such processes are not fully understood by those whose task it is to review, assess and approve them. Within this complex mix of required leadership capabilities, Cabral et al., (2019) draw attention to the importance of stakeholder capabilities and how this plays a part in in balancing complex and differing inter organisational relationships. This complexity and the paradoxes that emanate from public sector leadership, is an issue that will be investigated further in the next section which examines how the complexity and

paradoxes of leadership relate to Chief Executives in public sector local authorities.

2.6.3 Chief Executives in public sector local authorities

Whilst some literature does recognise that the role of public sector Chief Executive has expanded from that of legally constituted local and county clerks (Leech, Stewart and Jones, 2018) to one which now encompasses a wide range of responsibilities (identified in the introduction of this thesis), there is little, if any, theory that examines the role and discretion of Chief Executives in local authorities during change. To support the research aims of this study, this section examines the theory relating to the role of public sector and local authority Chief Executives.

This transition of Chief Executives to an executive lead in the public and local government sector, according to Leach and Lowndes (2007) can be attributed to a government led modernisation agenda. In response to the effects of the transition, Leach and Lowndes (2007) observe that in practice the transition was not binary in nature and they caution that old ways of working often remain, which in some cases can be observed to support the change agenda, or in others obstruct it. To add to the complexity and challenges facing Chief Executives when navigating the landscape of change, Leach and Lowndes (2007) also point out that it is not just a case of understanding current views and expectations because the change process will by its very nature produce new views and expectations as it progresses. In response to this Leach and Lowndes (2007) suggest that effective leaders need to embrace the evolution of views rather than oppose them.

The issue of organisational inertia emanating from established views, expectations and ways of working in response to the public sector modernisation agenda (Leach and Lowndes, 2007) is also identified by Orr (2014) who describe the phenomenon in terms of '*organisational ghosts'*, Orr (2014) suggests these need to be understood if leaders are to successfully

navigate between the historic ways of working, current practice and future expectations.

Consideration of organisational inertia brings with it discussions relating to failure, or the inability to change for a variety of reasons, "*Most change management initiatives fail..*" (Williams and Tobbell, 2017, p. 392). In a study to investigate the views of UK local authority Chief Executives, Williams and Tobbell (2017) suggest that such failure emanates from a disconnect between the objectives of government policies for change, and the recognition that such change can be perceived as coercive, as it appears to lack empathy and understanding of the local paradigm. The perception of what Williams and Tobbell (2017) describe as "…*coercion and control…*" (Williams and Tobbell, 2017, p. 392) offers a different insight to organisational change, as it focuses on individual's reaction to change, rather than some organisational abstract often described in terms of culture. Instead Williams and Tobbell (2017) posit; *"…that the reality is that legislation is responded to and enacted by people who react in ways designed to defend their own positions, irrespective of the worth of those positions. Whether seen as actors in the policy implementation process, or as agents of change, Chief Executives act and react emotionally"* (Williams and Tobbell, 2017, p. 392)

Whilst much of the literature associated with the role of Chief Executives as leaders and change agents, often considers varying courses of action in the abstract, this is not always the case. In the context of Resource Theory and Contingency Theory, Andrews, Beynon and Dermott (2016) provide an alternative viewpoint relating to the issue of resistance to change by investigating issues of capability, stability and contingent complexity and observing that even given the determinates of ambiguity and complexity, successful leadership is associated with high capability, the ability to reduce complexity and promote environmental stability. They also note the lack of such conditions have the opposite effect. Andrews, Beynon and Dermott (2016) go on to suggest that capability is therefore rooted in skills and

approaches that promote simplicity and clarity through clearly thought out organisational design. The issue of the capability of public sector and local government leaders, especially in the context of change agents, is one is that not often investigated. Conversely as Orr et al., (2016) observes, stories of groups of high performing leaders are evident, often sourced from peer groups that in turn can produce an almost self-reinforcing perception of best practice. However, as Orr and Bennett (2016) posit, the notion of organisational stories whilst not always contestable, can interpret the past and be used by leaders to promote collaboration and shape future expectations and values, in what Murphy, Rhodes, Meek and Denyer, (2017) also assert are complex systems.

The issues raised by Orr (2016) regarding the need for Chief Executive leaders to produce an almost collective organisational conscience are supported by Murphy, Rhodes, Meek and Denyer (2017) who suggest that leaders in the public sector need to address the paradox, and associated complexity of delivering change while maintaining day to day functions and performance targets, while guiding and promoting future goals. Murphy, Rhodes, Meek and Denyer (2017) note this is complicated by understanding the entanglement that is produced by the need in some circumstances to apply top down control, whilst balancing it with the promotion of an emergent and congruous vision for the organisation, especially in a sector where the number of actors and contingent participants is growing.

Actors and contingent participants engaged in change in local government and the public sector in general, have emerged from what is now recognised as a place based agenda. According to Bowden and Liddle (2018) the place based agenda has some failings in that it assumes that a corporate co-production agenda, which promotes organisational multi stratified layers of actor collaboration based on recognition of place in which it occurs, can go on to have a significant influence on policy. The concept that policy can be developed and implemented as long as it is been the subject of some form of consultation is challenged by Bowden and Liddle (2018) who posit that in a

political environment, service recipients will, through their engagement, ultimately have a greater influence on not only policy but the application of a given service. This phenomenon they metaphorically describe as the *"..back seat role of technical expert (mechanic), with a more subtle, yet still significant, influence on policy*" (Bowden and Liddle, 2018, p.145).

Hambleton (2019) also recognises the influence that service users can exert through a place based agenda on leadership in the public sector. Hambleton (2019) suggests that the impact is of greater significance to the overall modernisation agenda, in that it imputes a shift from a quantitative, performance led approach in the sector, to one based on civic leadership which "…*involves strong, place-based leadership acting to co-create new solutions to public problems by drawing on the complementary strengths of civil society*" (Hambleton, 2019, p.271). Current literature relating to this shift in approach is still limited, especially when considered in the context of legacy systems and the pervasiveness of a management by results approach which is exemplified by the academic description of what is commonly referred to as NPM (Ansell and Geyer, 2017).

The pervasive nature of legacy systems, ways of working and the challenges facing leaders regarding pre-established organisational culture, in a different public sector setting (the health service), is investigated by Wankhade, Heath and Radcliffe (2018) who, in consideration of a different dynamic,(but non the less relevant across the whole of the public sector), identify that tensions can be established between professional actors and change agent leaders, especially when linked to any quantitative analysis of a given change process. Wankhade, Heath and Radcliffe (2018) introduce a little considered aspect of change associated with identity politics, which recognises that there can be a tension between management generalists, no matter how senior the roles they occupy, and those accredited actors who provide a function or service directly attributable to such accreditation. Wankhade, Heath and Radcliffe (2018) go on to suggest that such roles, which may include for example, legal, planning, financial and other departments prevalent in local

government and across the public sector, if not engaged with appropriately by change leaders, could lead to significant organisational and reputational failure.

Doering, Downe, Elraz and Martin (2019) suggest that perception of organisational threats has had great influence on local government and public sector organisations service deliver. Contrary to other authors, they suggest that the adoption of performance reporting has been welcomed by the sector as a strategy to mitigate reputational threats relating to the actuality or perception of poor service provision. Doering et al., (2019) submit that there is a positive degree of reciprocity that results from performance management in the public sector, in that responses to such performance measures will ultimately evolve to address specific service issues, which by their measurement will prompt improvement.

Literature demonstrates that the challenges facing Chief Executives in local government and the wider public sector are numerous, given the complex and paradoxical nature of the environment in which they operate, and where they must not only manage the *as is* position, but to respond to a modernisation agenda (Harbour and Wilson , 2003); (Leech, Stewart and Jones, 2018).

The evolution of the sector in terms co-production and a place based agenda (Bowden and Liddle, 2018) is bringing with it new and significant challenges for Chief Executives (Doering et al., 2019). Proposed responses to such challenges by some authors posit that there has been a shift to a new management approach (Hambleton, 2019). Others authors identify value in established ways of working (Ansell and Geyer, 2017); (Doering et al.,2019) especially given the resistive nature to change that can permeate from the pervasiveness of established organisational memories, to values and ways of working (Orr, 2014). In terms of the sectors response to a place based agenda, Roberts (2020) questions the value of the development of combined authorities, which themselves bring challenges of threat and change to an already complex public sector and specifically local government landscape.

As this chapter demonstrates, current theory appears to assume that local authorities can be considered similar and that their respective Chief Executives will respond to national policies for change in similar ways. The next section uses the review of literature in this chapter, to answer the research questions, and thereby identify any gaps in knowledge that may be addressed by this study.

2.7 Research questions and gaps in knowledge

The purpose of this chapter was to critically examine literature associated with organisational change in local government service providers and the public sector, to address the research questions posed. Little if any literature considers the role of Chief Executives in local public sector authorities during change, and literature associated with NPM appears to suggest that change can be applied to organisations universally to give similar results. This final section restates the research questions and provides short extracts from literature to address them. It then goes on to identify two possible gaps in knowledge regarding the organisational change literature.

What is the nature of organisational change, what influences it, and what are the circumstances for it applicable to local authority service providers and the public sector?

The literature offers a range of definitions regarding change. Academics such as Osborne and Brown (2005) in citing the work of Lewin (1952) hypothesise change as a series of processes which through "*a set of activities …aims to 'unfreeze- change-refreeze participants' attitudes*" (Osborne and Brown, 2005, p. 92).

According to Du Gray and Vikkelso (2012) when reflecting on the prominence of change as an ongoing organisational objective, observe that; "*On the one hand change is represented as an organisational imperative that increasingly appears to trump all concerns. On the other hand change is addressed as an abstract entity that can be theorised, categorised, evaluated and acted upon without further specification*" (Du Gray and Signe Vikkelso, 2012, p. 121)

Notable authors such as Mintzberg (1994) have suggested that the key to understanding just what is meant by organisational change, is to be mindful of the context in which such change takes place, and notes that in practical terms, such considerations are often qualified by a set of organisational determinants which are in turn moderated by overall objectives.

When investigating organisational change as a phenomenon, research often focuses on the effect of change in terms of its success, failure, or the implications for a given research subject area. In each case the research focus seems to view organisational change as an abstract phenomenon, often process based, with a definitive beginning, middle and end. Whilst the '*one type fits all approach'* to change literature may well align with the afore described common understanding of 'organisational change', to understand if there is indeed a universal approach to organisational change requires a consideration of the conditions that prompt change to ascertain if they are definitive or more nuanced. In terms of influences for change the literature demonstrates that it emerges from both policy and political origins. Within the context of the public sector, there is a divergence of views regarding the influences and circumstances that produce change. Well renowned authors such as Mintzberg (1994) suggests change is inevitable and ongoing, others suggest it occurs after periods of stability in response to specific circumstances, such as changes to organisational resources and capacities (Osborne and Brown, 2005). As established literature demonstrates, change by its very nature is complex. Lowndes and Roberts (2013) from an institutional theory perspective describe organisational change in terms of a transposition from one set of organisational rules and norms to another.

Zeemering (2018) suggests that in the public sector, organisational change should take advantage of the opportunities presented from planning change from a sustainable perspective. Other authors such as Gardner (2017) observes that in English local authorities, no matter what strategy is adopted for change, the era of incrementalism may be at an end as expectations for the sector and a reducing resistance to change will predefine a paradigm shift in the public sector.

How comparable are public sector organisations and do they experience change in similar ways?

Gardner (2017) indicates that in the context of financial austerity the impact of budget cuts to UK local government authorities and other public sector bodies have in some cases been mitigated by changes to the nature of services delivered. According to Bello, Downe, Andrews and Martin (2018) one approach being adopted by local authorities in the UK to mitigate organisational risks and budgetary cuts is the adoption of a shared resource approach with other public sector bodies. Bello, Downe, Andrews and Martin (2018) suggest that in UK local authorities, there is an expectation that such coalitions will bring with them benefits of improved efficiency and effectiveness, without the need to confront the challenges associated with full integration, such as with the formation of combined authorities. Bello, Downe, Andrews and Martin (2018) observe that smaller councils are advocates for the approach, as it offers them the opportunity to remain independent, locally focused and realise cost savings whilst maintaining what are deemed to be key services. Such shared service models being used to address challenges relating to evolving public expectations and budgetary cuts makes local government most apposite (as a representative body for public sector service providers in general), for any study that considers influences for change on them. Assumptions about the comparability of how differing public sector organisations experience change do not appear to be fully addressed in NPM literature, nor does theory associated with national policies that promote the principles of NPM appear to do so either. Instead theory appears to adopt an

almost one size fits all approach when it comes to organisational change in the public sector. References to practice and policies appear to be predicated on assumptions of organisational sameness. As an example established authors such as Dunleavy and Hood (1994) note in order to facilitate a change from PA to NPM thinking requires:
"…*budgets to be transparent….with costs attributed to outputs not inputs…measured by quantitative performance indicators*" and in terms of organisational constructs, that they should adjust to become "…*a chain of low trust principal / agent relationships (rather than fiduciary or trustee – beneficiary ones).."* based on "..*a network of contracts linking incentives to performance*" (Dunleavy and Hood, 1994, p. 6).
Whilst current theory that looks specifically at local authorities does identify that they experience similar influences for change, such theory does not appear to examine to what degree local authorities are different nor does it explore if they react in similar ways to national policies for change such as those associated with the principles of NPM.

How did a New Public Management approach emerge across public sector local authorities?

Research shows there are now substantive bodies of work that considers strategy development, performance management and various management approaches in the public sector, such as PA and NPM. Viewed individually, each highlights an evolving approach in the public sector. A common theme of research suggests that pre the 1960's, the public sector in most cases, was transactional and process driven. As time progressed, the changing environment of user expectations and budgetary constraints began a process of challenge. As decentralisation and co-production models of public service delivery emerged, research demonstrates a recognition that organisations demonstrate an inability to accurately define the future, and that such attempts at definition may even be resisted (Fryer, Antony and Ogden, 2009).

Post the nineteen thirties, the public sector and LA management's approach was a very rigid and process based, developed to cope with increased demands on the service. Academics defined this management approach as "Public Administration" (PA), Greener (2013). Over time, this very structured approach began to be criticized for its inability to respond to policy changes and the ability to provide efficient service delivery. As Osborne (2006) observes, at this time implementation expectations were centrally defined, more often than not by central government, then delivered at a local level within strict delivery terms.

As PA moved into the 1970's, it developed its own definable discipline, known as Public Administration Management (PAM). PAM continued to evolve over the next thirty years into what became, New Public Management (NPM). Key to NPM was the divergence from traditional views of policies and process, to the adoption of a view that a commercial approach would help engender and promote increased efficiencies .Thus public private sector partnerships were formed, departments were encouraged to compete against each other for power and funding, arm's length organisations were formed to deliver numerous key functions that hitherto were delivered in house by the public sector. Existing service offers were in some cases outsourced, or placed in competition with potential external service providers (Osborne 2006). The research shows that as NPM evolved, its efficacy was based more on philosophy rather than evidence based success; unless success is measured in terms of universal adoption. The actuality of adoption of NPM as a change approach across the public sector has become axiomatic, supported by decades of research which covers a wide range of perspectives, regarding not only the ontology of NPM, but also its associated epistemology, these include but are not limited to Dunleavy & Hood (1994); Kooiman (1996); Hood, James & Jones et al., (1998); Pollitt (2000); Brown (2004); Osborne (2006); Downe et al., (2010); Hansen & Ferlie (2016) and Doering et al., (2019).

Has the adoption of New Public Management approach, impacted organisational change in public sector local authority service providers?

Theorist perceptions of the advantages or possible disadvantages of the adoption of NPM vary from those that consider it to be positive and game changing (Hansen and Ferlie, 2016) to those that question the suitability and rationality of the implementation of its core components in a publicly funded setting (Mazzucato, 2013).

Classical authors have always recognised many of the challenges associated with the NPM approach noting that;

"*The term 'new public management' (NPM) is controversial. It is used mainly as a handy shorthand , a summary description of a way of reorganising public sector bodies to bring their management , reporting, and accounting approaches closer to (a particular perception of) business methods"* (Dunleavy and Hood, 1994, p. 6)

The challenge for NPM appears to be that over time, the evidence for its success depends on perspective, Andrews and Entwistle (2013). Andrews and Van de Walle (2013) also acknowledge that; "…*the impact of NPM practices varies according to the level of socio-economic disadvantage confronted by local government*" (Andrews and Van de Walle, 2013, p. 762).

Addressing the issue of perspective, according to Alonso, Clifton and Diaz-Fuentes (2015), even though NPM has been the focus of substantial research, they observe that very little of it considers if its quasi-commercial approach has resulted in a reduction of the sector, or indeed to what extent has it fulfilled its intended aims.

Literature to date to does not confer on NPM in ether a local government setting or in the public sector in general, an acceptance that NPM is an aid to organisational change or indeed a solution to the emerging challenges they face. Instead what emerges from the literature is a series of contradictions,

these range from those theorists that support the adoption of a quasi- market approach, focused on the commissioning of services, (in what most recognise as a dysfunctional true-market), to those that deny that any such market has ever existed. The latter researchers suggest that current custom and practice of the public sector exists somewhere between a new paradigm of NPG and an up-to-date version of PAM, with NPM somewhere in the middle, a conundrum that no literature to date provides a definitive answer to. Whilst established literature investigating NPM from a range of perspectives recognises that the adoption of NPM may vary between organisations, it nonetheless assumes a consistent application of its core principles. Literature does not address if there is local adaptation and selection of national policy during change.

In local authority service providers, what part does role of Chief Executive play during change?

According to Hostrup and Andersen (2020) and Caillier (2020) the ability of the public sector to respond to evolving expectations can depend on leadership and management's perception of the forces for change they are experiencing, and their respective abilities to effect change, including how quickly this can be done. Research demonstrates that *abilities* in operational terms does link to skills and experience, although it recognises that in the context of this chapter the *ability* to effect change refers more to a given managers capacity to effect change, rather than be effected by it (Boyne, Ashworth and Powell, 2001). In terms of the role of leadership during change, authors differ on their perceptions of the role during change. Some see the leadership role as an enabler of change (Greer and Hogget, 2000) whereas others consider it pivotal to the formation of a strategy to provide a framework for change (Douglas, Jenkins and Kennedy, 2010). The literature does demonstrate a consensus for the importance of the role, (Hayes, 2007), be that as a deliverer of change or key influence for it.

Some authors have noted that further research is required to understand the true role and nature of leadership during organisational change, including questioning if there is any difference between the expectations placed on public sector leadership, compared to that of the private sector (Piercy, Phillips and Lewis, 2013). Mazzucato (2013) recognises that there is a perception that the public sector is difficult to transform due to an intransigence and organisational inertia, which results in minimal behavioural and service change. Mazzucato (2013) suggests this perception is false and posits that in reality there is nothing in the deep structure of public sector organisations that prevents innovative change given the right support and opportunity.

Literature demonstrates the challenges facing Chief Executives in local government and the wider public sector are numerous given the complex and paradoxical nature of the environment in which they operate, to not only manage the *as is* position, but to respond to a modernisation agenda (Harbour and Wilson, 2003; Leech, Stewart and Jones, 2018).

The evolution of the public sector in terms of co-production and a place based agenda (Bowden and Liddle, 2018) is also bringing with it new and significant challenges for Chief Executives (Doering et al.,2019). Some authors posit that there has been a shift to a new management approach to such challenges (Hambleton, 2019). Others research identifies value in established ways of working (Ansell and Geyer, 2017; Doering et al., 2019) especially given the resistive nature to change that can permeate from the pervasiveness of established organisational memories, to values and ways of working (Orr, 2014). In terms of the sectors response to a place based agenda, Roberts (2020) questions the value of the development of combined authorities, which themselves bring the challenges of threat and change to an already complex public sector and specifically local government landscape, which Chief Executives will need to be cognisant of and manage. This range of responsibilities therefore makes Chief Executives in local government

service providers a most appropriate focus for any study that looks at organisational change in local government and the wider public sector.

Do Chief Executives in public sector local authorities have any discretion about how they respond to change?

There is very little literature that examines if Chief Executives in public sector local authorities exercise a degree of discretion during change. The following section discusses this, and one other proposed gap in knowledge. It then examines how these proposed gaps in knowledge may be addressed in a future study.

2.7.1 Proposed gap in knowledge

Much of the research investigated in this chapter focuses on the implications of differing approaches to change management in the public sector. Little attention is paid to how Chief Executives in public sector local authorities interpret and apply national policies for change, and how this impacts their role during change. The consideration of the impactful nature of dissimilar organisational environments during change on the role of Chief Executive is also limited. This is a potential gap in literature and therefore represents a research opportunity.

Whist there is a significant amount of theory that investigates how national policies that promote the principles of NPM and the associated marketisation have impacted change in the public sector, all such theory to investigate change appears to be viewed through the lens of a given research area, or the success or failure of a particular management approach. In such research, environmental and organisational similarity and comparability in local government and public sector service providers appears to be assumed, or not considered in any great detail. This approach to the

sameness of the public sector and local government could be a limiting factor as to the veracity of the research and points to a knowledge gap for any conclusions drawn by existing literature.

These two potential gaps in literature represent an opportunity to fulfil the aims of this study which are to:

- Investigate how Chief Executives in public sector local authorities apply and implement government policy during change.
- Explore the extent to which local authorities can be considered similar.

In terms of theoretical orientation for any study, the research in this chapter demonstrates many theoretical perspective have merits, and whilst it appears that organisational change could be aligned with numerous perspectives, as already stated, Complexity Theory through its co recognition of aspects of other theories including Public Administration Theory, and the doctrine of NPM would appear most appropriate for this proposed study.

The next chapter will discuss the methodological options that were considered and selected to fulfil the research aims.

Chapter 3: Methodology

3.0 Introduction

The previous chapter highlighted two gaps in current theory relating to the implementation of national policies for change in public sector local authorities. This chapter describes how a research strategy was developed and then implemented to fulfil the research aims and associated questions detailed in section 1.5 of this thesis, to address the two gaps in theory. The chapter is divided into six sections, the first and second sections discuss how pre research considerations were identified and used to inform the choice of a research strategy. The third section explains how the research was undertaken. The fourth section discusses how collated data was analysed and reported. The fifth section offers observations about the validity of the chosen research approach. The sixth, and last section, considers the researchers' reflective views about key stages of the research process.

3.1 Pre research considerations

Before any research commenced, differing ontological and epistemological positions were considered as part of the research planning process. Philosophical perspectives and theory development options were also considered by the researcher, along with a range of differing methodological and data collection methods that could be appropriate for this study. The following three sections outline these considerations before section 3.2 explains the research strategy chosen.

3.1.1 Ontological and epistemological research considerations

According to Gummesson (2000) in most cases there will be a degree of preunderstanding on the part of a researcher based on either previous theoretical investigation into a particular subject area, or experiential practice, or indeed both, which cannot become unknown. Gummesson (2000) suggests that this '*preunderstanding'* (Gummesson, 2000, p. 15) can manifest as both a positive and negative influence, noting that on the plus side it can help to shape and focus a given research approach, and on the negative side, it can, in certain circumstances, promote a degree of bias. According to Gummesson (2000) the effects of preunderstanding can be mitigated by recognition (by a given researcher) of its existence and, once accepted, then an appropriate consideration of the choice of a given research approach can be undertaken. Gummesson (2000) also offers a degree of comfort and insight to those researchers overly concerned with the effects of preunderstanding, noting that during any research process there is a difference between preunderstanding (knowledge based on what was known), and knowledge gained from understanding what is learnt and interpreted from research, a subtle but important difference. As the researcher had chosen to research into a subject area that he had experience of, this meant that the choice of research strategy would need to reflect this p*re-understanding.*

Gray (2007), in citing the work of Crotty (1998) in consideration of the challenges for a prospective researcher, notes that there are "…*not only a bewildering array of theoretical perspectives and methodologies, but the fact that the terminology applied to them is often inconsistent (or even contradictory)"* (Gray, 2007, p. 16.). In terms of influences for a particular approach, citing the work of Crotty (1998), Gray (2007) goes on to suggest that there is a link between a researcher's epistemological stand point and the eventual research approach adopted.

Saunders et al., (2019), in citing the work of Burrell and Morgan (2016), suggests that: "*Epistemology refers to assumptions about knowledge, what*

constitutes acceptable, valid and legitimate knowledge, and how we can communicate knowledge to others" (Saunders, Lewis and Thornhill, 2019, p. 133) and they offer practical examples of how such assumptions about the nature of a given organisation (in terms of its value and or construct) are often drawn, suggesting that whilst they are nuanced, that this is an important consideration when planning an overall research approach.

Other interpretations of epistemology centre on the acceptance of knowledge. Gummesson (2000) characterises it by posing "..*the question: Can knowledge exist*?.." Gummesson suggests that: "*Three schools of thought give the answers "yes" (dogmatism), "no" (agnosticism), and "maybe" (scepticism)..."* (Gummesson, 2000, p.7). In answer to the question posed, Gummesson (2000) acknowledges the "..*existence of a fuzzy phenomenon called knowledge for granted. Even if this fuzziness is somewhat frustrating..."* (Gummesson, 2000, p. 7). Gray (2007) in an interpretation of Crotty (1998), views epistemology more in terms of ontological perspectives, offering three alternatives to the understanding of knowledge considered through the lens of Objectivism, Constructivism and Subjectivism. Saunders et al., (2019) defines objectivism as an "..*Ontological position that incorporates the assumptions of the natural sciences arguing that social reality is external to, and independent of, social actors concerned with their existence..*" (Saunders et al., 2019, p. 810), Gray (2007) describes Constructivism as a view where "*Truth and meaning do not exist in some external world, but are created by the subjects interactions with the world*" (Gray, 2007, p. 17), and Saunders et al., (2019) interpret subjectivism as an: "*Ontological position that incorporates assumptions of the Arts and Humanities and asserts that social reality is made from the perceptions and consequent actions of social actors (people*).." (Saunders et al.,, 2019, p. 818).

In consideration of Gray's (2007) observations regarding research terminology, there appears to be a high degree of consensus about the interpretation of an ontological perspective, Gray describes ontology as ".. *the study of being, that is, the nature of existence.."* (Gray, 2007, p.16).

According to Gray (2007) Greek philosophy of the fifth century posits two opposing ontological viewpoints, the first centres on "...*a changing and emergent world.."* (Gray, 2007, p.16). (Heraclitean), the second (Parmenidean), Greek philosophy of the 5th century BCE, suggests "..*a permanent and unchanging reality.."* (Gray, 2007, p.16). This second ontological position Gray identified is the one that most readily embraced by western philosophers, as it perceives the composition of reality to be "..*of clearly formed entities with identifiable properties*.." (Gray, 2007, p.17), in contrast to the Heraclitean ontological view, where there is "….*an emphasis on formlessness, chaos, interpretation and absence*.." (Gray, 2007, p.17). In terms of organisational research, the leaning towards a Parmenidean ontology is significant because " *Once entities are held to be stable they can become represented by symbols, words and concept*" (Gray, 2007, p.17)

Other authors such as Saunders et al.,(2019) describe ontological perspectives in terms of a set of assumptions in relation to a given researcher's perception of reality. Saunders et al.,(2019) highlight that such assumptions can have a significant impact, and should be taken into account in the formation of an overall research strategy and inform any epistemological approach.

The differing ontological and epistemological positions are linked to a range of philosophical perspectives. These will be considered in the next section.

3.1.2 Philosophical perspectives

According to Gray (2007), of the many differing philosophical perspectives, positivism and interpretivism have been the most significant in terms of their prevalence of use, notwithstanding that they offer almost diametrically opposed views of how knowledge through research may be attained.

Gray (2007) suggests that a positivistic approach relies on an empirical analysis of data and subsequent accumulation of facts to produce a world view, with results often expressed as laws against which the world view may

be judged. Whilst accepting that this approach has validity in scientific research, Gray (2007) citing the work of Hughes and Sharrock (1997) and Crotty (1998) identifies that one of the key problems with such a philosophical approach is that findings based on empirical analysis can be misinterpreted, or even presented as fact, when in reality they are what Gray (2007) describes, in referring to the work of Williams and May (1996) as '*theory laden'* (Gray, 2007, p. 18).

The perspective of interpretivism could be described as humanistic in that it relies on either human interpretation of experienced social reality, (*Symbolic Interactionism),* or a conceptualization of human practice and realities (*Phenomenology)*, (Gray, 2007). According to Gray (2007) in citing the work of Cotty (1998) the key to interpretivism is that it focuses on the interpretation of the "..*natural reality.."* (Gray, 2007, p. 20) and that "*While the natural sciences are looking for consistencies in the data in order to deduce 'laws'.." "…the social sciences often deal with the action of the individual..*" (Gray, 2007, p. 20)

In terms of philosophical choice, Gummesson (2000) questions if it is possible when conducting research to work in terms of one absolute philosophical perspective compared to another, and suggests that whatever the choice of approach, it will in some part be influenced by a researcher's pre understanding, experiences, and ways of working. Whilst Gummesson (2000), like Gray (2007), draws a distinction between a positivistic and a humanistic theoretical perspective, Gummesson (2000) citing the work of Glaser and Strauss (1967) suggests that one solution to mitigating the influences of pre understanding is to bring together the benefits of both positivistic and humanistic theoretical positions by using grounded theory comparative analysis techniques. Regarding the benefits of grounded theory analysis, Corbin and Strauss (2015) observe that grounded theory offers a unique form of qualitative analysis, to iteratively analyse data to identify themes, which can then be used to inform further research, until core concepts are identified to support theory development.

Whilst Gummesson (2000) is not prescriptive about the choice of a particular approach to develop theory, Gummesson (2000) observes that notwithstanding any ontological, epistemological, or philosophical perspectives, careful consideration needs to be given to the options available to develop theory if the influences of pre understanding are to be truly mitigated. Such theory development options will be discussed in the next section.

3.1.3 Theory development options

According to Saunders et al., (2019) there are three primary approaches to research theory development which need to be considered before choosing a particular research methodology. Saunders et al., (2019) suggests that the three options to develop theory are either, deductive, inductive or abductive.

