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## **Modernisation, managerialism and HRM: the reality in a small council**

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### **Summary**

This paper examines the operation of HRM in local government in the UK, a hitherto relatively unexplored sector as far as the study of work and management is concerned. Further, the literature as it exists focuses (almost) entirely on County Councils and District Councils. This paper redresses the balance as it considers the nature of HRM in the more local council structure, and takes as its empirical base a case study of a Town Council. The significance of this paper is in its location in the broader national policy context of performance management, quality management and funding, generally cited as an agenda for ‘modernisation’ of public services and, specifically for local government, manifested in this case in the Best Value initiative. The ‘modernisation’ agenda is said to include devolution of powers and responsibilities to enable local democracy, but with centralised regulation and an emphasis on leadership and managerialism. The paper concludes that the challenge facing those working in this sector will be to sustain employee commitment in this changing environment.

### **Introduction**

This paper examines the operation of aspects of HRM in local government in the UK, through consideration of one particular Town Council. Local government is an area of increasing interest as far as the study of work and management is concerned. Much of the existing literature, however, focuses (almost) entirely on County Councils and District Councils (Brooks 2000; Morgan and Allington 2002). Indeed national-level personnel-related policy documents also focus on organisations at these levels to the exclusion of the lower tiers of government such as Town and Parish Councils. Thus, this paper aims to redress the balance as it considers the nature of HRM in the more local council structure, and takes as its empirical base a case study of a Town Council. In doing so, a particular feature of this study is the inclusion of a range of manual and service occupations outside of the professional groupings normally found at County and District levels. Notably these are related to the operation of a leisure centre, grounds-keeping and maintenance, functions that are retained in-house here but which are privately-run or outsourced in some other authorities.

The significance of this paper is further heightened by its location in the broader national policy context of performance management, quality management and funding, generally cited as an agenda for ‘modernisation’ of public services and, specifically for local government, manifested in Local Government Modernisation Agenda (LGMA) policies, predominantly Best Value at the time of this case study, The ‘modernisation’ agenda is said to include devolution of powers and responsibilities to enable local democracy, but with centralised regulation and, importantly for the focus of this paper on HRM, an

emphasis on leadership and managerialism. At local level this has manifested itself as a requirement to incorporate performance targets, change methods of service delivery and deliver 'continuous improvement.

In this context, the paper explores aspects of the reality of the extant HRM practices in the council, and seeks to explain why they are as they are, and to evaluate the contribution of the current practices. Job design, pay, training, performance appraisal, communication and health and safety issues are examined, in the context of the organisation's approaches to management control, devolvement and coordination.

### **Managerialism and the Local Government Modernisation Agenda**

As outlined by Martin and Bovaird (2004), the Local Government Modernisation Agenda currently comprises the following array of policies: the Beacon Council Scheme, Best Value, Capital Strategies and asset management plans, capacity building, comprehensive performance assessments, electronic governance, intervention and recovery support, Local Public Service Agreements, Local Strategic Partnerships, the National Procurement Strategy and powers to trade and other freedoms. Individually and collectively, these are expected to lead to improvements in the culture and capacity of local authorities; more effective local partnership working and better central-local relations. These in turn are anticipated to lead to improvements in services and increases in both staff and user satisfaction.

An understanding of these can be enhanced further when they considered as artefacts of moves towards managerialism across the UK public sector. This provides important context for the study of local government. Such moves have been well documented (Farnham and Horton, 1993; Walsh, 1995; and more recently by Kirkpatrick et al, 2004), and have an emphasis on the three 'E's of economy, efficiency and effectiveness (Pollitt, 1990) with the search for an excellent organisation. More specifically, Martin(2002) identified three overriding objectives of the Local Government Modernisation Agenda (LGMA) as improving the quality of local public services, enhancing the capacity of local councils to provide vision and community leadership and increasing their level of engagement with local people.