There appears to be a high degree of consensus in academic literature as to the meaning of each theory development approach. As examples, Miles et al., (2014) in citing the work of Wolcott (1992) describes a deductive approach as one centred on testing a particular theory or hypothesis, more specifically in terms of a research strategy they note :

*"In **deductive** strategy, the researcher has some a priori orienting constructs and propositions to test or observe in the field. These analytic units are operationalized and then matched with a body of field data.."* (Miles, Huberman and Saldana, 2014, p. 238), alternatively;

"*In the **inductive** approach, the researcher discovers recurrent phenomena in the stream of field experiences and finds recurrent relations among them. These working hypotheses are modified and refined progressively as fieldwork progresses. The causal network emerges piecemeal and inductively..*" (Miles, Huberman and Saldana, 2014, p. 238)

As was the case with a particular philosophic perspective, Gummesson (2000) again questions the ability of a researcher to be mutually exclusive to a particular theoretical perspective. Not fully supporting this position, Miles et

al., (2014) suggests that whether a deductive or inductive approach is taken, that they are in fact "*dialectical rather mutually exclusive research procedures*" (Miles, Huberman and Saldana, 2014, p. 238). According to Miles et al., (2014) whilst both approaches may culminate in theory development through data analysis and observation which is refined over time, they draw a clear distinction between the two approaches, citing the work of Wolcott (1992) they note that in the case of deduction the approach is one of "*theory first*", whereas in the case of induction, the approach is one of "*theory later*" (Miles, Huberman and Saldana, 2014, p. 238).

When considering the '*differences and similarities'* (Gummesson, 2000, p. 9-10) between a consultant and theorist researcher when developing theory, Gummesson (2000) suggests how each uses practice to contribute theory, and describes a similarity between the *'consultancy'* researcher associated with an inductive approach to theory development, and conversely the '*academic'* with a deductive approach to theory development (Gummesson, 2000, p. 9-10).

Gummesson's (2000) observations, whilst primarily focused on the influence of practice on theory development , encapsulated by the two chosen roles (consultant and academic), also goes on to highlight the similarities and lack of mutual exclusivity between them, which suggests in reality, research can encapsulate to a greater or lesser degree both positions. Supporting the work of Gummesson (2000), according to Saunders et al., (2019) research conducted into management is in practice often abductive and relies on both an inductive and deductive approach to theory development. Citing the work of Suddaby (2006) they note:

"*Instead of moving from theory to data (as in deduction) or data to theory (as in induction), an abductive approach moves back and forth, in effect combining deduction and induction..*" (Saunders, Lewis and Thornhill, 2019, p. 155).

Saunders et al., (2019) note that in terms of theory development: "*abduction begins with the observation of a 'surprising' fact; it then works out a plausible*

theory of how this could have occurred" (Saunders, Lewis and Thornhill, 2019, p. 155). Whilst this delineates abduction in its own right as an approach to theory development, citing the work of Van Maanen et al., (2007) Saunders et al., (2019) also "..*stress that deduction and induction complement abduction as logistics for testing plausible theories..*" ,

Saunders et al., (2019), citing the work of Easterby-Smith et al., (2012) (written in the first person), suggests there are three reasons why it is important to consider carefully how theory is to be developed, which are, *"First it enables you to take a more informed decision about your research design…Second, it will help you to think about those research strategies and methodological choice that will work for you and, crucially, those that will not, ….third that knowledge of the differing research traditions enables you to adapt your research design to cater for constraints..*" (Saunders, Lewis and Thornhill, 2019, p. 157).

Given the observations of theorists including Saunders, Lewis and Thornhill (2019) and Gummesson (2000), the researcher notes that the choice of research methodology needs to recognise that the divergences and ambiguity of approaches to theory development will be influenced by circumstance and pre understanding. Building on these observations, the next section will discuss the researcher's consideration of differing research methodologies on which to base the research.

3.1.4 Methodological considerations

Gray (2007) asserts that the choice of a given research methodology depends on a number of factors, starting with ontological and epistemological research orientations, moving on to the consideration of a given approach to theory development, and finally the choice of research approach. However, according to Gray (2007) experimental (deductive) research, in practice, is very difficult, if not impossible, to conduct, especially when investigating groups, as it is difficult to design a method that takes into account variability associated with them. Instead Gray (2007) suggests, in practice, most

researchers adopt what Gray (2007) describes as a ‘quasi- experimental’ research approach, often linked with a quantitative approach to data analysis. Alternatively Gray (2007) suggests qualitative research associated with a phenomenological perspective, offers an opportunity to adopt methodologies associated with analysis of data gained through subjective interpretation of views, opinion and experiences of the chosen research participants. Gray (2007) offers a number of general research approaches associated with either quantitative or qualitative research, with the first based on experiment and surveys and the second conducted though, for example, grounded theory, ethnography, or heuristic inquiry. However, Gray (2007) does caution about being too prescriptive, noting other research approaches may be interchangeable, including such alternatives as case study and action research.

Saunders et al., (2019) in consideration of methodological choice, broadly supports Gray’s assertions, also noting that *“in reality, many business and management research designs are likely to combine quantitative and qualitative elements*” (Saunders, Lewis and Thornhill, 2019, p. 175), which according to Saunders et al., (2019) is usually associated with a mixed method philosophical perspective. However, making an observation about methodological choices in general, Saunders et al., (2019) note that much can depends on the dynamics between the observer and the observed, in that it may range from a one off scientific observation, to a series of observations which occur as singular events, or ones where collective data compounds to inform further investigation. Saunders et al., (2019) categorise the differing approaches to the choice of research method as ‘mono’, ‘multi’, and ‘mixed’ , noting (as described earlier), that the first two can both be associated with either quantitative or qualitative approaches to data analysis, whereas the latter encompasses both.

Theory clearly shows that no matter what methodological approach is taken, to optimise it, due consideration of how data is to be collected is important, the consideration of which will be discussed in the next section.

3.1.5 Consideration of differing ways of collecting and analysing data

Whilst many authors such as Gray (2007), Miles et al., (2014) and Gummesson (2000) note general associations with those methods which may be considered axiomatic regarding the analysis of quantitative and qualitative research data, none are actually definitive in terms of their links to a specific methodology or approach to data collection. As an example Saunders et al., (2019) note that, "*Quantitative research is principally associated with experimental and survey research….normally conducted through the use of questionnaires or structured interviews or possibly structured observation. However analysis techniques research can be used …….often thought of being qualitative, such as action research, case study... and grounded theory.."* (Saunders et al., 2019, p. 178). However, in terms of qualitative research, Saunders et al., (2019) also go on to note that: *"Some of the principle strategies used …are: Action research, Case Study….Ethnography, Grounded Theory and Narrative Enquiry …..Some of these strategies can also be used in quantitative research design, such as case study …or be used in mixed methods.."* (Saunders et al., 2019, p. 180).

As research shows, there is great deal of flexibility in terms of choice of approach to collate and analyse data. Having considered differing ontological, epistemological and philosophical perspectives on which to base theory development, and differing methodologies and data collection options to do so, the following sections explain and describe the researcher's choice of each, and how they were incorporated in the chosen research strategy for the study.

3.2 Chosen research strategy

As already identified in previous sections, literature highlights the importance of establishing a philosophical position from which to develop a research

strategy (Miles et al., 2014). Other academics such as Gummesson (2000) indicate how important it is important to avoid the effects of bias. For this study, the researcher recognised that previous work experience naturally brought with it a potential bias, based on what Gummesson (2000) described earlier as '*preunderstanding'* (Gummesson, 2000, p. 15). Rather than interpreting this as a negative, the researcher adopted Gummesson's positive assumption that such knowledge can also add value by providing a degree of focus, where bias is mitigated by clearly identifying at the outset the researcher's ontological and epistemological positions. This approach ensures that any third party consideration of future findings and theory development from the research could be undertaken in the full knowledge of how it was constructed.

From a philosophical perspective, the researcher considered differing positions. However, as the focus of the intended research was to be based on the feelings and views of public sector leaders, to understand how they experienced social reality, it became clear that an interpretivist philosophical perspective would be the most appropriate to aid understanding. As findings and views are often experienced in differing ways and can be disjointed. It was also clear that the identification of any concepts and theory were going require a qualitative iterative process, one where knowledge would emerge based on the identification and refinement of themes until core concepts emerged on which to base theory.

Regarding the analysis of data, a range of options were considered, but given the risks that some might present in terms of bias, the researcher chose grounded theory, because it offered the opportunity for findings to emerge from an ongoing review of associated themes, concepts and categories of varying levels. In terms of application of this approach, appendix 3 provides a summary of the refining process of a grounded theory approach to analyse data.

Due consideration of differing ways to collect research data were also considered. Building on the work authors such as Saunders et al., (2019) and

Miles et al., (2014), the features of each were considered using the table in appendix 4 entitled “A review of possible research strategies”.

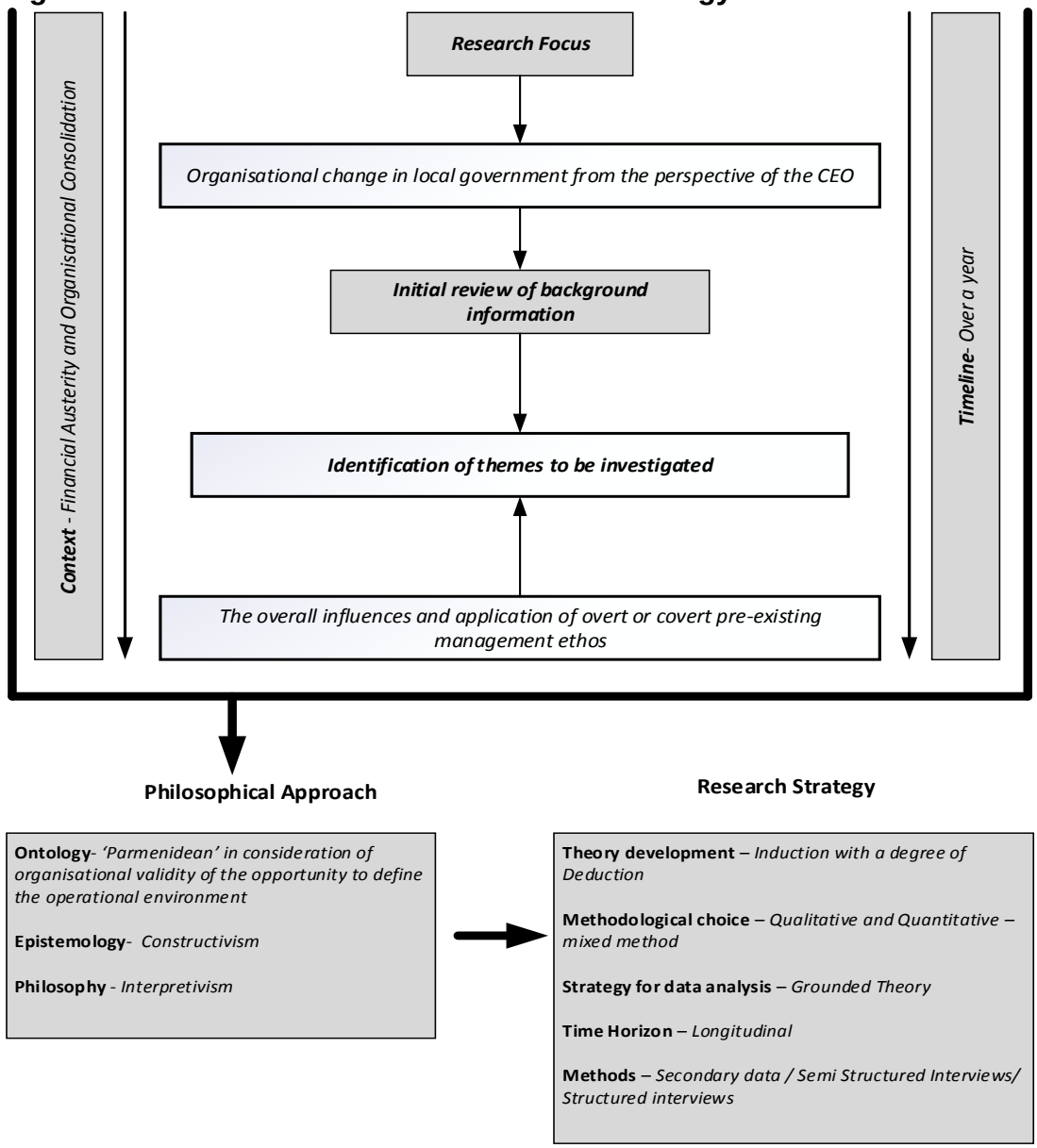
This review highlighted the benefits and possible limiting factors (see appendix 5) of primarily using semi-structured interviews to collect research data to avoid bias and allow themes and concepts to emerge over time on which to base theory. Other data collection approaches were considered such as a case study, or structured interviews, but the researcher felt that they were either not appropriate to the nature of the study, or may introduce a degree of bias if used to the exclusion of others data collection approaches.

The researcher decided to begin the data collection process using a mixed method approach. This approach was chosen because it allowed the researcher to set the scene for the whole research process. The research began with a small number of structured interviews, each based on themes and issues identified from the analysis of national policies and then progressed to numerous rounds of semi structured interviews.

The semi-structured interviews were initially based on issues and low level categories identified from local corporate service delivery documents and initial meeting analysis. Whilst each semi structured interview was primarily planned to investigate a particular low level category, the chosen grounded research approach ensured that both the researcher and interviewee was able to introduce subjects and feedback relating to other low level categories at any time which they felt were pertinent to the subject being discussed.

As the semi-structured interviews progressed, data from them was refined and refocused to support the development of subjects to discuss. Fig 1 provides an overview of the chosen research approach. The next section will discuss how the research for the study was undertaken.

Fig 1. An overview of the chosen research strategy



3.3 Undertaking the research

This section begins with an explanation of how and why the researcher reviewed national, regional and locally relevant policy documents associated with change in the public sector and local authorities, before planning for any initial meetings or discussions. This section then goes on to discuss the

various aspects of work undertaken to engage with the research participants, including their selection, initial informal meetings, and subsequent formal semi structured interviews.

3.3.1 Review of national, regional and locally relevant policy documents associated with change in the public sector and local authorities.

The researcher undertook a review of government web sites to find the national, regional and locally relevant policy documents associated with change in public sector local authorities. These included those associated with the ONS, H.M Treasury and relevant government departments. Analysis of the reviewed government documents was undertaken using an open coding approach. The purpose of the review and analysis was to set the scene for future research to be undertaken, by identifying any issues and common thematic concepts relevant to the stated research aims of the study.

To begin the process of undertaking the research, possible research participants needed to be identified and then selected to hopefully represent at least one of the recognised public sector service delivery models, as outlined in Table 1 of this thesis. The next sections describe how this was done.

3.3.2 Identification of possible research participants

At the outset of the research, the researcher had some concerns about persuading Chief Executives in the public sector to participate in research, given the commitment and time that may be required to do so. However, having worked in the public sector, the researcher did have access to a network of formal and informal CEO contacts. The researcher used this network to arrange an informal discussion with one Chief Executive, to enquire if it would be possible for them to suggest other Chief Executives that may be willing to participate in a study that investigates change in the public sector, and then pick at least one representative of an organisation that

primarily uses each type of service model, accepting that there would always be a slight degree of crossover between service delivery approaches. The researcher could have used contacts previously worked with, but the researcher felt that this may bring a degree of pre-conditioning and bias that would impact the research. The response to the request for unknown contacts was immediate and very positive, five were suggested, and when each were subsequently contacted, they all responded positively to the opportunity, an approach sometimes referred to as snowball sampling (Saunders et al., 2019).

At this stage, engagement with possible research participants was undertaken by phone. During these conversations the researcher made it clear that any research would be subject to University of York approval to proceed, which the researcher emphasised, may not be given. In terms of process, differing options were mentioned to the participants, including some form of interview. Using the definitions of differing service delivery models described in chapter one, the researcher also enquired if the potential research participants recognised and agreed with the researcher's definition of service models in the public sector and local authorities. All of the research participants confirmed that they did, and felt that from the definitions provided they could each recognise their own primary service delivery approach.

The researcher thanked the five possible research participants for their interest to participate, and explained that the next stage of the process would be to identify and confirm one participant to represent each service delivery model. To achieve this mix, the researcher asked if it would be possible for each of CEO's to provide a copy of their respective corporate plans for review, all happily agreed to do so.

The researcher advised the possible research participants that if approval to procced with the research was given, then the researcher would contact them again to arrange further meetings to discuss and select participants for the research. All acknowledged that they understood the process and were still willing to participate if chosen to do so. Of interest was that, except in one

case, the researcher only had tentative knowledge of the possible participants, and had not directly or indirectly worked with any of them. The researcher felt this unfamiliarity would add value to the authenticity of the overall research and selection process.

3.3.3 Selection of the research participants

A headline review of the respective corporate plans of the five potential research participants reaffirmed that between them they represented all of the four key service delivery models, (although in terms of management approach and structures there were many commonalities). Participants were then considered on the basis of their differing approach to service delivery and organisational structure.

Two participants worked for organisations that had similar service models. The researcher looked more closely at the governance of each organisation, and found that one was part of a combined authority. Being part of a combined authority meant that for this potential participant, their degree of autonomy was more limited, compared to the other. The researcher felt that this could introduce a degree of bias, and it was for this reason that the researcher chose to deselect the research participant that came from a combined authority.

Whilst this selection process done by the researcher may be considered to be a form of pre-selection, the researcher felt that the risks from it was very limited because, as yet, participation in the research was tentative and based on limited background information. To ensure the choice of research participants made was correct, the researcher undertook a more detail review of the respective corporate plans and the publicly available work history backgrounds of each of the four remaining potential research participants.

The background investigation reaffirmed the researcher's earlier choice of a research participant per service delivery model. The review also showed that the chosen Chief Executives came from a range of public sector and local

authority service providers. Between the chosen CEO's they have 126 years' experience in the public sector, 29 years at Chief Executive level, and serve a population of 939,700, in an area of 11,110 square km. Between the CEO's they manage a combined turnover of £383 million. Excluding the representative of the statutory service provider, the fire and rescue service, collectively they serve 61 differing political wards and 102 councillors. The statutory service CEO reported to a local fire authority board made up of members representing 8 differing divisional areas. All of the research participants confirmed that they had worked with a range of politically constructed authorities throughout their careers as senior leaders. As a matter of record, the background investigations showed that amongst the research participants there were a higher proportion of conservative led legislatures.

Once the background investigations and review of local corporate plans were complete, the Chief Executives selected for the research were notified, and asked if they were still willing to participate in the research. They were advised that if they were happy to proceed, the researcher would contact them again to arrange an initial face to face meeting. The researcher explained that the intended meeting would be split into two parts, the first would be to review the intended research approach, which would be set out in a research agreement document. The second part of the meeting would be used to set the scene for the research by discussing thematic concepts identified by the researchers' analysis of government public sector change policy documents and their corporate plans. All of the remaining four participants indicated they were willing to participate and were looking forward to the process.

The Chief Executive not chosen to participate in the research was also contacted to explain why they were not selected and to thank them for their interest. Interestingly, this Chief Executive responded by expressing a view that, if required, they would be very happy to engage with the process at a

later date, and would be willing to support the research in any way they could. The researcher thanked the Chief Executive for this offer, and then proceeded to arrange the initial participant meetings for those remaining.

3.3.4 Initial research participant meetings

The initial meetings with the four research participants went very well and were conducted between June 2015 and December 2015 (see appendix 6). The purpose of the meetings (as set out in the previous sections), was to finalise and agree how the research was to be undertaken, and discuss the themes identified from the various national policy documents associated with change in the public sector and corporate plans.

During the first part of the meeting, a number of differing research methodologies were discussed with the research participants, however it soon became clear that given the audience, requests to complete a number of questionnaires as some form of substitution for interviews would not be well received, or indeed provide the level of detail the research called for. It was therefore agreed with the participants that the research would be undertaken by conducting a number of interviews each based around a given theme. During these discussions, all of the potential participants made it clear that engagement with the research would only be on the basis that their anonymity and confidentially was protected and that they would not be asked to comment directly on political issues. This position regarding political comment was not unexpected, given that most of the Chief Executives had gone to some lengths during these initial discussions, to describe how important it was to them to respect the separation of powers between the executive and legislature.

To address the research participants concerns, the researcher spent a significant amount of time with each of them, reviewing a prepared participation agreement. The participation agreement made it clear that only the researcher and University staff and associates would have full access to research data. It also stated that any quotations in findings would be non-

attributable, as an example, the document sets out how participants feedback would be recorded using a process of anonymous codes; “participant ‘A’, or ‘B’ or ‘C’” rather than using their names.

With regard to the participants’ respective organisations, the document also described how organisations would only be identified in terms of their service structure, derived from consideration of their corporate plans. Assurances were given that no specific organisational demographics, expenditure or resources would be quoted, as it was observed that this this could be used to identify individual organisations, and as such constitute a breach of confidentially.

Not providing identifying organisational demographics, expenditure or specific resources was not considered a concern by the researcher, as the researcher felt that by addressing the participants concerns of confidentially it would encourage them to be open and fully engaged with the research process.

Following the detailed discussions about the terms of the proposed research agreement, all participants indicated they were happy with it and duly signed the participation agreements.

The second part of the initial meetings was a discussion about organisational change using the thematic concepts identified from the researcher’s review of national policy documents and corporate plans.

Using the thematic concepts identified from national policy documents and corporate plans proved to be very useful, as it established a common language, and the researcher felt put the Chief Executives at ease. The researcher took notes during the meetings so that they could be used later as part of the analysis process. Whilst the research agreement did explain that, following this initial meeting, subsequent semi-structured interviews would be recorded, the researcher felt it appropriate and a matter of courtesy, to again seek the research participant’s approval to record the forthcoming meetings. In response, all of the participant’s agreed that they were happy to be

recorded. The next section describes how the semi structured interviews were conducted.

3.3.5 Conducting the semi structured interviews

Between December 2015 and Oct 2016 the researcher conducted semi-structured interviews and final meetings with each of the participants (see appendix 6). Each of the semi-structured interviews were based on a series of open questions derived from the open coding analysis of national policies, local corporate service plans and initial meeting notes undertaken, to identify thematic concepts and low level categories. Whilst each interview was primarily intended to investigate a particular low level category, it was made clear that some of the researcher questions would include subjects relating other low level categories. Should they wish to, interviewees could also introduce subjects relating to any of the other low level categories as they felt appropriate. How these thematic concepts and low level categories were identified will be discussed in later sections that examine how the analysis of data was undertaken.

The interviews were recorded, and proved to be open and convivial in nature. Participants appeared to enjoy the process and some indicated that they found the process beneficial, observing that it gave them time to reflect on their own work. All the participants discussed on multiple occasions how the approach allowed them to either challenge their own, or others, thinking in their organisations. Each of the semi structured interviews were themed to address the identified low level categories. As already stated the interviews also included questions relating to other identified low level categories. During the interview, themes were not followed rigidly by the research participants and, often digressed into one of the other low level categories which the interviewees felt were pertinent to the issues being discussed. To provide the research participants with an opportunity to revisit any issues they felt important, the penultimate interviews took the form of a general discussion. At the conclusion of these penultimate meetings each participant

appeared to want to continue the process. To address this, and to bring some closure, a final meeting was arranged with each participant to offer them the opportunity to reflect on the whole research process.

The whole interview process commenced in June 2015 and ended in October 2016. During this time 30 meetings/interviews were conducted each ranging from 45 minutes to up to 2 hours in length, which produced a substantive body of recorded research data.

During the last discussion with each participant, the researcher thanked them for their participation and support, and explained that the data would now be iteratively analysed using a grounded theory approach. This researcher explained that this would allow it to be refined down to identify a number of core concepts, on which to base the development of theory. The analysis of the collated data from the interviews will be discussed in the next section.

3.4 Analysis of the collected data

The analysis of national policy documents, corporate plans and initial meeting notes prompted the researcher to observe a slight divergence between the corporate messaging of the provided documents and the views expressed by the participants. This section explains how this divergence helped inform the development of a weighted data analysis process to iteratively analyse the information that emerged from the semi structured interviews to ultimately report and identify a number of core concepts on which to base the development of theory.

3.4.1 Analysis of national policy documents for change, local corporate plans and the initial meeting notes

Obtaining national, regional and locally specific policies was not difficult, as all were available from a number of government web sites. The search for the

documents took a number of days and produced a large amount of text to review. As table 2 shows, the open coding of the policy documents identified four separate thematic concepts, each with a number of associated issues and trends, these were; change, environment, change development and change process. The analysis also highlighted one common feature associated with each thematic concept, this was that they all appeared to embrace the processes and expectations associated with the delivery of BV and VFM statutory duties, which as chapter two showed, academics would associate with the doctrine of NPM.

Table 2. Open coding using document analysis of National, Regional and Local policy documents to identify links with a NPM approach

Identified Headline Issues	Brief description related to issues and trends	Thematic concepts for discussion
Evolving stakeholder expectations, and its link to a New Public Management (NPM) approach	*Re alignment of organisation to meet demands – Statutory duty to deliver Best Value (BV) and Value for Money (VFM) and the correlation to elements of a (NPM) approach*	Change
Evolving political expectation and its link to a NPM approach	*Competing internal and external forces – Statutory duty to deliver Best Value (BV) and Value for Money (VFM) and the correlation to elements of a (NPM) approach*	Environment
Focus on delivering efficiency and its link to a NPM approach	*Management of risks and definition of current and future expectations – Statutory duty to deliver Best Value (BV) and*	Change Development

Table 2. Open coding using document analysis of National, Regional and Local policy documents to identify links with a NPM approach		
Identified Headline Issues	Brief description related to issues and trends	Thematic concepts for discussion
	Value for Money (VFM) and the correlation to elements of a (NPM) approach	
Evolving management approaches and its link to a NPM approach	*Clarification and definition of skills – application of the relevant constituent elements of a NPM approach*	Change Process

The next stage of the analysis process was to undertake a headline open coding review of the potential research participants local corporate service delivery plans. The aim of this headline review was to confirm that each of the chosen research participants represented one of the following service delivery models.

- Service delivery model that relies upon mostly internal resources and capacity – (In house service delivery)
- Service delivery model that prefers a greater degree of outsourcing of services – (Commissioning),
- Service delivery model that uses a blended approach, through a number working partnerships and internal resources – (Blended service delivery)

- Service delivery model that provides a statutory function (fire and rescue services) within a defined service model, using mostly if not all internal resources and capacity- (Statutory service delivery)

Once the research participants were selected, a more detailed analysis of their respective local corporate service delivery plans was undertaken, again using open coding techniques. This analysis was conducted for three reasons, firstly to highlight the key features and issues associated with each service delivery model, secondly to analyse how such features and issues associated with each service delivery model aligned with the national policy thematic concepts, identified in table No 2, and thirdly to confirm the thematic concepts to be used in the initial participant meetings. Table No 3 shows the results of this analysis used to inform the initial meetings.

Table 3 - Open coding of the respective research participants local service delivery and corporate plans to confirm common thematic concepts.

Primarily service delivery model	Key features of model	Brief description related to issues per service model	Identified thematic concepts for general discussion at the initial research meeting
Commissioning	Service delivered by external partners, usually procured and defined by contractual terms, improvement management approach	• Financial constraints • Increased service expectation • Service sustainability and evolution • Economic prosperity • Political influence and organisational collaboration • Optimisation of	• Change • Environment • Change Development • Change Process

Table 3 - Open coding of the respective research participants local service delivery and corporate plans to confirm common thematic concepts.

Primarily service delivery model	Key features of model	Brief description related to issues per service model	Identified thematic concepts for general discussion at the initial research meeting
		commission model • Place based strategy • NPM approach	
In house delivery	Services delivered using internal resources, capital and infrastructure, improvement management approach	• Financial constraints • Skills and capacity • Increase service expectation • Service sustainability and evolution • Economic prosperity • Political Influence • Available skills and capacity • Service focus • NPM approach	• Change • Environment • Change Development • Change Process
Blended service delivery	Service delivery using a combination of	• Financial constraints • Increased service expectation	• Change • Environment • Change

Table 3 - Open coding of the respective research participants local service delivery and corporate plans to confirm common thematic concepts.			
Primarily service delivery model	Key features of model	Brief description related to issues per service model	Identified thematic concepts for general discussion at the initial research meeting
	own in house resources and externally commissioned services, improvement management approach	• Service sustainability and evolution • Economic prosperity • Political influence and organisational collaboration • Optimisation of commission model • Place based strategy • Available skills and capacity • NPM approach	Development • Change Process
Statutory service delivery	Service delivery provided within defined statutory limits using mostly in house capacities and resources, improvement management approach	• Financial constraints • Increased service expectation • Service sustainability and evolution • Political influence and collaboration • Available skills and capacity • Statutory service	• Change • Environment • Change Development • Change Process

Table 3 - Open coding of the respective research participants local service delivery and corporate plans to confirm common thematic concepts.

Primarily service delivery model	Key features of model	Brief description related to issues per service model	Identified thematic concepts for general discussion at the initial research meeting
		design expectations • Statutory service delivery • NPM approach	

The analysis of the local corporate plans also highlighted one major difference between one of the research participant organisations, (the statutory fire and rescue service), and the other participants. The difference rested in the extent to which any given organisation was focused on delivering statutory services, and in this regard, the fire and rescue service had a greater degree of organisational purpose, whereas the other three organisations had a more diverse range of services and functions.

Having established an organisational difference between the Fire and Rescue Service compared with the others, initial research meetings were planned and conducted using the thematic concepts identified in Tables No 3 and 4. During these initial meetings the researcher took informal notes which were then analysed, using an in-vivo analysis approach, to produce a list of four key potential risk related themes, the risk coming from not achieving them, these were:

- Improving efficiency
- Fulfilling increasing stakeholder expectations
- Providing increased accountability
- The promotion and development of new ways of working

None of the themes identified from the analysis of the meeting notes were unexpected, as they were all alluded to in the various participants' corporate plans. What was surprising was none of the public facing corporate plans appeared to go on to consider how such issues may impact their service delivery or indeed pose a long term risk to their respective organisation's effectiveness.

Put simply, whilst the corporate plans identified the challenges of new ways of working and the financial and stakeholder pressures the organisations were experiencing, all the documents set such challenges in almost neutral / opportunistic terms. However, in the initial discussions, all of the participants discussed the same issues, in terms of their potential risks to their organisational continuance, as well as an opportunity for change.

The next stage of the analysis was to bring together the themes and issues associated with the policies, plans and initial meeting notes, using open coding, to identify a number of low level categories on which to base the semi structured interviews. Table No.4 shows the results of this analysis. Appendix 7 provides a table that shows how the same data set was used to produce a list of issues and questions to begin the semi-structured interviews. Interestingly, the list of issues and questions in appendix 7 again appears to have a direct correlation to various aspects of (BV) an (VFM) which as chapter 2 demonstrates, are very much aligned with academic expectations associated with New Public Management (NPM).