Broader contextualisation is important here for a number of reasons. Firstly, it is necessary to appreciate that managerialism is contested, in terms of agenda and in terms of practice. As Clarke and Newman (1997) recognise, the origins of managerialism in the public sector are far from clear. It may stem from political ideology of the 'new right' and also from economic pragmatism in the context of the crisis of the welfare state. Thus while introduced in the name of market-responsiveness, managerialism may hide other agendas of cost-reduction and more direct control (Kirkpatrick and Martinez-Lucio, 1995; Walsh, 1995; Shelley, 2000). In addition, Shelley (2005) records that whilst a common argument is that a universal form of commercial style managerialism has been introduced at the expense of other forms of governance and organisation, this may have been viewed rather too simplistically. Managerialism is contested by managers themselves (Armstrong, 1991; Smith, 1993; Clarke and Newman, 1997), which may lead

to partial and mediated responses. These angles are important to explore further in the local government analysis.

The practices associated with managerialism are typified by a package of management ideas summarised by Randle and Brady (1997) and Shelley (1998) as including: strict financial management and budgetary controls; the efficient use of resources and an emphasis on productivity; the extensive use of performance indicators; the development of consumerism and the concepts of the market; the manifestation of consumer charters; the creation of a flexible workforce; using flexible/individualised contracts, appraisal systems and performance-related pay; and the assertion of managers' rights to manage.

In emphasis, these are operationalised to control work both directly and indirectly (Walsh, 1995). The direct approach is characterised by continual efficiency and productivity disciplines, use of technology, and assertion of managers' rights to manage (Murray, Noble and Grey 2005). The indirect provides incentives to elicit the work commitment of employees stressing notions of customer and quality, devolution and delegation, but with emphasis on performance measurement and audit. Cochrane(2004) has observed this as a paradox of modernisation and as "combining a rhetoric of decentralisation and empowerment with an increasingly direct involvement by the institutions of central government and a range of other state agencies in the practice of local government" (p.481).

The recent Martin and Bovaird (2004) report suggests that overall local authority services have improved by around 10% since 2000/2001. However, despite moves towards 'modernisation', it also found that public satisfaction with the overall performance of local government is low compared to most other public service providers and has declined since 1997. Satisfaction with the value for money provided by councils has also decreased (this is related in particular to council tax). The overall reported view was that LGMA policies have played an important role in improving services over the last three to four years. However it was also noted that "given that many authorities report difficulties keeping pace with what has been a fast moving agenda there is a strong argument for a period of relative stability in which existing policies are able to 'bed down'". (p.79). Following the widespread abandonment of Best Value in 2003, it was further noted that "it may be necessary again to look at ways of encouraging councils to consider alternative approaches to delivery" (p.80).

In this particular local government case, the emphasis and awareness was on the Best Value regime. This in effect required authorities to review all their functions over a five-year period; publish annual performance plans and submit performance plans to external audit and reviews to independent inspection. As Boyne et al noted in 2002, there were concerns then regarding Best Value in terms of not delivering rapid changes in organisational performance and standards, being overly bureaucratic and focused on processes rather than results and further criticisms that implementation had been slow. A review of Best Value in 2002 led to revised guidance from the ODPM in 2003 which removed the requirement for a 5-year review. Additionally, councils who did well under

the Comprehensive Performance assessments were no longer required to produce a performance plan.

One interpretation of these assessments would suggest that 'modernisation' would appear to have been, at best, only a partial success. It is timely therefore, to consider whether the confusion of agendas and the extent to which managerialism is contested, discussed earlier, may explain the limitations of modernisation. In particular, the question remains as to what managerialism now means in practice for the experience of work and to what extent various initiatives are merely a disguise for a range of exercises in cost-reduction. Further, if this is the case, it is necessary to explore the risks that may be associated with such actions. This paper attempts to get closer to these issues by an examination of the introduction of HRM practices as part of the modernisation agenda in the public sector.

### **Human Resource Management in the Public Sector**

In examining the nature of work and of work management in local government, managerialism can be diagnosed through analysis of Human Resource Management (HRM) approaches and practices. One consideration of 'good practice' HRM takes notions of 'high commitment' HRM models, following Beer et al (1985), and as specified further by Guest (1987) and Storey (1992). In particular, Guest's (1987) model sees HRM engendering employee self control in organic and flexible work structures, taking an individualist and high trust approach to employee relations, whilst citing a unitarist perspective. These models have been interpreted as operating in so-called 'hard' and 'soft' manifestations. The 'hard' version reflects a utilitarian instrumentalism (Legge, 1995) and emphasises the quantitative, calculative and business-strategic aspects of managing the headcounts resource in a 'rational' way as for any other economic factor. It includes anything that fits the business strategy such as low pay or employment insecurity (Sisson, 1994). By contrast, the 'soft' version is based in the human-relations school and emphasises communication, motivation and leadership (Storey, 1989). It is thus more akin to a notion of developmental humanism (Legge, 1995), with an aim to elicit employee commitment and to develop resourceful humans (Storey, 1992). Both approaches parallel Friedman's (1977) concept of a 'direct control'-'responsible autonomy' continuum.

A further confusion arises from studies which identify a reality of 'hard' HRM practices in organisations, despite rhetoric of 'soft' HRM (Legge, 1995; Purcell, 1999). A reality appears to be that various aspects of these models (or 'bundles'; Bach and Sisson, 2000) may be selectively applied in particular organisations, particularly High Performing Work Organisations (HPWOs) (Ashton and Felstead, 2001) or for particular occupational groups (so-called 'knowledge workers') (Warhurst and Thompson, 1998; Storey and Quintas, 2001) in a high commitment working culture.

A further issue is to consider is the way in which HRM embraces the concept of control through marketisation and customers. With its origin in private sector organisations, the need for HRM to embrace marketisation is perhaps obvious. As such, Storey (1992) posits that a distinguishing feature of HRM is a 'can-do' outlook which employees are

expected to have as they work 'beyond contract' in fulfilling the key relationship they have, according to Storey (1992), namely that with the customer, rather than between labour and management. With the adoption of HRM by a wide range of public as well as private organisations, of particular interest here is the way which notions of 'public service' are co-opted by the customerised rhetoric of such a managerialist agenda, or the way in which they may remain distinct from such an approach.

The analysis of managerialism in the modernisation of working practices in local government requires an investigation of direct and indirect control strategies, and of particular HRM practices within these. In respect of the latter, it is useful to take Guest's (1987) work as a base 'model' of HRM, whilst recognising the complexity involved in interpreting such a model (Legge, 1995) and practices (Shelley, 1999). The model highlights the use of HRM policies in organisation/job design, change management, recruitment and selection, appraisal, training, reward and communications. These are intended to have human resource outcomes of strategic integration, employee commitment, flexibility/adaptability and quality and, in turn, to have organisational outcomes of high job performance, problem-solving, change, innovation and cost-effectiveness, with low employee turnover, absence and grievances (after Guest, 1987).

An understanding of the operationalisation of HRM, and indeed other management models, in the public sector is still relatively sparse. Posing the question of whether the public sector retained its model employer status, Morgan and Allington (2002) reviewed HRM practices in the NHS, central and local government and higher education through primary and secondary sources. They concluded that the 'hard' HRM model of transformation appeared to be more dominant than the 'softer' transitional model (Corby 2000) and identified in particular job restructuring, trade union density and pay as areas for concern.

Storey (2001) analysed the introduction of 'strategic management' in a UK local authority and noted that the structural changes associated with strategic management did unsurprisingly involve the establishment of 'strategic elite'. In this context he found that the notion of flexible Taylorism emerged as an effective counterbalance to the dysfunctions of increasing specialism. In a large scale study, Boyne (2003) reviewed sixty-five empirical studies of public service performance. However, these were not all in local government as it is understood in the UK context. Further, only eight of these studies examined the impact of HRM, and these included aspects such as staff satisfaction, PRP, personnel stability, job security and staff morale. Acknowledging the difficulty of generalisation due to diverse measures of what constitutes HRM, the results indicated that it was the softer aspects, such as satisfaction and morale which were related to performance improvement. The overall outcome of the review was that the most consistent influences on performance were resources and management. Also in the context of HRM, Gould-Williams (2003) conducted a survey of UK local government employees. Following Guzzo and Noonan (1994), he notes the exclusion of the concepts of trust from HR models( although it is acknowledged as an intervening variable in explaining how HR practices impact on employee attitudes) and assesses the impact of bundles of HR practices (specifically employment security, selective hiring,

teamworking, performance-related pay, training and development, egalitarianism and information-sharing) on workplace trust, job satisfaction, commitment, effort and perceived organisational performance. He concludes that HR practices are powerful predictors of both trust and organisational performance.