Table No 4. Open coding of thematic concepts derived from national policies, local corporate plans and the initial meeting notes to identify low level categories

Thematic concepts from national policies and local corporate plans	Themes identified from initial formal meeting	Identification of Low Level Categories
Change	Improving efficiency	Change Initiation
Environment	Fulfilling increasing stakeholder expectations	Organisational Environment
Change Development	The promotion and development of new ways of working	Change Strategy
Change process	Providing increased accountability	Quality and Performance

Using the questions listed in appendix 7 as a starting point, the semi-structured interviews were conducted and recorded. The next section explains how this data was analysed.

3.4.2 Analysis of the semi structured interviews

The interview process produced a significant amount of recorded data. Initially the researcher attempted to analyse the data by listening to it, to try to pick out key points. This method proved ineffectual as the output produced was not coherent, and given that each interview included responses that related to all four low level categories, this simple approach had the effect of missing out large amounts of data. To address the concerns about missing data, the researcher re-examined theory relating to grounded theory data analysis. The researcher did this to ensure that any revised approach aligned with the principles of theory development through qualitative thematic data analysis.

With this theory in mind, and with the support of the researchers supervisors, the researcher resolved to format the data in such a way as to allow for continued analysis, using the Low Level Categories (identified earlier) as a starting point. This analysis came in the form of a number of formats (tables and spreadsheets), each respected the anonymity agreed with the participants by identifying them by service type and using a letter cipher to identify individual responses.

The first data analysis work involved transcribing all of the data collected. This was then coded using the thematic low level category headings as a guide, which were then colour coded, for ease on analysis. The transcription process edited out general unrelated conversational elements and focused instead on elements of the responses that related to the posed questions and any other supplemental observations. A further round of open coding was then applied to the data collected, this identified over seventy categories.

To take the analysis further, required a format to allow for axial coding by individual and service specific response, (now conceptually ordered), against the numerous categories, so that per the service type, individual responses could be attributed to support the identification of number of high-level categories that were common, or specific, to each. To do this, a weighted

table (spreadsheet) to record the frequency of specific category responses against all service types was produced. The approach to codify which high-level categories were of high, medium, and low occurrences, in terms of their thematic origins, produced both empirical and qualitative data. Consideration of this data then informed a further round of selective coding to produce saturated data. This saturated data was used to subsequently identify a number of core categories. The approach also highlighted any outlying responses attributable to a specific service type. To identify key findings, a further round of analysis by integration of the identified core categories was undertaken. Appendix 8 provides an overview of the data analysis process. This whole process took many weeks of work and numerous discussions with the researchers' supervisors. However, once complete, it was felt that the output from the analysis process was both rigorous and robust. How the analysis of key data was reported, is discussed in the next section.

3.4.3 Analysis reporting

Applying a grounded theory approach to the analysis of the substantive amount of recorded data, bought into focus the question of how best to report the key findings. With the support of the researcher's supervisors, it was decided that each key finding and its associated high level categories would be reported in the findings chapter using a number of sections and subsections.

Each section would report the key finding and describe how it was identified using a grounded theory approach. High level categories on which the key finding was based would then be listed in bullet point format, so that each could be examined in greater detail using the research participants' responses taken between Dec 2015 and Oct 2016. At the end of each key finding section, a summary of what was found would be provided. Appendix 6 provides a list of the months when interviews were conducted, with which participant, and the primary but not exclusive theme for the interview.

Once all key findings were reported, the chapter would then consider the implications of specific and common high-level categories associated with all the identified key findings and associated core categories, to report any commonalty and any differences. All of these observations would then be summarised at the end of the findings chapter.

With any adopted research strategy there are always questions to be asked about its reliability and validity, these will be discussed in the next section.

3.5 Observations regarding the reliability and validity of the chosen research strategy

According to Saunders et al., (2019) the notion of reliability and validity of qualitative research is contested by some writers. In citing the work of Wolcott (1990) , Miles et al., (2014), notes that some authors offer alternative approaches to the assessment of qualitative research, by suggesting instead that there should be a consideration of "*deep **understanding** instead"* (Miles et al.,, 2014, p. 313). However, there is a high degree of consensus as to the meaning of the terms. "***Reliability** refers to replication and consistency. If a researcher is able to replicate an earlier research design and achieve the same findings…**Validity** refers to the appropriateness of the methods used*" (Saunders et al., 2019, p. 213-214). The interpretation of whether or not a given piece of research meets the criteria of validity and reliability, also expressed by other author's such as Gray (2005), is aided by guidance offered by Miles et al., (2014) who offer useful points to consider when conducting qualitative research. With regard to the application of Grounded Theory to analyse data in terms of validity and reliability, Corbin and Strauss, (2015) also offer a number of considerations. Summarized they include, "*engaging in the **refuting principle** by refuting assumptions in the data"…"using **constant comparative method** by comparing one case*

against another"…."doing ***comprehensive data treatment*** *by incorporating all cases into the analysis"…"****searching for deviant cases*** *by including and discussing cases that do not fit the pattern"…"and* ***making appropriate tabulations*** *quantitative figures when these make sense as in mixed-method designs*" (Corbin and Strauss, 2015, p. 342). Note: Bold text used to maintain emphasis of the text.

Upon reflection, applying the tests set out by Corbin et al., (2015), the researcher noted early in the data collection process, that the information collated often refuted some of the researcher's *pre-understanding*. Such observations were used to continue to shape the overall research process. The application of grounded theory to identify low level categories through to core categories (as shown by the graphic in appendix 8), iteratively ensured data from the research was constantly reviewed and fed back into the research process. In terms of validity, the researcher included all the feedback and background data from the identified research participants, which from the outset helped in the identification of a differentiation between one of the participants (a statutory provider) and the other participants. Finally in terms of appropriate tabulations, the researcher found that in order to make sense of the volume of data provided and be able to focus in on saturated or *thick* information, a mixed method approach was required. This sense-making involved the use of a blended approach based on qualitative data being quantified using weighted analysis, as described in earlier sections. Building on this experience the next sections offers some of the researchers' reflexive observations regarding the chosen research strategy.

3.6 Researchers' reflexive observations of the chosen research strategy

The following sections are the researcher's reflexive observations regarding the various aspects of the chosen research strategy. This section begins with the work undertaken by the researcher to obtain ethical approval from the

University of York to undertake the research, before moving to consider the choices made to collate and analyse data.

Building on the observations regarding undertaking the research, this section then progresses to offer reflexive opinions about the importance of the use of language while conducting research, and the willingness of the research participants to act as proxies for their respective organisations.

3.6.1 Obtaining university ethical approval to undertake the research

Whilst the researcher had a general overview about how the research was going to be conducted, and even with whom, until reaching the point of submitting the ethics submission form, the researcher had not actually had to document the process. The researcher remembers glancing at the Universities Ethics Submission Form; this produced a realisation that any ideas that the researcher had that this was going to be a simple formality, were soon dispersed. In fact, the Ethics Submission Form document highlighted that there were issues that the researcher had often talked about but not clearly considered, or decided how they would be addressed, data protection being one good example.

The Ethics Submission Form supplied from the University proved to be invaluable, in that, through its careful breakdown of the research process, articulated by questions listed under key headings, it did in effect, force a consideration of what needed to be done, why, how and in what order. The Ethics Submission Form was short and got directly to key points. Completing it was a challenge, yet very beneficial, as it brought a degree of focus to the researcher's thinking regarding the choice of ways to collate and analyse data.

3.6.2 Choices made to collate and analyse data

With the research focusing on public sector leaders, the researcher wanted to engage with them to gain an understanding of their actions and

perceptions regarding organisational change. To conduct the research, the researcher chose a qualitative approach because, according to Miles, Huberman, and Saldana (2014), it is best placed to gain an understanding of any forthcoming explanations and descriptions from those that agreed to participate in the research.

However, rather than approaching such investigation from a deductive standpoint, to avoid ontological bias as much as possible, which emanated from the researchers work experience, the researcher wanted to start from a more natural position of inductive research, so that responses and actions could be considered and assessed on their own merits (Miles, Huberman, Saldana, 2014). In consideration of Miles, Huberman, and Saldana (2014), the researcher concluded this inductive approach would also help to mitigate bias, and by setting the scene, give more credence to the analysis of emergent data.

In terms of the epistemology of the research, the researcher considered numerous philosophical perspectives to approach the research including objectivism, constructivism, and subjectivism. Reflecting on the work of Gray (2007), and given what the researcher wanted to achieve with the research, objectivism (postulating an independent reality) and subjectivism (postulating a mutually exclusive reality), did not seem appropriate, so both were rejected in favour of constructivism, (postulating meaning through interaction with others). This choice seemed to align more with the researchers' high level research objectives to understand senior public sector leaders' responses and views about change in the public sector and local authorities (Gray, 2007).

Regarding the theoretical perspective of the research, the researchers' initial intention was to adopt a purely phenomenological approach, (experiential consideration of a given reality). However, after further investigation, the researcher felt a more mixed method approach based on an initial interview, primed by secondary data, followed by numerous rounds of semi-structured interviews, and would be more appropriate to achieve the researchers' aims.

Whilst alternative approaches were considered, in the researcher's view, the choice of grounded theory to analyse the data collected from the research was the right choice. Grounded theory was chosen because it allowed the findings to emerge from the ongoing research process (Grey 2007). In terms of validity of data, in the researcher's opinion, the iterative approach of grounded theory data analysis, when applied to social science research, can provide an evidential journey as to how conclusions were drawn and prevent them for being identified too early. On the down side, in the researcher's opinion, to apply grounded theory diligently requires significant rounds of data analysis which need to be evidenced to show how it has been undertaken.

3.6.3 Undertaking the research

The review of national policies relating to change helped identify a number of very high-level thematic concepts on which to base the initial face to face meetings with potential research participants. This approach proved to be invaluable as it provided a common language to explore a wide range of issues relating to change in public sector local authorities, without being too specific. The initial meetings with the participants proved to be very candid and open. The meetings highlighted obvious differences in service delivery models, yet many commonalities, which were usually focused around the allocation of resources. Whist the commonalities between the research participants could have been predicted, what the initial meeting also highlighted was that each research participant's perception of them was in fact nuanced, and open to a wide range of interpretations. The initial meetings indicated that to fully appreciate the nuances and interpretations, any issue needed to be considered through the lens of each participant's perception of the environment in which they operated, especially when considering their views on such issues as organisational validation and self-protection.

Once all the corporate documents were reviewed, it became apparent that the thematic concepts that emerged from them, when considered in the context of the themes that emerged for the initial meetings, were too generic and lacked focus. To address this, a further round of analysis would be needed to bring together the two data sources. Revisiting the initial meeting notes also highlighted that even with the consolidation of the two data sources to identify a number of low levels categories, then questions to examine low level categories would have to be carefully constructed.

It would have been too easy for the researcher to just decide on a list of questions to examine the low level categories, however, the researcher knew this approach could potentially introduce bias to future discussions with the research participants. To avoid such potential bias, the researcher decided to use in vivo and open coding approaches to code the initial meetings and corporate documents, thereby converting key phrases and stated objectives and statements into a list of questions. This approach proved to be very successful, and ultimately prompted the research participants to develop questions and issues of their own, which they felt were pertinent to the category being discussed.

The semi structured interviews went well. All of the research participants fully engaged with the research process and the semi structured interviews often exceed the time allocated for them. Research participants often suggested additional issues relating to differing low level categories to be discussed outside the framework of pre prepared questions associated primarily with each low level category. This response was better than could be hoped for, as it allowed themes to emerge as the interviews progressed. Interestingly, after the first few interviews, the research participants became very relaxed with the process. Over time all of them appeared to use the meetings as a type of confidential forum in which to explore their ideas and concepts associated with the challenges of their respective roles. At the conclusion of the interview process, all of the research participants stated that they enjoyed the process, two even suggested they would miss the monthly discussions, all asked to keep in touch both formally and informally, which the researcher

did. The interview process also highlighted two other key issues, which were firstly the importance of language when conducting research, and secondly the research participants perceived willingness to act as proxies for their respective organisations. These two issues will be discussed in the next sections.

3.6.4 The importance of language when conducting research

The research process highlighted how important the use of language is to investigate and then describe a particular phenomenon. The researcher concluded this was especially true for issues associated with management theory. It became clear from the initial research participant meetings, that none of the participants recognised the term NPM. However, they all appeared very knowledgeable about the core tenets of NPM (New Public Management) when discussing BV and VFM statutory duties placed upon them by central government. It could be argued that all this highlighted was a difference between practitioner and academic descriptions of a particular phenomenon. Given the importance placed on NPM in public sector change theory, the researcher decided to re-examined literature associated with NPM, to clarify how its core tenets were described. The researcher found the descriptions of the core tenets of NPM in theory, very often matched those used by the research participants to describe what they recognised to be core tenets of BV and VFM. Based on this observation, the researcher concluded that it would be reasonable to investigate issues associated with NPM, by investigating those issues associated with research participant's perceptions of statutory BV and VFM.

Considering the use of language from an engagement perspective, the researcher also noted from the initial meetings, that the use of academic terms was not always well received. On occasions the researcher noted that the use of such terms had the effect of changing the congeniality of the discussions. With the risk of disengagement in mind, and bearing in mind the researcher observations about NPM and BV and VFM, the researcher

resolved to shape the interview questions around the low level categories in line with the themes and common core tenets of NPM, without referring to NPM specifically, instead using recognisable features and terms associated with VFM and BV. This approach proved to be highly successful and well received. One subject not brought up by the research participants was their appropriateness to act as proxies for their respective organisations. The next final section will examine the researcher's reflexive views about this issue.

3.6.5 The willingness and ability of the respective research participants to act as proxies for their respective organisations

As described in earlier sections, the researcher observed that national policy makers seem to assume that all local authorities are similar and that their respective Chief Executives will interpret and respond to national policies for change in similar ways. Such assumptions of similarity between local authorities and their respective executive leadership during change, appear to suggest that national policy makers, rather than individual Chief Executives, are the only ones able to act as a proxy for the needs and expectations of local authority stakeholders.

Based on the researcher's reflexive observations of how the respective Chief Executives engaged with the establishment of this study, the researcher would suggest that each Chief Executive considered themselves to be a proxy for their respective organisations needs and expectations. This proposition is based on the initial interactions between the researcher and respective Chief Executives. In all cases, none of the Chief Executives suggested that the researcher should interview additional contacts, to either underpin their views, or offer a differing one to their own. Interestingly, even though all of the respective Chief Executives highlighted political influence as a key driver for change, at no stage did any of them suggest that their political leaders be contacted for their views on policy, or change, or the study itself.

This attitude of being a proxy for their respective organisations also extended to the discussions about future themes on which to base the research, and the identification of key issues associated with their corporate plans. In all cases the Chief Executives confidently expressed their views as if to act as a de-facto proxy for their respective organisations. Again, at no time did any of the research participants (Chief Executives) suggest that the researcher should triangulate their views with any alternative sources, such as their senior work colleges, as just one example. This attitude of the research participants (Chief Executives) raises questions relating to how Chief Executives apply and implement government policy during change and to what extent all local authorities can be considered similar.

3.7 Chapter summary

This chapter provided on overview of the process to identify and apply an appropriate research strategy to investigate and address the research aims of this thesis. Once all the data from the study was collected, its analysis using a grounded theory approach proved to be far more involved than the researcher had initially anticipated. Using a grounded theory approach did allow findings which were not initially obvious to emerge overtime. All the of research participants fully engaged with the research approach and thanks to their commitment, four key findings were identified on which to base future theory development. How these findings emerged will be discussed in the next chapter.

Chapter 4: Findings

4.0 Introduction

This chapter documents the findings that resulted from research undertaken to investigate organisational change in local authorities from a Chief Executives' perspective. The chapter begins with a background review to reaffirm the overall context for this research, before progressing to report on the various lines of enquiry. The reporting of the lines of enquiry starts with an overview of the research orientation, how the research participants were to be represented in the study and the initial research meetings. This chapter then discusses what the researcher found regarding the use of language when conducting research, before progressing to discuss how data from the findings was documented and analysed using the approach, as described in the methodology chapter. This chapter then introduces the key findings, before detailing how the findings were arrived at. This chapter concludes with a summary and reflection of the overall research process.

4.1 Background review

Whilst incremental change in the public sector may be normative when considered through the lens of positivism, according to Hayes (2007) the degree of change can either be substantive, or minor, and be supported, or resisted. Hayes (2007) goes on to suggest that organisational change can either be rapid and fundamental, or slow and iterative, resulting from what Hayes (2007) refers to as '*punctuated equilibrium'* (Hayes, 2007, p. 5). Hayes (2007) observes that change does not always have to be beneficial, adding that in some cases it can even be destructive. Hayes (2007) suggests that destructive change can produce a paradox where the change process itself begins "*undermining the assumptions that people make about themselves and how they relate to the world around them"* (Hayes, 2007, p. 20). Osborne (2006) observes that in response to influences for change, public sector

organisational expectations are often centrally defined by government policy, yet delivered locally.

There can be no better demonstration of government influence than that which occurred in late 2014 when the government tabled proposals to introduce the opportunity for the formation of devolved organisational structures known as combined authorities. These proposals provided for the formation of newly constituted bodies that could encompass the functions of local authorities (councils) and could in some, but not all, circumstances be responsible for other statutory service providers (HOCL, 2015).

As identified in chapter one, in England most councils seemed to have embraced the formation of combined authorities, given that following royal assent of the Cities and Local Government Devolution Bill (2015), many have either established, or are in the process of establishing, combined authorities (HMT 2015). In its initial format, constituent members of a combined authority put forward a leader to represent them in what is a legally constituted body to manage agreed functions. However, the emergence of combined authorities has in many cases not removed councils' and public service providers' statutory duties, which are,

"usually responsible for services like: Rubbish collection, recycling, council tax collection, housing and planning applications" (Gov.uk 2019.) *www.gov.uk understand how your council works. Downloaded March 2019.*

Other responsibilities of the statutory service providers include such as, the fire and rescue service.

" *The Fire and Rescue Services Act 2004, sets out the responsibilities of Fire and Rescue Authorities (FRA's), there are four key responsibilities that they must make provision for including: Extinguishing fires in their area, protecting life and property in the event of fires in their area, rescuing and protecting people in the event of a road traffic collision, and rescuing and protecting people in the event of other emergencies"* (L G A 2019) *www. Local gov.uk*

Roles and Responsibilities of fire and rescues authorities. downloaded March 2019.

The 2004 Act also sets out the priorities placed upon the fire and rescue service by central government, which include a requirement to,

"..*work in partnership with their communities and a wide range of partners locally and nationally to deliver their service, and be accountable to communities for the service they provide"* (LGA 2019) *www. Local gov.uk Roles and Responsibilities of fire and rescues authorities. downloaded March 2019.*

The extracts from this government guidance document indicate that the statutory framework in which the Fire and Rescue Service (FRS) operates, is prescriptive and complex, compared to those working in district and city councils. City and district council statutory frameworks, though no less onerous, are generally described in higher level terms, and are also less prescriptive. This is why the researcher found, that to fully investigate change in public sector local authorities, it was important to include at least one representative of each service delivery model (describe earlier in chapter 1), including one from a statutory service provider (the fire and rescue service).

4.1.1 Research orientation

In terms of research orientation, the researcher chose to examine organisational change from the perspective of Chief Executive Officers (CEO's), as they are often responsible actors for its fulfilment. To avoid the effects of *preunderstanding,* described by Gummesson (2000) in chapter 2, the researcher chose to use semi structured interviews, coupled with a grounded theory approach to analyse data (described in the methodology chapter), with specific research aims to:

- Investigate how Chief Executives in public sector local authorities apply and implement government policy during change.
- To explore the extent to which local authorities can be considered similar.

4.1.2 Representation of the research participants in the study

The Chief Executive Officers (CEO's) that took part in this research came from a range of public sector and local authority organisations. Each represented a differing service delivery model (confirmed from the analysis of their respective corporate plans). It was agreed at the outset of the research process that individual anonymity and corporate confidentiality was critical to each participant. It was agreed with each participant that no organisational demographics, expenditure, or specific resources would be identified in the reported findings; instead an overview of the service models would be reported. It was also agreed that individual quotes would also be anonymized by referring to the service delivery model of the Chief Executive only. As agreed with the research participants, the following table 5 outlines how each of the four Chief Executives, that represented the range of differing service models, would be identified.

Table 5 - To show participants response code for each participant's service delivery model		
Participant Service Delivery Models	Key Features of Service Delivery Model	Participant Response Code – Ranging from A to D
Commissioning	Service delivered mostly by external partners, usually procured and defined by contractual terms.	A
In house delivery	Services delivered using mostly internal resources, capital and infrastructure.	B
Blended service delivery	Service delivery using a combination of own in house resources and externally commissioned services.	C
Statutory service delivery	Service delivery provided within defined statutory limits using mostly in house capacities and resources.	D

4.1.3 Initial research meetings

As outlined in the methodology chapter, the initial research meetings were part of the process to prompt engagement and were therefore informal in nature. Observations from the initial meetings were noted by the researcher. The initial meetings were loosely conducted to discuss common themes identified from the analysis of relevant national policies relating to change in

the public sector and local authorities, and the research participants' local corporate plans.

The researcher's notes from the initial meetings identified many common issues between the respective research participants, which could, at first glance, be considered axiomatic. However, the notes also highlighted that, rather than being definitive, research participants responses were nuanced and would need to be considered through the lens of the environment in which they operated. Views in the initial discussions extended to such subjects as improving efficiency, increasing stakeholder's expectations, the promotion of new ways of working and how to provide increased accountability.

Analysis of the initial meeting notes identified that the themes (from the key document review) were no longer appropriate, as they did not adequately reflect the response nuances and issues identified by the research participants. To address the appropriateness of the original high-level themes, an open coding approach was applied to the full range of initial data collated. This resulted in the identification of a number of low-level categories on which to base future semi – structured interviews. These low-level categories were; *change initiation, organisational environment, change strategy* and *quality and performance.* Whilst each interview was generally structured to discuss each low level category, to avoid bias and to allow issues to emerge, each interview allowed subjects relating to the other identified low level categories to be discussed. How this emergent data was analysed will be considered in section 4.1.5. Before this, the next section will consider what the researcher found regarding the use of language and terminology to conduct this research.

4.1.4 Observations regarding the use of language and terminology to conduct this research

The preliminary research meetings highlighted the pitfalls of using academic terminology to structure investigative questions, or describe observable

phenomena, especially when such investigations and descriptions related to management approaches. Findings from the initial corporate document reviews and subsequent informal discussions (described in the methodology chapter), clearly pointed to what literature identifies as the facets and traits of the application of a New Public Management doctrine (described in chapter 2 the Literature Review). However, it became clear from the early discussions that the use of such terminology, whilst recognisable to the research participants, was not well received and could even be judged to have a negative effect, which manifested itself as a degree of disengagement from the research participants. However, by maintaining a focus on language and terminology which reflected language used in the corporate documents (even though they were focused on the contiguous issues and facets of a NPM approach), disengagement was averted.

4.1.5 Semi-structured interviews and analysis

The semi-structured interviews with the research participants were conducted over a number of months, each primarily based on thematic concepts and previously identified low-level categories. As previously stated, each interview allowed discussions to emerge relating to other identified low level categories. The output from over 14 hours of meetings produced a large amount of data. The analysis of this research data highlighted a number of common categories that emerged from coding of the interview data. To demonstrate how the analysis of data collected relates to the findings, Fig 2 provides a process flowchart that shows how concepts and category findings emerged from each stage of the analysis.

Table 6 shows the findings at each stage of the analysis.

Fig 2. - Data analysis overview

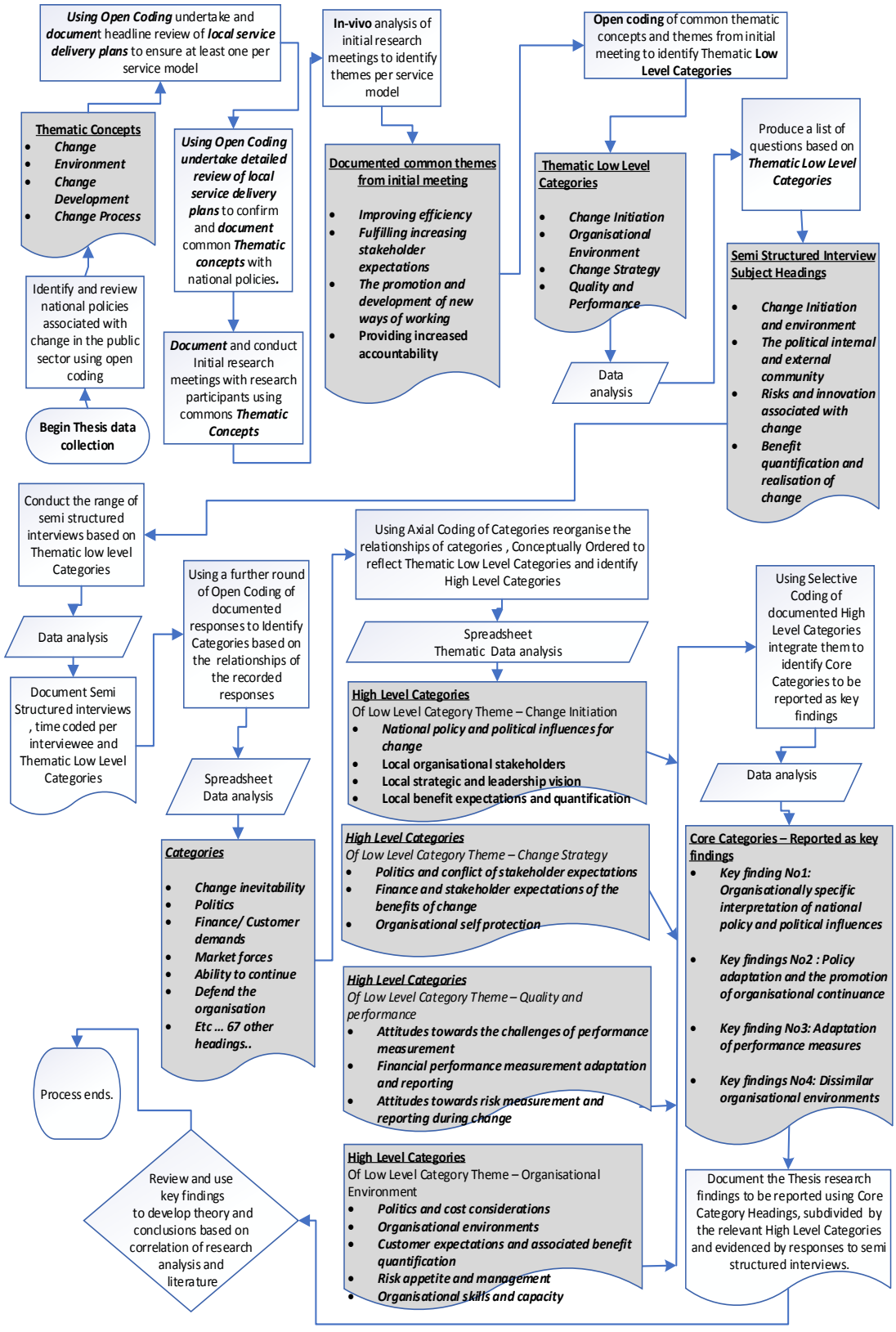


Table No 6. - Simplified Key Data from Analysis Overview of Fig 2.

Thematic Concepts *using* ***open coding*** *of National policies and local corporate plans. Corp' plans were also subject to* ***open coding*** *headline review to confirm service models*	***Themes per service model*** *using* ***In-vivo coding*** *analysis of initial informal meetings*	*Thematic* ***Low Level Categories*** *using* ***open coding*** *common thematic concepts from national and local plans and themes from the initial meeting. A series of questioned produced based on low level categories to conduct semi- structured interviews..*	***Categories*** *based on a further round of* ***Open Coding*** *of the text of the key feedback from semi structured interviews to identify relationships between them and the thematic* ***Low Level Categories***	***High Level Categories*** *based on* ***Axial Coding*** *of* ***Categories*** *to provide a reorganisation of relationships between them , conceptually ordered to reflect the* ***Thematic Low Level Categories*** *on which to base further analysis*	***Selective Coding*** *of* ***Integrated High Level Categories*** *to identify* ***Core Category. Summary description of Core Category*** *identifies the* ***Key Findings,*** *to be later synthesised with literature to develop theory*
Change	***Improving efficiency***	***Change Initiation***	• ***Change inevitability*** • ***Politics*** • ***Finances /Customer Demands*** • ***Market Forces '*** • ***Ability to continue*** • ***Defend the Organisation, etc*** • ***67 other headings ...***	• ***National policy and political influences for change*** • **Local organisational stakeholders** • **Local strategic and leadership vision** • **Local benefit expectations and quantification**	***Organisationally specific interpretation of national policy and political influences – Key Finding No 1***
Change Development	***The promotion and development of new ways of working***	***Change strategy***		• ***Politics and conflict of stakeholder expectations*** • ***Finance and stakeholder expectations of the benefits of change*** • ***Organisational self protection***	***Policy adaptation and the promotion of organisational continuance – Key Finding No 2***
Change Process	***Providing increased accountability***	***Quality and performance***		• ***Attitudes towards the challenges of performance measurement*** • ***Financial performance measurement adaptation and reporting*** • ***Attitudes towards risk measurement and reporting during change***	***Adaptation of performance measures – Key Finding No3***
Environment	***Fulfilling increasing stakeholder expectations***	***Organisational environment***		• ***Politics and cost considerations*** • ***Organisational environments*** • ***Customer expectations and associated benefit quantification*** • ***Risk appetite and management*** • ***Organisational skills and capacity***	***Dissimilar organisational environments– Key Finding No4***

Grounded Theory - Iterative Research Progress

4.1.6 Identification of the key findings

Open coding analysis of the interview responses from the semi-structured interviews (primary data) resulted in the identification of a large number of categories (72 in total), see Fig 2 and Table No 6. At this stage of the analysis, interview data, was in effect a categorical breakdown of interview responses. To be of use, axial coding was applied to the numerous categories to identify thematic high level categories. To do this, as the methodology chapter describes, a weighted analysis approach was applied. Further analysis and a final round of selective coding resulted in the identification of four core categories, summarised and documented as the four key findings listed below:

- **Finding 1.** When critically examining the similarities between local authorities and how comparable their responses to national policies that promote the principles of NPM and associated marketisation of the public sector are, rather than being similar, the findings show that during change there are, locally ***organisationally specific interpretations of national policy and political influences.***

- **Finding 2**. When investigating how Chief Executives in local authority service providers apply and implement government policy during change, the findings show that rather than adopting and implementing policies in a consistent way, especially when such policies may challenge their organisational existence, policies are subject to ***policy adaptation and the promotion of organisational continuance.***

- **Finding 3.** When investigating how Chief Executives in local authority service providers adopt performance management measures, the findings show that whilst they embrace the use of them, when implemented, they demonstrate a propensity to use them to support their own objectives by promoting ***adaptation of performance measures.***

- **Finding 4.** When critically examining the similarities between local authority environments and how this may impact their response to national policies that promote the principles of NPM and associated marketisation, the findings show that local authorities experience and respond to change in different ways and have ***dissimilar organisational environments.***

Each key finding will now be scrutinised in more detail by examining the analysis they were derived from, beginning with the key finding of organisationally specific interpretations of national policy and political influences.