### **The Town Council Study**

*“Parish and Town Councils like ours haven’t yet been dragged into the twenty first century”* (Technical Manager).

This small scale but longitudinal (12 month) study adopted a multi-method research approach, involving document analysis, participation in meetings, questionnaire survey and semi-structured interviews, undertaken over a twelve-month period. Following Yin (1994), the case structure is one of a single embedded case. The analysis incorporates two important dynamics during the time period: a change of political control of the council; and the influence of the council’s initiative to employ consultants to undertake an HR review and to implement job evaluation and performance management practices. This is not a broad-ranging case and we would not make claims that the observations are widely applicable. However, our findings resonate with much of the secondary data in terms of the application, or lack of application, of HRM in practice.

What became very evident in the early stages of the case study was the manner in which the Town Council appeared to remain peculiarly untouched by the modernisation and Best Value agendas. Despite the explicit construction of a Best Value document, there was a marked absence of what might be called ‘good practice’ HRM and performance management practices. ‘Modernisation’ seemed somewhat anachronistic in the context of this organisation. This may be in part explained by Boyne et al’s (2002) findings in the Welsh context. Reviewing the impact of Best Value performance plans on accountability, they found that one persistent difficulty was a poor level of data. This was not just related to a lack of performance indicators prior to Best Value but significantly to limited staff expertise in performance management.

The case study Town Council served a population of approximately 28,000 residents. It had broadly community and recreational aims to represent residents and work in partnership with other appropriate organisations in order to provide high standard and cost-effective social, recreational and cultural services. Specific responsibilities include the running of a leisure centre; playgrounds, playing fields and community centres; town festivals; twinning; and a range of other activities such as involvement in planning applications, school governor appointments and economic regeneration initiatives.

Other services in the town were provided by two principal Councils the County Council and the District Council. The Town Council itself comprised 15 elected Councillors, each serving a 4 year term and from whom one is elected Chairman on an annual basis. Most of the business of the Council is delegated to 4 committees. The Council employed 30

FTE staff of which 28 were fully contracted, together with a range of part-time/casual staff as required.

The Town Council had a duty of 'Best Value' placed upon it and had produced a Performance Plan in order to seek continuous improvement in the economy, efficiency and effectiveness of its functions. It was in this context, with the need to achieve the priorities highlighted in the 2002 Best Value Performance Plan, that the Town Council wished to review its existing staff structure and operations. This provided the background to the research programme.

The aim of the Human Resources Review was to undertake an examination of job requirements, human resource activities and the wider work context of both the Leisure and Maintenance functions, together with the central services; giving an overview of the current human resources context at Town Council. Specifically this sought to include: description and analysis of current staff structures and job requirements (these had been largely undocumented); assessment of the Town Council context for core human resources activities (eg. Pay and reward, recruitment and retention, training, development and progression); an overview of staff attitudes to work at Town Council; and identification of future options for HR review.

The evaluation of staff attitudes was broadly based on the expectancy theory approach of the job characteristics model of motivation and performance as originally developed by Hackman and Oldham (1980). Much of the basis of current normative models of performance management (Armstrong and Murlis 1991) have their roots in the expectancy approach (Vroom 1964). Consequently, part of the process elicited employee responses to elements of this approach such as task identity, task significance, feedback and autonomy (also identified by Steers, in Gould-Williams (2003), as one of the antecedents of commitment).

Leisure and maintenance staff were found to have broad roles and tended to operate on the basis of a combination of custom and practice, experience and seasonal requirements. Such broad roles include management functions as well as operational work (playing fields, buildings, carpentry, plumbing, electrics, equipment, portering, etc very often being done by the same small group of workers in a climate of 'mend and make do' with elderly machinery).

*"cos with the District Council they've got Marketing, Personnel, etc – we do a bit of everything"* (Leisure Manager)

*"we do all the vehicle maintenance, get them ready for their MOT, ..... pick up litter, deliver leaflets, move bouncy castles, shift furniture, shift burnt out cars .....two or three weeks ago we were painters and decorators, then lumberjacks – we were on chainsaws which is usually the job of an arboriculturalist ..... (even) being Santa on a float at Christmas"* (maintenance staff).

Such breadth of work may be due to the small numbers of staff employed, but with the threat of outsourcing this helps to keep costs down.

*“we’ve got play equipment to go in. Some councils use an external company as a sub-contractor – but we’ve got something being taken out of one site and moved to another, so some of our guys have painted it up, then we’ll all gang up and go down and do it together – that’s to keep the costs down”* (Technical Manager)

Also in a potentially competitive environment, such multi-functional flexibility makes benchmarking difficult and so frustrates political intentions to easily identify and separate out activities for outsourcing, and indeed managers have positively used this to protect their service and staff, as this comment about the spectre of Compulsory Competitive Tendering (CCT) shows.

*“we like to be flexible.... to do a bit of everything... to keep them away from CCT”* (Technical Manager).

There is a perception by staff that they are providing a public service, yet with leisure provision there is no statutory responsibility for local authorities to provide and thus there is a tension between public service provision and private sector competitors, for clients, staff in the local labour market, and as potential outsourcing organisations. The political dimension is also apparent here.

*“I’m a leisure provider, that’s what I like, that’s what I get off on. We’re an old-fashioned leisure provider. We can keep people out of hospital if they’re fit, whereas the private sector are just interested in the bottom line ..... all they’re interested in is bums on seats and memberships. I’m more interested in seeing 50-plus year olds using our gym and three-year olds running round in my hall, although they don’t make much money!*

*I guess what we have to do is run the leisure facilities with a varied programme for all sections of the community, try to have a varied programme (badminton, keep fit, aerobics, etc) rather than just having 5-a-side (football) every night (which brings most money and) which I can sell ten times over.*

*“the Tories would want to reduce expenditure. The Labour philosophy has tended to be – it’s a service, want to keep the prices cheap, offer a playscheme, .... because this has always been seen as a poor town”* (Leisure Manager).

There is therefore a keenness, also partly enforced by Best Value, to be seen to be accountable and to provide value for money for council tax payers.

So, there have been “new developments, for new housing developments, a new play area, etc. We’ve got to be seen to have a presence there otherwise people will begin to question why they are paying that bit of their Council Tax to the Town Council”

So, despite the public service ethos,

*“The incentive is clear – to reduce the amount the leisure centres cost to run from the Council Tax ....., to move things around so that all areas bring in money, particularly during the day time.*

*We go for a niche market – mainly women in their 50s who are scared of the new equipment in the new gyms” (Leisure Manager).*

There are also illustrations of the competitive environment and potential for confusion and duplication between the Town and the District Councils that cover the same geographical area.

*“a lot of people don’t know we (the Town Council) exist .... We quite often get people coming up and saying ‘when are you going to collect that rubbish?’ and we say, that’s not us, that’s the other council, the District Council” (Maintenance worker).*

At management level, there was some operational freedom on work tasks, but at the same time management activities were constrained by centralised accounting and authorisation processes. The work of other staff was guided by daily work sheets, and ‘day books’ to report at the handing over of shifts but these were not consistently kept or read and there were problems in how this operated between sites. Best Value had brought in the use of tick sheets to record activities,

*“to count how many times we cut the grass” (maintenance worker).*

However, in general enjoyment of the work was frequently expressed by staff at all levels. The nature of sports and leisure work, working outdoors, and social satisfaction gained from providing a public service, all contributed to this. Indeed, the relatively high perceived task significance attached to work, and the feedback from the job may have helped to counteract the lack of formal performance management. Overall, staff were generally happy with their jobs, and the Council was generally seen as a good place to work.