4.2 Key finding No1. - Organisationally Specific Interpretations of National Policy and Political Influences

Key finding No 1, relating to the organisationally specific interpretations of national policy and political influences, emerged from the initial thematic concept of *Change*. An open coding approach of the Chief Executive research participants' initial meeting responses, and issues associated with the initial thematic concept of *Change*, produced the low level category of *Change Initiation*. Both the initial thematic concept and the low level category were primarily, but not exclusively, used to inform a succession of interviews which were analysed using open coding to identify a number of categories. These categories were then analysed using the weighted analysis technique described in the previous methodology chapter. Applying this analysis approach, for this finding, high frequency category responses were those that occurred more than six times, medium responses were those that occurred six times or less but greater than three times, and finally low occurrences were those that occurred three times or less. The weighted analysis produced four high level categories. When selective coding was applied to

the four high level categories (See Fig 2 and Table No 6), it enabled the identification of this core category, reported as Finding No1.

To show how each of the four high level categories contributed to the identification of Key Finding No1. This section examines the research participants responses relating to each of the four high level categories associated with Finding No1, which were:

- National policies and political influences for change
- Local organisational stakeholders
- Local strategic and leadership vision
- Local benefit expectations and quantification

4.2.1 National policies and political influences for change

In various semi structured interviews, the participants were asked about what prompts an organisation to change from its business as usual activities, and if there any specific drivers for it. In response, most, but not all of the participants, observed that they saw change as an opportunity to respond to changing demands from their service recipients, usually referred to as '*customers'* (Participant B, 2015a);(Participant C, 2016a), or to fulfil an ambition to promote new ways of working. They acknowledged that sometimes they drove for change just because they could, or because they were cognisant of the changing landscape of technological capabilities, and wanted to utilise such capabilities. In this regard, Participant B (2015c) noted that change can be "…*Political/ Financial/ Sociological or just because it can also can be technology, or services not in tune with customer demands"* (Participant B, 2015c). The participants recognised that any change process needed to accept that the world is changing and that it is advantageous to try to be ahead of these changes. Some of the research participants favoured the outsourcing of services to third party providers, in many cases, to other public sector bodies. In adopting a partial outsourcing model, they also

promoted a degree of reciprocity, demonstrated by them also offering a number of outsourced services to other councils.

The findings show that this *sale* of their services has introduced a new dynamic to those that have adopted this approach, that of market competition with other like-minded public bodies.

"I think there is two things, first of all an understanding how the world is changing, and how the organisation needs to change with it…..hopefully ideally in advance of those changes actually happening" (Participant C, 2016c)

The findings showed that in response to external influences for change, local actors also adopted nationally promoted management approaches to facilitate change such as "*Prince 2*" (OGC, 2005, p. 1) to manage it.

According to the Office of Government and Commerce (OGC), "PRINCE *(**PR**ojects **IN C**ontrolled **E**nvironments) is a structured method for effective project management.."* and *"PRINCE2 is a de facto standard used extensively by the UK government and is widely recognised and used in the private sector, both in the UK and internationally*" (OGC, 2005, p. 1)

To put this approach further into context , according to the Deputy Chief Executive Officer of the OGC, "*Change has become a way of life for organisations that need to achieve greater efficiency and better value for money, and to be more effective or competitive in order to thrive.*" and *"PRINCE2 is recognised as a world class international product and is the standard method for project management, not least because it embodies many years of good practice in project management and provides a flexible and adaptable approach to suit all projects.*" (OGC, 2005, p. v)

Given the recognition of the participants that some of the influences for change centre on ongoing national expectations and demands, it raises the question as to whether change is just a part of local business as usual, or a response to a given set of external political circumstances that produce a tipping point to promote organisational change.

This dichotomy between change just being part of everyday business as usual, compared to something that was driven by external motivations, was highlighted by Participant D (2016c) who noted, "....*change is inevitable, and the reason for change is to keep pace with society we are providing the service to*..." (Participant D, 2016c). This response in itself set the scene for the reason for constant change, and places it in the context as it being part of business as usual, a position supported by the other research participants, who when questioned about the inevitability of change responded *"..yes.." "..we have to constantly adapt..."* (Participant C, 2016c)

However, when questioned further about change, it soon became apparent that the participants felt that whilst it was reasonable to be responsive to national political objectives and promoted processes, such objectives could not be considered in isolation. All the participants quickly focused on how such policies and processes needed to be adapted to reflect local resources and the associated local enabling support required for any change process/ programme, therefore preferring to see change as "*a combination of forces external or internal and organisational ambition."* (Participant D, 2016c)

Language and the use of certain terms initially made it difficult to understand the key points the participants were making about local determinates for change. The narratives provided in response to the questions about capacity seemed a little vague. The use, for example of the word, "*resource*", was difficult to define, however after further general discussion it soon became clear that it translated to *money*, *"...I think the trick to survival over the years with reducing financial resource, which is not a surprise, is about grasping that nettle early and managing a programme of cost reduction with an eye on maintaining statutory function.."* (Participant D, 2016d)

From the earlier responses to questions centred around influences for change, none of the direct quotes mentioned money as a driver for change, preferring to see "…..*the reason for change is to keep pace with the society we are providing the service to*" (Participant D, 2016c). This type of response indicated that it was almost as if just linking service delivery to money was in

someway not acceptable. However, when the question was restated, set in the context of local finance specifically, it emoted a number of very direct responses which not only decoded some of the initial general terms used, but also highlighted that whilst national policies and influences were important, of greater importance was their adaption to ensure local sustainability in all its forms. As an example Participant A (2016b) noted that whilst drivers for change were the: "….*financial challenge No1…"* then consideration of "..*a place based approach…"* the "*…impact on the environment around us"….*and "*what are the new opportunities you can seize to assist your sustainability and survival…"* (Participant A, 2016b). Such a response began to make sense, as through the concept of place based organisational models, national policies were being adapted to support local place based objectives.

The place based approach to service delivery has existed in the public sector for some time. As explored in chapter 2, (the Literature Review), a place based model recasts the public sector provider as co provider of services responding to local needs and expectations. In such a case, local organisational sustainability therefore becomes an imperative if such services are to be provided. As a response to change, the concept of local organisational sustainability brings into question the role of local organisational stakeholders during change, an issue to be considered in the next sub section.

4.2.2 Local organisational stakeholders

Having considered how national policies and influences are adapted to accommodate local objectives, this section considers how this adaptation occurs and the role local stakeholders play in shaping such change.

As this stage, it is helpful to consider differing types of organisational change from a purely practical standpoint. The findings highlighted two options. The first Participant D (2016c) referred to as a "*big bang"* approach. Simply put, this involved moving from the established organisational position, to a completely new one in a very short time. The second option centred around a

more iterative approach, where change takes place over a longer period, delivered on an ongoing basis. For either case, it became clear that one of the key local risks to the delivery of change was resistance to it from all quarters, as exemplified by the following response: "*big bang or iterative without any knowledge of background or knowledge of the organisation or environment in which you are operating is going to be more problematic"* (Participant D, 2016c).

When discussing risks associated with organisational change the findings produced a number of responses. The first was the need to understand the local background to any change programme, to include the organisational environment in which it was taking place, so that as Participant D (2016c) noted "….*you can anticipate the resistance and the response.."* (Participant D, 2016c). The second centred on the adoption of a top down identification and communication of perceived local benefits and the associated reasons for change. In this regard Participant D (2016c) noted that *"Change has got bring improvement*…." but in order to promote buy-in it is important to "..*Unpack issues around change…",* and "… *staff encouraged to understand why"* (Participant D, 2016c).

It is in this context that the findings indicated that during any change, the initial emphasis might begin with high level process improvement objectives, however, this soon moves from process, to the consideration of the local people who deliver and manage change and, as a result, there is a need to understand local staff issues associated with change. This view is supported by Participant D (2016c) who noted that during change the *"….emphasis moves from things to people…"*(Participant D, 2016c).

To further explore the importance of local individual support for change, the phase "*buy – in*" (Participant C, 2016c) arose, which could imply there is a selling process involved in garnering support for change. Inevitably, the participants included in their considerations regarding change, the issue of cost, or more specifically local cost savings. The findings showed that the initial participant responses relating to cost savings often followed what

appeared to be those identified in a number of national policy documents. However, when pressed about them, these headline responses soon changed to considerations of local legitimacy, examples included the response from Participant B (2015c) who suggested it was important to consider when planning for change *"…..are you the best to do it…"* and noted when implementing reductions if there local support for them "*..goes back to values.."* (Participant B, 2015c).

Interestingly, such local considerations did not appear to prompt the research participants to dismiss, or try to avoid, the impact that reducing national funding may have on their respective organisations. Rather the acceptance of reduced national funding emoted responses from them that demonstrated that when local costs reductions were to be made, then they needed to be applied transparently, and in accordance with local values and expectations, and where possible with the support of all local stakeholders. Participant B (2015c) noted: *"…We need to cost less, that is a lot of the drivers"* and *"…that public pound needs to be spent in the best way"* remarking*: "...So that's a process.."* (Participant B, 2015c). However in terms of savings that could potentially impact services and stakeholder perceptions, Participant B (2015c) also noted that*: "…I think it is about becoming more transparent…"* (Participant B, 2015c).

Building on this, the findings did, in consideration of this issue of support for change, bring into play the subject of local organisational and individual values and unity of purpose, Participant C (2016c) stated: *"the key thing is buy in unity of purpose in our context" …"it's partly that values don't change"* (Participant C, 2016c).

Participant D (2016c) supported this position in reflecting on the key elements of change, recognising their reliance on things and people.

"in both conditions you rely on things and people" (Participant D, 2016c).

The findings also pointed to a differentiation between national expectations of local internal resource skills and capacities, and those that were actually available to them. The findings identified that during any change process, at

a local level, it was important to try understand such resources to ensure any expectations of them were realistic, by engaging with staff on an ongoing basis. As the research participants identified, this understanding process was an important tool be used to formulate a cohesive vision and direction, as Participant A (2016b) noted, *"I think that one element is about clarity, a vision of organisation direction" .. "You must understand where you want to go and how you are going to get there, look far more ahead, based on intelligence"* (Participant A, 2016b)

In support of the findings relating to local skills and capacity, participants further iterated that over time they had learned that skills and capacities at a local level can change over time, therefore there is a need to constantly engage with stakeholders. Participant A (2016a) observed; "*…maturity allows you to understand skills and capacities"…"constantly need to engage with them"* (Participant A, 2016a). This view of the importance of local stakeholders during change was supported by Participant D (2016c) who when questioned about the importance of them noted that, "*they are central to the change process*" (Participant D, 2016c). Building on organisational stakeholder relationships, the next sub section investigates the role strategy and leadership vision plays in change.

4.2.3 Local strategy and leadership vision

Strategy in the public sector is ill defined and can be open to a wide range of interpretations (see Chapter 2 Literature Review). The participants' view of strategy and its place in change seemed to support this supposition, as it produced a number of differing views regarding the purpose, definition, and use of 'strategy', when considering or planning for organisational change. The findings do not define one use or interpretation of strategy, rather they confirm a range of such interpretations.

To add further complication to the understanding of strategy, most of the participants likened it directly to the organisational environment and other issues, rather than something that exists in its own right. The findings also

demonstrated a tendency for the research participants to see strategy as a definition of what needs to be done, for example, when considering the link between strategy and change, Participant B (2015c) interpreted such associations as *"linked to organisational environment...how it's done, the what"* (Participant B, 2016c).

In contrast to this view, one of the participants considered that strategy should be used to allow the articulation of long-term goals to describe a long-term journey, which results in organisational change. This approach also drew into the lexicon a differentiation between a strategic response to change, compared to a tactical and operational one. The findings do not consider the various aspects of each, they do however note again a distinction between the understanding of strategy in the context of change.

"In the context of change, we are talking about the journey not the goal; we are talking about the long term not the short"…" The benefit of strategy in that context is to take a long term view about what is the best for an organisation and look at the journey to get to that point". "Taking the short term sort of tactical approach to it and dealing with the situation as it presents itself means you get bogged down and you lose sight of the goal". (Participant D, 2016c).

To explore the issues associated with a strategic, tactical and operational response to drivers for change, one of the participants was asked to consider, if there is a difference between them and also to consider if they exist in isolation. Their response was.. "*yes, I am just thinking about changes I want to do here; that are going on here, and how I apply my, er my style, my operational delivery to the audiences, whether that be to keep staff engaged with what's going on, buy in from members; and also tactically thinking about the what if scenarios, where I want to be linked to the combined authorities" "...I think it can have those three facets"* (Participant B, 2015c).

In response to the question relating to what part does strategy play in organisational change, Participant C (2016c) couched their view on strategy as an abstract, rather than a written document that sets out a defined set of

goals. As this response was explored further with Participant C (2016c), it became apparent that the reason for their approach was to stop the operationalisation of strategy, meaning taking strategic objectives, and then translating them into a series of plans. In terms of findings, what emerged from this discussion was a subtle distinction between a perceived logical expectation of strategy, as a process to identify a number of goals, ambitions and political commitments, and the required precision to enact and complete change plans.

"..*strategy is a process to give effect to a series of ambitions, objectives, goals, manifesto commitments wherever they come from"… "strategy is NOT a piece of paper,… in fact I have given up writing them down, because as soon as you do people think they are a plan"… " ..there is a big difference between a strategy" …."and exactitude"* . (Participant C, 2016c).

As previously noted, the perception of, and response to, the organisational environment was a key feature in understanding what promotes change. The findings showed that when considering strategy there was a link to organisational values, *"…there are core values that you would never want to move away from"…*(Participant B, 2015c), and that such values described a high-level aspiration "…..*should be about doing the very best you can with what you have got available…"* (Participant B, 2015c). One key point to the findings was a further recognition (to those already noted), that such values ensure a "*fit for purpose*" (Participant B, 2015c) and as Participant B (2015c) went on to note "… *I think organisational values are not fixed, I think they are important I think they need to keep up…"* and "….*they change for all of us"* (Participant B, 2015c).

The findings of this research were deliberately focused on the responses from a number of CEO's. It is therefore reasonable to consider their views relating to the part their leadership plays in effecting organisational change in the public sector, before finally exploring the more specific issue of benefit definition.

It emerged from the research that the participants felt leadership had a role in ensuring any goals and objectives associated with change are defined, are articulated and communicated across the whole organisation, this included the identification of benefits. In this regard, Participant B (2015c) pointed to the *"need strong leadership, that is clear"… "Communicate the benefit what's in it for you and the organisation*" (Participant B, 2015c). On a more nuanced basis, Participant D (2016c) identified the need for leadership to be the force that drives or indeed initiates change by recognising that *"..there will be a force or influence that kicks it off*" (Participant D, 2016c).

The finding showed that such initiation force requires a leader to have the ability to consolidate a wide range of views, and influence, and then to plan how change delivery can be achieved. When asked about how this was achieved Participant D (2016c) noted first *".. I engage with my management team…"* (Participant D, 2016c). In terms of the process to consolidate views Participant D (2016c) observed that as a leader *"..you then have to come to a distillation of views"* (Participant D, 2016c) before finally turning to the issue of achievability. In this regard Participant D (2016c) confirmed as part of the overall process *"…we consider at length deliverability…"* (Participant D, 2016c).

The findings highlighted the need to understand and recognise that any change process is dependent on individuals, internal and external to the organisation. The participants identified how the importance of the communication of a vision to promote *buy- in*, was imperative, as so ably expressed by Participant D (2016c) when they stated:

"I think leadership is first and foremost a humanistic thing".. "Can be elements of command"…. "It's about providing a vision". (Participant D, 2016c).

Developing further the notion of buy-in, the next sub section will consider local benefit expectations and issues around their quantification.

4.2.4 Local benefit expectations and quantification

The importance of the quantification and communication of the benefits of change have occurred throughout the previous sections and the findings show that their importance in any change process has increased. Participant A (2016c) noted *" I think there is more of a focus on benefits now*" (Participant A, 2016c). Participant B went further, putting benefits at the beginning and the end of any organisational change process. However, as with other high-level categories, the interpretation of what is meant by a specific term varied, and *benefit* was no exception. This varied interpretation regarding benefit was demonstrated again by Participant B (2016d) who also made the specific link between benefit and money, "*Reason for change" ,.. "benefits beginning middle and end usually about money*" (Participant B, 2016d). Participant B (2016d) did go on to suggest that benefit delivery in its wider sense was what they considered to be an organisational objective saying, *"what are we here for".. "finding the right way to deliver the benefits*" (Participant B, 2016d).

In contrast to this Participant D (2016d) when asked to consider if benefits could be defined, suggested that they were ".. *not sure about a definition*" (Participant D, 2016d).

Overall, the findings in this section did not clarify the nature of benefits rather they confirmed a range of local interpretations of them. The findings also showed that even in the hierarchy of the planning process, where they ranked benefits varied, even from the same participant. As an example, Participant B (2016d) through discussion was asked again about the issue of money, to understand if from their perspective it really was at the epicentre of change. In answer to a direct question, "Would you agree with the hypothesis, environment, benefit then strategy?" They replied "*yes*"(Participant B, 2016d). From this the findings conclude that benefit, or benefits, depend on the context in which they are being considered. This response is interesting, as any thoughts of national strategies for change

were soon considered subservient to the influences of the local environment and benefit expectations.

The adaption of national policies to suit local circumstances will be considered the next key finding.

4.3 Key Finding No 2. – Policy Adaptation and the Promotion of Organisational Continuance

Key finding No 2, relating to policy adaptation and the promotion of organisational continuance, emerged from the initial thematic concept of *Change Development*. An open coding approach of the Chief Executive research participants' initial meeting responses, and issues associated with the initial thematic concept of *Change Development*, produced the low level category of *Change Strategy*. Both the initial thematic concept and low level category were primarily, but not exclusively, used to inform a succession of interviews which were analysed using open coding to identify a number of categories. These categories were then analysed using the weighted analysis described in the previous methodology chapter. Applying this analysis approach, for this finding, high frequency responses were those that occurred more than five times, medium responses were those that occurred five times or less but greater than two times and finally low occurrences were those that occurred two times or less. The weighed analysis produced three high level categories. When selective coding was applied to the three high level categories (see Fig 2 and Table No 6), it produced a core category, reported as Finding No 2.

To show how the three high level categories contributed to the identification of Key Finding No 2, this section examines the research participants responses relating to each of the three high level categories associated with Finding No 2, which were;

- Politics and conflict of stakeholder expectations
- Finance and stakeholder expectations of the benefits of change
- Organisational self-protection

4.3.1 Politics and conflict of stakeholder expectations

Given that most public bodies operate in a political environment, the identification of politics as one of the high-level categories is not surprising. However, whilst the identification of politics as a high-level category may have been unsurprising, the findings demonstrate a difference in the interpretation of the nature and influence exerted by politics for each key finding.

The findings show that when considered through the lens of organisational continuance, politics as an influence shifts, depending on whether it is being applied to the internal or external audience of the organisation. Participants often couched political influence as that predominantly involved with responding to service user expectations, and being seen as a driver to fulfil political mandates set by other stakeholders.

The participants noted that there was a specific challenge of responding to political influence that was focused on responding to customer expectations, as it was difficult to define exactly what customer expectations were. The findings showed that the participants found that customer expectations were fluid, and therefore so were outward facing political expectations, as Participant B (2015c) noted: *"..Strategy needs to evolve.."*(Participant B, 2015c).

The findings indicated that political influences that focused on the internal audience (set in the context of change), centred more on organisational preservation, rather than addressing any particular external service issue. Of interest is that the findings indicated that the notion of organisational self-preservation, in a political context was not unusual, participants made the

distinction between the "*real world*" (Participant B, 2015c) and what they considered to be the ideal world.

The position regarding organisational self-preservation was accompanied by a recognition by the participants that very often, in the public sector, organisations' need to change was limited, and therefore in their view, they were better staying as they were.

"In the real world public bodies".. "it could be more about the organisation rather than the problem"…. "In some organisations, there is no need for us to change, we are happy as we are" (Participant B, 2015c).

One difference between profit motivated (commercial) organisations providing services, and those in the public sector, is that of statutory duty. For an organisation to have to provide a given service by law takes away its ability not to provide that service. This obvious, but often overlooked, requirement to provide a service changes the internal management dynamic regarding choice of resource allocation.

Legislators may try to overcome the limiting factor of statutory duty by trying to create a contrived market place, however, the findings do prompt the question, is this a real market place? The question regarding the validity of the market place arises because, as the background information showed, in this paradigm, the legislators contrived market place brings together similar participants to compete against each other in the expectation of evoking innovation and efficiency. However, Participant C (2016f) when considering the perceived market place and the issues associated with a shift from service user to service provider in a statutory framework highlighted "*the problem is there is schizophrenia with that"* (Participant C, 2016f).

When considering if a recent example of legislation to promote collaboration innovation and devolution promoted innovation, Participant B (2016d) suggested, "*it should"….but does it ,No"* (Participant B, 2016d).

When asked if the objectives and prescribed benefits of devolution were an opportunity to drive significant public sector change, Participant D (2016e) responded, "*No its just words*" (Participant D, 2016e).

When considering legislation to promote competition and innovation, set in the context of organisational self-protection and statutory duties, the findings showed that in such circumstances, it was acceptable to adopt a self-preservation approach when delivering statutory services, although it did not preclude organisations exploring the opportunities presented by collaboration of resources.

"To fulfil statutory functions "Yes", question may be one or others that can provide the services, also need to consider joint and coordinated functions and plans…" (Participant D, 2016e)

From the responses of the participants, the findings indicate that differing perceptions of political influence, set in the context of organisational self-preservation, can co-exist within public sector organisations and that the nature of political influence depends on which audience the political influence is responding to. As the findings show, external political influences do not necessarily favour organisational self-preservation, and are often focused on service user expectations and demonstrating organisational perspicacity. Internal political influence is, in many cases, focused on ensuring statutory services are delivered. To do this organisational resource and capacity is required and, in this case, the findings show political influence encompasses organisational self-protection. The following sub sections will continue to explore further issues associated with the dynamics of organisational self-preservation, such as those associated with the relationship between finance and stakeholder expectations of the benefits of change.

4.3.2. Finance and stakeholder expectations of the benefits of change

Across all the high level categories the issue of finance occurred again and again. The research showed the term was used by research participants to

cover two key areas, the first being financial income, or the lack of it. This area included the impact of a lack of finances to enact a particular function or process. The second key area relating to finance was financial expenditure. This second area included the use of financial expenditure as an enabler tool for a given process or function.

As already identified in the previous section, the findings indicate that not only is political influence all pervasive, it also changes in response to stakeholder expectation and perceived audience. The findings indicate that if politics is the key organisational influence, then finance provides both an enabler of such influence and drives such influence. The findings therefore highlight a dichotomy between the nature of finance and the part it plays in organisations to either support change, or limit change. The findings also show that the role finance plays is determined by Chief Executives' perception of public value and local political expediency. When considering finance, the nature of perceived value, organisational objectives and a possible conflict between them, Participant A (2016b) noted that *"If you just maintain you are never going to change"* (Participant A, 2016b), however in terms of the political leverage and practical application that expenditure can bring, Participant D (2016c) noted, "*Expenditure gives leverage and also service delivery"* (Participant C, 2016c).

The language used by the participants is interesting in that when considering finance it moves away from the transactional (to spend or not to spend), and recognises both the enabling function and organisational influence that the judicious application of financial decisions give. The findings show that when seen though this lens of financial control, finance takes on a much wider role than simple balance sheet reporting and management. To investigate these issues further, participants were asked at differing interviews to consider organisational self-preservation and the part it plays in organisational decision-making, beginning with its link to finance. Participant B (2016d) when asked if, given that public bodies rely on public funds, was there a conflict considering the influence of finance, they stated,

"Er well ya it could" there is a conflict that you're doing the wrong things" (Participant B, 2016d)

and in terms of a strategy to stay in existence,

" *keep some money back, so we can continue*" (Participant B, 2016d)

This organisational continuance theme was also supported by Participant C (2016c) who when asked if organisations factor it in to their thinking said

"*yes" "and sometimes it becomes the mission"* (Participant C, 2016c).

The findings suggest the quantification of the benefits of organisational change can be expressed in financial and non-financial terms, although it could be argued that even non-financial benefits can have an indirect financial value.

The findings in this section so far recognise that the employment and deployment of financial resource can drive change and in some cases promote organisational continuance. It is therefore reasonable to now consider the part strategy and the quantification of benefits plays into that particular lexicon. The findings show that as in the case of most of the core categories, the constituent high-level categories are nuanced in terms of interpretation. The findings initially showed the issue of organisational self-preservation was well recognised, and in many cases supported, however the participants responses did also recognise the need for new ways of working and observations that even though self-preservation was present, it should not be.

"*they should not but they do*"(Participant B, 2016d)

"*yes" "people still protecting their sovereignty and space*" (Participant A, 2016c)

"er don't know if that is a risk most organisations would want to survive and prosper, very few would want to bring about their own demise" (Participant D, 2016d)

"*Oh yes absolutely, you can see that in the NHS for example* ..." (Participant C, 2016e).

To demonstrate the numerous dichotomies between the participants' responses to the issue of organisational self-preservation, the next sub section will consider the specific issue, but this time as a specific issue set in the context of organisational planning and strategy development, and associated benefit quantification.

4.3.3 Organisational self-protection

In this section the findings regarding the issue of organisational self-preservation provide a differing perspective compared to previous sections. At first glance this difference seems almost impossible given it came from the same respondents. However, the identified differing responses do support the ambiguous nature of financial planning, identified in the previous section, when viewed through the lens of strategic organisational planning and benefit quantification, and shows the effect of seeing the same issues from a different perspective.

Key to understanding what drove the different responses in consideration of overt organisational self-preservation as a strategic objective, was the effect of politics. Given that most, if not all, strategic planning documents are for external consumption, participants seemed reluctant to suggest self-preservation should be a strategic goal, Participant D (2016c) suggested in this context that organisations "…*butt up against the political and operational environment*" (Participant D, 2016c) and in the same context "..*defend turf to protect the organisation, to reflect the political environment"* (Participant D, 2016c) and when asked at a different interview about the same issue in the context of , was it reasonable to set a strategic goal of self-preservation Participant A (2016c) responded "*no*" (Participant A, 2016c).

As with so many of the issues addressed in the findings, nuance and difference emerge through language which brings to the fore a differing

context, for example when considering the issue of self-preservation Participant B (2015c) noted, "*Not necessarily"* and then as part of the same conversation regarding defending an organisations *turf* was happy to suggest *" it shouldn't should it"… "I think this will more and more on peoples radar now" …"what is our core purpose maybe we should be ready to hand on to others to do it better",* (Participant B , 2015c). In the same context when discussing the effect of market forces at a later meeting Participant B (2016e) suggested "*Public bodies should be open to market forces*".(Participant B, 2016e).

It is in the responses from Participant B regarding market forces that the findings bring out another dimension, that of competition and consideration of others providing functions and services that hitherto were being provided by their respective organisations.

"*It is certainly competitive*" (Participant B, 2016e).

What the findings demonstrate is that even though participants were willing to consider self-preservation in financial terms, as described in the previous section, when viewed through the lens of strategic planning they did not see self-preservation as a strategic goal. This co-existing dichotomy of differing views regarding organisational self-preservation becomes a little clearer when the language of strategic planning from the participants includes such issues as market forces, the transfer of functions and services to others, and the concept of *competition*. The terms relating to market forces and competition are all commercial terms associated with, *winning from*, and *responding to* others trying to secure market share and related resources, in other words self-preservation set in the context of benefit delivery.

The findings show in terms of self-protection, that while the narrative may be different when considering for example strategic planning compared to financial planning, in fact the underlying approach is the same, just moderated depending on the audience for whom the narrative is aimed. The duplicitous nature of organisational self-preservation, when expressed through moderated language was aptly demonstrated by Participant B

(2015c) who when asked to consider how the issue of strategic planning and actual benefits blended together noted: *"We need to survive…the answer is yes, benefits sits at the centre of any strategic plan".. "I think it should be in the centre"…"I think it could work both ways round"* (Participant B, 2015c).

The findings showed that the key finding of policy adaptation and the promotion of organisational continuance does not just centre on organisational preservation, it encompasses the requirement to fulfil statutory duties, and some of these duties may not, by their very function, be able to be fulfilled by others or marketised. The findings further showed that the possible block to the transfer of statutory duties to third parties potentially put organisations in a position, where the adoption of a position of self-preservation was required to fulfil legal duties. Notwithstanding the challenges of the transfer of legal duty, this key finding highlighted the associated issue of performance measurement, often used to communicate success, or even compliance, with national policies to internal or external audiences, which will be investigated in the next key finding.

4.4 Key Finding No 3. – Adaptation of Performance Measures

The key finding No 3, relating to the organisational adaption of performance measures during change, emerged from the initial thematic concept of *Change Process*. An open coding approach of the Chief Executive research participants' initial meeting responses, and issues associated the initial thematic concept of *Change Process*, produced the low level category of *Quality and Performance*. Both the initial thematic concept and low level category were primarily, but not exclusively, used to inform a succession of interviews which were analysed using open coding to identify a number of categories. These categories were then analysed using the weighted analysis technique described in the previous methodology chapter. Applying

this analysis approach, for this findings high frequency responses were those that occurred more than three times, medium responses were those that occurred three times or less but more than once and finally low occurrences were those that occurred once only. The weighted analysis produced three high level categories. When selective coding was applied to the three high level categories (see Fig 2 and Table No 6), it produced a core category, reported as Finding No3.

To show how each of the three high level categories contributed to the identification of Key Finding No3. This section examines the research participants responses relating to each of the three high level categories associated with Finding No 3, which were:

- Attitudes towards the challenges of performance measurement
- Financial performance measurement adaptation and reporting
- Attitudes towards risk measurement and reporting during change

4.4.1. Attitudes towards the challenges of performance measurement

The findings indicated that most actions had an associated impact. The findings also highlighted the need for organisations to make choices regarding the allocation of funding and deployment of available skills and resources to effect change, all set against the associated risks of making such decisions. Once a given course of action was taken, the research participants' felt the identification and communication of performance measurement was important, especially in terms of the imparted meaning of any given communication.

The findings showed that concerns regarding performance measurement were compounded by misinterpretation of terms associated with the normal lexicon of benefit identification and communications. As an example of the problems associated with the language of benefits, during the research discussions, terms such as efficiency, and productivity were used. The

findings showed that participants felt that such terms were ambiguous and open to differing interpretation, depending on the audience for them.

"..*efficiency is a very scary word , it means less people..*" (Participant C, 2016e)

"It may just be the age we are in , but when we think about efficiency, we do tend to think about money" (Participant D, 2016d)

"You could say the more efficient you become the great the productivity because there is less waste" "If efficiency is the end, innovation is one means to an end" (Participant D, 2016e)

"Innovation in more based in a lab, in the public sector its more about processes" (Participant B, 2016e)

Building on the same issue of language, during one discussion the difference between terms such as efficiency and benefit and their perceived meaning was revisited, Participant D (2016d) noted "*er yes I think there is", .. "efficiency does not necessarily bring benefit"….*(Participant D, 2016d).

As further examples of the ambiguity of *benefit* language, participants were asked at differing interviews to consider in cost terms and organisational service delivery, if there was a difference between the terms relating to cashable and non-cashable benefits. The findings indicated that when considering the term "*benefit*", participants focus on actual expenditure rather than a perceived non- cashable benefit, a position exemplified by Participant B (2016d) "*No, because the other is just funny money*" (Participant B, 2016d). Exploring the difference between functional organisational values, (expressed in, for example, national performance indicators), and the actual value of any given action to beneficiaries, the findings showed there was a perceived divergence, "*there is a big difference between what you measure and the actual benefit*" (Participant C, 2016e).

The findings showed that the research participant's concerns regarding benefit identification, and data in general, centred on the limitations of the calculus applied to it, and also a recognition that when trying to identify

anything such as benefit, that in reality, there would always be gaps in data captured and communicated, again calling in question the value of identified benefits.

"*you have to have a range of measures, there is just not one that you use*" (Participant C, 2016e)

"*At the end of the day we never have perfect information, there is always a gap in which we have to make judgements*". (Participant C, 2016e)

Having expressed concerns about the formation and communication of benefit, the research discussions moved on to consider if, in the view of the research participants, the use of benefit identification brought any advantage, such as in management terms, *"it should*" (Participant C, 2016e). The finding showed the value of benefit identification may be of more use if it was more iterative in nature, rather than based on fixed analysis, a view supported by Participant C (2016e) *"I think I am inclined towards the latter "* (Participant C, 2016e).

The findings in this section that considered benefit identification and data collation in general, showed a propensity for the research participants to accept the limitations of such benefit identification and data collation. However, whilst the research participants accepted the flaws in data collection (no matter what its limitations were), they felt they will always be required to produce and use it, even though it may be subject to the influence of politics. This influence of politics on data use emerged when research participants were questioned about the influence that politics played in organisational reporting, and they noted "*yes*" (Participant D, 2016f), it did.

The research participants recognised that any change programme required some degree of process management and quantification of expectations. However, in the research participants' experience, the findings showed that local variability meant that performance measurement in any change programme was subject to such variability and adaptation, non-more so than in the case of financial performance measurement. Given its prominence in

the other key findings, financial performance measurement adaptation and reporting will be explored in the next sub section.

4.4.2 Financial performance measurement adaptation and reporting

Throughout the research process, a number of issues have emerged repeatedly, financial resource and its impact on organisational planning and service delivery has been one of them. In previous high level categories the issue of financial resource has been considered in strategic terms, which produced a degree of ambiguity regarding its importance, however, when asked in specific terms if the ability to act was directly linked to financial resource the findings indicated it was. The findings showed no ambiguity when the participants considered the management of financial resources. The narrative moved to include funding formulas, balancing need against spending ability, and a recognition that such financial management choices had a direct service impact, which once applied, may, or may not, be ideal.

"a funding formula will determine how much money on some sort of needs assessment that will be allocated to it, which may or may not fit the actual need for the area, so what the formula says is required in terms of need may not align with what the professional assessment of need is" ..(Participant B, 2016c)

The findings demonstrated that when considered as a specific issue, rather than in the round of organisational aspiration, resource management and the allocation of it was considered key to future planning decisions and also organisational survival. This very much aligns with the findings from previous core categories, even if it is not expressed in such explicit terms.

“I think there are a number of issues, firstly it’s the financial challenge that an organisation cannot ignore, in the sense that of absolutely look after its money, so that’s a fundamental no1 , and understanding the shift in government dimension, austerity is here to stay..." (Participant A, 2016b)

This clarity of opinion from the research participants regarding financial management and its explicit link to service delivery prompted further examination regarding the exclusivity of funding as an action initiator. The further examination of the importance of financial resource as a prerequisite to action, included consideration of statutory duties relating to Best Value and Value for Money (VFM), as set out in the 1999 Act and subsequent legislation.

As a precursor to the discussions regarding VFM, the findings showed that in terms of financial resource management, differing organisational objectives will always occur, a view supported by Participant D (2016c) who observed "..*there are always competing priorities"* (Participant D, 2016c). The findings also demonstrated an acceptance that all activities in the public sector come at a cost. When asked if this was the case Participant B (2016d) replied "yes" (Participant B, 2016d). Participant A (2016a) noted in response to the same issue *"I think they do, because everything is structured around cost*.." (Participant A, 2016a). Participant C (2016e) was a little less willing to support the position that everything in the public sector comes at a cost*, "no" …"low costs interventions can save a lot of money down the line."…"you then have to calculate the opportunity costs, what would happen if we do not do this"* (Participant C, 2016e).

The view of Participant C (2016e) regarding the costs of all public services appeared to contradict the views of others participants. However, upon further consideration of the view of Participant C (2016e) when exploring if all public sector activities come at a cost, they actually appeared to support the initial proposition, but just not in such explicit terms in that the said view of Participant C (2016e), still acknowledged that expenditure is required for a given action, even if it brought benefit later on.

Set in the context of VFM, the findings examined the proposition that, if all public sector activities come at a cost, should they therefore be quantified. The findings showed that in principle the quantification of services provided expressed in monetary value terms that their given activity attracted, would

be a useful financial resources management tool. The research participants felt that the identification of costs associated with a given activity could be used as part of the process to balance competing forces and offer a degree of codification that could be reported to stakeholders. When participants considered some of the issues associated with the codification of activity costs, some reservations were expressed.

The reservations from the participants regarding cost codification centred on how any calculus that sat behind such codification could be relied upon to reasonably represent true local costs. In such circumstances, the participants noted that in terms of organisational continuance that there could be an unforeseen organisational impact of communicating such cost and benefit information to a wide range of stakeholder forums. When asked about the applicability national frameworks for reporting and their accuracy at a local level, the participants observed:

".. in theory yes"…but the formula would need to be accurate, and who decides what's accurate….(Participant D, 2016d)

"erh why not".. "that's not to say they would all be the same costs" (Participant B, 2016d)

The reporting of any performance measures poses a risk. To examine this, the next sub section will investigate risk measurement and reporting during change.

4.4.3 Attitudes to change and risk measurement and reporting during change

Throughout the research discussions regarding organisational change, a wide range of subjects emerged, including issues of organisational resistance. The effect of a lack of funding and the effect of politics (amongst other things), were soon identified. What was not immediately focused on was risk. It was clear from the findings that *"risk" (*or the potential for something to happen), was well understood, but considered more as part of

something else, making *it* almost a consequence of a series of actions, rather than an initial decision shaping issue.

To explore this phenomenon, the research participants were asked at differing meetings to examine what in their view what constituted a risk and how did they manage it. In terms of a research observation, once introduced as a subject for discussion, the subject of *risk* then took on a significance from all the research participants which hitherto, in other discussions, was not apparent. The findings also showed that in terms of the management of risk, the responses to the topic were almost always mechanistic and process led…

"*We apply a risk management approach*" (Participant A, 2016d)

"*We use a performance management software"….* (Participant B, 2016e)

"..*all sort of different ways of doing it"… "you need to exhaust all the what ifs"…" at the end of the day it's a judgement"* (Participant C, 2016e)

"*Corp risk register"… "maintain a viable and sustainable organisation"…"we seek to systemise things*"…..(Participant D, 2016e)

Whilst the findings showed the approach to risk management was process led, when expressing a view of what a risk was, and the effectiveness of the systems to manage risk the research participants had just described, the responses were far more nuanced. The findings showed the research participants recognised that risks were not always easy to quantify and, when measured, such measures did not always represent or indeed capture the true nature of it, for any given circumstance.

" A risk is a what if".. "the risk about doing risks assessments is that you cannot identify everything"… "there is always something that you cannot know". (Participant C, 2016f)

"*So of the risks we might identify is because we are a public body"... "The risks to the client might not be picked up*" (Participant B, 2016e)

Picking up on the dichotomy between the use of a structured, process driven risk management approach and recognition of ambiguity of the nature of risk, the findings showed that this was driven by a view from the research participants that the problem with risk management was that risks themselves were difficult to define especially in circumstance that evolved over time.

"I think they can be managed to a point ,"…"..need to be more comfortable with ref points changing"… ".. the environment needs provide the ability to change and adapt." (Participant A, 2016d)

As described by the research participants, a "c*orporate risk register*," (Participant D, 2016e) is usually used to report to strategic stakeholders and focused on reporting organisational risks. The findings demonstrate, that while such issues as reputational damage (often noted), in corporate risk registers are important to quantify, they do not address the challenges at tactical and operational levels associated with every change environment. Examining the issue of the differing types of risk during change, the findings point to two very different types of risk, the first are strategic such as those associated with stakeholder dissatisfaction, the second are more tactical and operational in nature, and relate more to the change process and its deliverables, often related to process failure or non-delivery. The findings show the ambiguity regarding risk is driven by a number of factors, the first of these factors is the disconnect between the use of fixed process based approaches to risk capture and reporting systems, in what is acknowledged is a fluid environment. Secondly in terms of risk, there is an ambiguity in a reporting approach that focuses more on strategic issues with key stakeholders, rather than on those directly associated with any given change process. Also there is a further issue regarding risk, this is a disconnect between the assumptions made about the ability of any given organisation to deliver innovation and benefit and the reality, which in itself is compounded by a lack of monitoring of the issue itself over a given timeline.

"I think you can up to a point, but you have to make a judgement what is coming in the future , it's a matter of acuity" (Participant C, 2016f)

"..*depends as to the ability to refresh the model".. "then perhaps no …because you are relying on the ability to predict the unknown…"* (Participant D, 2016e)

At first examination, the issue of not delivering a particular objective may not be considered a risk. However, the findings showed that the research participants had concerns about taking a particular action before fully understanding its implication, a view supported by participant B (2016e) and participant D (2016e) who, when asked if there was a danger of doing something innovative before fully understanding what *it* was, noted *"er the short answer is definitely"* (Participant B, 2016e).

" I suppose the simple answer would be yes, if something becomes in vogue, it's about being first" … "..I can do so I will do".. (Participant D, 2016e)

The findings in this section, like other sections, show that nothing can be taken for granted and views are nuanced. The research participants highlighted that the quantification of risk during organisational change is not easy, and is open to ambiguity and adaptation both in terms of the local effectiveness of approaches used, and in terms of the information produced to communicate it. When summarising a view with regard to risk management, some research participants felt, at best, it was a matter of experience based on a set of assumptions, a view supported by Participant D (2016e) who noted on the subject …"*Yes" …..."interpretation of issues based on experience*" (Participant D, 2016e). However, in terms of process, the findings did show that there was an acceptance of the practices adopted to manage risk. However when pressed to explore if the research participants' felt that there was therefore a risk that such processes were too simplistic the response was affirmative "..*yes I think there is* " (Participant C, 2016e).

The responses regarding the acceptance that the applied risk management process are potentially flawed, may be rooted in a link to the complexity and differences that arise out of dissimilar organisational environments. The

degree, to which organisational environments are dissimilar, will be examined in the next key finding.

4.5 Key Finding No4. – Dissimilar Organisational Environments

Key finding No4, relating to dissimilar organisational environments, emerged from the initial theme concept of *Environment*. An open coding approach of the Chief Executive research participants' initial meeting responses, and issues associated with the initial thematic concept of *Environment*, produced the low level category of *Organisational Environment*. Both the initial thematic concept and low level category were primarily, but not exclusively, used to inform a succession of interviews which were analysed using open coding to identify a number of categories. These categories were then analysed using the weighted analysis technique described in the previous methodology chapter. Applying this analysis approach, for this finding, high frequency responses were those that occurred more than ten times, medium responses were those that occurred 10 times or less but greater than four times and finally low occurrences were those that occurred four times or less. The weighted analysis produced five high level categories. When selective coding was applied to the five high level categories (see Fig 2 and Table No 6), it produced a core category, reported as Finding No4.

To show how each of the five high level categories contributed to the identification of Key Finding No4. This section examines the research participants responses relating to each of the five high level categories associated with Finding No4, which were:

- Politics and cost considerations
- Organisational environments
- Customer expectations and associated benefit quantification
- Risk appetite and management

- Organisational skills and capacity

4.5.1 Politics and cost considerations

Building on the work from previous high level categories that examined national policy and political influences for change, the findings highlighted that the ability to understand and respond to local politics was one of the key ways to mitigate the risks of delivering change. When asked at differing times about how they (the research participants), seek to engage with and understand their respective political environments, most began with a reference to political manifestos, closely followed by a consideration of associated costs. Participant B (2015c) noted *"It starts and stops with politics, but not necessarily linked to national politics"* and indicated they were always sense checking *"..are we delivering the manifesto, constant checking, corporate plans , links to members"* (Participant B, 2015c) . When later asked what Participant B (2016f) considered to be the nature of political influence, they observed *"it could be absolutely anything"* to *"..making the most of any situation"* (Participant B, 2016f).

Participant C (2016c) supported the need for continuous engagement " *yes, you never stop engaging, engagement should be an ongoing process"* (Participant C, 2016c). In contrast to other service providers, when considering how public sector bodies understood their environment, Participant C (2016c) observed, "*That's based on values, their background and culture"* (Participant C, 2016c).

When investigating organisational change, it could be argued that its rather obvious to find that politics in any circumstances will influence processes and outcomes. The findings support this, but go further, in that they highlight that politics means many different influences, and more importantly, that they are not fixed.

The findings show that no matter how the participants tried to codify political objectives, by for example referring to written manifestos, they reported a need to constantly reassess and engage with stakeholders. Participant A

(2016b) noted when considering how they understand their working environment *“networking”… “ “If you know the environment you are working in then you can plan out your strategies very effectively” “New evidence drives policy”….”Make informed decisions from data”.. “Data helps us do things”* (Participant A, 2016b), this view they set in the context of what they considered, the inevitability of change in the public sector.

“*Yes I do think change is inevitable”.. “ I think the scale of change is different now* “ (Participant A, 2016b).

As has already been established in earlier sections of this chapter, changes to financial resources were considered by the research participants as a key influence for change especially when linked to anticipated cost reductions. To investigate this further, the research participants were asked at differing times and interviews a number of questions to investigate the links between cost savings and change, to establish if, in their view, all change came at a financial cost, and to understand to what degree change was therefore dependant on the stability of local financial resources.

Turning to the issue of all change coming at a financial cost, some of the research participants indicated that it was not always the case, and that in their view there was a difference between cashable and non-cashable savings. As an example Participant D (2016d) cited as a non-cashable benefit, the work done by staff out with a normal job structure, noting “..*by and large staff will do more than asked for…”* Participant D, 2016d). However, when pressed further, if not even in this case was there not an associated financial cost, they responded *“ ..yes everything has a costs..*” (Participant D, 2016d) and then went on to observe *“…does not everything come at a cost”….*(Participant D, 2016d).

Given this perspective, and to press the matter further relating to costs and change, set in the context of existing national policies and associated statute, Participant A (2016c) was asked to consider if, set in the context of the 1999 Government Act relating to Best Value and Value for Money, did all service come at a cost, and if so, did this mean they needed to be given monetary

value. In response they noted; *"I think cost plays an important part"* (Participant A, 2016c). In terms of cost savings reporting, Participant A (2016a) did accept that "….*cashable is easier for people to be comfortable with…"* however, they also went on to suggest "…*non-cashable is where we need to be".* (Participant A, 2016c)

To further highlight the impact of local cost allocation, and given that Participant D (2016d) had earlier accepted the general premise that actions drive costs, when asked at a later interview to consider if financial risks were associated with local financial resource allocation, Participant D (2016e) did not fully accept that this was the case, rather Participant D (2016e) noted: "…*I would say not always as they are a potential…".* This response was in direct contrast to Participant B, whose response to the same question at a different interview, was "*Yes I suppose ultimately*" (Participant B, 2016e)

As has been the case with other sections in this chapter, the findings are not definitive in terms of describing a particular view in the case of financial costs. The findings do however demonstrate that perceptions are nuanced, and depend on the local context in which the subject is being considered. In the case of financial costs, the findings show that all research participants recognise that national cost saving objectives are a key influence for change. In most cases at a local level, financial resource allocation shapes change, however whilst most change is linked to cashable savings, this is not always the case, even if there is a recognition that all activities for a given organisation come at a local financial cost.

The findings also suggest that whilst national policies do give rise to an expectation of service improvement and efficiency, such as those linked to the 1999 Local Government Act to deliver best value, in reality a lot of local authority change is initiated in response to reductions in national funding. The findings also indicate that local political and financial expectations differ per authority, and are dissimilar during change. Such instability arises from a changeable local political environment, and organisational cost considerations linked to them. Such instability in two key areas (politics and

finance), may have a knock on effect on the overall stability of the organisational environments of local authorities, a subject that will be considered in the next sub section.

4.5.2 Organisational environments

At differing times and interviews, the participants were asked to consider if the organisational environment was fixed or fluid, or if some points were fixed while others change, or even if the concept of an organisational environment was limiting in the sense that it assumes that there is only one overall environment, rather than many.

The findings demonstrated that the organisational environment is constantly changing, however Participant A (2016b) did highlight that while this may be accepted, there was still a propensity to rely on structure and identified fixed points of reference:

" think it's an environment that's ever changing" …"Past is based on very structured environment"…… "there are some anomalies in the system" .."there are still some fixed in a position, what are the government going to do about it..". "..You are driven to do things from opportunity, risk or fear".…..(Participant A, 2016b)

Participant D (2016c), supported the inconsistency regarding fixed or fluid organisational environments: "*It is both fluid and fixed" "all things are fluid in the long term*" (Participant D, 2016c), as did Participant C (2016c) and participant B (2015c) whose responses to the issue were "they *are always evolving, even if some of the functions remain the same"* (Participant C, 2016c).

"I think that they are fluid and in constant change...","..the pace of change has increased as public services move from fixed operational services to outsourcing...", "..The pace of change has picked up as public services become more accountable..", "..How are my taxes used...", "..people more demanding.." (Participant B, 2015c)

When asked to consider how stable any assumptions made during change were, Participant D (2016c) noted:

"This brings back the point of responsiveness and flexibility"…."when you start there are a set of assumptions"… "along that journey the assumptions may change"…"could be better outcomes than planned for" (Participant D, 2016c).

In response to the same issue, Participant B (2015c) observed *"..Er interesting, very definitely a point of time… risk"* (Participant B, 2015c).

The findings found that rather than being a high-level document to set aspirational goals, many of the organisations used the production of a strategy document as an engagement document:

"I think it's back to engagement with staff in a way they can identify with" "it's a communication strategy it's got to be multi layered so it can engage with the right people at the right time" "in order for it to resonate and make sense" "communication at multiple levels"..(Participant D, 2016c)

Following this line of reasoning Participant D (2016c) went on the explain, that this approach mitigated change problems*; "it's a problem more at the centre rather the outer skin"…."where are we pointed the telescope, very firmly on the community and the environment in which this exists"* (Participant D, 2016c).

On the subject of engagement to understand organisational fluidity, participants were asked during the range of interviews to consider if there is ever a point at which organisational engagement moves from being constructive to destructive, and if there is a point at which communication can involve a degree of preconditioning.

The findings showed that most participants felt that there was a point during any change process that engagement must stop and, if continued, could be problematic, *" I think the process of engagement is a continuous one" But can be time limited because of externalities*" (Participant C, 2016c).

"..consultation should stop at some point.." "..There is a start and finish about proposals", then you start engagement about the delivery" (Participant D, 2016c).

Focusing on the subject of preconditioning, some participants felt that there was a challenge with any communication, in that it could be viewed as a degree of preconditioning, however, all stressed this was done to avoid confusion in what they considered strongly political environments, *"..an influence that is always present….."* (Participant D, 2016f). When asked directly if pre conditioning existed, most confirmed it did, *"..I would think the answer to that is a very definite yes.."* (Participant B, 2016f). Participant B (2016f) went on to note, that even in the case of hypothetical unlimited resources, local politics matter, observing "..*yes, you deliver politician's mandate"* (Participant B, 2016f).

The findings showed an appreciation of local circumstances that could act as a negative influence on any change process, *"..If people are in position of influence, that do not want to lose it.."… "..conservative force…when you have to change this becomes a negative force.."* (Participant C, 2016h).

The findings also showed that, as a consequence of national policy and financial resource allocation, influences for organisational change across local authorities in the public sector are common to them all, and in this sense stable. All of the research participants recognised there was an acceptance that at some point organisational change had to move from planning to action. When balanced with expectations to deliver the local mandates of political leaders and local stakeholders, such expectations produce an unstable organisational environment. The next sub section will consider the effect such an unstable environment has on similarities between local authority customer expectations and associated benefit quantification.

4.5.3 Customer expectations and associated benefit quantification

The findings showed that all participants considered the identification and communication of the organisational benefits of any change programme at a local level was of key importance. The participants noted the importance that the definition and communication of such benefits plays in addressing customer expectations and supporting the initiation of any change process. They also identified the challenges of balancing customer expectations with local political expectations especially when seeking to deliver successful organisational change.

Based on the importance placed on benefits, it would be reasonable to assume the definition and codification of them would follow a nationally agreed defined criteria, especially if they are used as part of the change initiation process where funding is provided, as least in part, from central government.

The findings showed that rather than being commonly reported and comparable across the sector that benefits are "..*not fixed, they will evolve..*" (Participant B, 2015c), "..*some can be iterative..*" (Participant A, 2016b) .

The findings point to a paradigm, where benefits can change, even when used at the outset to initiate change. Benefits are also seen as an important tool to promote control and improve management as expressed by Participant B (2016d) "..*it should, as long as you have the benefits right*" (Participant D, 2016d).

The findings showed that even though benefit quantifications were considered a management tool, participants had no issue with changing them as required in response to their local organisational environment,

"..naturally you feel it should be iterative..", "…because you want to keep checking you are achieving what you want to achieve ." (Participant B, 2016d). The need to flexible was also noted by other participants,

".. Benefit realisation is always somewhat different from the outset".. "the flexible approach is one that should external influences change to the point

where some of those goals are no longer worth pursuing that you would have sufficient resolve to say hang on let's stop doing that rather than just commit to a journey..", "..Understand the changes along the journey.." (Participant D, 2016c).

The findings did show that benefit quantification could be improved, *"I think there is every possibility we could ask different questions to different groups and get different answers and refocus what you do and how you are doing it..", "..I don't' think we pay enough attention to the benefits at the end of it and I don't think we measure that properly.."* (Participant B, 2016d).

As part of the considerations regarding organisational benefits, the findings showed that there was a perceived difference between a defined benefit and the quantification of beneficiary benefits, "..*there are different types of benefit, financial , operational, staff and political.."* (Participant D, 2016d). The difference gave a new perspective of the value and robustness of customer beneficiary [end user], quantification. When asked about beneficiary quantification, Participant A (2016c) felt " *I don't think it has to be*", and added in terms of their limitations noted "*Probably my issue is how do you keep someone on board as changes take time"* (Participant A, 2016c). These responses clearly demonstrate that local customer expectations change in response to local circumstances, and sometimes in response to their perception of the benefit that such change imparts.

In support of the problems associated with unstable customer expectations Participant D (2016d) noted that the production and documentation of defined end user benefits was "*very dangerous*" (Participant D, 2016d). As a final observation, the research highlighted a tension between national policies, and their reinterpretation at a local level, especially when it came to choosing what to report on. As an example when asked if there was a difference between national indicators, functional value and organisational values, Participant A (2016c) replied; "*yes, some of our systems are set up to measure the wrong thing"…." I've been finding this here we have been measuring the wrong things"* (Participant A, 2016c).

This section's findings bring into question how similar the perceptions of risks are amongst local authorities, an issue that will be examined in the next sub section.

4.5.4 Risk appetite and management

The findings show that given the previous considerations about fixed and fluid environments, the wide interpretations of benefits, national verses local political uncertainty, and financial pressures many participants felt that there was a need to assess risks. However, the stated reasons for such assessment were not as might have been expected, that is to support ultimate service delivery. Instead risk management was considered more as a tool to manage the dynamic between national and local stakeholders. Participant A (2016c) exemplified this in their response to a question on risk quantification, stating; "*I think it's a risk, but I think you need it to prove to politicians and other stake holders you are delivering a service"* (Participant A, 2016c).

The findings showed that rather than risk just being a process issue, participants felt that risks in themselves had an additional political dimension that needed to be manged. As Participant A (2016c) noted*." Risks are the political side of change",* even if such management could run counter to local organisational plans, or even local customer expectations: "*yes you are restricted, there is a political decision around risk"….."that could go against what the customer wants or the customer needs"* (Participant A, 2016c).

The findings also showed that actual risks, like many of the other issues explored in this section, were subject to local interpretation and that there was an acceptance by the research participants that there was a "..massive *risk if you don't get the base line right or a flexible approach to your framework your basically setting your future on something that is so historically out of date"* (Participant A, 2016d)*.* What was interesting was even in such circumstances, the reporting and monitoring of risks did not appear to be been adapted to reflect the local environment, especially given

that there was a recognition amongst the research participants that national "…*assumptions can often prove to be wrong"* and that locally *"…if the assumptions prove to be wrong and we then need to take stock of what the new assumption should be, then we reset the assumptions"* (Participant D, 2016e). Instead risk reporting seemed to follow well established national policies and processes for how they are reported.

The findings showed that unlike in earlier sections in the chapter, even though short comings were identified with national policies and processes, in the case of risk reporting, such policies and procedures were not adapted to make them more usable at a local level. Instead in the case of risk reporting, the credibility of nationally constructed policies and procedures were used to engender stakeholder support and organisational credibility.

Having considered how risks are managed and reported on by staff in local authorities for strategic advantage, the next sub section considers as part of any change process, how similar organisational skills and capacities are in local authorities, and what effect this may have on their ability to deliver change.

4.5.6 Organisational skills and capacity

This section continues with the examination of the strategic and operational response to change in the organisations of the research participants. The section builds on the findings that looked at risk, financial resource allocation and the quantification of data and benefits, to examine in some detail the actual mechanics of delivering change. The findings show that it would be a mistake to assume that when considering the mechanics of change, (from an organisational view), that they are mechanistic in nature (fixed and known). The findings show that when delivering change, the very process of change, brings with it a number of variables that can make any predicted outcome difficult to determine.

The findings indicate that regarding organisational skills and capacity in the context of change, uncertainties come from a number of key areas. These range from an over reliance on the adoption of new technology to actually deliver change, to the challenges associated with finding the right skills to deliver change, and then to manage it to a successful conclusion. Taking the first point regarding technology, the findings showed that there was a degree of caution exhibited by the research participants when adopting new technology to deliver change. This caution regarding technology began with its perceived link to delivering innovation. The findings showed the participants recognised the adoption of technology could be useful as part of any planned solution, however, the participants were concerned that any technological solution could prove to be just a different way of doing the same thing, a view exemplified by Participant B (2016e) when asked if technology was innovative or just a different way of doing things *" I think it can be both"* (Participant B, 2016e). This view was supported by participant D (2016e) who noted, *".. I think provides or facilitates a better understanding of need..", "..it can aid but it's a means to an end not an end in itself*.." (Participant D, 2016e).

Turning to the issue of the skills and management required to deliver organisational change, the findings showed that all of the research participants had, at one stage or another, experienced resistance to change. Upon reflection, the research participants put the resistance to change down to a range of issues. The first, and one they felt that is often most prevalent, was that of the fear, usually linked to perception that in reality any change usually resulted in job losses. This resistance to change for reasons of fear of losing jobs was demonstrated in the previous section when referring to driving *efficiency*, a term often used as part of business case relating to change justification.

"..*efficiency is a very scary word , it means less people*.." (Participant C. 2016e)

Examining the issue of resistance to change further, it became clear that other factors were at play. The research participants noted that very often it is assumed that any given organisation has at its disposal the required skills and experience to plan for and then manage change, when this is often not the case. Notwithstanding that some skills may exist within a given organisation to deliver change, the findings showed that in most, if not all cases, such resources were already fully employed fulfilling the role they were employed to do. The research participants noted that asking any given individual to take on another role, in addition to their given day job, could result in a resistance to any change process and by extrapolation if insisted upon, produce unexpected outcomes. In specific terms, the research participants felt the unexpected outcomes resulted from a disjoint between stakeholder expectations regarding what was needed managing business as usual, and the resource capacity to deliver change. "*Have a good programme manager, hitting milestones etc."* (Participant B, 2016d). The consideration of the subject of capacity and skills introduced the issue of external resource. Very often during any change programme in the public sector, external resources are sought for a variety of reasons. The findings showed that there were a range of views of the advantages of utilising external resources. On the positive side of the use of external resource compared to internal, research participants noted that their previously stated requirement of any change process to establish early on what practitioners of PRINCE2 project methodology might describe as '*the what*' and '*the how'*, could prove to be difficult in a situation of limited internal resource, therefore the use of external resource had its advantages. In the circumstances of limited internal resource, the research participants noted that the use of external resource could be used to ease the pressure on limited internal resource, by complimenting the existing organisational establishment. The research participants noted that the use of external resources could also provide additional skills as well as capacity, however they did sound a note of caution regarding clear objectives, and the management of such resource with the organisational establishment.

"*Clear about what you want to achieve, clear about rules of engagement, ensuring you have the resources, ensuring people understand objectives".. "leadership in adversity" .."continually respond to the negative vibes*" (Participant D, 2016d)

"*my starting position would be to seek to do it internally"… "Verified it externally* " (Participant D, 2016d)

Considering a view with a differing interpretation of the advantages of using external resource, one research participant noted its use could in fact support the resistance to change, by the perception that very often when external resource was used, it was to manage the difficult process of making savings.