With regard to specific HR aspects, staff had very mixed views on recruitment, which was generally seen as problematic at all levels. It was felt that contractually formalising casual work would provide an incentive to recruit. Pay was seen as a contributory factor but so was being able to package an attractive mix of training, experience and performance-related incentives.

From supervisory level and below, training was largely through informal learning on the job and certain training courses were available if requested. However there was no appraisal, developmental or otherwise, and no structured way of consistently assessing training requirements. Training is set within the multi-tasked function and thus there were the previous examples of staff such as groundskeepers who are qualified in one area but required to work in others. It is in this context that a number of staff appeared to have wide-ranging practical knowledge, gained from experience working alongside others and through informal learning on the job. Nonetheless, the vast majority of questionnaire

responses indicated that the match between the skills profile of individuals and the skills required of the job, were 'about right', although 50% of respondents had not received any training, and 30% rated training as either first or second in terms of HR priority for the council.

Performance management was basic with standard discipline and grievance procedures which appeared to work well. Although there was some feedback intrinsic to the job, and although staff interviewed acknowledged that their work fitted in with the broad aim of the council, typically perceived as being to provide a public service, there was no performance appraisal in place at the time (only two people had ever received performance appraisal at the council), even for managers, nor objectives set, and a common feature appears to be a relative lack of positive recognition for work done well.

*“appraisal should be there as a way of evaluating what someone has done – what they’re good at, what they’re bad at ..... but that’s never been done for me”*  
(Leisure Manager).

Related to this was that the vast majority of staff did not perceive that they had any promotion prospects.

*“I have no personal or career development planning as a manager – but, yes, I’ve had training to be a licensee, on sports coaching, first aid, food hygiene...”*  
(Leisure Manager)

*“there is no pay progression. It basically stays the same”* (Maintenance worker).

Certain managers and administrators raised issues about the lack of appropriate devolved responsibility for decision-making, and the ambiguity involved in making decisions to satisfy a number of different interest groups. Thus, roles included responsibility for: discipline; and quality of service (although this was not objectively evaluated); and itemised budgets, but although there were itemised budgets there was little involvement in the budget-setting process, and managers were restricted in the expenditure decisions they can make. There seemed little devolved opportunity to manage flexibly across budgets. Such issues were dealt with centrally and by committee.

*“the downside is, silly little things like, suppose I want to buy a new strimmer – I have to go cap in hand...”* (Technical Manager).

Hiring decisions for contracted staff also involved central staff in decision-making. At middle-management level, typical responsibilities include rotas, hiring and bringing in casual staff, but they didn't see themselves as “boss” and did not feel empowered in any particular sense. Nonetheless there were many instances of being on call on a 24-hour basis for security monitoring.

Notwithstanding this in so far as responsibility issues were concerned, the majority of staff are satisfied with the amount of responsibility in their job. Perceptions of autonomy

with regard to work method (Breugh, 1985) were nonetheless high overall, with work-scheduling autonomy being predictably lower in the service related elements. In relation to the other job characteristics elements, skill variety was perceived as moderately high, particularly in the leisure and maintenance functions, but this was not seen as necessarily desirable in the context of multitasking. What was striking was the number of employees who reported high task significance, regardless of the nature of the job. This was very much associated with embedded awareness of the council as a service organisation, even if as somewhat an old-fashioned one.

Trade Union membership was low, being confined to groundstaff and building services. There was no shop steward on site. Most staff believed that their work conformed to health and safety requirements although there were some individuals who experienced through work overload and staff shortages.

With regard to pay and reward, 65 per cent of staff listed pay as the aspect of the job these staff would most like to change and there was a view that pay compared not unfavourably with other staff internally, but was worse when compared to external jobs. However, in many instances, it was difficult to find an external comparison, given the level of multi-tasking involved. Indeed a key feature of the council's culture was the level of flexibility in work organisation with the term "family culture" frequently cited (although not directly elicited). This was generally seen as something to maintain, albeit in the context of some role conflict and ambiguity.