"..*some people devise external resources to make savings, I don't agree with, but its valuable to bring in people to help you with your thinking*….(Participant B, 2016e)

When considering skills and capacity of change, the findings showed a number of factors that made the determination of specific outcomes from any given change programme more difficult than may be expected, due in part to local variability and related adaptation of national policies.

To bring together all the key findings, the next section summaries them and also reflects on the research approach to identify learning which may be used to support the identification of a contribution to theory in the next chapter.

4.6 Chapter summary

The purpose of this research (using grounded analysis), was to investigate change in the public sector from a Chief Executives' perspective, with the specific aims of firstly, investigating how Chief Executives in public sector local authorities apply and implement national government policy during change. Then secondly, to explore the extent to which local authorities can

be considered similar. The research was based on semi structured interviews and produced four key findings which are:

- **Finding 1.** When critically examining the similarities between local authorities and how comparable their responses to national policies that promote the principles of NPM and associated marketisation of the public sector are, rather than being similar, the findings show that during change there are locally ***organisationally specific interpretations of national policy and political influences.***

- **Finding 2**. When investigating how Chief Executives in local authority service providers apply and implement government policy during change, the findings show that rather than adopting and implementing policies in a consistent way, especially when such policies may challenge their organisational existence, policies are subject to ***policy adaptation and the promotion of organisational continuance.***

- **Finding 3.** When investigating how Chief Executives in local authority service providers adopt performance management measures, the findings show that whilst they embrace the use of them, when implemented, they demonstrate a propensity to use them to support their own objectives by promoting ***adaptation of performance measures.***

- **Finding 4.** When critically examining the similarities between local authority environments and how this may impact their response to national policies that promote the principles of NPM and associated marketisation, the findings show that local authorities experience and respond to change in different ways and have ***dissimilar organisational environments.***

The research showed that all of the Chief Executives interviewed felt their judgement, management skills, capacity, and defined goals were of key importance. The research also showed that rather than being a supportive role for organisational change, Chief Executives are a key initiator and actor for it. Given that the research questions and discussions were directed to a

range of Chief Executives, it is not unreasonable to expect responses from them to be provided in the first person, for example "*I think*…." , compared to those couched in terms of "*we*….". However, what the findings brought into focus was the issue of *who decides*, during change. In this regard, the findings showed that all of the Chief Executives, were very comfortable (as key actors), to decide what happens and when during change. In terms of balance, the findings also showed that the role of chief executive brings with it significant responsibilities and challenges, mostly associated with deciding how to interpret and balance a wide range of often competing national and local influences and expectations. To add to the complexity of their role, the findings show that very often Chief Executives are required to fulfil a range of statutory duties, in response to which, some demonstrated a propensity to adopt a position of organisational self-protection, (also referred to in this research as organisational continuance).

The findings demonstrate that contrary to current academic theory, local authorities each respond differently to national policies for change including those associated with the principles of NPM that promote the marketisation of the sector. The findings provided a significant number of examples where local authorities each produced their own unique response to the same influences for change, the most significant example of this is that in response to the influences for change, each developed a differing service delivery model.

As a final observation, the findings also demonstrate a divergence between academic terminology and practice. Whilst some of the research participants confirmed that they recognised the term New Public Management, its use in the initial research discussions was not well received, or even understood. To avoid any issues relating to this, the research focused instead on the core tenets of Best Value and Value for Money, which as the literature demonstrates and Table No 7 demonstrates, is contiguous with those regarding the evolution of NPM.

Table No 7 - Link between a New Public Management approach and Best Value and Value for Money category objectives.		
Core Category	Related category/s	Category feature contiguous with the application of the core tenets of NPM per literature (see chapter 2)
Organisationally specific interpretation of national policy and political influences	• Politics • Finance	Yes Yes
Dissimilar organisational environment	• Politics • Fluid environment • Fluid benefit analysis associated with value	Yes No No
Policy adaptation and the promotion of organisational continuance	• Ability to continue to defend the organisation	No
Adaptation of performance measures	• Finances • Management skills and capacity • CEO judgement and leadership • All services in the public sector come at a financial cost • In financial terms there is no difference between cashable and non-cashable benefits • Programme	Yes Parity No No No Partly

Table No 7 - Link between a New Public Management approach and Best Value and Value for Money category objectives.		
Core Category	Related category/s	Category feature contiguous with the application of the core tenets of NPM per literature (see chapter 2)
Indeterminate resources and capacity	management • Difference between measurement and actual benefit	No

The next chapter will discuss the findings set in the context of existing research, before moving on to draw conclusions in a subsequent chapter. Before the discussion chapter, the next section will reflect on the research process undertaken.

4.6.1 Reflections regarding the research process

At the outset of the research process it was important to fully engage with the research participants and to ensure that their responses reached past pre conditioned corporate positions and messaging. The process began with the establishment of a common language/understanding drawing on the participants published policies and corporate plans, and then moved on through discussion, to the semi structured interviews which provided invaluable data. The research participants proved to be open, engaging, and willing to explore the complexities of change, in a candid and all-encompassing manner. In terms of the research process, it soon became apparent from the initial informal discussions, that a *conventional* research approach to codify the feedback from the research participants would not be able to capture the nuances of the data being provided. To address this challenge the researcher adopted a grounded theory approach. This helped

identify common themes and categories from the full range of interviews, rather than just focusing on one subject per interview to produce what could have been a number of potentially bias (pre-defined) key findings.

As already discussed in the previous methodology chapter; the decision to use a grounded theory approach to analysis data, was far more involved than the researcher had initially anticipated. It did however yield benefits when it came to the identification of key findings and ensured bias emanating from what Gummesson (2000), describes as pre understanding was managed appropriately. The approach proved to be especially useful at unpicking responses that related to differing themes and low level categories, which emerged from the interviews. Should the researcher be called upon to conduct research in the subject area again, then grounded analysis would again be the researcher's preferred choice.

The next section will then discuss the four key findings, and contrast and compare them to current theory, to demonstrate how they support the identification of two contributions to current theory, associated with the research aims of this thesis.

Chapter 5: Discussion

5.0 Introduction

To address the research aims of the thesis, this chapter discusses the research findings presented in chapter 4 and contrasts them with existing literature reviewed in chapter 2.

This chapter proposes two contributions to theory. The first relates to the discretion of Chief Executives in the public sector to influence change. There are several areas where previous research appears to suggest Chief Executives lack discretion to choose and interpret policy during change. Despite selecting organisations that have four different service delivery models, (described in chapter 3), my research shows that Chief Executives have a high level of discretion in the followings areas:

- Decisions about whether policy gets implemented
- Decisions about how policy gets implemented

The second contribution relates to the variably of local government authorities and how they each undertake change in differing ways. Previous authors have discussed local government change associated with national policies that promote the principles of NPM and associated marketisation of the public sector, as if every organisation can be considered as comparable and indistinguishable. Based on the analysis of the differing service delivery models (described in chapter 3), my research shows that organisations are not comparable and differ in the following areas:

- Local response to the applicability of the principles of NPM
- Local financial response to the applicability of the principles of NPM

To discuss the two proposed contributions, this chapter is divided into three sections. The first section, entitled Leaders and Leadership discusses the

two identified areas of difference between theory and the findings associated with Chief Executives discretion. This first section begins with a discussion relating to decisions about whether policy gets implemented. It considers how visions for change are formulated, how local stakeholder expectations are addressed and the how influences for organisational inertia and self-protection are addressed. The first section then discusses how policies get implemented by considering the attitudes of Chief Executives to change, and how they use performance data to achieve their change objectives.

The second section entitled Organisational Change, discusses the two identified areas of difference between theory and the findings associated with the comparability of local authorities and their indistinguishable response to influences for change. The second section examines if local authorities have responded in similar ways to national policies that promote the principles of NPM and marketisation of the public sector, and discusses how applicable local authorities consider the policies to be. This section then examines local authority financial responses to the same policies, to consider how similar they have been.

The third and final section summaries the contributions identified in the first and second sections. For ease of reference, in all the sections local government authorities will be referred to as local authorities.

5.1 Leaders and leadership

Current literature suggests organisational change in public sector local authorities is initiated as a consequence of the influences that act upon the institution. This section considers if, contrary to current literature, organisational change is initiated by Chief Executives in public sector local authorities.

5.1.1 Decisions about whether a policy gets implemented

Previous public sector authors such as Hostrup and Andersen (2020) have written about how issues such as the development of a shared vision, concerns of organisational legitimacy and local stakeholder expectations will all influence whether a policy gets implemented during change. A limited number of public sector change theorists, for example Bro, et al., (2017) have also written about how organisational inertia and influences for self-protection will impact decisions made during change. By not acknowledging the role and influence of Chief Executives, previous public sector change theory including that of Bro, et al., (2017) and Hostrup and Andersen (2020) would appear to imply that Chief Executives in local authorities have no discernible influence about whether a policy gets implemented during change. Bro, et al., (2017) and Hostrup and Andersen (2020) do not appear to account for findings from this research, which show that, during change Chief Executives exert considerable influence on what policy gets implemented. The findings show that Chief Executives exercise their discretion to interpret policy and respond to stakeholder expectations and organisational influences, by developing visions for change, interpreting local service expectations and responding to influences for organisational inertia and self-protection.

The following sub sections begin with a discussion relating to the development of visions for change, before progressing to consider how Chief Executives use their discretion to meet local stakeholder expectations. The final sub section considers how Chief Executives exercise their discretion to either promote or oppose influences for organisational inertia and self-protection.

5.1.1.1 Visions for change

A number of authors have considered the value of an organisational vision for change. According to Hostrup and Andersen (2020), to be able to respond to internal and external influences that occur during organisational change, a

leader needs to develop and communicate a shared vision with all stakeholders. Hostrup and Andersen (2020) propose that the shared vision should describe how in the context of internal and external, political, financial and stakeholder influences, future services are to be delivered post change. Hostrup and Andersen (2020) advocate that such an approach also helps mitigate internal actors' '*self-interest'* (Hostrup and Andersen, 2020, p. 1) during change. The potential advantage of leaders developing a vision of the type outlined by Hostrup and Andersen (2020) is a point shared by other authors such as Caillier (2020). Caillier (2020) submits that a democratic approach to leadership can directly benefit how well change is accepted by those experiencing it, and theorizes that autocratic, non-inclusive approaches will have the opposite effect in the public sector. Caillier (2020) expands on the positive effects of full engagement with stakeholders during change, suggesting that if stakeholders have been involved in the development of future plans, then post implementation they will tend to be more positive about a change.

The view of Hostrup and Andersen (2020) regarding visions for change is only partially consistent with the findings, in that the findings provide a number of examples of Chief Executives describing how important it was to develop and then communicate a shared vision to stakeholders. Chief Executives outlined that, in their view, the purpose of a shared vision document was to record how services were to be delivered post any change plans. Inconsistent with theory, what the Chief Executives actually described in terms of their approach, was more akin to the formation of a selective vison. Selective because rather than being based on all stakeholders collective views, what the Chief Executives described was a process of them deciding what to consult on, and who to consult with. This resulted in a vision where they, rather than stakeholders, interpreted all influences for change to produce a selective vision for the future.

As further examples of Chief Executives exercising their discretion to formulate a future vision for their organisations, the two Chief Executives representing mostly in house delivery and commissioned services described

how they formulated a shared vision by balancing their interpretation of national policy and local political and service user expectations with financial resources. The Chief Executive of the primarily statutory service provider described how they used the formation of a shared vision of change to avoid the volatility brought about by differing stakeholder audiences perceiving and responding to planned service implementations in unintended ways. They did this by identifying the benefits of national policies that they intended to implement which they felt were relevant to local stakeholders.

Regarding the potential benefits of communicating a shared vision for change, Hostrup and Andersen (2020) recognise the benefits that a communicated shared vison brings to the successful management of change and Caillier (2020) argues that adopting a less than fully inclusive approach to the formation of a shared vision will have detrimental impact on the success of any change process. Hostrup and Andersen (2020) and Caillier (2020) do not seem to address how Chief Executives use their discretion to selectively consult with stakeholders and be selective about which services to include, or ignore, as they develop a vision for change.

As this first sub section demonstrates, Chief Executives exercise their discretion to decide with whom to consult and which services to include in a future vision for change, actions which could be interpreted as a precursor to making decisions about how local stakeholder expectations are to be met, an issue that will be discussed in the following section.

5.1.1.2 Local stakeholder expectations

Investigating the complications of change in local government, (Haveri, 2006) highlights the importance of local stakeholder expectations and its link to delivering acceptable organisational change. Haveri (2006) observed that during change local stakeholders may, or may not, clearly define their respective inclinations and that such ambiguity is compounded by organisational circumstances that are fluid and often interdependent. Institutional theorists Johnson and Watt (2021) also assert that change is

shaped by the organisational context in which it takes place. Johnson and Watt (2021) go on to propose that for most organisations, rather than stakeholder expectations being ambiguous, due to influences such as austerity, stakeholders have an expectation of continuous change to bring about what could be described as organisational legitimacy.

Exploring further the issue of differing stakeholder expectations and their association with developing organisational legitimacy, Greener (2013) offers some insights into why local stakeholder expectations of the organisation may appear to be ambiguous. Greener (2013) puts forward there is an inconsistency between national and regional service delivery, noting that national structures bring with them a unified and equalising proposition, which contrast to propositions that are locally specific. Greener (2013) also observes that local constructs can imbue a certain degree of perceived empowerment for those actors in the local region, but can also propagate feelings of disparity.

With regard to the effect of local circumstances on stakeholder expectations, the findings showed that Haveri's (2006) observations regarding the ambiguity of stakeholder expectations are consistent with the circumstances in which local authority Chief Executives were making decisions. The findings showed that all of the Chief Executives who participated in the research observed that differing stakeholder expectations could converge and diverge at will. In response to such ambiguity, the Chief Executives described how they chose to adopt policies that were more *place based*, (Participant A, 2016b) (locally centric), using their discretion to make decisions relating to service design and delivery.

The identification of a more place based (locally centric) expectation is broadly consistent with the views of institutional theorists Johnson and Watt (2021). The Chief Executive representing the statutory service provider described how they were influenced by organisational ambitions, usually politically driven, to optimise the services they delivered, observing that maintaining the status quo, was not an option. The Chief Executive

representing of the blended service delivery model described how they had concerns that making a decision not to implement a statutory service related policy, could reduce confidence in their leadership and affect stakeholders' perceptions of organisational legitimacy. This finding highlights how local service expectations can be inconsistent with national policies for change. The most salient example of an inconsistency between national policy expectations compared with local expectations, as identified by Greener (2013), is Chief Executives' responses to the national policy to create unitary authorities. The Chief Executive engaged in the provision of statutory services, whilst expressing some reservations about the practicalities of consolidating functions and services as outlined in the policy to create unitary authorities, was the only Chief Executive who indicated their decision to support the policy, noting they would adapt it as required. All the other local authority leaders expressed significant reservations about the policy of unitary consolidation, indicating that they had decided to oppose it, or only apply those aspects consistent with local stakeholder expectations, unless forced to do otherwise. Barnett (2020) proposes there is an issue with locally focused decisions during change, suggesting that they may act as a possible constraint on change. Barnett (2020) describes this as a '*local trap*' (Barnett, 2020, p. 616), in which true change can be hampered by concerns about how to balance local stakeholder expectations with those set by national makers.

Whilst Haveri (2006); Johnson and Watt (2021); Greener (2013) and (Barnett, 2020) all highlight the importance of local stakeholder expectations, they appear do so from an organisational or institutional perspective. They do not seem to address the impact of Chief Executives exercising their discretion to interpret and respond to their view of local stakeholder expectations on how national policies are implemented.

Chief Executives exercising discretion to choose how local stakeholder expectations are to be met extends into how they consider and respond to influences for organisational inertia and self-protection during change. This will be discussed in the next section.

5.1.1.3 Inertia and self-protection

Considering how Chief Executives perceive and use their discretion to act in response to influences for organisational inertia and self-protection, Graetz and Smith (2008) theorises that, during change, tensions can emerge in public sector organisations from some stakeholders wishing to retain traditional forms of management in preference to new ones. Stakeholders exhibiting a disinterest in engaging with new ways of working could be described as a form of organisational inertia. Murphy, Rhodes, Meek and Denyer (2017) indicate that public sector leadership needs to pay greater attention to conflicting stakeholder expectations of change if they are to cope with work which is increasingly reliant on their stakeholders' collaboration.

Focusing on the issue of a link between stakeholder expectations of change and associated influences that may resist change, earlier authors such as Johnson and Scholes (2002) are more specific about the effects of stakeholders wishing to maintain an organisational status quo, suggesting it can result in a culture of self-protection. Offering an explanation of what self-protection might look like, according to Argyris (1990) organisational self-protection is any action or practice that prevents actors within a given organisation experiencing any discomfort or threat. Hayes (2007) argues that very often organisational defensiveness is couched in the context as a general resistance to change. In an effort to understand the motivations of actors in public sector organisations to be defensive, it is worth considering the work of Bro, Andersen and Bollingtoft (2017) who indicate that very often, keys actors within public sector organisations who have the greatest contact with those citizens they serve have a greater empathy for the impact that they may produce. Bro, Andersen and Bollingtoft (2017) propose that there is therefore a tangible link between successful transformational leadership and employee motivations to deliver them.

This tangible link between successful transformational leadership and employee motivations was not recognised by all the Chief Executives in the

research. Generally consistent with the theory of Murphy, Rhodes, Meek and Denyer (2017), the findings demonstrated that all of the Chief Executives felt that they needed to understand any tensions brought about by stakeholders wishing to maintain current ways of working, in the face of their proposal to change them. As the Chief Executive representing the commissioned services model also noted, in their experience without a clear understanding of the background and expectations of local stakeholders, then any change was going to be difficult. The findings also broadly aligned with the observations of Graetz and Smith (2008) regarding forms of stakeholder inertia. The Chief Executive representing the commissioned services model also noted that difficulties they experienced during change usually manifested itself as a general inertia towards any planned changes. The Chief Executive representing the statutory service model described how they pre-empted potential stakeholder change inertia and associated influences for self-protection by ensuring that stakeholders understood the reasons for change and, importantly, communicating the anticipated benefits of the change.

Relating the findings to theories associated with stakeholder's promotion of a self-protection approach during change, broadly consistent with Argyris (1990), the findings supported the notion that stakeholder interest in promoting self-protection was borne out of a feeling of discomfort, associated with a view that change represented a threat to their organisational survival. Discussing manging change in an era of ongoing budget cuts in the public sector, the Chief Executive representing the statutory service delivery model observed that in their opinion no organisation would want to bring about its "*own demise"*(Participant D, 2016d).

Discussing the same issue, the Chief Executive representing a blended service model suggested that during change it may be important to retain funds so as to ensure organisational continuance.

Exploring issues associated with organisational continuance and self-protection further, Johnson and Scholes (2002) suggestion that stakeholder

inclinations towards self-protection may also be as a result of their wish to maintain current ways of working, are also supported by the findings. Discussing the challenges they had experienced managing change, the Chief Executive representing the commissioned service model noted that, in their view, even though it may not appear to be reasonable to do so, there were times when "..*defending turf..*" (Participant D, 2016c) to maintain current ways of working may be required to reflect and empathise with local political stakeholder expectations.

Motivations for self-preservation are also linked to the concept of public service. Bro, Andersen, Bollingtoft (2017) argue that very often the key actors within public sector organisations who have the greatest contact with the stakeholders they serve, will have a greater empathy for the impact that change may produce. The findings do not directly address the notion of empathy with stakeholders, but do provide examples of the Chief Executives suggesting that they should use their discretion to support and even promote self-protection of the organisation for the benefit of stakeholders. As examples, when discussing if national policy expectations should take precedence over organisational self-protection, the Chief Executive representing a blended service model observed that they should, but in their view they didn't. They went on to explain that, when planning for change, it was important to ensure organisational survival and then balance this with stakeholder service expectations. Discussing the same issue, the Chief Executive representing the commissioned service model noted that, during change, first and foremost, public sector organisations protect what they described as "*their sovereignty and space"* (Participant A, 2016c).

Whilst the theories of Graetz and Smith (2008) and Murphy, Rhodes, Meek and Denyer (2016) do highlight some of the challenges and tensions that arise from stakeholder traits of inertia to change and note that public sector leaders may need to pay greater attention to such influences. Graetz and Smith (2008) and Murphy, Rhodes, Meek and Denyer (2017) do not appear to address how Chief Executives in local authority service providers, use their

discretion to overcome influences for local inertia and promote collaboration with stakeholders, by using their discretion to block or adopt policies for change and then decide how the benefits of change are communicated.

Argyris (1990) and Hayes (2007) identify organisational self-protection as an influence in the public sector. They appear to do so from a position that assumes all public sector organisational responses will be similar. Whilst Bro, Andersen and Bollingtoft (2017) draw attention to the role of leaders and infer a link between their empathy for stakeholders expectations and successful change they, like Argyris (1990) and Hayes (2007), do not seem to address how Chief Executives exercise their discretion to support influences for self-protection, and how this discretion impacts which national policies get implemented.

Chief Executives discretion to support or oppose influences for organisational inertia or self-protection will have a direct impact on how national policies get implemented. To discuss in what ways the discretion of Chief Executives impacts how national policy gets implemented, the next sub section explores how Chief Executives use their discretion to influence how policy gets implemented.

5.1.2 Decisions about how policy gets implemented

Having discussed the influences that impact whether a policy gets implemented, this section will now consider how Chief Executives in the local authorities also use their discretion to influence how policy gets implemented during change. This section begins with a discussion of how the attitudes of Chief Executives impacts their approach to the implementation of change and concludes with a discussion relating to how performance reporting is used by Chief Executives to achieve their implementation goals.

5.1.2.1 Attitudes of Chief Executives to change

Examining the circumstances that may influence the attitudes of Chief Executives in the public sector, Fernandez-Gutierrez and Van de Walle, (2018) suggest that public leaders' attitudes to achieving a balance between organisational fairness and effectiveness is directly related to their organisational circumstances, and their own work experience. Fernandez-Gutierrez and Van de Walle (2018) observe that actors at the top of any hierarchical management structure, with a commercial background and education, will favour more efficiency oriented management models. Offering a differing perspective, Clerkin, Christensen, and Woo (2017) advocate that compared to private sector managers, public sector managers will not favour reforms that promote commercial practice and "..*managerialism*.." (Osborne and Brown, 2005, p. 14) (such as those embraced to by NPM), to the detriment of '*political and legal values'* (Clerkin, Christensen, and Woo, 2017, p. 581). Instead Clarkin, Christensen, and Woo, (2017) argue that for reasons of their perceptions of public service, managers in the public sector view issues associated with commercial, political and legal practice in equal measure.

Exploring the attitudes of Chief Executives towards notions of public service, the findings showed that when Chief Executives exercise their discretion to either resist, or not implement, a national policy for change, it was not always as Fernandez-Gutierrez and Van de Walle (2018) suggested, informed by their attitudes to external influences. Instead the findings provide evidence that Chief Executives were making decisions on policy based on their own judgement of the value of the policies themselves. Partially in support of Fernandez-Gutierrez and Van de Walle (2018), the findings did provide a strong inference that Chief Executives' attitudes were informed by their work experience, as the findings show that not only were they willing to exercise their discretion to oppose national policy, but based on their work experience, suggest where it was deficient. As examples, the Chief Executive representing the blended service model, when referring to national policies

for change, noted that in the context of what they described as their interpretation of the *real world* (Participant B, 2015c) very often there was no need for public organisations to change. The Chief Executive representing the blended service model, when assessing the focus and benefit of national policies for change, observed that rather than attempting to address specific service problems, national policies for change instead appeared to be more concerned about changing organisational structure and functions.

Addressing the issue of differing attitudes to national policies for change, the findings showed that Chief Executives attitudes were indeed informed by political and legal practice. However, in terms of commercial practice, the findings showed that the attitudes of all the Chief Executives were broadly negative. When considering the merits of national policies to promote competition between public sector service providers, the Chief Executive representing the mostly in house services model, described the markets as contrived, and of little value. They went on to suggest that such contrived markets could produce a degree of, what they described as *'schizophrenia'* (Participant C, 2016f), amongst public sector service providers. The Chief Executive representing the blended service model, commenting on the merits of national policy to promote collaboration and innovation through policies of devolution, observed that while policy makers may think it should achieve its aims, in reality it would not. Considering the same issue, of the benefits of devolution policies, the Chief Executive representing the statutory service model indicated that national plans that promote collaboration and innovation were just rhetoric. The findings give some support to the theory of Clerkin, Christensen, and Woo (2017) who submit that public sector managers value commercial practice, and what Hood (1991) described as "..*managerialism.*." (Osborne and Brown, 2005, p. 14) in equal measure with those more often traditionally associated with the public sector, such as political and legal practices.

Although the two differing theories of Fernandez-Gutierrez and Van de Walle, (2018) and Clerkin, Christensen, and Woo, (2017) do offer some insight into

the attitudes of leaders in the public sector. Fernandez-Gutierrez and Van de Walle, (2018) appear to do so from a perspective that assumes Chief Executives' attitudes can be predicted based on their organisational circumstances and work experience. Fernandez-Gutierrez and Van de Walle, (2018) do not appear to consider if other factors, such as Chief Executives' preconceived ideas of the value of change policies, will inform their attitudes to change and influence their discretion to support or obstruct national policies for change. Whilst Clerkin, Christensen, and Woo (2017) do draw a distinction between the attitudes of leaders in the private and public sector to competition between public sector service providers, they appear to do this from a philosophical position that assumes that all Chief Executives in the public sector are motivated, or at least significantly influenced, by a sense of public service. Clerkin, Christensen, and Woo (2017) do not appear to address the impact of Chief Executives preferring to rely on their own view of the value and benefits of a given national policy for change, rather than supporting those policies that are associated with public service.

The attitudes of Chief Executives impacts on their discretion to act, and also extends to how they value and apply performance reporting as a management tool during change. To explore this this further, the next section will discuss how Chief Executives in local authorities view and use performance data and reporting to support their policy choices during change.

5.1.2.2 Performance data and reporting

Performance reporting is now established in the public sector and is used to report to national and local stakeholders, both internal and external. During change, performance reporting is often used to identify the benefits of the change being proposed as identified by Johnsen (2005), who asserts that as a tool for change, performance reporting in the public sector can lack rigour and is at best open to a range of interpretations. Jackson (2011) argues that

much of the theory associated with the merits of performance reporting in the public sector lacks rigour, and does not sufficiently challenge the adequacy of the data it produces to support decision making. Making a slightly different point about the use of data produced in the public sector for performance reporting, Taylor (2014) observes that even when collated, very often public sector organisations do not use the performance data they have to support service outcomes. Doering et al., (2019), investigating the dynamics of both internal and external organisational performance analysis, conclude that it is important that performance tools are perceived as mutually supportive to both internal and external stakeholders. Doering et al., (2019) also proposes that performance reporting should be used to identify and communicate the possible benefits of change to stakeholders, rather than used to posit failure.

Demonstrating how Chief Executives use their discretion to adapt performance reporting, and aligning with the concerns of Johnsen (2005) relating to the rigor of performance reporting in the public sector, the Chief Executives representing the blended service delivery model and the in house model, expressed their reservations about national policies that introduce the use of commercial performance reporting management practices to public service providers as a way of effecting change. Turning to the observations of Doering et al., (2019) relating to the challenges associated with reporting pre-established national performance reporting formats, the same Chief Executives described how they used their discretion to resist using established commercial reporting practices, and only choose those that they felt that positively supported their local objectives and policy choices. Partially consistent with the observations of Taylor (2014) concerning the non-use of available performance data, the Chief Executive representing mostly in house service provision model, observed that, in their view, there was no such thing as perfect information, and therefore they had to make of choice of what data to use. They also observed that there were times when they choose to supplement performance reports with a range of information not collected by performance reporting systems, for example service user feedback. This exercising of their discretion to adapt performance reports by

the Chief Executives highlights a selective use of performance data combined with adaptation of performance data, to support local objectives and policy choices.

Performance reporting has developed and expanded at the same time as the sector has been exposed to more marketisation. Greener (2013) observes that in the paradigm of competition between public service providers, they have become cost focused, rather than prioritising functions at any cost. Greener (2013) also observes that as a consequence of public sector service providers becoming more cost focused they have adopted commercial / private sector cost benefit financial controls, underpinned with revised financial, audit and service performance reporting practices.

Demonstrating how the Chief Executives used their discretion to adopt cost focused reporting, and somewhat consistent with Greener (2013), all of the Chief Executives provided examples of how performance reporting had become more efficiency and cost focused. As an example of the cost focus, the Chief Executive representing the blended service model described how they used cost focused financial performance reporting to demonstrate to stakeholders why decisions relating service funding were made, especially when such decisions did not align with stakeholder's assessment of need. The Chief Executives representing commissioned services described how in the context of ongoing government austerity and budget cuts, the analysis and reporting of financial performance had become a key management tool to achieve more for less.

Accepting performance reporting as a key management tool and taking a more positive view about the merits of performance analysis and reporting, Andrews & Entwistle (2013) indicate that the challenges associated with how policy is implemented may, at least in part, be resolved by performance reporting that translates a strategic plan for change into definable benefits that stakeholders recognise. Citing the work of Samuelson and Nordhaus (2007), Andrews & Entwistle (2013) also theorise that in response to public sector reforms (usually associated with NPM), performance reporting seems

entirely focused on efficiency. Whilst the findings do not fully support the findings of Andrews & Entwistle (2013) relating to performance becoming almost entirely focused on efficiency, they do provide a range of examples with all of the Chief Executives linking efficiency with performance reporting, including those that were not always positive about the merits of such data. The findings showed that amongst all the Chief Executives there was some scepticism about the value of reporting efficiency as a means to drive performance. The findings also showed that amongst the Chief Executives there were differing views about what the term of 'efficiency' actually meant and how it should, or could, be reported as an indicator of performance to stakeholders. As the Chief Executive representing the blended service model noted, to most stakeholders the term '*efficiency*' was "*scary"* (Participant C, 2016e) and as a measure of performance in reality did not mean a lot to them. The Chief Executive of the statutory service model initially offered a range of interpretations of what efficiency in performance terms meant to them. The Chief Executive of the statutory service interpretation of efficiency reporting ranged from a measure to report financial controls and reserves, to commenting on productivity and the reduction of waste in all its forms. However, when pressed about how these examples of efficiency were to be achieved, the same Chief Executive suggested that efficiency was an objective, to be delivered by innovation. Casting doubt on the observation of the statutory service model chief executive's view of efficiency and its link to innovation, the Chief Executive of the blended service model suggested that innovation was something more applicable to a scientific setting and that in the public sector, efficiency was more about process.

Whilst Johnsen (2005) and Jackson (2011) each from differing theoretical perspectives raise concerns about the rigour associated with the collation of performance data, Taylor (2014) suggests that even when collated data may be selectivity shared with stakeholders, Johnsen (2005); Jackson (2011) and Taylor (2014) do not appear to address the impact of the quality of data or how chief executive's in local authorities use their discretion to decide what constitutes positive performance data, not how Chief Executives' use of

different definitions of performance will impact stakeholders' perceptions of given policies during change.

Whilst Andrews and Entwistle (2013) indicate that performance data can be a useful way to translate of strategic plans into recognisable objectives, and Doering at al., (2019) highlights that dissemination of performance data can support engagement with both internal and external stakeholders during change, Andrews and Entwistle (2013) and Doering at al., (2019) do not appear to address how Chief Executives in local authorities use their discretion to choose what to communicate, and how to define *efficiency,* and how this selective reporting of performance may impact how policies for change are implemented.

Greener (2013) argues that the public sector has become more cost rather than function oriented when reporting efficiency, and Andrews and Entwistle (2013) put forward that the public sector has now become almost entirely focused on efficiency. Both offer an insight into how national policy has evolved over time. Greener (2013) and Andrews and Entwistle (2013) appear to do so from a perspective that assumes that all of the public sector will respond similarly to national policy influences, no matter what their performance focus is. Greener (2013) and Andrews and Entwistle (2013) also do not appear to address how differing interpretations by Chief Executives' of performance and efficiency, impacts how national policies for change are implemented.

The theories of Greener (2013) and Andrews and Entwistle (2013) do however raise a key issue relating to whether national policies for change rely on assumptions of organisational sameness in local authorities. The next section will consider this issue by discussing how local authorities have applied the national policies associated with the principles of NPM and associated national policies that promote the marketisation of the sector.

5.2 Organisational change

Current literature appears to suggest that all public sector local authorities respond to external influences for change in the same way. This section considers if public sector local authorities are comparable, and react in similar ways to national policies that promote the principles of NPM, and associated marketisation of the public sector. Discussing the public sector, Dunlevy and Hood (1994) indicate that in order to achieve the aims of Value for Money and Best Value, public sector functions may need to be segregated into distinct contractual service delivery departments, to create a competitive environment between them. Dunlevy and Hood (1994) identify that within this marketisation environment, not only the public sector, but also commercial providers will be able to bid to deliver services and functions. Bro, Andersen and Bollingtoft (2017) propose that the principles of NPM and the marketisation of the public sector have been interpreted by some leaders in the public sector as an approach to promote economic efficiency.

The variability of service models in this study (described in chapter 3), indicates that local authorities have responded in differing and inconsistent ways to national policies associated with the principles of NPM. This section considers theory associated with NPM and findings from the interviewees representing the different service models, to examine whether national policies that promote the marketisation of the public sector, rely on assumptions of organisational sameness between local authorities in the public sector. This section will also examine whether theory associated with the principles of NPM, and the marketisation of the public sector, rely on assumptions of sameness in local authorities.

To examine issues of sameness, the section is divided into two sub sections which will discuss the:

- Local response to the applicability of the principles of NPM
- Local financial response to the applicability of the principles of NPM

The second proposed contribution to theory challenges theoretical assumptions of sameness during change. The two sub sections will highlight where the findings differ from current theory.

5.2.1 Local response to the applicability of the principles of NPM

Considering the general applicability of NPM in the public sector, Alonso, Clifton and Diaz-Fuentes (2015) suggest even though NPM has been the focus of substantial research, very little of it considers if its marketisation approach has resulted in greater efficiency, or if it has fulfilled its intended aim to achieve what Dunlevy and Hood (1994) identified as value for money and best value. Mazzucato (2013), reflecting of the applicability of national policies that promote the marketisation of the public sector, suggests that they are at best ill-founded, and are based on a false perception of national policy makers that only competition between public sector providers will promote innovation and service improvement. Mazzucato (2013) advocates that contrary to the perceptions of national policy makers that assume the public sector is intransigent and difficult to change, with the appropriate support, the public sector is more than able to innovate and improve services. Hansen and Ferlie (2016) agree with the general principles of Mazzucato (2013) and suggests, that New Public Management (NPM) as a doctrine for change may no longer be appropriate for the public sector. Hambleton (2019) suggests NPM has or should be replaced in the public sector with co-production management models and approach.

The findings do not provide any examples of explicit support for the differing observations of Mazzucato (2013) regarding the capabilities of local authorities to innovate without adopting the principles of NPM. The findings also do not show that the principles of NPM may no longer be appropriate for the public sector. However, in partial support of the concerns of Mazzucato (2013) and observations of Hansen and Ferlie (2016), the Chief Executive

representing the mostly in house service model indicated that national policies for marketisation lacked coherence when considered from a local perspective. Expressing the same concerns, and partially consistent with the observations of Hambleton (2019) about co-production, the Chief Executive representing the statutory service model observed that such marketisation policies lacked local credibility. The Chief Executive representing the mostly commissioned services model observed that local authorities should be open to competition, and to improve service delivery should consider relinquishing such service provisions to organisations better placed to deliver them.

Investigating if the adoption of the principles of NPM and associated marketisation of the public sector has improved service users' outcomes, the findings support the observations of Alonso, Clifton and Diaz-Fuentes (2015) in that they indicate that local authorities have not scrutinised whether the adoption of the principles of NPM practice, including those associated with the marketisation of the sector, have resulted in improved efficiency or helped to fulfil stakeholder expectations of change. The findings are however, inconsistent with Alonso, Clifton and Diaz-Fuentes (2015) and indicate that amongst the local authorities there was almost a resignation that changes were inevitable and, in response to it, individual local authorities were acting to mitigate any negative effects of it before they manifested themselves at a local level. The Chief Executive representing the blended service model observed that in response to national policies for change, there was now a local recognition that their organisation would need to constantly adapt, if services are to be maintained. Discussing the same issue, the Chief Executive representing the statutory service provision model suggested that in response to national policies for change, local authorities had to strike a balance between external influences for change and local service ambitions. They suggested this is achieved by adapting national policies to reflect local resources and capacities for change.

In addition to resources and capacities for change, the cultural fit of NPM in a public sector setting may also impact how fully NPM is embraced in local authority. Drawing on a range of theory and practitioner's experiences,

Lapuente and Van de Walle (2020) offer a different theoretical perspective as to the applicability of the principles of NPM and associated private sector management practices such as marketisation. Lapuente and Van de Walle (2020) identify that the importation of private management practices may clash with the values of public sector stakeholders. Lapuente and Van de Walle (2020) go on to put forward that the applicability of such reforms in the context of local organisational values are yet to be proved, but will depend on the context in which they take place. The findings showed that from an organisational perspective all of the Chief Executives felt that any organisational reforms needed to align with local organisational values. However, differing local authority views on the stability of such values emerged from the findings. Reflecting on strategies that promote national policies associated with the principles of NPM, and promoted cost reductions, the Chief Executive representing the mostly in house service model suggested that, in order to achieve local buy in for such policies, then they need to align with local values, which they felt in general don't change. Alternatively, considering the same strategic issues, the Chief Executive representing the blended service delivery model suggested that organisational values were not fixed, and needed to keep up with national policy influences for change, to ensure such values were "*fit for purpose"* (Participant B, 2015c). The findings therefore offer a new perspective to the work of Lapuente and Van de Walle (2020) in that they suggest there are different responses when marketisation and values clash during change.

In summary, the theories of Alonso, Clifton and Diaz-Fuentes (2015); Mazzucato (2013); Lapuente and Van de Walle (2020) and Hansen and Ferlie (2016) offer a range of perspectives as to applicability of national policies that promote the principles of NPM, and associated marketisation reforms in the public sector and local authorities. Whilst Lapuente and Van de Walle (2020) draw attention to the context in which policies for change take place. Alonso, Clifton and Diaz-Fuentes (2015); Mazzucato (2013) and Lapuente and Van de Walle (2020) seem to assume that all local authorities are comparable and will respond to national policies for change in similar

ways. Alonso, Clifton and Diaz-Fuentes (2015); Mazzucato (2013); Hambleton (2019) and Lapuente and Van de Walle (2020) do not seem to fully address how the individual local authorities response to policies associated with NPM, and the marketisation of the public sector, have impacted how local authorities achieve Value for Money and Best Value for their stakeholders.

To consider further issues associated with the principles of NPM. The next sub section will discuss how national policies that promote the principles NPM and associated marketisation of the public sector to improve efficiency and reduce service delivery costs, align with local financial expectations of Value for Money and Best Value.

5.2.2 Local financial response to the principles of NPM

Local authorities, over recent decades, have increasingly been subject to funding cuts, whilst at the same time experiencing increased and more complex service and stakeholder demands. According to Joyce (2017) one of the impacts of national policies, that in the interests of financial efficiency, promote the general marketisation of the public sector, is that leaders across the public sector may have to promote competition between public sector providers to meet these challenges, in line with the principles of NPM. Schmidt et al., (2017) indicates that the drive to promote general national policies that promote financial efficiency, characterised by Schmidt et al., (2017) as a '*more with less'* (Schmidt et al.,, 2017, p. 1549) agenda, may place leaders at the juncture of competing forces for financial resources, and ultimately result in one particular type of general cost focused organisational change, which the author does not specify.

The findings provide a number of examples of organisational responses where Chief Executives described circumstances where they were placed at a juncture of competing forces to maintain services, yet make cost reductions in response to policies that promoted the principles of NPM. Inconsistent with

the theories of Schmidt et al., (2017) the findings showed that rather than being generalised, all of the responses to policies that promoted financial efficiency were organisationally specific, and based only on local prevailing financial circumstances. As an example, the Chief Executive representing the blended service model described how in response to reducing local financial resources, they had acted to address these cost savings early, to maintain statutory functions. The Chief Executive representing mostly in house service provision, discussing the risks of change observed that whilst there were many different ways of delivering services and of course it was important to consider them all, in the end it was about making a judgement of what was best to suit local conditions.

Inconsistent with the theories of Joyce (2017) the findings provided only limited evidence of support for the marketisation of the public sector, with only the Chief Executive representing the commissioned service model supporting it. There was also no evidence from the findings to suggest a degree of consistency or comparability, between local authorities and their reasons to engage with marketisation. The findings showed that each acted in response to their local financial circumstances. However, partially consistent with Joyce (2017) the findings did provide evidence of all of the local authorities accepting that in order to achieve financial efficiencies they may have to consider differing service delivery options. Expanding on the point of authorities accepting that in the future they may have to consider differing service delivery models, the findings showed that all of the Chief Executives organisations, were at the very least engaging with, or participating in, the marketisation of their functions and service, even though from some there was an acknowledgement that this participation could have unforeseen organisational consequences. The Chief Executive representing commissioned services model described how financial considerations were uppermost in their mind when making policy implementation decisions. They explained that they felt placing such a high priority on financial considerations allowed them to be best placed to respond to their environment and ensure "..*sustainability and survival..*" (Participant A, 2016b). Discussing the

marketisation of the public sector, the Chief Executive representing the statutory service provision model acknowledged that, in principle, other service providers may be able to offer the services they provided. The same Chief Executive noted that in practice, given the local nature and legal framework of the services they provided, that such contracting out of their services may not be possible. Also discussing the effect of marketisation, even though a supporter of it, the Chief Executive representing the commissioned services model noted that, over time, they had noticed more competition from other local authorities to provide the services they offered. They also observed that in the longer term, this increased competition could impact their financial stability and in the future raise issues of future local organisational purpose.

Discussing financial stability in terms of the effects of austerity, Gardner (2017) indicates that financial austerity and the impact of budget cuts to UK local government authorities have, in some cases, been mitigated by changes to the nature of services delivered. Gardner (2017) theorises that to achieve incremental service changes in times of austerity will require support for a substantive shift in the expectations by stakeholders. Garner (2017) does not however, appear to recognise the impact that local decisions made will have on which services change.

Demonstrating how political assumptions of comparability and similar local authority responses to the principles of NPM are not supported by the findings. The Chief Executive representing commissioned services model, partly in agreement with Gardner (2017), noted that policies that encourage financial austerity will make substantive service changes across the public sector inevitable. The Chief Executive of the blended service model described how for local reasons of financial austerity, they applied the principles of NPM by continually reviewing functions and services to consider if savings opportunities could be made, by not implementing a particular service, or function, at a local level.

The Chief Executive representing commissioned services offered another example of how due to local circumstances, the same external influence may result in a different response. They suggested that, in their view not everything required changes to service provisions, noting that there was a difference between cashable and non-cashable savings. This view was initially supported by the Chief Executives representing a statutory service model, citing as an example, local work undertaken by staff out with their normal job structure. However, partially agreeing with Gardner (2017), when pressed further, they both noted that even when work was undertaken outside normal jobs structures, it always came at a local cost, which in the end may require changes to service provisions to pay for it.

The impact of financial austerity, combined with the promotion of the principles of NPM, is a major challenge for the public sector. Hughes (2017) suggests that the impact of replacing policies associated with public administration in favour of national policies that promote the principles of NPM and associated marketisation, has had a profound effect on the public sector. Hughes (2017) indicates that this effect has manifested itself in a number of significant ways, such as a drive to engage in continuous management reform, and to cut costs whilst maintaining existing service levels. Hughes (2017) observes that, from an organisational perspective, national policies associated with the principles of NPM have produced a degree of instability in the public sector and in effect removed some the agency of local public managers during change. The findings generally support Hughes (2017) observations relating to the impact of national policy reforms. The Chief Executive representing commissioned services model observed that as a result of national policy changes, local authorities now need to be transparent about how they use financial resources to fulfil stakeholder expectations. They also have to be able to demonstrate that they using funding in the best way. Discussing the impact of national policy changes, the Chief Executive representing statutory service model, noted that any management reforms, and changes to service delivery, could not be

actioned until the benefits of them had been clearly demonstrated, and agreed, with stakeholders.

It has been suggested by Hughes (2017), that local leaders had lost their agency to make financial decisions, or adapt policy, in effect creating a more homogenous sector. The findings did not support this. All of the Chief Executives provided examples of how national policies were adapted to suit local service expectations, and financial circumstances. As examples, the Chief Executives representing in house service model described how they, together with other stakeholders, had adapted national organisational reform policies to ensure they kept pace with local service expectations. The Chief Executive representing commissioned services model, described how when planning, whilst they recognised that national policies that promoted the principles of NPM and marketisation were important. Of greater importance was to adapt national policies to address local financial challenges. They suggested that when implementing national policies it was also important to take "*a place based approach*" (Participant A, 2016b), to consider their local impact and ensure local "*sustainability and survival"* (Participant A, 2016b).

Previous theory such as that from Joyce (2017); Schmidt et al., (2017); Gardner (2017) and Hughes (2017) offers a range of perspectives relating to the financial response and applicability of the principles of NPM, and associated marketisation of the public sector and local authorities. Joyce (2017) identifies that in response to the principles of NPM, the public sector may need to adopt the marketisation of its service provisions. Schmidt et al., (2017) observe that the national policies that are based on achieving financial efficiencies may produce a particular type of service reform. Gardner (2017) suggests that national reforms based on principles of NPM and marketisation of the public sector will require significant change to stakeholder expectation. Hughes (2017) suggests that such policies will have a profound effect on the public sector and local government. Joyce (2017); Schmidt et al., (2017); Gardner (2017) and Hughes (2017) appear to offer their respective theories from a perspective that assumes that all local authorities are comparable and

will respond to national policies for change in similar ways. Joyce (2017); Schmidt et al., (2017); Gardner (2017) and Hughes (2017) also do not appear to address the agency of local authorities, and their respective Chief Executives, to respond to national policies that promote the principles of NPM, and marketisation in different ways that incorporate financial circumstances and stakeholder expectations. The following section will discuss how this finding and those from the other sections offer a contribution to knowledge.

5.3 Summary of the proposed contributions

The previous sections in this chapter have highlighted where the research findings of this study offer a different perspective from current Public Administration Theory associated with NPM in the following areas:

- The discretion of Chief Executives to be key actors during change in local authorities
- The comparability of local authorities' response to national policies that promote the principles of NPM and associated marketisation of the public sector

This final section summarises two proposed contributions to Public Administration Theory associated with NPM, beginning with the first which relates to the discretion of Chief Executives to be key actors during change in local authorities and then the second which relates to the comparability of local authorities' response to national policies that promote the principles of NPM, and associated marketisation of the public sector, before progressing to outline the content of the final chapter.

5.3.1 Proposed contributions

5.3.1.1 The discretion of Chief Executives to be key actors during change in local authorities

Current public sector literature that investigates change in the public sector and local government service providers cites a range of ontological perspectives supported by epistemologies which suggest organisational change is initiated as a consequence of the influences that act upon the institution, which in turn then impact a range of organisational actors and functions. Proposing a contribution to complexity theory, my research challenges these ontological and epistemological assumptions by identifying that; Chief Executives in each organisation are the key initiator of organisational change, and exercise their discretion to play a pivotal role in shaping its direction, as they selectively interpret and respond to such influences as organisational continuity and change objective inconsistencies.

5.3.1.2 The comparability of local authorities' response to national policies that promote the principles of NPM and associated marketisation of the public sector

Current public sector literature associated with New Public Management (NPM) and change in local government service providers, cites a range of ontological perspectives, supported by epistemologies which seems to suggest that during change all local authority service provider organisations are comparable and will respond to national policies that promote the principles of NPM and associated marketisation of the sector in similar ways. Proposing a second contribution to complexity theory, my research challenges such ontological and epistemological perspectives, by identifying that local authority service providers are not comparable, and do not respond to national policies that promote the principles of NPM and associated marketisation in similar ways. Furthermore, contrary to existing NPM theory, local authorities and their leadership, whilst recognising the importance of

national policies for change, adapt them to suit and respond to local financial and service and stakeholder expectations.

The next chapter provides concluding observations relating to the research study as a whole, and highlights possible limitations of the work and then proposes future research to address them.

Chapter 6: Conclusions

6.0 Introduction

This thesis considers managing change in public sector local authorities and the role of the Chief Executive during change. Local authorities led by Chief Executives are responsible for significant amounts of public funding and have a major impact on the lives of people in the UK. Over the last few decades, as the level of funding has reduced and the demands for public services have increased, local authorities have had to respond to national policies for change that appear to promote more commercially focused practices, with the objective of achieving more from less. To add to the challenges facing public sector local authorities, national policies for change also appear to assume that all local authorities are comparable, and will respond to such policies in similar ways.

6.1 Literature

Literature demonstrates the challenges facing Chief Executives in local government, and the wider public sector, are numerous given the complex and paradoxical nature of the environment in which they operate. Previous research demonstrates that their role requires Chief Executives to not only manage the *as is* position, but to respond to a modernisation agenda (Harbour and Wilson, 2003; Leech et al., 2018). There is very little research that looks specifically at the role of Chief Executives in either the public sector or local government service providers during organisational change. Some authors see the role as an enabler of change (Hogget and Greer, 2000) whereas others consider it pivotal to the formation of performance frameworks to measure change (Douglas, Jenkins and Kennedy, 2010). The literature does demonstrate the importance of the role (Hayes, 2007) but

appears to consider it more a facilitator of change, rather than a key influence for it.

The review of literature also showed that up to the 1970's, the public sector developed and applied its own definable management approach, referred to in literature as traditional public administration (Osborne 2006). This continued to evolve over the ensuing decades emerging in the 1990's into what academically became referred to as New Public Management (NPM). Whilst NPM is often discussed in literature, it took the researcher time to realise that NPM is more of a doctrine, rather than a theory in its own right, and one which appears to be best placed in the ambit of public administration theory.

Existing theory shows that as NPM evolved the acceptance of its success, was based more on a philosophical position rather than on one which is evidence based. It appears authors fail to critically examine many of the assumptions on which NPM relies, or the impact that individual agency may have on its implementation. That said, the actuality that a NPM approach to drive change has been adopted across most of the public sector has become axiomatic. Decades of research from a wide range of authors offering a range of perspectives, regarding not only the ontology of NPM, but also its associated epistemology, recognises NPM has been adopted by the public sector. Such authors include, but are not limited to (Dunleavy & Hood,1994; Kooiman,1996; Hood, James & Jones et al.,, 1998; Pollitt, 2000; Brown, 2004; Osborne, 2006; Downe et al.,, 2010; Hansen & Ferlie, 2016 and Doering et al., 2019).

6.2 Identifying the literature gap

When considering organisational change in the context of what has become a axiomatic NPM approach in the public sector, theorists appear to suggest that organisational change is initiated as a consequence of the influences

that act upon public sector local authorities, which in turn then impact a range of organisational actors and functions. If the principles of new public management are applied to all local authorities it would be reasonable to expect that local authorities would have developed into similar organisations. The range of service models that do exist therefore suggest that the principles of NPM are not being applied in similar ways. There is neither recognition nor explanation for this in NPM literature.

Recent research does not confer on NPM, either in a local authority setting or in the public sector in general, an acceptance that NPM has aided organisational change or indeed offered a solution to the emerging challenges the sector faces. Instead what emerges is a series of contradictions, which will require further investigation, especially into many of the assumptions on which NPM relies, one example being the assumed benefits of adopting commercial practises in local authorities.

Given the responsibilities of Chief Executives in local government service providers and the public sector in general, there is a surprisingly limited amount of literature that considers the impact and role of Chief Executives in the public sector setting during organisational change. Any literature that does consider the leadership and role of Chief Executives, in either the public sector or local government service providers, appears to do so from the perspective of the role being considered as one part of an overall institutional response to influences for organisational change, rather than considering the impact of Chief Executives themselves.

6.3 Research aims and questions

This research addresses the gap in literature, drawing upon a range of theory including that relating to NPM, to investigate how local authorities and their

Chief Executives respond to change. It does this through two aims, specifically to:

- Investigate how Chief Executives in public sector local authorities apply and implement government policy during change.
- Explore the extent to which local authorities can be considered similar.

These research aims are addressed using the following research questions:

- What is the nature of organisational change, what influences it, and what are the circumstances for it applicable to local authority service providers and the public sector?
- How comparable are public sector local authority organisations and do they experience change in similar ways?
- How did a New Public Management (NPM) approach emerge across public sector local authorities?
- Has the adoption of a NPM approach, impacted organisational change in public sector local authority service providers?
- In local authority service providers, what part does the role of Chief Executive play during change?
- Do Chief Executives in public sector local authorities have any discretion about how they respond to change?

Based on the research findings, and the consideration of existing literature two proposed contributions to knowledge were identified, these were:

- Chief Executives in each organisation are the key initiator of organisational change, and exercise their discretion to play a pivotal role in shaping its direction, as they selectively interpret and respond to such influences as organisational continuity and change objective inconsistencies.
- Local authority service providers are not comparable, and do not respond to national policies that promote the principles of NPM and associated marketisation in similar ways. Furthermore, contrary to

existing NPM theory, local authorities and their leadership, whilst recognising the importance of national policies for change, adapt them to suit and respond to local financial and service and stakeholder expectations.

6.4 Answering the research questions

What is the nature of organisational change, what influences it, and what are the circumstances for it applicable to local authority service providers and the public sector?

The study shows that the nature of organisational change in public sector local authorities is often complex and messy. Change across the public sector can be initiated for a number of reasons, but primarily appears to occur as a result of financial and political influences. The circumstances for change in local authority service providers are not consistent and depend on local influences such as those associated with stakeholder expectations, the influence of national policies that promote the principles of NPM and associated marketisation of the sector.

One other conclusion that can be drawn from literature and the research regarding the influence for organisational change, is that it is further complicated by the evolving interplay between the executive and legislature, as between them they seek to satisfy different stakeholder expectations. As the research findings show, these influences for change often produce a number of paradoxes based on conflicting demands for both resource and service delivery.

How comparable are public sector local authority organisations and do they experience change in similar ways?

In one sense, the way all public bodies are legally constructed, in relation to their executive and legislature roles, make them appear similar. However the study shows that whilst respective executives and legislature may face the same complexities and challenges associated with change, for each, local political influence, stakeholder expectations and financial resource, make each one of them different. Public sector local authorities therefore cannot be considered comparable or similar, as the way each responds to national policies for change is determined by their local circumstances. This is especially notable when considering national policies linked to NPM and the associated the marketisation of the public sector to attain Best Value and Value for Money. This difference in response to such policies is amply demonstrated by the range of differing service models adopted in the sector. At a local level there appears to be a distinction between change influenced by stakeholder expectations and those associated with resources. It could be argued that resource influences are similar rather than dissimilar, as they can in essence be quantified, however, as the study shows, this perception of quantifiability, should not be misconstrued as implying a degree of sectoral uniformity.

How did a New Public Management approach emerge across public sector local authorities?

Existing literature provides a range of evidence that demonstrates that NPM emerged across public sector local authorities from the late 1990s onwards. Of interest is that whilst literature recognises NPM, those tasked with leading and working within the public sector, do not readily appear to understand what is meant by the term. The study shows that since the early 2000s public sector local authorities have responded to national policies which define “Best Value” and “Value for Money”. Such policies can be matched to the

work of theorists who describe core tenets associated with NPM policy. The study therefore provides no additional evidence as to how NPM evolved, but does evidence how some of its core principles are now embedded in national policy

Has the adoption of a NPM approach, impacted organisational change in public sector local authority service providers?

The impacts of national government policies that incorporate the principles of NPM and associated marketisation of the public sector have had a significant influence on public sector local authority service providers. The study shows that over recent decades public sector organisations have adopted a range of commercially focussed management practices including the increased use of performance measurement, which Osborne and Brown (2005) described as "..*managerialism*.." (Osborne and Brown, 2005, p. 14). What the study also shows is that this adoption has not been uniformly applied, and has been adapted to suit local circumstances, resulting in a range of different service models. The evidence for the efficacy of the approach appears to rest more on a sectorial philosophy regarding the potential benefits of commercial practice and the use of performance measures to drive success, rather than any specific evidence of it (Andrews and Entwistle, 2013). However, NPM core principles remain in the public sector, and some would argue are more relied upon now than in the past, as key actors in the public sector and local government service providers attempt to balance resources with evolving demands in an equitable and sustainable way.

In local authority service providers, what part does the role of Chief Executive play during change?

What this study concludes is that rather than being a significant part of an overall organisational response to the influences for change, Chief Executives are, in fact, the key initiators of change and as a key actor, have a

significant impact on it. This impact comes in four key areas. The first comes from how they perceive and respond to differing institutional influences for change. The second comes from how they perceive and respond to conflicting objectives and political influences. The third comes from the key role they play in deciding how to balance the financial constraints of maintaining services, with the need to financially invest to achieved the benefits of change. The fourth relates to how they manage their perceptions of influences of continuity, with those that promote change.

Do Chief Executives in public sector local authorities have any discretion about how they respond to change?

From the research, it can be concluded that Chief Executives sit at the juncture of a number of competing and sometimes contradictory and paradoxical influences, which they need to resolve in a fair and equitable way if they are to fulfil the duties of the role. This dynamic seems to be often overlooked in literature, especially when linked to national policies that promote the principles of NPM and associated marketisation of the public sector.

The study shows that Chief Executives have a high degree of discretion which they use to interpret and adapt national policies for change. They use this discretion to selectivity consult with stakeholders and choose which policies and associated benefits to promote. Interestingly the study also shows that a number of Chief Executives expressed their concerns and even frustrations with national policies that do not appear to recognise the need for Chief Executives to use their discretion to ensure national policies are applicable in local circumstances.

6.5 Theoretical implications of the study

The findings showed that local authorities are not comparable. This has implications for any future research that looks at the public sector. Future academics looking at the public sector should consider designing their research to enable them to consider different types of approach or different structures that exist. Considering academic literature, the proposed contributions to knowledge do suggest that further research is undertaken to investigate how the dissimilarities between public sector organisations impact how national policies for change are formed and expectations of the policies are to be fulfilled during change.

6.6 Limitations of this study

Future research may give additional perspectives by also investigating the views of those that engage with public sector local authority Chief Executives. Likewise from an organisational perspective, future studies may include a wider range of stakeholders, including not only those tasked with service delivery, but also encompassing those in receipt of such services. To further support the proposed contribution, a future longitudinal study over ten to twenty years may be undertaken to compare how organisational dissimilarities evolve. Future research may also consider the role of national policy makers, to gain their perspectives on how the policies for change they put forward are received and enacted.

6.7 Final conclusions

These final conclusions are divided into three sections, the first discusses how the adoption of localism as a strategy has impacted local authorities, and it then suggests why complexity theory is best placed to understand change in the public sector.

The second section examines why national policy makers need to be more explicit about the skills and experience required to fulfil the role of Chief Executive in the public sector, it then offers some suggestions how this might be achieved.

The third section provides a summary of the first two sections and includes some suggestions regarding the development and implementation of national policies in public sector local authorities.

6.7.1 Localism as a strategy

In response to economic austerity and national government policies that promote the principles of NPM and the associated marketisation of the public sector, this research indicates that local authorities have adopted localism as a strategy.

Adopting localism as a strategy appears to have had a significant impact on local authority Chief Executives and their organisations. Chief Executives indicate that it has meant that they have moved away from the traditional role of professional administrator to that of professional negotiator. Chief Executives appear to be using their negotiation skills to balance increasing competition for service, in an era of reducing resources, with a range of other influences including those associated with organisational self-protection. For local government organisations, localism means shifting from a demand based planning approach, to one that use resource based planning instead.

This subtle shift, together with the promotion of the marketisation of public services, has meant that local authorities have adopted a variety of organisationally unique service delivery models. These service models now range from fully delivered in house, to those that are commissioned using external partners, and all points in-between.

All of the local authority Chief Executives accepted that it is the role of national governments to set policies and performance frameworks for local authorities to follow. However, most also felt that such policies were somewhat generic and did little to acknowledge that circumstances differ between local authorities. Examples of this concern often related to what many of the Chief Executives believed was the inappropriateness of trying to promote competition between differing local authorities, in what most believed was at best a contrived market. When asked how they overcame these concerns about national policies, the Chief Executives all provided examples of how they used their discretion to adapt them to make them more locally applicable. When asked why they did this, they all observed that if they did not, they would not have local political and service user support for any policy implementation. They also observed that without local support, change policies were often resisted, making their implementation more difficult, if not impossible. All but the statutory Chief Executive also confirmed that if they and local stakeholders perceived that a national policy for change threatened their organisational existence, then they would have no choice but adapt it in favour of their local circumstances, especially if the policy restricted their ability to fulfil a statutory duty.

Inevitably, the adoption of localism has not resulted in a total break from established ways of working, as local service delivery still involves a complex mix of statutory and non-statutory functions.