The recommendations of the review included the consistent application of job descriptions and following this that a job evaluation conducted should be conducted. It was further recommended that the pay process be more transparent, including the clarification of overtime rates and conditions. In addition, recruitment practices were to be reviewed to ensure that the good features of the Council were made clear to potential candidates and, finally, that a system of performance appraisal be developed. At the end of the review period, a job evaluation system was implemented with a view to setting up a broader performance management process, including appraisal.

This was a case of a council that was not failing despite having little consistent explicit evidence of planned either transformational or transitional HRM, or what could be more broadly categorised as 'hard' or 'soft' HRM. Notwithstanding this it did demonstrate aspects of HRM which are often left to rhetoric – in particular, the customer first emphasis and flexibility, and a culture of what might be termed "accidental unitarism", although as against this there was little emphasis on the softer aspects emphasising communication, motivation and leadership.

In summary, it is evident that there are both advantages and disadvantages in practice to the current ways of working in the council. The current HR practices can be described as largely informal. Jobs are difficult to define because they involve multiple tasks at different levels of responsibility. In terms of operational outcomes this brings the advantage of flexibility as everybody pitches in to help run services. There is a sense of loyalty and commitment to the concept of public service provision and to the immediate

team and department, if not the council overall. Nevertheless, problems are apparent with a lack of clear job descriptions and of transparent grading, reward and career progression structures, leading to perceived inconsistencies and discontent. Responsibilities for issues of training and health and safety are not clear and these activities are often neglected. As a result there are concerns about recruitment and retention problems, and these appear to be the key drivers for change in the council's approach to HRM. Interestingly, although the council's Best Value plan is cited in this context, and newly-elected members of the new Conservative administration appeared to raise issues of efficiency, outsourcing and (implicitly) job losses on their appointment, neither appear to have had a direct influence on the HR approach of the council to date. In their consideration of electronic local government and the modernisation agenda, Beynon-Davies and Martin (2004) have observed that

“our evaluation of draft IEG strategies, combined with evidence from the early impacts of the Best Value regime, suggest that, contrary to central government's expectations, many authorities do not aspire to re-engineer existing processes in ways that will lead to transformational changes in service design and delivery. Rather, they are aiming, in the first instance at least, for relatively modest, incremental changes. These are likely to involve the introduction of electronic service delivery in parallel with, rather than in place of, existing approaches” (op cit p.226).

## **Conclusion**

The paper concludes, paradoxically, that despite the lack of formality and the lack of explicitly-named HR practices, the current situation embodies much of the high commitment and flexibility concepts found in good practice HRM models. Also similar to such models is the customer-focus, albeit rationalised as local public service provision here, which partly explains why staff undertake this work. The current personnel situation of multi-tasking has perpetuated the insulation of the council from outsourcing and privatisation pressures because of the difficulties involved in clearly separating out work functions for costing and external comparison. The Best Value agenda for service delivery has been met through staff goodwill that arises from this current situation. In addition to the ethos of public service provision, goodwill and work performance can also be explained by the social contact with work colleagues and the loyalty staff have to each other at team and department level. In this context, the impact of 'modernisation' appears, at best, partial; although there is a recognition that some improvements may be necessary through greater managerial approaches.

The dilemma that now faces the council is how to retain the advantages of the current way of working, whilst addressing the problems. The recent consultancy work on job evaluation and performance appraisal is likely to lead to greater transparency of grading, pay and career structures, salaries better aligned to the external labour market, and some minor changes to the organisation structure. This more explicit formalisation of HRM practices provides the council with a more 'modern' HRM approach and should go a long way towards addressing equality, recruitment and retention concerns. However, such formal structures are undoubtedly managerialist in nature, shifting the sources of reward

and motivation away from the immediate job context to a line management structure and more centralised power source. As such, they run the risk of alienating staff and managers and losing the advantages of current working practices. Thus the challenge facing those working in this sector of local government will be to sustain employee commitment and service provision in such a changing environment, despite the fact that commitment and performance arguably form the basis of normative HRM.

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