Trying to understand why Chief Executives and their respective local authorities respond to national government's policies for change in unpredictable ways appears to be difficult using existing theory. Deterministic

and voluntarist's theoretical positions appear to struggle with the complex interactions between internal and external influences for change.

As research in chapter two indicates, established theory such as that associated with public administration or institutional perspectives are also relatively silent on the reasons why Chief Executives in public sector local authorities have opted to adopt localism as a strategy. Such theory does not fully explain why differing local authorities may choose to act in their own interest, adapting national policies that promote the principles of NPM into differing choices of service delivery model. All of the theories mentioned do appear to offer some partial understanding of why national government policies for change are responded to in the ways they are. By bring such theories together, complexity theory with its recognition that competing influences can produce a form of '...self-organisation...' (Teisman and Klijn, 2008, p. 287) offers a degree of insight into why organisations and their leaders respond to national policies for change in unexpected ways. Complexity theory is able to do this because rather than seeking a definitive and predictable response to national policies that promote change in the public sector, it accepts that organisations will respond in dissimilar ways depending on their organisational circumstances. Complexity theory also offers some insight into why Chief Executives use their discretion to adapt national policies for change in favour of their local circumstances. Addressing this issue, complexity theory predicts that influences for self-organisation, will produce circumstances where certain aspects of change (policy), may be enhanced, and others moderated to produce a future organisational structure (MacLean and MacIntosh, 2008).

6.7.2 Insights for future national policy makers

In an effort to promote local autonomy and accountability, national policy makers appeared to have assumed that all local authorities are comparable and will respond to their policy objectives in similar ways. To add to the

complexity that results from this assumption of sameness, national policy makers also seemed to have decided just what local autonomy and accountability should look like. The best example of this is typified by the promotion of combined authorities, where rather than offering full local autonomy, national policy makers have been very prescriptive about what functions to delegate and which to retain. In the combined authority model, the limitation of autonomy by national policy makers also extends to the allocation of resources and statutory powers, some of which are retained by central government. This retention of powers makes the delivery of true localism even more difficult and complex.

From an organisational perspective, this research suggests that national policy makers' assumptions about sameness extend to the skills, capabilities and experience of public sector Chief Executives. Given the differing responses of the Chief Executives to change, the implication of this research for national policy makers is that greater consideration should be given to test any assumptions of sectorial uniformity, before future policies are rolled out.

The research also highlights how complex the role of Chief Executive in local authorities has become. In the past, the administrative role of Chief Executives was able to rely upon subordinate professional officers within local authorities to offer advice, or exercise delegated authority. Such delegation of authority used to happen within a framework of clearly defined and regulated national policies, with little room for local adaptation.

Chief Executives now operate in complex and changing organisational environments, where they are accountable to multiple stakeholders, at both the national and local levels, each with their own change agenda and expectations. In such a complex environment, national policy makers need to assess if Chief Executives have the required skills, experience and motivations to implement new policies.

Chief Executives in the research indicate that with the adoption of legislation associated with the principles of NPM, they are now placed at the

intersection between competing forces for change. At this intersection, the research shows that Chief Executives will require an ever increasing range of professional skills to be able to assess the complexities associated with differing internal and external expectations. Chief Executives will also have to be capable of assessing and choosing solutions, and be able to communicate their benefit to gain support for any actions they take to deliver them.

To better equip Chief Executives with the skills and capabilities needed to fulfil their complex duties, national policy makers may need to consider professionalising the role of Chief Executives in the public sector. Formalising the training and qualifications required to occupy the position of Chief Executive in the public sector would promote the use of best practice and enable knowledge transfer. Introduction of accredited training for Chief Executives would ensure that Chief Executives have the required legal, financial, technical and administrative skills to optimise service delivery and implement change. Such skills are now required to ensure any local adaptation is appropriate and well judged.

Accredited training would also allow the capabilities of Chief Executives in the public sector to be periodically updated. By bringing Chief Executives together in a formal educational setting, this updating would support the ongoing development of a community of practice, and encourage a more institutional and predictable response to national policy objectives. The accreditation of Chief Executives could also promote a degree of confidence in terms of value for money for those paying for and receiving public services.

From a financial perspective, instituting the formal accreditation of public sector Chief Executives may also give existing mangers in the public sector a more definitive framework to follow and thus be able to aspire to such roles. Upskilling internal potential candidates for the role of Chief Executive and increasing the pool of internal candidates would reduce recruitment costs and risks. Upskilling of staff aspiring to the role of Chief Executive would also

produce a portfolio of knowledge based on experience and learning which may have value when working with other sectors.

6.8 Summary

The findings show that rather than being just implementers or national policy, Chief Executives play a key role in deciding how it will be interpreted and implemented. In some cases this interpretation may be considered obstructive by national policy makers. One example of perceived obstruction may be Chief Executives support for organisational continuance. However, support for organisational continuance may not be as obstructive to national policies for change as they first appear. From the findings it is reasonable to deduce that Chief Executives may feel they are being forced into taking such an approach to maintain functions and services, some of them statutory, in times of budget and resource cuts. Chief Executives appear to face the dilemma of not being able to pass on statutory responsibilities for service provisions, and may not have a local political mandate to outsource the others, hence the promotion of organisational continuance appears to be their only option.

The implication for national policy makers is that greater consideration may be needed to understand how a given policy may be received, and to ensure that assumptions of sectorial uniformity has been tested, before any future policies are rolled out.

In relation to practice, as the findings show, Chief Executives are key actors for change. The implication of this for national policy makers is that a greater consideration of Chief Executives' perceptions and anticipated response to change policies may need to be undertaken. This greater consideration may include a greater involvement of public sector Chief Executives in the development of policy and practice, and possibly a role for national policy

makers to ensure, on an iterative basis, that when their policies are implemented, they are achieving the Value for Money and Best Value they anticipated.

Finally it is clear that even if the proposed contributions of this research are accepted, they represent a small beginning for further research focused on organisational change in the public sector.

Appendices

Appendix 1- General fund revenue, public sector local government

General fund revenue account: Outturn 2012-13 to 2017-18 and budget 2018-19 and 2019-20

£ million – cash terms (a)

	2012-13 (outturn)	**2013-14 (outturn)**	**2014-15 (outturn)**	**2015-16 (outturn)**	**2016-17 (outturn)**	**2017-18 (outturn)**	**2018-19 (B)**	**2019-20 (B)**
Education (b)	37,134	35,881	34,477	34,136	33,382	32,265	33,862	34,296
Highways and transport	4,823	4,795	4,537	4,331	4,013	3,997	4,251	4,864
Social care, *of which*	21,136	21,480	22,587	22,702	23,390	24,164	24,689	25,892
Children Social Care	6,612	6,915	8,091	8,303	8,476	8,834	8,570	9,105
Adult Social Care (c)	14,524	14,565	14,496	14,399	14,914	15,330	16,119	16,787
Public Health		2,508	2,737	3,152	3,480	3,365	3,314	3,242
Housing (e)	1,996	2,025	1,852	1,608	1,508	1,536	1,575	1,680
Cultural, environmental and planning	9,407	9,176	8,915	8,698	8,445	8,293	8,258	8,551
Police	11,337	10,920	10,889	10,932	11,050	11,165	11,374	12,130
Fire & Rescue	2,119	2,089	2,045	1,984	1,961	1,972	2,081	2,188
Central services	3,002	2,845	3,068	3,022	3,159	3,065	2,875	2,969
Other services	118	91	92	70	56	-19	319	340
Total Service Expenditure	**91,072**	**91,809**	**91,199**	**90,634**	**90,444**	**89,803**	**92,599**	**96,152**

Source Revenue Summary (RS) returns 2012-13 to 2017-18, Revenue Account (RA) budget returns 2018-19 to 2019-20. All figures shown in cash terms

(a) These figures are presented in cash terms and have not been adjusted for inflation

(b) Expenditure on education services from 2014-15 is not comparable to previous years due to a number of schools changing their status to become academies, which are centrally funded rather than local authorities

(c) These figures exclude NHS transfers(including Winter Pressure money) from 2012-13 to 2014-15 and Better Care Fund money from 2015-16 onwards

(d) The Health and Social Care Act 2012 transferred substantial duties to local authorities from 2013-14 to protect and improve the public's health

Notes:

1. *Public sector employment estimates rely mainly on data collected from the Quarterly Public Sector Employment Survey and other data sources see section 5. "Measuring the Data" of the report "Public sector employment, UK : June 2109", which can be obtained from the Office of National Statistics.*

2. Public Sector - "*The public sector comprises central government, local government, and public corporations as defined for the UK National Accounts*"

3. Local Government - "*Local government covers those types of public administration that only cover a locality and any bodies controlled and mainly financed by them. It includes police forces and their civilian staff for England and Wales, excluding the British Transport Police"*

4. Central Government - *"Central government includes all administrative departments of government and other central agencies and non-departmental bodies (NDPBs):as such it is wider than the "Civil Service". This sector also includes HM Forces and the National Health Service. Within education, academies are classified to central government".*

Glossary- Public sector employment, UK: June 2019. (Office of National Statistics, 2019)

Appendix 2 - Best Value and Value for Money and their link to NPM

This appendix section provides a detailed review of the formation and evolution of Best Value (BV) and Value for Money (VFM), duties placed upon local authorities. To offer an insight into how such duties are drafted and have evolved, the section begins with extracts from the 1999 Local Government Act that brought them into law, before also considering over time how such duties have been adapted by other government departments such as HM Treasury.

The opening sections of the 1999 Act describe it as:

"*An Act to make provision imposing on local and certain other authorities requirements relating to economy, efficiency and effectiveness; and to make provision for the regulation of council tax and precepts*"..

(Local Government Act, 1999)

Part 1 of the Local Government Act 1999 refers to a term often used in many public sector documents and in other reports; "Best Value", which in general is based on the premise set out in the Act's opening description. The term "Best Value" can be used as a standalone phrase or in association with something else, for example, "Best Value Authority". For the purposes of this research, it is important to consider how it directly links to the public sector and more specifically local authorities. The 1999 Act defines in *section 1* what is meant and encompassed by the term "Best Value Authority". Before looking at this, it is important to note that the Act covers a wide range of statutory and other public bodies and since the act was first introduced, it has been subject to a number of changes, and guidance documents.

The following sections taken from the Act (downloaded and printed in 2020) are identified for their general relevance to this research. Since the Act was first published it has been subject to a number revisions and textual amendments, in the following sections such amendments are indicated by reference codes, for example F1, F2 etc,) of this document as further reference.

What is meant by a "Best Value Authority", the document outlines;

"…(1) For the purposes of this Part each of these is a best value authority-

[F1 (a) an English local authority;]

(b) a National Park authority[(F2 for a National Park in England];

(c) the Broads Authority;…….

[F4 (e) a fire and rescue authority [F5 in England] constituted by a scheme under section 2 of the Fire and Rescue Service Act 2004 or a scheme to which section 4 of that Act applies, and a metropolitan county fire and civil defence authority;]….

[F7 (g) an authority established under section 10 of the Local Government Act 1985 (waste disposal authorities);]…… (HMG, 1999)

The Act refers to "English local authorities"; it clarifies in section part 1 section 2 just what is encompassed by this descriptor,

"(2) [F14 In this section, "English local authority means]

(a) a county council [F15 in England], a district council [or a London borough council];

(b) the council of the Isles of Scilly;

(c) the Common Council of the City of London in its capacity as a local authority;

(d) *the Greater London Authority so far as it exercises its functions through the Mayor…* (HMG, 1999)

Since the introduction of The 1999 Local Government Act, many public bodies have had to evolve their reporting and internal systems to demonstrate their compliance with it, often expressing such reporting in terms of how they plan to, or are delivering "Value for Money", the Department for Communities and Local Government (DCLG), has even produces guidance / tests for it, (DCLG, 2011). Through ongoing political influence such guidance has subsequently been subject to ongoing review, changes to reporting methodologies and even responsible assessment departments such as the Audit Commission, (which was initially set up to audit performance of local authorities against the afore said tests).

In 2014, central government, through the DCLG introduced the Local Audit and Accountability Act. Based on the Act, in 2016, the (NAO), published a leaflet that outlined the new role of the National Audit Office (NAO) in local audit, superseding

the role of the Audit Commission. In terms of original political influence, as the following excepts demonstrate, the NAO builds on the core tenets of the original 1999 Act; as an example, making specific reference to the often used term "*Value for Money*".

"..*The NAO scrutinises public spending for Parliament and is independent of both central and local government. Each year we audit the financial statements of all government departments and many other public bodies, and produce around 65 value-for-money reports for Parliament. Our value-for-money studies focus on whether public bodies have used their resources efficiently, effectively, and with economy*…" (NAO, 2016)

In terms of the NAO's work relating to relevant statute and the NAO's new role in local audit it explains that:

"…*In accordance with the Local Audit and Accountability Act 2014 (the Act), we prepare and issue the Code of Audit Practice (the Code) which sets out what local auditors are required to do to meet their statutory responsibilities. The first Code under the Act takes effect for the audits of 2015-16 financial statements. The NAO is also responsible for issuing guidance to auditors to help them to meet their responsibilities effectively under the new Code…."*
(NAO, 2016).

Reflecting for one moment on the original Local Government Act 1999, to understand its ongoing impact and influence, it is useful to reiterate section '3' "*The general duty*", part 1 that states:

".. *A best value authority must 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…"* (HMG, 1999)

This short extract from the 1999 Act, has been developed and reinterpreted in the H. M. Treasury (HMT), "Public Value Framework", published in 2019, which builds on past work, notes past challenges and proposes a way forward (HMT, 2019) it notes:

"The challenges of assessing public sector productivity are well known. Whereas in the private sector, the output of services can be valued using their prices, the free-at-the-point-of-use or subsidised nature of public services prevents an equivalent method for valuing output". (HMT, 2019).

The document also notes:

"Traditional approaches to assessing public sector productivity have focused on measuring the quantity of inputs used and services provided to the public. Substantial progress has been made over the past decades in developing and refining these methodologies...." "…however limitations remain……".(HMT 2019)

The document provides an overview of a new Public Value Framework, as a way of addressing identified challenges:

"The Public Value Framework offers one way of achieving this. Instead of seeking to quantify inputs and outputs and observe the relationship between them, the framework instead seeks to define everything that a public body should be doing in between to maximise the likelihood of delivering optimal value from the funding it receives….".(HMT, 2019)

In terms of the actual framework itself and the criteria on which it is expected to work, the HMT document describes the following;

"The main criteria that contribute to public value are grouped into four sections or 'pillars' that structure the framework:

• pillar one: pursuing goals focuses on what overarching goals the public body is aiming to achieve and how it is monitoring the delivery of these

• pillar two: managing inputs tests the public body's basic financial management

• pillar three: engaging citizens and users highlights the need to convince taxpayers of the value being delivered by spending and importance of engaging service users

• pillar four: developing system capacity emphasises the long-term sustainability of the system and the importance of stewardship" (HMT, 2019)

It is interesting to note that within the text of the whole document, terms of economy, effectiveness and efficiency occur, (which as a point of interest are found in the Local Government Act 1999). The use of common terms does not demonstrate a direct restatement of the original 1999 Act, however, it does, through the repeated use of such terms, demonstrate an evolution as previously stated. In the 2019 HMT document in the glossary the afore mentioned terms are defined as follows:

Economy - How cheaply inputs are purchased

Effectiveness - The impact outputs have on desired outcomes. Cost effectiveness is where resources are used in the optimal way to achieve outcomes

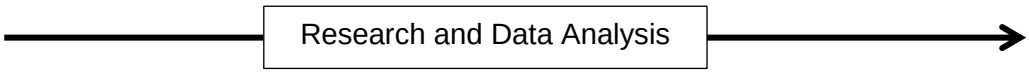
Efficiency - A key feature in the process of turning money into desired outcomes; i.e. to improve efficiency is to improve economy and/or productivity and/or effectiveness

(HM Treasury, 2019)

In consideration of VFM and BV, The Local Government Act 1999 together with others such as those described by the NAO and latterly HMT demonstrate an ongoing politically motivated influence for organisational change from central government. Each builds on an ever increasing focus on improvement, financial effectiveness and organisational optimisation, which is then reported to stakeholders. In financial terms, the Schumpeterian principles and those of NPM appear very evident in BV and VFM policy documentation. As examples, both include the terms, economy, effectiveness and efficiency, and express concerns about the public sector's ability to judiciously apply them. Consideration of the 1999 Act and its subsequent derivations provides documentary evidence as it being a key influence for the origins of NPM, which is self-evident in the lexicon of its text and the date of its placement into law. This link between the 1999 Act and the emergence of NPM is further indicated when consideration of the precursory processes to draw the BV and VFM legislation is taken into account, making it chronologically co terminus with the emergence of NPM as a management doctrine for change.

Appendix 3 - Summary of a grounded theory approach

Thematic Concepts *for general discussion based on document analysis using* ***Open Coding*** *of Policy and Corporate Plans of research participants*	***Thematic Low Level Categories*** *based on* ***In Vivo Coding*** *of initial research meetings conducted using* ***Thematic Concepts***	***Conduct Semi Structured Interviews*** *Headline interview questions based on* ***Thematic Concepts*** *and* ***Low Level Categories*** *(to fully explore subjects and avoid bias introduced by too focused subject headings).*	***Categories*** *based on a further round of* ***Open Coding*** *of the text of the key feedback from semi structured interviews to identify relationships between them and the* ***Thematic Low Level Categories***	***High Level Categories*** *based on* ***Axial Coding*** *of* ***Categories*** *to provide a reorganisation of relationships between them , conceptually ordered to reflect the* ***Thematic Low Level Categories*** *on which to base further analysis*	***Selective Coding*** *of* ***Integrated High Level Categories*** *to identify* ***Core Category. Summary description of Core Category*** *identifies the* ***Key Findings,*** *to be later synthesised with literature to develop theory*



Appendix 4- A review of possible research strategies

Methodology	Description	Other observations
Experiment	"*Research strategy whose purpose is to study the probability of a change in an independent variable causing change in another, dependant variable. Involves the definition of null and alternative hypothesis: random allocation of participants to either an experimental group(s) or a control group; manipulation of the independent variable; measurement of changes in the dependant variable; and control of other variables..*"(Saunders et al.,, 2019, p. 803)	According to Gray (2007), experimental research is most often associated with scientific analysis, which is deductive in terms of approach and aligns with positivism with regard to theoretical perspective.
Survey	"*Research strategy that involves the structured collection of data from a sizable population. Although the term 'survey' is often used to describe the collection of data using questionnaires, it includes other techniques such as structured observation and structured interviews*".(Saunders et al.,, 2019, p. 818)	According to Gray (2007), as with experimental research is most associated with a deductive approach, positivism in terms of theoretical perspective, however, in this case data from highly structured surveys so that any analysis may be applied to other appropriate circumstances.

Methodology	Description	Other observations
Case Study	"*Research strategy that involves the empirical investigation of a phenomenon with its real life content, using multiple sources of evidence"* (Saunders et al.,, 2019, p. 797)	According to Gummesson (2000) and Eisenhardt (1989) there are differing types of case study, either to gain general insight from a focused approach to a specific issue, or to using a more general approach to identify a "*specific conclusion".* In terms of theoretical perspective, and research approach (given the differing approach options), literature is not definitive.
Action Research	*"Research strategy concerned with the management of a change and involving close collaboration between practitioners and researchers. The results flowing from Action Research should also inform other contexts."* (Saunders et al.,, 2019, p. 796)	According to Gray (2007) and Gummesson (2000) action research can either be structured or unstructured; it may involve both quantitative and qualitative data analysis, and embrace a number of theoretical perspectives, which is predicated on a close

Methodology	Description	Other observations
		collaboration between participants and the researcher. Many authors cite this research approach where data is collated based on the researchers active participation and observations of a given event.
Grounded Theory	*"Research strategy in which theory is developed from data collected by a series of observations or interviews principally involving an inductive approach". .* (Saunders et al.,, 2019, p. 804)	According to Corbin and Strauss (2015), grounded theory offers a unique form of qualitative analysis, based on an iterative and holistic process, which uses analysis of initial data to identify themes, which are then used to inform further research, until core concepts are identified to support theory development.
Ethnographic	*"Research strategy that focuses*	According to McAuley

Methodology	Description	Other observations
	upon describing and interpreting the social world through first-hand field study". (Saunders et al.,, 2019, p. 803)	(2008), reflections and observations based on an insider's view of a given organisation can provide an insight that other approaches may not discover.
Heuristic inquiry	Research strategy that "*..is a process that begins with a question or problem which the researcher tries to illuminate or find answer to. The question itself is usually focused on an issue that has posed a* ***personal*** *problem and to which answers are required"* (Gray, 2007, p. 29) Note: bold used to maintain emphasis of original text that was in italics.	According to Moustakas (1990), the interrelationship between the observed phenomenon and the observer, will through its interaction bring improved insight to the observer and thus promote overall understanding.

Appendix 5- Possible limiting factors of conducting interviews and mitigations

Limiting factor	Researcher mitigation
Data analysis bias	The analysis of the data by the researcher, could make it open to interpretation bias, to avoid this, the researcher chose a Grounded Theory approach to analyse data collected.
Researcher bias	As with any qualitative research, the identification of the *truth* or knowledge is based on a degree of interpretation, however, before undertaking the research, the supervisor's team directed the researcher to the work of Gummesson (2000). Gummesson's (2000), work identified the challenges and benefits of preunderstanding, the researcher applied this knowledge to the design of the research process, to focus on emergent data shaped by key themes identified by the research participants rather than the researcher.
Participants reluctance to fully engage in the process	The researcher recognised at the outset that the research process would require full and open engagement with senior public sector participants. The approval to proceed with the research process mandated by the researcher's university; helped address the issue of engagement, by ensuring that all participants had a clear and documented understanding of the research process.
Translation of data for analysis	The interview process produced a substantive amount of rich data, the application of a grounded theory approach to analyse data prompted the researcher to produce a repeatable and robust way of codifying information collated, this resulted in the production of a spreadsheet, which allowed all feedback to be recorded and set against categories and themes to ultimately identify, and evidence, saturated data.

Limiting factor	Researcher mitigation
Structure of the questions used	The structure of the questions used in the interview process could have been used to promote either conscious or unconscious bias, to avoid this the researcher continued to base the general direction of the questions on the emergent themes, and also a continual review of issues discussed with the research participants, which in some sense made them self-directing, but also compliant with principles of Grounded Theory.
Validity and Reliability	The researcher felt that the planning process for the research, together with the issues addressed in the other sections of this table made the research approach viable. Viability could also be said to be attained by the participation and engagement with the process. Reliability is supported by the codification process of the data, which makes it repeatable and robust. The researcher recognises that as with any process, the research approach was not perfect, communication and pre planning could have been improved, as a substantial amount of time was used by the researcher to formulate an overall research strategy.

Appendix 6 – Initial and semi-structured interview list

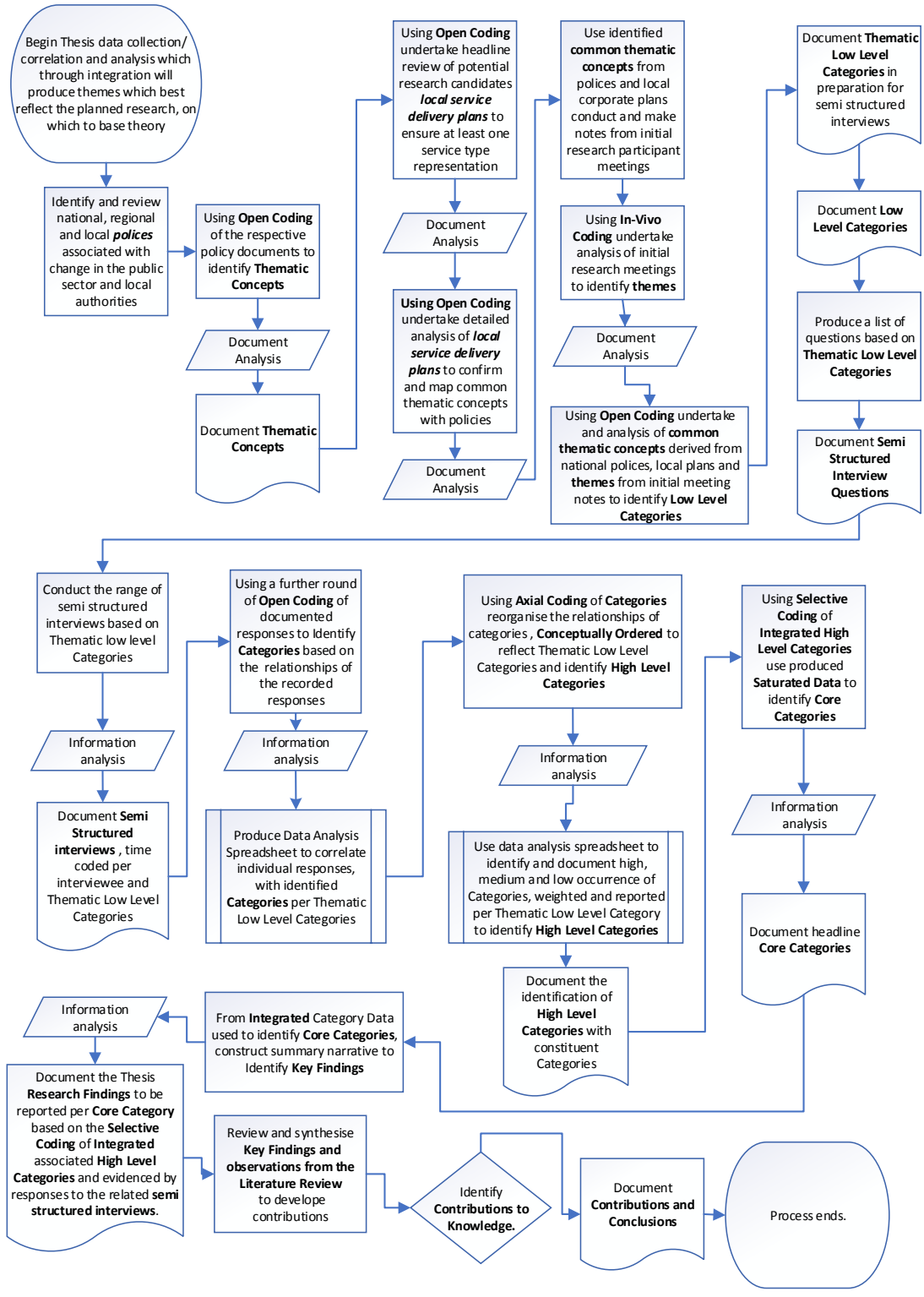
Participant	Theme / Low Level Category	Ref code	year	month
Participant B	Initial intro and discussion	a	2015	June
Participant B	Formative meeting	b	2015	Oct
Participant A	Initial intro and discussion	a	2015	Oct
Participant D	Initial intro and discussion	a	2015	Oct
Participant B	CHANGE INITIATION	c	2015	Dec
Participant D	Formative meeting	b	2015	Dec
Participant B	QULAITY AND PERFORMANCE	d	2016	Jan
Participant D	CHANGE INITIATION	c	2016	Jan
Participant C	Initial intro and discussion	a	2016	Feb
Participant C	Formative meeting	b	2016	Feb
Participant D	QULAITY AND PERFORMANCE	d	2016	Feb
Participant B	CHANGE STRATEGY	e	2016	Feb
Participant A	CHANGE INITIATION	b	2016	Feb
Participant C	CHANGE INITIATION	c	2016	Feb
Participant B	ORGANISATIONAL ENVIRONMENT	f	2016	March
Participant C	QULAITY AND PERFORMANCE	e	2016	March
Participant A	QULAITY AND PERFORMANCE	c	2016	March
Participant D	CHANGE STRATEGY	e	2016	March
Participant C	CHANGE STRATEGY	f	2016	April
Participant B	General - ALL CATEGORIES	g	2016	April
Participant A	CHANGE STRATEGY	d	2016	April
Participant D	ORGANISATIONAL ENVIRONMENT	f	2016	April
Participant B	Reflective - PARTICIPANT LEAD	h	2016	May
Participant C	ORGANISATIONAL ENVIRONMENT	g	2016	May
Participant D	General - ALL CATEGORIES	g	2016	June
Participant C	General - ALL CATEGORIES	h	2016	June
Participant A	ORGANISATIONAL ENVIRONMENT	e	2016	June
Participant D	Reflective - PARTICIPANT LEAD	h	2016	Sept
Participant A	General / Reflective - PARTICIPANT LEAD	f	2016	Oct

Appendix 7 - Overview of semi-structured interviews questions

To Identify Emergent Questions Based on Corporate Document Analysis and Initial Informal Discussions		
Headline Theme	Issues / Questions	Emergent Low Level Category
Change	• What drives change and what are the constituent drivers for it? • Do all organisations have to change and what are stakeholder expectations for it? • Is change often based on a key set of assumptions and how robust are they?	Change Initiation
Environment	• What are the key internal and external factors that affect organisational planning? • Is there such a thing as a fixed organisational environment? • Is it possible to define / codify an organisational environment? • Should benefits align with stakeholder expectation?	Organisational Environment
Change Development	• Can change drive conflicting organisational objectives? • What are some of the key blockers to organisational change? • How is change success measured? • What part do defined organisational objectives play in change and how important are they?	Change Strategy

To Identify Emergent Questions Based on Corporate Document Analysis and Initial Informal Discussions		
Headline Theme	Issues / Questions	Emergent Low Level Category
Change Process	• What are the key elements of any change process? • What organisational resources are required to deliver change? • What part does risk play in any change process? • Can the delivery of change codified? • How are change processes managed?	Quality and Performance

Appendix 8- Overview of the data analysis process



Abbreviations

BV	Best Value
DCLG	Department of Communities and Local Government
HMG	Her Majesty's Government
HMRC	Her Majesty's Revenue and Customs
HMSO	Her Majesty's Stationary Office
HMT	Her Majesty's Treasury
HOC	House of Commons
HOCL	House of Commons Library
IFS	Institute for Fiscal Studies
LA	Local Authority
LGA	Local Government Association
LGG	Local Government Group
NAO	National Audit Office
NGO	Non-Government Organisation
NPM	New Public Management
OGC	Office for Government and Commence
ONS	Office for National Statistics
PFI	Private Finance Initiative
PPP	Public – Private Partnership
UK	United Kingdom
VFM	Value for Money

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Participant A, Research participant, *mostly commissioned service delivery model,* see appendix 6 for meetings list

Participant B, Research participant, *mostly in house service delivery model*, *(see appendix 6 for meetings list).*

Participant C, Research participant, *mostly blended service delivery model, (see appendix 6 for meetings list).*

Participant D, Research participant, *statutory service delivery model, (see appendix 6 for meetings list).*

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